

TIP: Carefully read chapters 12, 15 and 16***

Chapter 8

What are the key functions of setting objectives?

- Organizational objectives are the end states or targets that managers aim for, while plans are the means by which managers hope to hit the desired targets.
- From this perspective, setting organizational objectives has to precede the development of organizational plans – without objectives (targets) plans make very little sense
- Objectives help set direction focus effort, guide behaviours and evaluate progress

Define Strategic Plans: (might have to define all 3 types though)

- Strategic plans focus on the broad future of the organization and incorporate both external environmental demands and internal resources into the actions managers need to take to achieve the long-term goals of the organization
- Strategic plan cover the major aspects of the organization including its products, services, finances, technology and human resources

Define Tactical Plans:

- Translate strategic plans into specific goals for specific parts of the organization
- Tend to have shorter time frames and to be narrower in scope
- Typically affect a single business within an organization rather than focusing on the entire corporation

Define Operational Plans:

- Translate tactical plans into specific goals and actions for small units of the organization – focus on the near term (less than 1 yr)
- Least complex of the three and rarely have a direct impact beyond the department or unit for which the plan was developed

What are the key elements of operational plans?

- Operational plans translate tactical plans into specific goals and actions for small units of the organization and focus on the near term.
- The near term is typically 12 months or less

- These plans are the least complex of the three and rarely have a direct impact beyond the department or unit for which the plan was developed.

	Strategic Plans	Tactical Plans	Operational Plans
Time horizon	Typically 3-5 years	Often focused on 1-2 years in the future	Usually focused on the next 12 months or less.
Scope	Broadest, originating with a focus on the entire organization	Rarely broader than a strategic business unit	Narrower, usually centered on departments or smaller units of the organization
Complexity	The most complex and general, because of the different industries and business potentially covered	Somewhat complex but more specific, because of the more limited domain of application	The least complex, because they usually focus on small homogenous units
Impact	Have the potential to dramatically impact, both positively and negatively, the fortunes and survival of the organization	Can affect specific businesses but generally not the fortunes or survivability of the entire organization	Impact is usually restricted to specific department or organization unit
Interdependence	High interdependence, must take into account the resources and capabilities of the entire organization and its external environments	Moderate interdependence, must take into account the resources and capabilities of several units within a business	Low interdependence, the plan may be linked to higher-level tactical and strategic plans but is less interdependent with them

What are the key issues that managers at the corporate level focus on relative to planning?

- Corporate level executives would primarily focus on questions such as the following:
 - What industries would we get into or out of?
 - What markets should the firm be in?
 - In which businesses should the corporation invest money?

What are the key issues that managers at the business level focus on relative to planning?

- Questions more focused on how to compete effectively in the business of today rather than what businesses to be in tomorrow:
 - Who are our direct competitors?
 - What are their strengths and weaknesses?
 - What advantages do we have over them?
 - What are our own strengths and weaknesses?
 - What do customers value in our products/services?

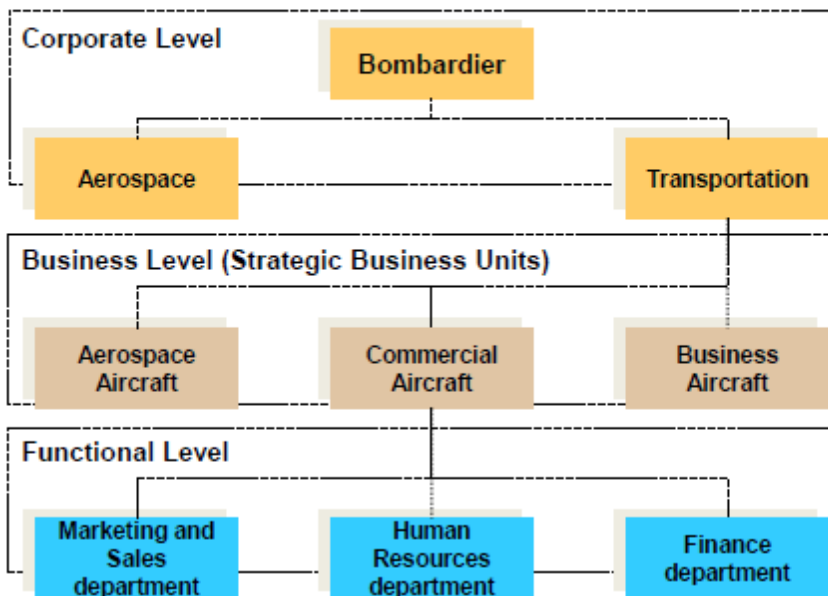
What type of plans do people at the business level primarily undertake?

- at this level, managers focus on determining how they are going to compete effectively in the markets

What are the key issues that managers at the functional level focus on relative to planning?

- How they can facilitate the achievement of the competitive plan of the business – how can they support the SBU (Strategic Business Unit). Responsible for recognizing and capturing the opportunity, if coordination between individuals within a unit is needed or beneficial.
 - What activities does my unit need to perform well to meet customer expectations?
 - What information about competitors does my unit need to help the business compete effectively?
 - What are my unit’s strengths and weaknesses?

ORGANIZATIONAL LEVELS



Why is forecasting critical to the planning process?

- Forecasts are or can be made about virtually every critical element in the environment that managers believe could affect the organization or their area of responsibility.
- It is vital to know what the key forecasts are in the company and to keep track of any changes so that cascading effects can be recognized earlier rather than later

What is benchmarking and what role does it play in planning?

- benchmarking is the investigation of the best results among competitors and non-competitors and the practices that lead to those results
- In terms of results, managers might assess competitors that have the highest revenue-to-employee ratio as a means of assessing productivity
- For example, managers would then compare their own revenue-to-employee ratio to get an idea of where they stood relative to competitors
- The inclusion of non-competitorss has potential pitfalls and benefits – hard to compare a company with a very labour intensive business to a technology intensive business
- Requires judgement as to what is relevant and what is not – could take the practice of giving the manager a stake in the company so when it made money so did they: incentive to go above and beyond their job requirements
- ** key thing: is what others are accomplishing and how they are doing it.

What is environmental Uncertainty?

- Contingency plans: identify key factors that could affect the desired results and specify what actions will be taken if key events change
- The greater the environmental uncertainty the more flexible their plans need to be. Hence why managers incorporate contingency plans

Why is determining the priority of objectives important?

- not all objectives are of equal importance or value
- furthermore, some objectives might be important now and less important later
- without a clear understand of which objectives are most important and temporal priorities, employees may be working at odds with each other or create unnecessary conflicts – Example they may not know if it is within your interest that they reduce the price of an item (give a customer a discount) to make a sale or if you are interested at keeping the price as high as can sell for – must be clear with what the objectives are

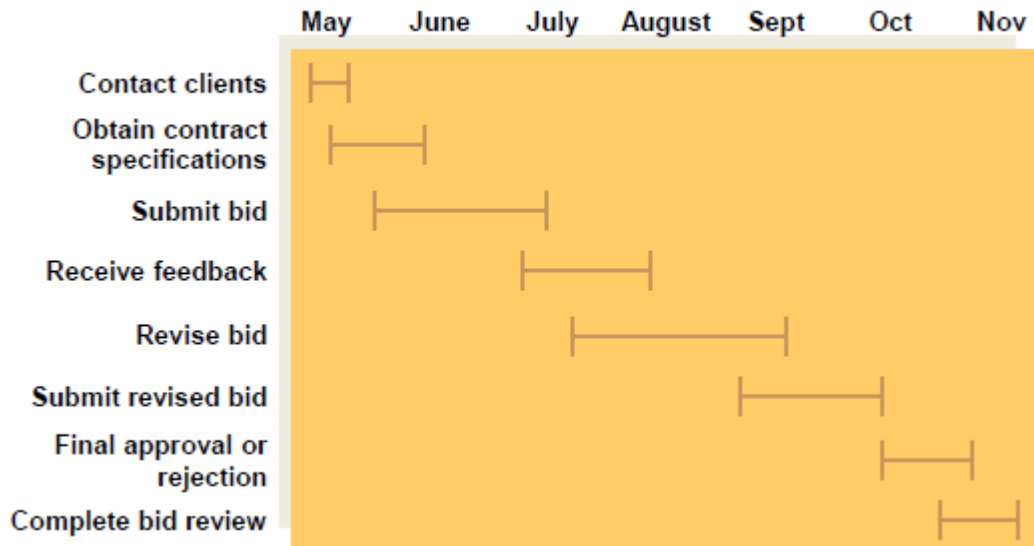
What is the difference between defining requirements and assessing resources in the planning process?

- in determining resources, managers are determining the key drivers of specific goals/plans;
 - this determines what is needed
 - Ask yourself: “what drives market share?” “what capital will be required” – assess current performance
 - Example: you determine where you are now in terms of the objectives you set. If you are trying to sell the best running shoe, you will determine that you must have the best “cushion” in the shoe – you may determine that you currently do not have the best cushion and therefore to get from “here to there” you must find new materials to improve the shoes.
- Assessing resources involves determining how much of a resource is required and how much is available

- You must determine how many resources are needed to get to “there” – eg. for running shoe you will need engineers and new equipment.
- Resources Available - determine if there is a gap between what you need and what you have. You can then determine if the gap can be bridged or the objectives need to be changed.

How can a Gantt Chart facilitate the sequence and timing issues in planning?

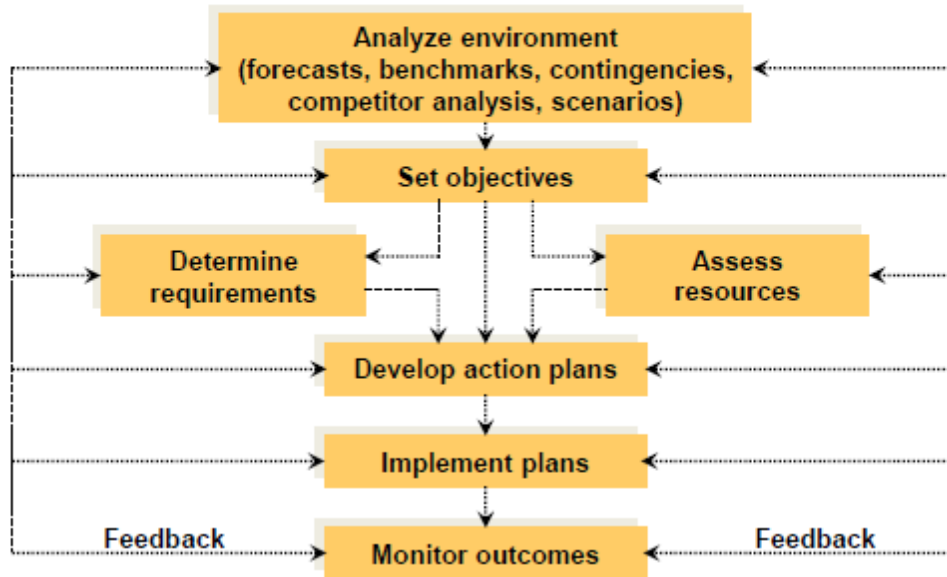
- the chart shows when actions are to be started and how long they are expected to take for completion
- Displays the sequence and timing of events
- it shows which actions are first, second or last in the process
- and whether a preceding action must be completed before a subsequence one can be started
- Or whether there is expected overlap in the timing of specific actions



What are the seven elements in the planning process? (Possible fill in the blanks)

- the seven elements in the planning process include:
 - analyze the environment
 - set objectives
 - determine requirements
 - assess resources
 - develop action plans
 - implement plans
 - and monitor outcomes

THE PLANNING PROCESS



How can budgeting be used as a planning tool?

- Budgets are used to quantify and allocate resources to specific activities
- Generally set on an annual basis and they address a variety of issues

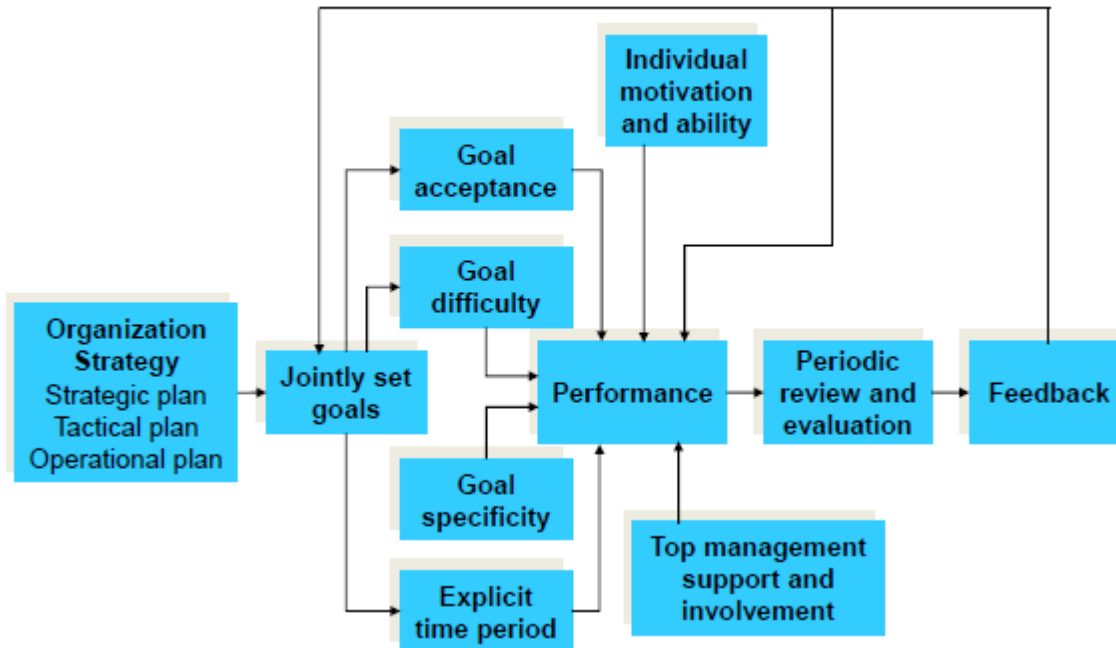
What are the five key elements in effective goal setting?

- effective goals are specific, measured, agreed upon, realistic and time bound
- It is agreed upon because you need approval from others as you will be working with other people – approved upon by top management

What is the role of MBO in strategy formulation and implementation?

- With MBO, specific goals are set
- Participation by subordinates in setting their goals tends to lead to difficult but achievable goals
- In addition, the goals need to be accepted by subordinates
- Goal acceptance has a positive impact on both motivation to perform and actual performance
- Participation by subordinates in the goal-setting process increases goal acceptance
- subordinate performance improves according to the quality of feedback given to subordinates

MBO PROCESS



First 15 key questions for the final exam: (p. 288)

- 1, 2, 3, 6-10, 12, 13, 15, 17, 20, 21

Chapter 9

Define Organizational Structure

- Organizational structure can be defined as the sum of the ways an organization divides its labor into distinct tasks and then coordinates them

What is the main purpose of organizational charts?

- organizational charts illustrate relationships among units and lines of authority among supervisors and subordinates through the use of labeled boxes and connecting lines
- shows employees where they fit into the firm's operations
- Chain of command: the reporting relationships within the company

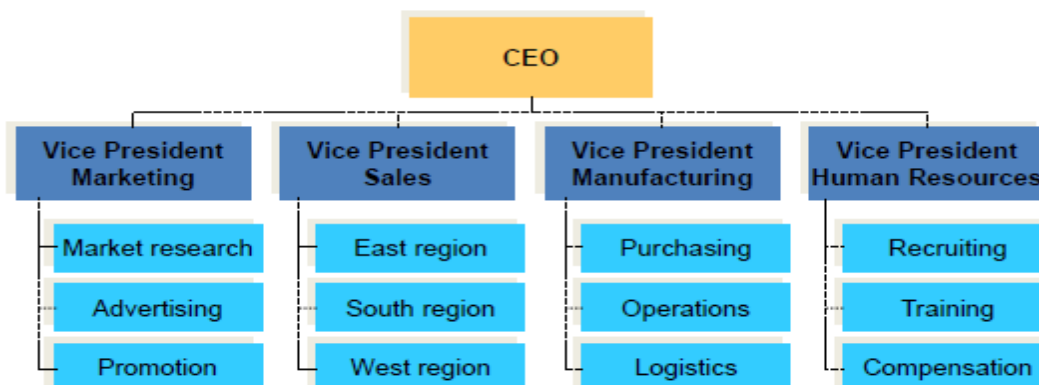
What are the key advantages and disadvantages of the functional structure?

Strengths

- Small to medium-sized firms with limited product diversification
- Specialization of functional knowledge
- Less duplication of functional resources
- Facilitates coordination within functional areas

Weaknesses

- Weak coordination across functional groups
- Restricted view of overall organizational goals
- Limits customer attention
- Slower response to market changes
- Burdens chief executives with decisions involving multiple functions



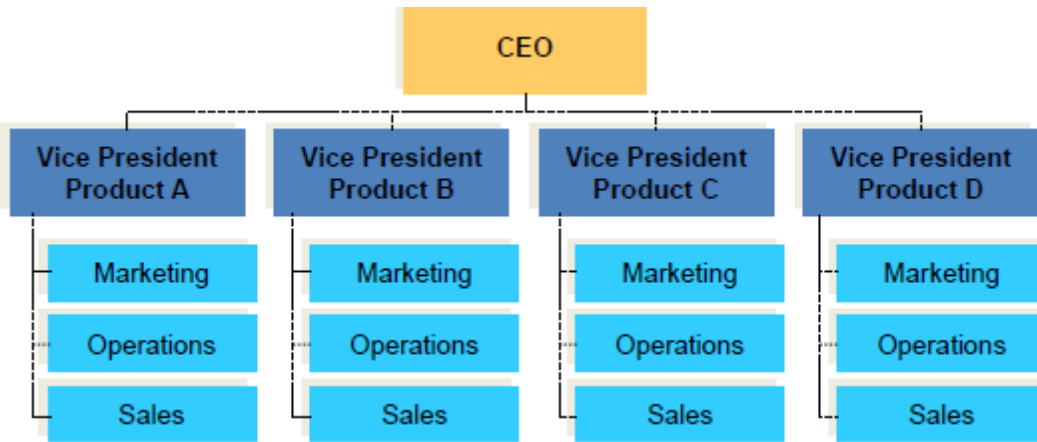
What are the key advantages and disadvantages of the product structure?

Strengths

- More focus on products and customers
- Easier to evaluate performance of the product (profit)
- Product responsiveness to market changes
- Less burden on the top executive in making operating decisions

Weaknesses

- Duplication and lack of economies of scale
- Problems for customers purchasing across multiple product groups
- Conflicts between product group and corporate objectives
- Conflict between product groups



How is line of authority different from chain of command?

- Line of authority essentially specifies who reports to whom in the organization.

What are the key pros and cons for both centralization and decentralization in organizational structure?

- centralized organizations restrict decision making to fewer individuals usually at the top of the organization
 - Allows for standardization: eg. at McDonalds they make all of the decisions at the top so that all of their franchises follow certain regulations and perform successfully
- decentralized organizations tend to push decision making authority down to the lowest level possible (Japanese style - ask everyone in the organization their thoughts)
 - This allows each unit to have more autonomy and be more manageable. They can easily adapt to their environment and there wont be as much top heavy bureaucracies

What are the critical elements of an organization's internal and external environments that a manager should assess in considering a new organizational structure?

- in designing organizations, managers face the challenge of capturing both specialization and integration advantages
- a key factor in determining the match between the environments and organizations structure is environmental uncertainty

What role does information play in the context of organizational uncertainty?

- information can play a critical role in organizational uncertainty from a number of perspectives
- information or a lack of it can impact product creation and production, supplier and customer communication, technology and competitor intent

What are some of the key warning signs of a poor structure environment fit?

- one of the first warning signs is the decision makers inability to anticipate problems
- another key warning sign is an increase in conflict that prevents effective implementation
- there may also be signs at the individual level

Chapter 10

Define Culture

- culture is a learned set of assumptions, values and behaviours that have been accepted as successful enough to be passed on to newcomers
- Culture begins when a group of people faces a set of challenges – eg. in the beginning stages when they are attempting to secure funding, create products
- Early leaders typically have a set of beliefs that guide their behaviours and choices
- culture can evolve and change with time

**Note: why must managers be careful what they instill as the cultural values of the organization? Be sure that all of the values that you share are widely accepted

Describe the three levels of culture

- Culture consists of three distinct but related levels
- **Artifacts** are visible manifestations of a culture such as its art, clothing, food, architecture and customs
- **Values** are the enduring beliefs that specific conduct or end states are personally or socially preferred to others
- **Assumptions** are beliefs about fundamental aspects of life
 - Understanding of assumptions is necessary to understand, change or even create a new culture

Describe the 6 Basic Assumptions

- Universal category of assumptions represented in all groups
- Humanity's relationships to the environment
 - Humans should dominate nature and use it for the wealth and benefit of mankind vs. other groups believe humans and nature should co-exist harmoniously
- Human nature
 - Work is as natural as play for people (Theory Y) vs. people are generally lazy (Theory X)
- Human relationships
 - People exist because of others and owe an obligation to them vs. Individuals have certain rights and freedoms
- Human activity

- People should react to and enjoy whatever the present provides vs. People create their own destinies and must plan for the future
- truth and reality
 - Truth is what is socially accepted vs. Truth objectively exists
- Time
 - What you don't use today will be there tomorrow vs. what you don't use wisely today is gone forever

What are the key differences between Theory X and Theory Y Managers?

- theory X managers assume that the average human being has an inherent dislike for work and will avoid it if at all possible
 - believers in this theory, believe that employees must be coerced, controlled, directed and threatened with punishment to get them to strive toward the achievement of organizational objectives
- Theory Y managers assume that work is as natural as play or rest
 - Believers believe that employees exercise self direction and self control to accomplish objectives

What is a subculture?

- A subculture is a part of a culture in which values are deeply held but not widely shared.
 - Eg. some parts of the company may be okay with uncertainty, but those in the accounting department are not.

What strategy can managers use to create or change culture?

- There are at least 5 critical strategies for effectively managing organizational culture
- **Selection**
 - select individuals whose assumptions, values, and behaviours already match those that you desire
- **Socialization**
 - Orientation, training and arranged interactions with experienced organizational members
 - Even if selection is not perfect, congruent cultural values can be introduced and reinforced in new hires throughout socialization
 - Managers should monitor new employees to ensure they are coming to a correct understanding of the organization's culture
- **Performance Appraisal**
 - Clarify for new employees what the organization measures and evaluates
 - Ie. If you try to instill the value of customer service, but then evaluate your employees on punctuality
- **Rewards and Compensation**
 - may be among the most powerful means of signaling what the organization values and reinforcing desired behaviours in newcomers

- signal what the organization values by reinforcing desired behaviours in newcomers
- ie. May bases bonuses on what the company values most
- What the manager praises and recognizes can significantly influence others values
- **Stories and Symbols**
 - Stories tell employees what to do or what not to do
 - Symbols (physical layout) can communicate what the companys values
 - Ie. If all parking is reserved for senior management
 - Rituals: They play a key role in the symbolic communication of an organization's culture. (eg. Japanese ritual of holding a ceremony when new hires are welcomed into company – includes their parents and speeches)

What are the key differences between high and low context cultures? How do they affect managerial behaviour?

- In high context cultures people pay close attention to the situation and its various elements
 - Key contextual variables are used to determine appropriate and inappropriate behaviour
 - Example would be like in Japan, you must identify the cultural context you are in, in order to determine what the appropriate greeting would be (ie. Seniority or Important Client)
 - In high context cultures, the context makes all the difference
- In low context cultures, contextual variables have much less impact on the determination of appropriate behaviours
 - In other words, in low context cultures, the situation may or may not make a difference in what is considered appropriate behaviour but

Chapter 11

- **What is accounting?**
 - Accounting is an information system for the complete processing of financial information
- **True or False**
 - One difference between accounting and bookkeeping is that bookkeeping is only concerned with the recording of transactions, not the interpretation of the information. **TRUE**
- **True or False**
 - Accounting is a system for measuring business performance and translating those measures into information for management decisions. **TRUE**

- **Investors and creditors are interested in accounting information for all of the following reasons EXCEPT:**
 - a. **To evaluate future prospects**
 - b. To estimate return on investment
 - c. To determine growth prospect
 - d. To determine credit worthiness
 - e. To gauge risk
- **True or False**
 - An asset is any economic resource that is expected to benefit a firm or an individual who owns it **TRUE**.
 - A liability to one company can be an asset to another company **TRUE**
- **Which one of the following assets is NOT a current asset? **Current assets include cash and assets that can be converted into cash within a year****
 - Accounts Receivable
 - Marketable Securities
 - Cash
 - Inventory
 - **Equipment**
- **True or False**
 - Leverage describes the use of borrowed funds to make purchases. **FALSE** It provides an indication of the ability to meet long-term financial obligations
 - The formal recording and reporting of revenues in the financial statements is referred to as revenue recognition **TRUE**
 - The principle that states that expenses will be matched with revenues to determine net income for an accounting period is referred to as the Principle of Full Disclosure. **FALSE – This is the Matching Principle**
 - Although any firm earns revenues continuously as it makes sales, earnings are not reported until the earnings cycle is completed – **TRUE**
- **Which one of the following statements concerning the principle of revenue recognition is most correct?**
 - **Earnings may not be reported until the earnings cycle is complete**
 - The sale is considered complete only when cash is received
 - The sale must be complete but the product does not have to be delivered
 - Revenues are recorded for the accounting period in which the sales process is started
- **TRUE or False**
 - What buyers are willing to pay for a given currency is referred to as the foreign currency exchange rate. **TRUE**
 - Weak currencies are those for which their value changes frequently. **TRUE**

- A Nation's currency is affected only by economic conditions **FALSE** – **economic conditions are not the only factors (political conditions is another)**

You are given the following accounts typically found in a business' accounting books.

For each account indicate whether it is a current asset (CA), fixed asset (FA), intangible asset (IA), current liability (CL), long-term liability (LL), Owners' Equity (OE), Revenue (R) or Expense (E).

Land	FA	Accounts payable	CL
Retained Earnings	OE	Accounts Receivable	CA
Notes Payable	LL	Cash	CA
Gross Sales	R	Depreciation Expense	E
Furniture and Fixture	FA	Common Stock	OE
Interest Revenue	R	Machinery	FA
Office Supplies	CA	Buildings	FA
Inventory	CA	Mortgage Payable	LL
Insurance Expense	E	Franchise Fee	IA
Accrued Salaries		Copyright	IA

- **What are two key differences between an income statement and a balance sheet?**
 - Income statements: “profit-loss statement” as it shows the firm's annual profit or loss. Divided into categories: revenues, cost of goods sold, and operating expenses
 - Balance sheets: supply detailed information about the accounting equation factors: assets, liabilities, and owner's equity. Show a firm's financial condition AT ONE POINT IN TME. “Statements of Financial Position”.
- **List the key components of the Accounting Cycle:**

Chapter 12

FORMS OF EMPLOYEE BEHAVIOUR**NOT WRITTEN IN NOTES

- **Employee Behaviour:** pattern of actions by the members of an organization that directly or indirectly influences the organization's effectiveness
- **Performance Behaviour:** behaviours directly targeted at performing a job
 - Eg. an assembly line worker who attaches parts to a product as it passes by has relatively simple performance vs. scientist looking for breakthroughs
- **Organizational Citizenship:** behaviours that provide positive benefits to the organization but in more indirect ways
 - NOT a good organizational citizen would be one who does satisfactory work in terms of quantity and quality – however, refuses to work overtime, won't help newcomers, unwilling to make any contributions beyond the strict performance requirements of their job
- **Counterproductive Behaviours:** those that detract from organizational performance
 - Eg. theft and sabotage, sexual and racial harassment, aggression and violence
- **Absenteeism:** when an employee does not show up for work
- **Turnover:** percentage of an organization's workforce that leaves and must be replaced

Sources of Motivation

– INTERNAL (PUSH FORCES)

- **Needs:**
 - For security, self-esteem, achievement, power
- **Attitudes:**
 - About self, job, supervisor, organization
- **Goals:**
 - Task completion, performance level, career advancement

– EXTERNAL (PULL FORCES)

- **Characteristics of the JOB**
 - **Feedback:** amount, timing
 - **Workload Tasks:** variety, scope
 - **Discretion:** How job is performed
- **Characteristics of the WORK SITUATION**

- **Immediate social environment:** supervisors, workgroup members, subordinates
- **Organizational Actions:** rewards and compensation, availability of training pressure for high levels of output

CONTENT THEORIES OF MOTIVATION

MASLOW'S HIERARCHY OF NEEDS MODEL: people have 5 basic needs – lower level needs must be satisfied before a person will be motivated to satisfy higher-level needs

1. **Physiological:** survival oriented; food, water, shelter, sleep
 - Business address these needs by providing comfortable working environments and sufficient salaries to buy food and water
2. **Security:** need for stability and protection from the unknown
 - When employers offer pension plans and job security
3. **Social:** need for friendship and companionship
 - Making friends at work can help to satisfy these needs – “belong”
4. **Esteem:** the need for status and recognition as well as self-respect
 - Job titles and large offices
5. **Self-Actualization:** self-fulfillment; need to grow and develop one's capabilities to achieve new and meaningful things
 - Challenging job assignments can help satisfy these needs

Need Level	Description	Examples
Self-Actualization	Realize one's full potential	Use abilities to the fullest
Esteem	Feel good about oneself	Promotions & recognition
Belongingness	Social interaction, love	Interpersonal relations, parties
Safety	Security, stability	Job security, health insurance
Physiological	Food, water, shelter	Basic pay level to buy items

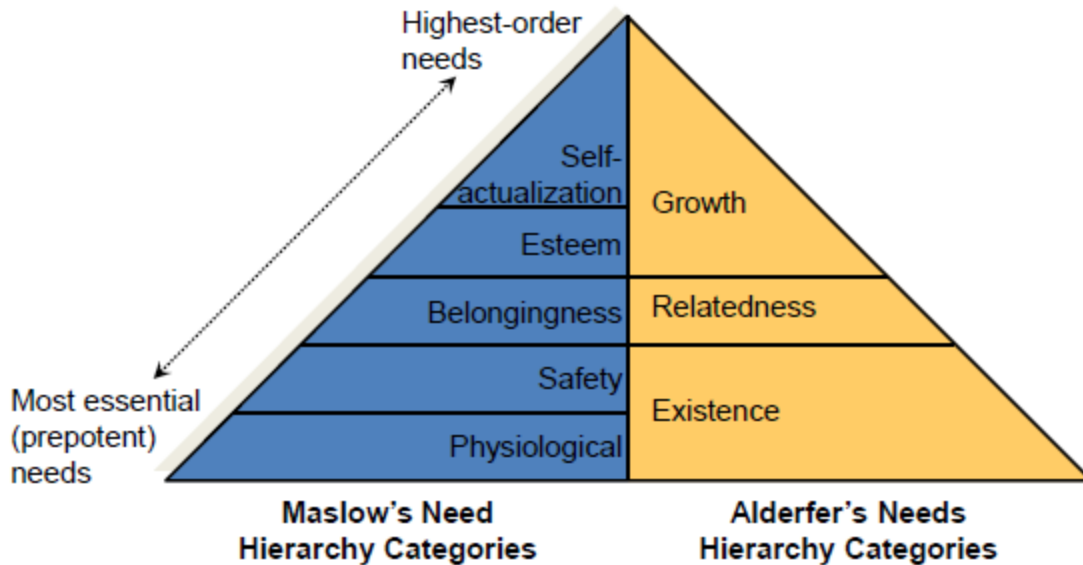
Lower level needs must be satisfied before higher needs are addressed.

Three classifications of Needs = ERG Theory

- Existence
- Relatedness

- Growth
 - Different levels can be active at the same time
 - Can go up and down if frustrated it attaining one of the levels.

Maslow's and Alderfer's Needs Theories



****Not Covered in Lecture: Theories X and Y – Human Resources Model**

- MacGregor concludes that managers should begin to assume that their employees are “Theory Y” and they will have greater results

ACQUIRED NEEDS THEORY

- **Learned Needs**
 - **Achievement:** work on tasks of moderate difficulty, take moderate risks, take personal responsibility for one's own actions, receive specific and concrete feedback on one's own performance
 - **Power**
 - **Affiliation**

TWO FACTOR THEORY

- Job satisfaction and dissatisfaction depend on two factors:

- *Hygiene Factors*: working conditions, quality of supervision, interpersonal relations, pay and job security
 - ENVIRONMENT
 - Dissatisfied -> NOT Dissatisfied
- *Motivating Factors*: recognition, responsibility, advancement, achievement
 - WORK THEY ACTUALLY PERFORM
 - NO Satisfaction -> Satisfaction

Core Job Characteristics	Definition	Example
Skill variety	The degree to which a job requires a variety of different activities in carrying out the work, involving the use of a number of different skills and talents of the person.	The aerospace engineer must be able to create blueprints, calculate tolerances, provide leadership to the work group, and give presentations to upper management.
Task identity	The degree to which a job requires completion of a "whole" and identifiable piece of work, that is, doing a job from beginning to end with a viable outcome.	The event manager handles all the plans for the annual executive retreat, attends the retreat, and receives information on its success from the participants.
Task significance	The degree to which a job has a substantial impact on the lives of other people, whether those people are in the immediate organization or in the world at large.	The finance manager devises a new benefits plan to improve health coverage for all employees.
Autonomy	The degree to which a job provides substantial freedom, independence, and discretion to the individual in scheduling the work and in determining the procedures to be used in carrying it out.	R&D scientists are linked via the company intranet, allowing them to post their ideas, ask questions, and propose solutions at any hour of the day, whether at the office, at home, or on the road.
Feedback from job	The degree to which carrying out the work activities required by the job provides the individual with direct and clear information about the effectiveness of his or her performance.	The lathe operator knows he is cutting his pieces correctly, as very few are rejected by the workers in the next production area.

Adapted from Exhibit 12.7: Core Job Characteristics in Job Characteristics Model

PROCESS THEORIES OF MOTIVATION

EQUITY THEORYCovered but no OWL:** focuses on individual's comparisons of their own circumstances to those of others

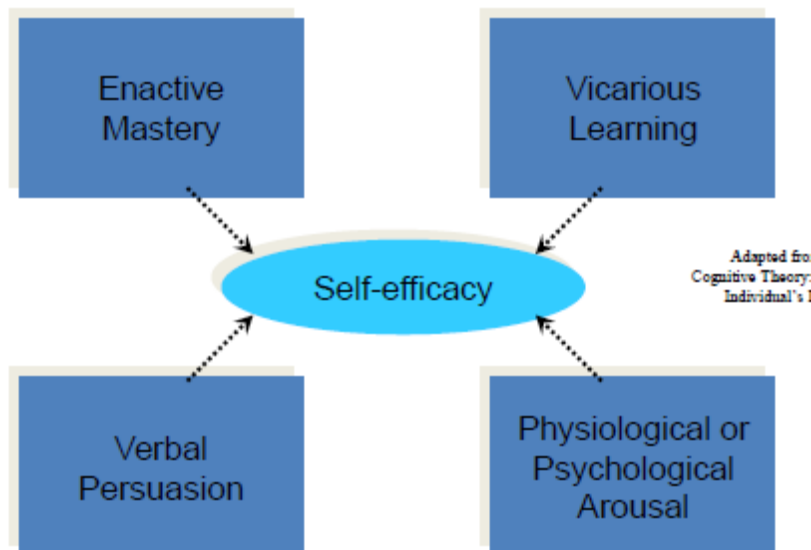
- People will evaluate their treatment in an organization relative to the treatment of others
- They will analyze their inputs (what they contribute – time, effort, education, experience) relative to outputs (what they receive – salary, benefits, recognition)
- Use a ratio to decide if their input:output ratio is better, worse or equal to other
- If they feel they are being treated inequitably they are likely to ask for something to restore this inequity

SOCIAL COGNITIVE THEORYCovered but no OWL – OWL for Self Efficacy:**

- **OWL**Self Efficacy:** person's confidence that he or she can accomplish a given task in a specific situation
 - Magnitude – how difficult a task can be accomplished
 - Strength – certainty of accomplishment
 - Generality – extent to which similar but not identical tasks can be accomplished
- **HIGH** self efficacy beliefs are associated with better work-related performance



Self-Efficacy



GOAL SETTING THEORY: Setting goals in order to motivate employees.

- Human actions are directed by conscious goals and intentions

- More challenging (higher or harder goals), if accepted result in higher levels of effort than easier goals
- Specific goals result in higher levels of effort than vague goals

ROLE OF REINFORCEMENT AND CONSEQUENCES

- Managers must first specify what behaviours they wish their workers to exhibit and the ones they wish to eliminate
- Then they must shape their behaviour by using reinforcement (applying/withholding positive or negative consequences in an attempt to motivate employees)
- **Positive Reinforcement:** apply positive consequences when employees' exhibit desired behaviours. Possible types of rewards =
 - Equitable, efficient, available, not exclusive, visible, reversible
- **Negative Reinforcement:** undesirable consequences that by being removed or avoided increase the likelihood of a behaviour being repeated in the future
- **Punishment:** apply negative consequences when employees exhibit undesirable behaviours
- **Extinction/Omission:** withhold positive consequences
 - Group member stops making unwanted suggestions when team leader no longer mentions them in group meetings

PARTICIPATIVE MANAGEMENT AND EMPOWERMENT Not covered in SLIDES**

- A method of increasing employees job satisfaction by giving them a voice in how they do their jobs and how the company is managed
 - Tap in to workers knowledge about the job, encourage them to be self-motivated and to make suggestions for improvements
 - Give them more authority and responsibility so they feel like they are a real part of the company's success
-

Social Influences on Motivation

- Influence of the immediate workgroup
 - Individual is a member of the "in-group"
 - Individual has strong desire to be part of that group and to receive that group's approval
- Influence of supervisors and subordinates
- Influence of organization's culture

Leadership and Motivation

- Leadership refers to the processes and behaviours used by managers to motivate, inspire and influence subordinates
- Strategic leadership: thinking and acting strategically while working with others to create a viable future for the organization
 - Anticipate events, envision the organization's future, remain flexible in order to adapt to conditions as they change
 - When a leader is able to understand the complexities of both the organization and its environment to lead change
- Organizational leadership: social influence process, attempts to influence other people in attaining the same goal
- Positions labeled as management or supervision have more opportunities to exercise influence
- Effective leadership: influence that assists a group or an organization in meeting its goals and objectives and performing successfully
- Enabling behaviour: helps other people accomplish more than if there had been no such leadership
- **POWER:** the capacity or ability to influence
 - Greater power leads to greater capacity to influence
 - Can be used to overcome resistance
 - Abuse of power can lead to undesirable or negative consequences
 - Skillful use of power may produce positive outcomes
- **Types and Sources of Power**
 - Position Power: based on a manager's rank in an organizational structure, given to the manager by superiors
 - Personal Power: based on a person's individual characteristics. Stays with the individual regardless of their position in the organizational structure

Position Powers

Legitimate—How much authority does the organization give to your position?

Reward—Are you able to give others the rewards they want?

Coercive—Are you able to punish others or withhold rewards?

Personal Powers

Expert—Do you have knowledge that others need?

Referent—Do others respect you and want to be like you?

THREE LEADERSHIP VARIABLES

1. Leader's traits: leaders have unique traits that distinguish them. They claim that these traits give them the potential but they must be really motivated to lead

- Drive, motivation to lead, honesty/integrity, self-confidence, emotional maturity



2. Leader's Skills and Competencies: technical, interpersonal, conceptual, emotional intelligence, social intelligence

3. Leader's Behaviours: two basic forms of leader behaviour:

- Task Oriented: manager focuses on how asks should be performed in order to achieve important goals (higher performing employees)
- Employee Oriented: manager focuses on the satisfaction, motivation and well-being of employees (more satisfied employees)

Charismatic Leadership

- Strong form of referent power, based on individual inspirational qualities rather than formal power
- Followers will identify with charismatic leaders because of these exceptional qualities
- They will have a high level of self-confidence and strong need to influence others
- Envisioning, energizing enabling

Transformational Leaders

- Leaders empower and coach followers
- lea
- leader will recognize need for change, create a vision to guide that change and execute change effectively
- it will motivate their followers to:
 - ignore self-interest, work for the larger good of the organization, achieve significant accomplishments, make major changes

Transactional Leadership

- more passive, emphasizes exchange of rewards or benefits for compliance, appeals to followers' self-interest to motivate their performance
- more routine and regimented activities that focus on maintaining stability of opertaions

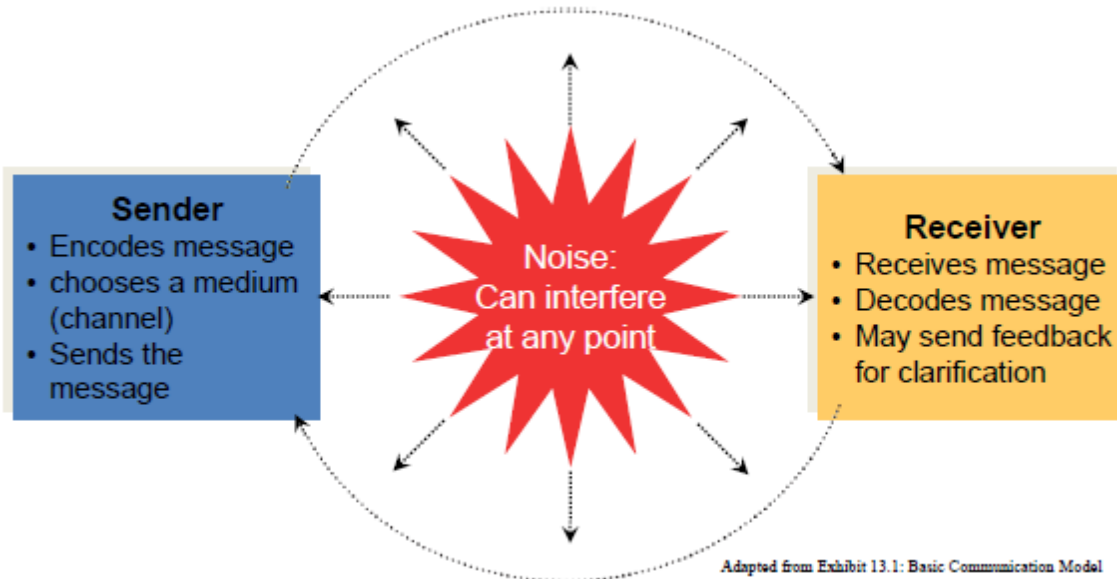
	Transformational Leadership	Transactional Leadership
<i>Leader gains subordinates' compliance by:</i>	Inspiring, empowering, and coaching followers	Exchange of rewards and benefits
<i>Appeals focus on:</i>	Organizational and "common good" interests	Self-interest
<i>Type of planned change:</i>	Major organizational change	Routine changes

Those who want to be transformational leaders should;

- develop a clear and appealing vision, strategy for attaining the vision, articulate and promote the vision, act confident and optimistic, express confidence in followers, use early success in small steps to build confidence, celebrate successes, use dramatic, symbolic actions to emphasize key values, lead by example

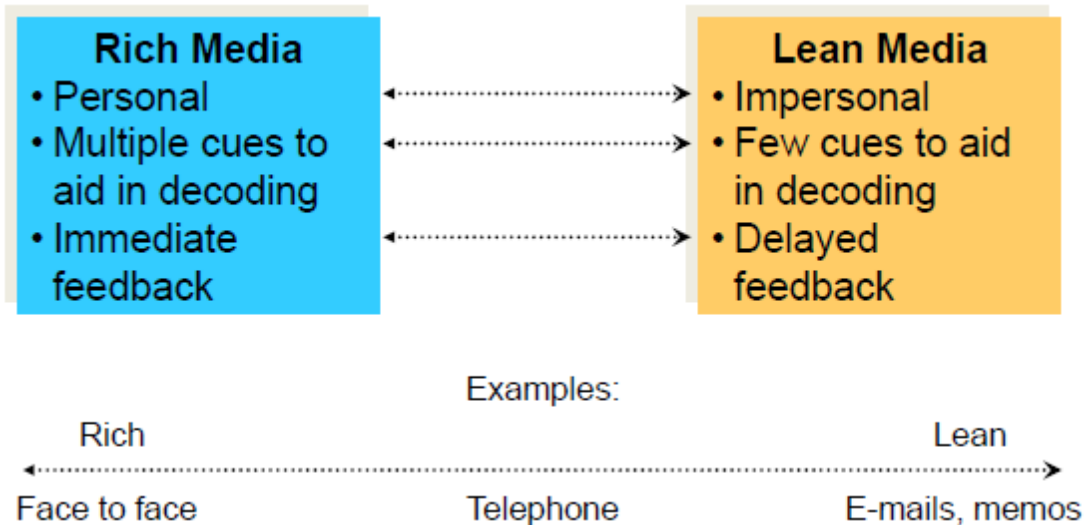
Chapter 13 – Communication

- **Communication:** the process of transferring information, meaning and understanding from sender to receiver
 - **Encoding:** the act of constructing a message
 - **Medium:** the mode or form of transmission of a message
 - **Decoding:** the act of interpreting a message
 - **Noise:** potential interference with the transmission or decoding of a message



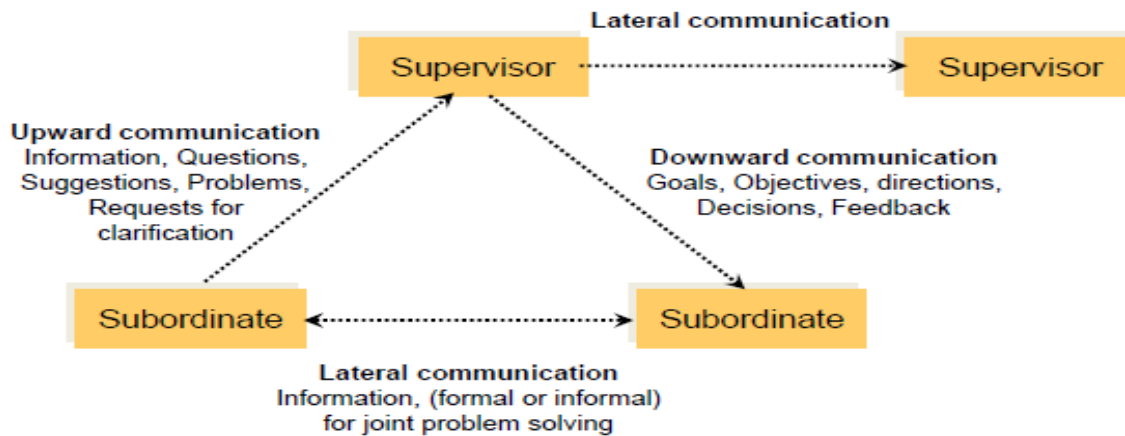
- Can occur in either verbal or non-verbal communication – each mode has particular characteristics and issues that an effective manager must understand
- **Verbal Communication:** means both ORAL and WRITTEN communication
 - Oral: spoken word has potential advantages of being vivid, stimulating and commanding attention – much more flexible as you can change the way you are conveying message if your listener doesn't understand.
 - Subject to considerable misinterpretation – incorrect meaning attached to spoken words

- Written: words put in letters, emails memos – opportunity to misunderstand the words of the sender are decreased. May misinterpret the intended meaning, but no question as to what words the sender is actually using
 - Written communication has precision
- **Non-Verbal Mode:** body language, posture, the way you dress, speak, use gestures, handle utensils, exhibit facial expressions and set the physical distance
 - Make sure non-verbal and verbal messages are NOT contradictory

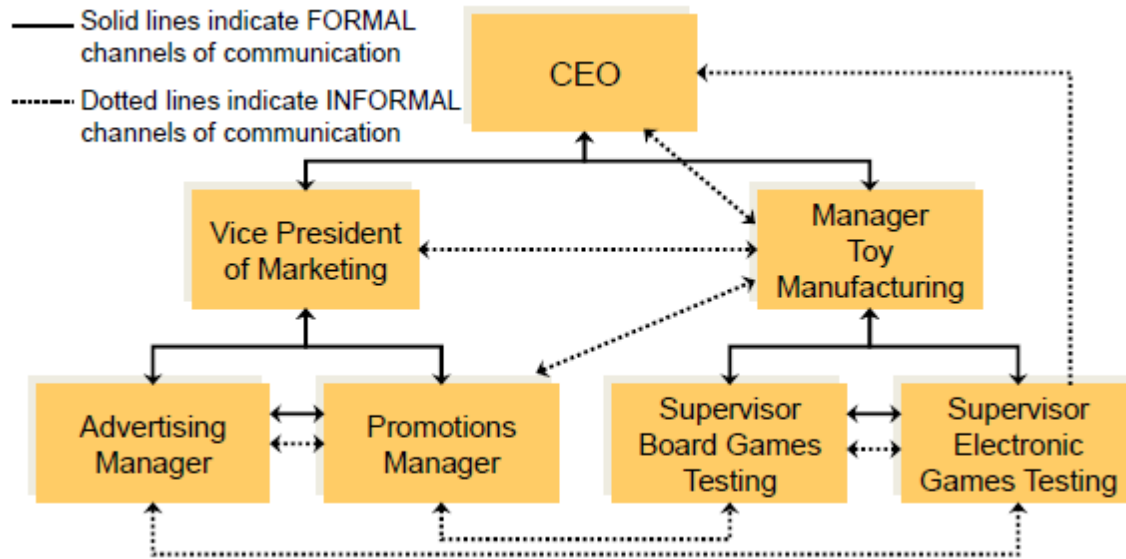


ORGANIZATIONAL CONTEXT OF COMMUNICATION

- Organizational characteristics that affect communication (eg. govt agencies, hospitals, businesses)
 - Composed of individuals and groups; are oriented towards goals; have differentiated functions; have intended coordination; have continuity through time
 - These characteristics greatly influence the nature and amount of communication that takes place
- **Directions of Communication within Organizations**
 - **Downward communication:** when sent from higher organizational levels to lower levels (top executives to its employees)
 - **Upward Communication:** lower organization levels to higher levels (employees to supervisors)
 - **Lateral Communication:** sent across essentially equivalent levels of an organization (manager to manager, assistant to assistant)



- **Channels of Communication within Organizations**
 - **Formal Communication Channels:** channels that are authorized, planned and regulated by the organization – directly connected to the organization’s structure
 - Specify’s individuals responsible for communicating information above and below them
 - Indicate persons (positions) to whom work-related messages should be sent
 - Have some flexibility and can be modified, but never disregarded
 - **Informal Communication Channels:** communication routes that are not pre-specified by the organization, but that develop through typical interpersonal activities of people at work
 - Come into existence, change or disappear rapidly
 - Tend to operate laterally more than vertically
 - Information flowing through informal channels moves very fast
 - Carry both work and non-work related information



**Formal
Communication Channels**

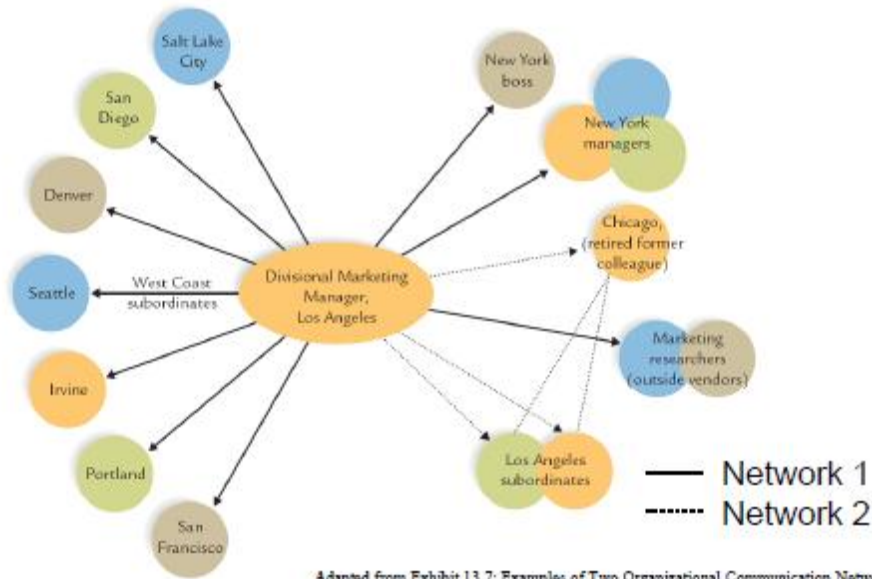
- Authorized, planned, and regulated by the organization
- Reflect the organization's formal structure
- Define who has responsibility for information dissemination and indicate the proper recipients of work-related information
- May be modified by the organization
- Minor to severe consequences for ignoring them

**Informal
Communication Channels**

- Develop through interpersonal activities of organization members
- Not specified by the organization
- May be short-lived or long-lasting
- Are more often lateral than vertical
- Information flow can be very fast
- Used for both work-related and nonwork information

NETWORKING: process of developing regular patterns of communication with particular individuals or groups to send and receive information

- Consistent linkage between senders and receivers
- Can be a significant advantage to the manager – can provide significant and regular sources of information... otherwise may have taken longer to obtain
- Easier to access and influence others in established networks



The focus of this exhibit is to see that a person might have multiple communication networks, each operating rather independently of the others. Included in this figure is the fact that each - network may contain individuals at remote locations, performing different functions.

BARRIERS TO COMMUNICATION

LEVEL	ORIGIN OF BARRIER	AFFECTS COMMUNICATION BETWEEN:
INTERPERSONAL BARRIERS	<ul style="list-style-type: none"> • Selective Perception (screen out certain parts of an intended message because you contradict the beliefs) • Frames of Reference (existing sets of attitudes that provide quick ways of interpreting complex messages) • Individual differences (ie age, gender, ethnic) • Emotions, language, nonverbal cues 	Individuals or Groups
ORGANIZATIONAL BARRIERS	<ul style="list-style-type: none"> • Hierarchical structure – more than one level of authority • Functional – differences between different departments 	Individuals/Groups within an organization or different organizations
CULTURAL BARRIERS	<ul style="list-style-type: none"> • Language • High/low context culture • Stereotyping • Ethnocentrism • Cultural distance 	Individual/groups with different national cultures, different organizational cultures

High-Context Cultures

- More and greater adjustments in messages
- Rank of receiver will probably affect message and medium
- Nonverbal communication cues may be very important
- Medium may be as important as message

Low-Context Cultures

- Fewer and smaller adjustments in messages
- Rank of receiver may or may not affect message or medium
- Nonverbal communication cues not as important
- Message is more important than medium

- Ethnocentrism: the belief in the superiority and importance of one's own group
- Stereotyping: tendency to oversimplify and generalize about groups of people
- Cultural Distance: difference between two cultures' basic characteristics such as language, level of economic development, traditions and customs

IMPROVING COMMUNICATION

- **Listening Skills:**
 - Be more open minded: stereotyping, ethnocentrism, rigid frames of reference and selective listening are all barriers. Your mind made wader or you will make judgments about what you are hearing
 - Develop Empathy: identify with and understand the other person's feelings, situation or motives – think about other people's situations
 - Listen Actively: take actions to assure you hear and understand what the sender is trying to communicate – make eye contact to help speakers feel comfortable and convinced. After they are finished, it is beneficial to paraphrase what you believe they are saying
 - Observe nonverbal cues
- **Sending Skills**
 - Simplify your language: eliminate jargon, choosing more succinct and active words and shorter sentences
 - Organize your writing: develop good writing skills and organize your thoughts logically
 - Understand your audience: direction of communication, formal/informal, expectations from receiver about the message, does receive have preference as to their channel of communication (ie. Email, face-to-face)
- **Organizational Level:**
 - Important to have *gatekeepers* for effective organization communication
 - **Gatekeepers:** individuals who are at the the communication interface between separate organizations or between different units within an organization

- Implement rules that increase formal communication
- Replace face-to-face communication with electronic communication, develop particular communication networks and create centralized office to manage communication activities

COMMUNICATION AND NEGOTIATION

- **Negotiation:** process of conferring to arrive at an agreement between different parties, each with their own interests and preferences
- TYPES of negotiation activities:
 - Day-to-day activities: need to negotiate a settlement or resolution of some kind of disagreement (eg. between manager and boss)
 - Part of a formally appointed negotiating team: represent their unit in discussions with representatives from another unit or organization
 - In either role – managers take the role of facilitator attempting to ensure that all parties can agree on a common course of action

KEY FACTORS IN CROSS-NATIONAL NEGOTIATIONS

- Three principal variables that determine the outcome of negotiations in cross-national negotiations
 - PEOPLE: good listening skills, strong orientation toward people, high self-esteem, influence in the home organization
 - SITUATION: location, physical arrangements, emphasis on speed and time, composition of negotiating teams
 - NEGOTIATION PROCESS:

Stages in the Negotiation Process

1. **Planning and Preparation:** laying the foundation, conducts background research, gather relevant information, plan their strategy, and determine possible concessions
2. **Relationship Building between negotiation parties:** establish comfortable working relationships with the other side – develop trust, personal rapport and establish long-term association
3. **Information Exchange:** learn about wants and needs of counterparts
4. **Persuasion Attempts:** modify the position of the other party and influence that side to accept the negotiators desired set of exchanges (most important stage). Mixture of approaches – assertive and straightforward, warnings or threats, calculated delays

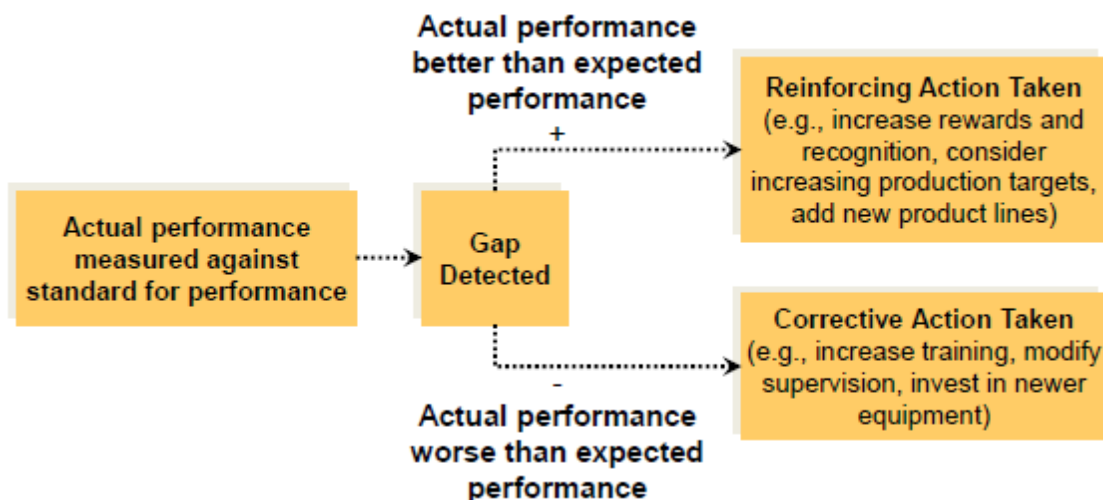
5. **Concessions/Agreements:** permit each party to take away something of value, American managers tend to have less leeway for what they will accept, some countries use appeal likes “its your obligation” in order to get a concession

Chapter 14 – Controls

- **CONTROL:** regulation of activities and behaviours within organizations, adjustment or conformity to specifications or objectives
 - Ensures adjustment or conformity to objectives
 - Ensures adjustment or conformity to specifications
 - Regulates activities
 - Regulates behaviour

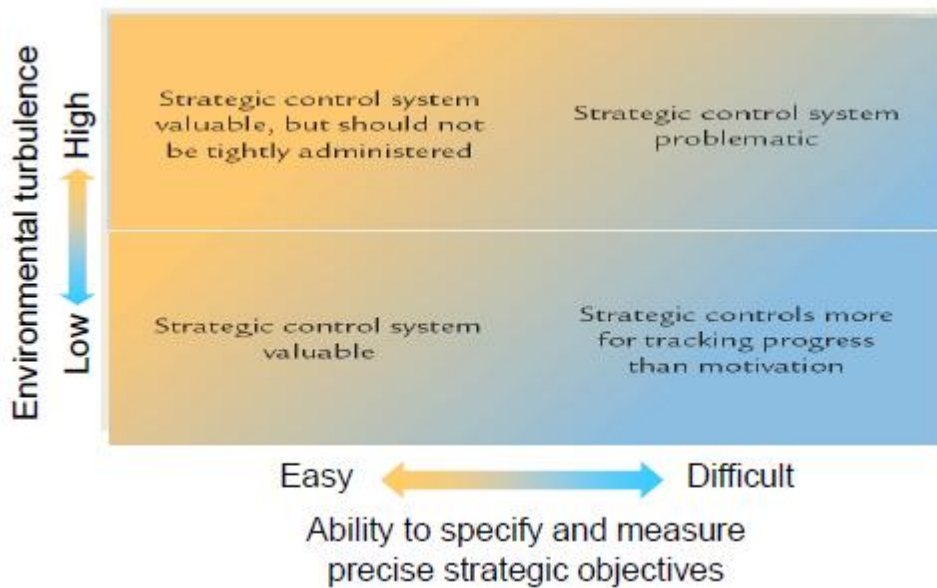
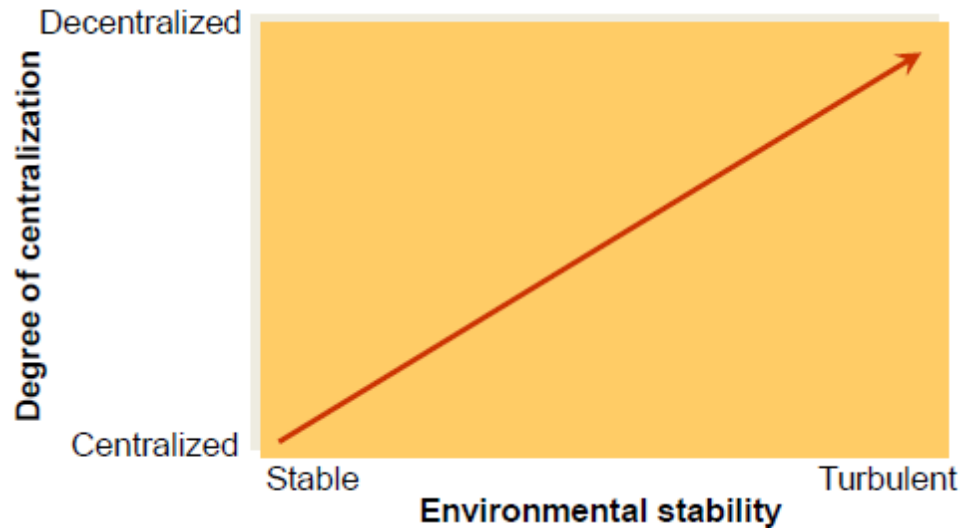
BASIC ELEMENTS IN CONTROL PROCESS

- Establish Standards – targets of performance
- Measure Performance – obtain consensus about how to assess performance
- Compare performance against standards – interpret the patterns of comparison
- Evaluate Results and Take Necessary Corrective Action – reward employees etc.



SCOPE OF CONTROL: divided into strategic, tactical and operational control

- **Strategic Control:** how the organization as a whole fits its external environment and meets its long-range objectives and goals
 - Strategic control systems – designed to determine how well those types of objectives and goals are being met
 - Significant factor that affects whether strategic controls can be set up is the unpredictability of the external environment



- **Tactical Control:** implementation of strategy – this level covers the fundamental control arrangements of the organization. Most important:
 - **Financial controls:** include several important quantitative ratios – key financial statistics. Example ratios about profitability

COMPANY FINANCIAL RATIOS

Ratio	Formula	Company			
		Tristan 2006 in \$millions		Le Chateau 2006 in \$ millions	
Profit Return on Investment	$\frac{\text{Net Profit before taxes}}{\text{Total Assets}}$	$\frac{241}{7,591}$	0.03	$\frac{904}{4,719}$	0.19
Liquidity Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	$\frac{3,044}{2,056}$	1.4	$\frac{2,682}{1,319}$	2.0
Liabilities Leverage Debt to Assets	$\frac{\text{Total Debts}}{\text{Total Assets}}$	$\frac{2,525}{7,591}$	0.33	$\frac{1,975}{4,719}$	0.42
Activity Inventory Turnover	$\frac{\text{Sales}}{\text{Inventory}}$	$\frac{13,847}{1,677}$	8.3	$\frac{9,363}{966}$	9.7

- o **Budgetary controls:** typically cover limited time frame, focus exclusively on one objective, cannot be used to compare a total organization's progress relative to its competitors

Rolling budgets and revision Should the budget period be for 12 months followed by another 12-month budget a year later, or should a calendar quarter be added each time a new calendar quarter begins?

Should the budget remain fixed for the budget period or should it be revised periodically during the period?

Fixed or flexible budgets Should performance be evaluated against the original budget or against a budget that incorporates the actual activity level of the business?

Bonuses based on budgets Should incentive compensation, if any, be based on actual versus budgeted performance, or on actual performance against some other standard?

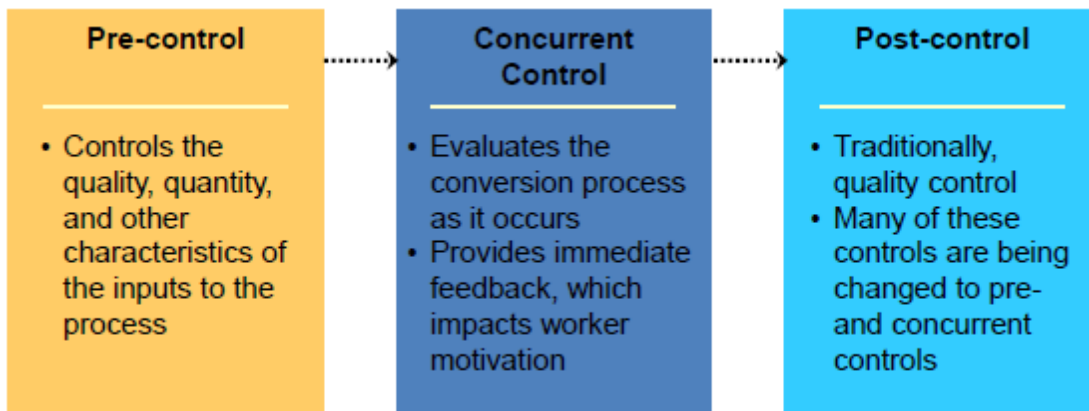
Evaluation criteria

Should the budget used to evaluate performance include only those items over which the evaluated manager has control, or should it include all unit costs and revenues appropriate to the managerial unit?

Tightness of the budget

What degree of "stretch" should there be in the budget?

- **Supervisory Structure Controls:** most widespread control – based on reporting levels in an organization
- **Human Resources Controls:** tactical control based on organizations overall approach to using its human resources
 - Appraisal and evaluation; compensation; selection; training
- **Operational Control:** assesses and regulate specific activities and methods used to produce goods and services
 - Pre-control, concurrent control, post control



CONTROL EFFECTIVENESS

- *Focus of Control:* where to focus control in an organization – involves critical choices
 - Guiding principle is that it should be closely linked to the strategic goals and particularly the planning process
 - **Balance Scorecard** approach: integrated and balanced set of measure for 4 critical areas: financial, customers, internal business, innovation and learning
- *Amount of Control:* find effective balance between overcontrol and undercontrol
- *Quality of Information:* 4 characteristics determine the quality of information – usefulness, accuracy, timeliness, objectivity
- *Flexibility:* respond to changing conditions
- *Favourable Cost-Benefit Ratio:* benefits of control must outweigh the direct financial costs

- *Source of control*: determine effectiveness and willingness of organization members

Key Factor	Concerns
Focus of control	<p>What will be controlled?</p> <p>Where should controls be located in the organizational structure?</p> <p>Who is responsible for which controls?</p>
Amount of control	Is there a balance between over- and under control?
Quality of information collected by the controls	<p>Is the information useful?</p> <p>Is the information accurate?</p> <p>Is the information timely?</p> <p>Is the information objective?</p>
Flexibility of controls	Are the controls able to respond to varying conditions?
Favorable cost-benefit ratio	Is the information being gathered worth the cost of gathering it?
Source of control	<p>Is control imposed by others?</p> <p>Is control decided by those who are affected?</p>

Chapter 15 – Human Resources

Strategic Role of HM: firm's ability to survive and prosper is increasingly a function of the human resources they have. Manager's career success depends on how well they manage their firms' resources



The fit of these HRM activities with the strategy and environment leads to competitive advantage for the firm and its managers.

HRM ACTIVITIES:

- TWO main goals:
 - Getting the right people
 - Cannot be accomplished without understanding and aligning HRM activities with the corporate strategy
 - Maximizing their performance and potential
- Success or failure of either can influence the company

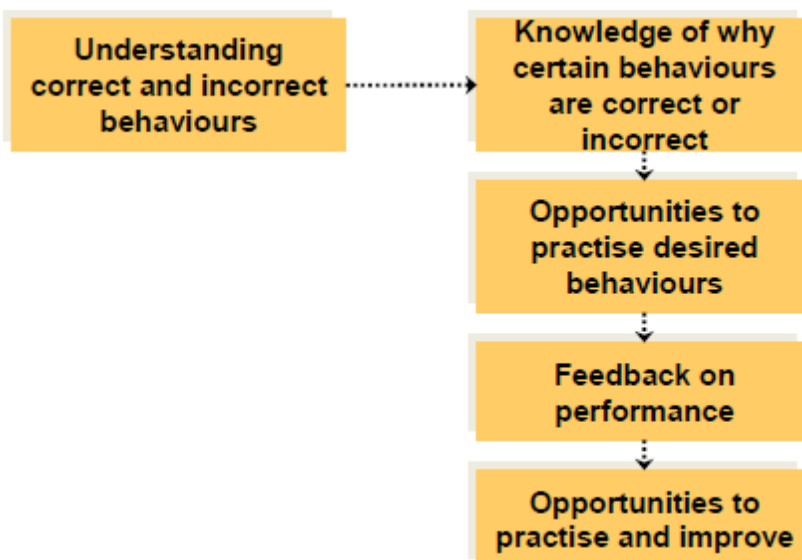
1. Getting the Right People:

- **Planning:** concerned with assessing the future human resource needs (demand), determining the availability of the type of people needed (supply) and creating plans for how to meet the need (fulfillment).
 - Forecasting Demand: how many and what type of employees in the future
 - Assessing Supply: eg. you may determine that those in the proper age demographic will go down in population
 - Formulating Fulfillment Plans: eg. if you determine that you will not have the right number of workers for assembly line, you may decide to automate much of the process
- **Job Analysis:** determination of the scope and depth of jobs and the requisite skills, abilities and knowledge that people need to perform their jobs successfully.
 - This generally leads to a **job description** (list of duties and capabilities required for the job), and then to a **job specification** (statement that describes the skills, experience and education that a candidate should have to perform the job)
- **Recruiting:** after you have determined whether you can offer what people want and whether you can offer proper incentives (ie. More money, flexibility, benefits)
 - Job Posting: popular internal recruiting method – post job, pay level, qualifications and announce to all current employees
 - Advertisements
 - Employment Agencies
 - Employee Referrals
 - School Placement Centres
 - Internet Recruiting
- **Selecting:** must be able to determine which candidate is best for the job – company's must be able to defend that their selection technique is valid (screening process that differentiates those who be successful in a job from those who would not)
 - Interviews: most widely used technique.

- Most cases = unstructured interview (interviewers have a general idea of the questions they might ask but not have a standard set).
- Structured Interview: ask a standard set of questions of all candidates about qualifications and capabilities related to job performance
- Work Sampling: simulate the job the person would be doing if hired
- Assessment Centres: a work sampling technique where candidates perform a number of exercises to capture aspects of job
- Work Simulation: typically involve situations which candidates perform work that they would do if hired
- Written Tests
- Background and Reference Checks
- Physical Examinations

2. Maximizing Performance:

- **Socialization and Training:** use a variety of methods to enhance the performance and potential of employees
 - Orientation: keep paperwork to a minimum, informal meeting with individual's supervisor, alternate heavy and light info, provide glossary of terms unique to organization, match new employees with experienced worker
 - On the Job Training Techniques: most widely used training technique in organizations
 - Off the Job Training Techniques: eg classroom based program
 - Training Objectives: outline important aspects such as behaviour, knowledge, opportunities to practice desired behaviours, feedback



- **Job Design:** structuring or restructuring of key job components – focuses on which components ought to be put together and how they should be arranged to enhance performance. Possible to redesign jobs to fit the people hired
 - Job sharing: two people working part time in the same job
 - Re engineering: rethinking and radical redesign of business processes to achieve dramatic improvements
- **Performance Appraisal:** concerned with – establishing performance objectives, measuring performance, providing feedback to employees concerning that measurement and evaluation
 - Graphic rating scales: lists a set of qualities on which the employee is evaluated – level of performance is rated in terms of a graduated scale

Employee name: _____ Dept. _____

	Excellent	Good	Average	Fair	Poor
1. Quality of work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Quantity of work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Cooperation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Dependability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Initiative	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Job knowledge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Attitude	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- Behaviourally anchored rating scales (BARS): are designed to keep many of the advantages of the graphic rating scales in that managers rate employee characteristics, but characteristics are specified and greater in detail

Position: _____
 Job dimensions: _____

Plans work and organizes time carefully so as to maximize resources and meet commitments	9	
	8	Even though this associate has a report due on another project, he or she would be well prepared for the assigned discussion on your project
	7	This associate would keep a calendar or schedule on which deadlines and activities are carefully noted, and which would be consulted before making new commitments.

Plans and organizes time and effort primarily for large segments of a task. Usually meets commitments, but may overlook what are considered secondary details.	6	As program chief, this associate would manage arrangements for enlisting resources for a special project reasonably well, but would probably omit one or two details that would have to be handled by improvisation.
	5	This associate would meet a deadline in handing in a report, but the report might be below usual standard if other deadlines occur on the same day the report is due.
	4	This associate's evaluations are likely not to reflect abilities because of overcommitments in other activities.

- 360 Degree Feedback: an individual's performance should be viewed from multiple perspectives – involve collecting appraisal evaluations from an individual's boss, peers, and subordinates – because multiple sources are doing the evaluations they must focus on many key constituencies
- Effective Performance Feedback: performance expectations must be clear and acceptable to the employee from the beginning and if the employee believes that, as the manager, you are biased in your observations your assessment will not have the effect you desire.
 - It is important to therefore record both positive and negative critical incidents (recording of specific incidents in which the employee's behaviour and performance were above or below expectations)

- **Effective performance appraisal**

1. Review key work objectives, goals or standards against which the employee's performance is measured
2. Summarize the employee's overall performance by reviewing specific positive and negative incidents
3. Discuss causes of weak performance and listen carefully to the employee's explanation
4. Discuss alternative means of improving future performance and encourage employee input
5. Establish an agreed approach, timetable, and review process for future improvement
6. Establish key objectives, timetables and standards for the upcoming performance period
7. Leave the meeting on an encouraging and positive note

- **Compensation:** the primary function of rewards and compensation is to retain and maximize the performance of employees
 - **Pay:** most firms establish a pay structure based on level in the company and type of position – **pay structure** establish a range of pay for a particular position or classification of positions.
 - Some organizations moving towards **broadband systems** – range of pay is large and covers a wide variety of jobs – greater flexibility to match pay to individual value and changing labour market conditions
 - **At risk compensation:** simply pay that varies depending on specified conditions – eg. general profitability of company, hitting particular budget, specific individual performance targets – this way is good because higher compensation costs will be associated to higher performance
 - **Incentive Plans:** systems that tie compensation to performance
 - **Benefits:** items such as medical, dental, and life insurance
 - Cafeteria style plans allow associates to spend their “benefit dollars” as suits them
 - **Rewards and Motivation:** more than just dollars paid out – recognition and praise are an example
- **Career Systems and Development:** designed to respond to the particular motivation of growing and developing people
 - **Career paths:** sets and sequences of positions and experience – prepare employees for certain responsibilities is largely a function of the firm’s strategy
 - **Cross Functional job rotation:** opportunities for employees to work in different functional areas and gain additional expertise
 - **Dual-career couples:** couples in which both partners work full-time in professional, managerial, or administrative jobs
- **Labor Relations:** come into play when employees are represented by formal unions who negotiate on their behalf regarding wages, benefits and other terms of their employment
 - Laws and regulations affecting HRM: in place to ensure that equal opportunity is provided for both job applicants and current employees – laws were intended to correct past inequalities - **Affirmative Action Plan:** hiring and training programs intended to correct past inequalities for certain categories of people
 - Laws within Canada have an impact on how Canadian businesses operate in other countries therefore - **Expatriate employees:** employees sent overseas on lengthy, but temporary assignments
 - **Glass ceiling:** invisible barrier that prevents women from promotion to highest executive ranks
 - Organizations cannot use criteria that you might think of as discriminatory to evaluate you for a position, but if they can demonstrate that the criteria are **bona**

vide occupational qualifications (BFOQ) it's okay – qualifications that have a direct and material impact on job performance and outcomes

- **Sexual Harassment:** two basic forms – quid pro quo (involves requests or implied suggestions that sexual relations are required in exchange for continued employment or benefits like promotion) hostile environment – created through jokes, touching, comments, pictures and other means of communicating unwanted sexual innuendo
- **Workforce Diversity:** includes wide range of factors such as age, gender, race, religion, cultural background, education and mental and physical disabilities
 - Managing workforce diversity: need to attract enough capable workers to meet turnover and growth demands for the business, enhanced creativity and innovation when solving problems, knowledge and understanding of the diverse marketplace and customers
 - Diverse workgroups often encounter the following problems:
 - Communication problems and misunderstandings
 - Mistrust
 - Conflict and incompatible approaches to resolving the conflict
 - Lower group cohesiveness and greater subgroup formation based on elements of diversity such as language, race or gender
 - General guidelines for you as a manager to follow:
 - *Know yourself.* How much exposure have you had to people with different ethnic, racial, religious, educational, or cultural backgrounds from your own? How tolerant and understanding of the differences have you been? How comfortable were you? How curious were you?
 - *Prepare yourself and your employees.* How skilled are you and your employees at listening, conflict resolution, negotiation, and communication?
 - *Provide support.* To what extent are there support groups for employees with minority backgrounds to keep them from feeling unappreciated and wanting to leave the organization? To what extent do minority employees have mentors who can help them understand and become an effective part of the organization?
 - *Guide behaviour.* To what extent do you monitor the behaviour of your subordinates and peers? How consistent are you in providing positive reinforcement of behaviours that foster tolerance of and effective use of diversity? To what extent do you privately provide negative feedback to individuals who display intolerance or other problem behaviours?

- **Globalization:** telecommunication and transportation technologies in particular have facilitated this expansion – companies in many different countries which translate into many different languages, religions (coping with customs, holidays and traditions).

Chapter 16 – Marketing

- **Marketing:** planning and executing the development, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy both buyers' and sellers' objectives
- Why is marketing important? Expands firm's global presence, persuasive throughout the organization, persuasive across the supply chain, makes life easier and provides employment, enriches society, can be entrepreneurial



1. What is sustainable competitive advantage?

– a long term competitive advantage that is not easily duplicable or surpassable by the competitors

2. Which of the following refers to a group that responds similarly to a firm's marketing efforts?

– Target markets are groups of people with similar wants and needs

3. One of the keys in place and value delivery is to provide the consumer _____.
 - a. Wide product selection, **merchandise they want at the time they want it**, a variety of media communication methods, accessible management personnel to handle complaints
4. Which of the following is not considered a marketing growth strategy?
5. A diversification strategy introduces a new product or service to a market segment that _____.
6. Which of the following research methods gathers qualitative data about initial reactions to a new or existing product or service, opinions about different competitive offerings or reactions to market stimuli? **FOCUS GROUPS**
7. Consumers can spend considerable time searching for both specialty and shopping goods or services; the difference lies in _____. **Financial resources**
8. Decision heuristics are _____ that help a consumer narrow down his or her choices.
9. What type of buying decision requires the least amount of time and effort?
10. What psychological factor is a need or want that is strong enough to cause the person to seek satisfaction?
11. Which of the following is a way in which reference groups might provide information to consumers?