Introduction to International Organizational Behavior

Simon Dolan
simon.dolan@esade.edu

ESADE Ramon Llull University

Tony Lingham
tony.lingham@case.edu

Case Western Reserve University

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Abstract

Fundamentals of International Organizational Behavior
by Simon L. Dolan and Tony Lingham

This book is designed to provide historical and fundamental aspects or organizational behavior so as to cater to the diversity of knowledge and related experience in the fields of psychology, sociology or business. This book is useful for college students who are taking their first course in organizational behavior and who are interested in international business or management.

About the Authors :-

Simon L. Dolan - He holds an HRM / OB chair in ESADE Business School, which ranks today as one of the top 10 business school in the world.

Tony Lingham - He teaches the LEAD program, conducts leadership development programs focusing on Experiential Learning, Learning Flexibility and Emotional Intelligence for top MNC executives in Case Western Reserve university.

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Why Adopt a Textbook?

Organizational behavior (OB) is the study of individual and group behavior in organizational settings. OB looks at organizations as entities, the forces that shape them, and their impact on the members. The study of OB involves three levels within organizations: (1) Individual; (2) Group (or Team); and (3) Organizational.
Preface

Chapter 1: What is Organizational Behavior?

Chapter 2: Understanding Individual Behavior in Organizations

Chapter 3: Motivating People in a Global Environment

Chapter 4: Managing Work Groups and Teams

Chapter 5: Leadership and Executive Coaching: The Keys to Success

Chapter 6: Enhancing Effective Communication in Organizations

Chapter 7: Managing Power and Conflict in the Workplace

Chapter 8: Understanding Decision Making Processes in the International Arena

Chapter 9: Managing Stress and Enhancing Well-Being at Work

Chapter 10: Managing Change and Culture Reengineering: The ABC of Managing by Values

Chapter 11: Managing Careers in Global Contexts

Chapter 12: Managing Diversity and Cross-Cultural Issues

Chapter 13: Emerging and Contemporary Themes in Global Organizational Behavior
Dedication

- Adela Maldonado -- my loving wife, my life-support and my source of inspiration...
- Bonnie A. Richley -- the love of my life; co-creator of our dreams; and the true fusion of brains and beauty (in every possible way): God's greatest gift to me...

Introduction to International Organizational Behavior
Preface

Having lived and navigated through various cultures around the world, we came to the decision to write a text book on the fundamentals of international organizational behavior. Between the two of us, we have worked in South East Asia, Asia, Europe, the Middle East, Canada, the US, South America, and even conducted workshops in Africa. In this book, we have made conscious effort to include case studies or vignettes that are based on our experiences or experiences of others that we know or came into contact with in our work across different cultures.

The inspiration to write this book came when both of us met at ESADE Business School and were teaching courses on Organizational Behavior to students that came from different parts of the globe and raised many issues that required us to relate our experiences in the global environment in the classroom. We also ensured that this book covered influential theories such as Experiential Learning Theory that would help faculty and students focus on engaging in the process of learning. As such, this book has been written and designed for college students who are taking their first course in organizational behavior and who are interested in international business or management. We have also designed this book to provide historical and fundamental aspects or organizational behavior so as to cater to the diversity of knowledge and related experience in the fields of psychology, sociology or business.

Pedagogical Features

Many textbooks often attempt to be all-inclusive. Students find these complex texts daunting, and instructors may find them confusing and time-dated. In designing the chapters for the book we paid attention to creating a good process that will encompass the needs of the field and that of past experiences from faculty who have taught organizational behavior or related courses:

1. We began by including topics that each co-author deemed essential.
2. We then surveyed students and consulted colleagues, asking them to rank topics from a large menu of possibilities. Topics that were repeatedly high-ranked or considered important were revisited and incorporated into the chapters. On occasion, when we decided that the topic did not deserve a chapter on its own, we incorporated it into a chapter that would fit well and to also not affect the flow of the chapters as we have designed them.
3. Finally, we were very sensitive to the debates and discussions in international conferences dealing with IOB issues and issues that were raised in classroom situations that we had to elaborate or relate to from our own work, consulting, training, and research experiences.
A Conscientious Blending at Various Levels

The content is designed to blend the classic with the current; theory with practice; and international with the national or regional. Chapters are integrated and ordered to flow naturally; yet, each is sufficiently self-contained to permit exclusion. Material has been chosen to reflect our unique international perspectives and experiences.

Design of Each Chapter

Each chapter begins with a clear outline of what aspects are covered in the chapter to help students know what the learning objectives are. We then introduce the chapters and expand on the knowledge areas paying attention to the levels of headings so as to allow the text to "breathe" with the reader. Within each chapter we incorporate an International Organizational Behavior in practice which we label "IOB in Practice" so as to allow students to engage with how such theories or knowledge is manifested in the international environment. Each chapter ends with a self-assessment exercise as well as one or more international mini cases connected with the chapter theme. Case studies in each chapter portray real-life International Organizational Behavior or IOB situations in action. As students have to be able to relate to these experiences, these projects have been designed with them in mind. Some are classics reprinted with permission from materials we had developed and published before, others were created by the authors of this book.

We also include vignettes that are original contributions by IOB leaders in the field so as to inspire and help students know some of the interesting, exciting and vibrant work of some of the leaders in the field. These leaders include Henry Mintzberg, Edwin A. Locke, Edward Lawler III, Rosalie L. Tung, Abraham K. Korman, Cary L. Cooper, Edgar H. Schein, Nancy J. Adler, and Chris Argyris.

Signposting Each Chapter

We begin Chapter 1 with an introduction to International Organizational Behavior where we define the field of organizational behavior; the three different levels that represent this field that also makes its nature interdisciplinary; the historical foundations of the field and lead into the need to understand International Organizational Behavior in today’s work environment. We then provide a cursory overview of research methods that are used in this field to demonstrate its variety and depth in approaches and focus.

In Chapter 2 we focus on the individual level of organizational behavior highlighting personality, attitudes, social perception and the attribution process, and the Theory of Experiential Learning and individual preferred learning styles. We included Experiential Learning in this text for two reasons: it is the most influential learning theory used in managerial and leadership development and it provides an understanding of the diverse ways in which
people learn which can be applied to the classroom environment. Chapter 3 goes on to highlight motivation theories and the relation between learning styles and motivation.

We abstract upwards into the group (or team) level in Chapter 4 where we begin with the basic definition of group (or teams) and the importance of working in teams. Here we present the foundational work on teams leading to the most recent approaches to team learning and development. We believe that understanding what groups (or teams) are, how they function, learn, and develop can inform both faculty and students to create a nurturing (challenging and supportive) team environment in the classroom.

Chapter 5 introduces the meaning and importance of leadership and provides some of the influential theories of leadership that emerged from the 1920s. We also included the importance of understanding leadership development from a competency vantage point and how this approach has led to the emergence of executive coaching.

In Chapter 6, we discuss the basic elements of the communication process, the different types of communication networks that exist within the organizational environment and some of the obstacle to effective communication. We close this chapter by describing various methods to improve organizational communication including how to create the right conversational spaces that is applicable to organizations and the classroom.

This flows into a discussion of managing power and conflict in Chapter 7 where we include understanding "power" as a concept, the various manifestations of power and strategies to use power effectively. We then discuss the types of conflict, how to manage conflict and most importantly the power of reframing conflict through understanding the underlying needs or perspectives in such situations.

In Chapter 8, we present and describe various decision-making models, how this affects creativity and innovation in the group (or team) environment and also incorporating learning styles into decision making. We also present some ethical issues around decision making processes.

Chapter 9 focuses on managing stress and enhancing well-being in the workplace. In the workplace setting and in the classroom environment, stress is a common experience and therefore important to deal with as part of the text. We discuss the concept of stress, the stress response, intrinsic and extrinsic sources of stress and their consequences for health and performance. We then discuss some individual- and organizational-level stress management techniques.

Based on the recent global events that we experience today, we dedicated Chapter 10 to the topic of Managing by Values. We show how Managing by Values (MBV) evolved from Managing by Objectives (MBO) which, in turn, evolved from Managing by Instruction (MBI). We present the existing model of MBV and the principal steps to change at the organizational level.
Bearing in mind that most students would be preoccupied with the possibility to of landing a job, we devote Chapter 11 to “Managing Careers in Global Contexts”. We outline how individuals can prepare for the world of work, career stages, how organizations support career development, and offer some guidelines for managing one’s career in today’s work environment.

In Chapter 12, we discuss the emergent area of diversity and cross-cultural issues. We begin the chapter with the meaning of workplace diversity and the global trends that make this an important aspect in the world of work. We highlight the benefits of workplace diversity and also how we can create diversity as part of organizational culture.

We dedicate our final chapter (Chapter 13) to the emerging trends in International Organizational Behavior beginning with a focus on productivity to that of work-life balance. We also discuss the effects of technology in the work environment and how business leaders are managing the technological developments within the work environment. We then focus on organizational learning and development, ethics and ethical behavior in the work environment and the emergence of the organizing process at the nexus of business and society.

The authors are grateful to a number of colleagues, friends and loved ones who have so graciously given of their time, energy and heart to help with this book. As individuals, Simon would like to extend his gratitude to Professor Alan Auerbach who co-authored a Canadian OB textbook back in 1996. Alan had retired from academic life, but some of the materials coauthored with Simon Dolan in the past has been updated and reused in this book. Simon would also like to express his gratitude to his loving wife Adela Maldonado (to whom this book is dedicated) who is his life support and source of inspiration throughout the project. He would also like to extend a special thank you to Bonnie Richley who co-authored the best selling book ”Managing by Values” with him (Palgrave Macmillan (2006). Bonnie took time off from her own work to provide useful comments and also agreed to include some of the case studies and papers that she co-authored with Tony Lingham for this book.

Tony would first and foremost like to thank Simon for offering him the possibility to co-author this book with him. He would also like to extend his eternal gratitude to the love of his life, Bonnie Richley, (to whom this book is dedicated) who have chosen not only to walk through life with him but also gave of her time to walk through each of the chapters with him to help with the incorporation of ideas and clarity of thought in the writing of each chapter. Tony would also like to thank his colleagues at the Weatherhead School of Management, Case Western Reserve University including David A. Kolb who has been a great advisor, teacher, mentor and friend and who exposed him to Experiential and Conversational Learning theories; Richard E. Boyatzis, who has also been a great mentor and friend and exposed him to competencies and coaching in leadership and managerial development; Ronald E. Fry and David Cooperrider who supported the publication of this book; his other colleagues at ESADE Business School including Ricard Serlavos, Ceferi Soler, and the hard work of both the administrators Maria Jesus Binefa and Josephina Morente at ESADE. Finally, he would also like to thank his colleague Davar
Rezania from Grant MacEwan College who also supported the writing of this book.

Each of us would be delighted to hear from faculty and students about this book; our email addresses are on the cover page of this book.

Simon L. Dolan
Tony Lingham

Dedication
Chapter 1: What is Organizational Behavior?

1.1 Learning Objectives

After reading this chapter, you should be able to:

- Define "organizational behavior" and describe its main characteristics
- Discuss the importance of studying organizational behavior
- Describe the two industrial revolutions and their effects on the structure and conditions of work
- Understand the theoretical foundations of organizational behavior
- Identify the primary research procedures used by organizations and by researchers in organizational behavior

1.2 Introduction

If this is your first encounter with the subject of organizational behavior, you are likely wondering what it is, and why it is offered by your college. The answer is that organizations play a central role in our lives. You were probably born in one kind of an organization (a hospital), as well as into another kind of organization (your family). Since then, who you are as a person has been shaped by many organizations, from the schools you attended, to the sports and voluntary organizations in which you may have participated.

Now, as you move toward entering the world of work, you will discover that organizations will influence the shape of your life more than ever. Especially if you are a business or management student, some day you might be responsible for managing people in an organization. You’ll do a better job if you grasp how organizations influence people and how people affect organizations. Such an understanding will be vital to your ability to thrive and even survive in the world of work. You can operate a car without understanding how it works, but it’s hard to run an organization without knowing its structure and function. The nature of the organization is what you’re about to learn.

This book introduces you to the basic aspects of international organizational behavior. It includes many real-life examples. For instance, the customer letter shown in Figure 1-1 illustrates the kinds of problems that organizations can and should avoid.

Dear Sir:

Because our company changed to a new IBM computer system, I urgently needed manuals to help me through a difficult transition period. I called the IBM office in Montreal.
and enquired about how to order these manuals, and they informed me that I would have
to order them through my IBM representative. I left a message and the next day was told
that I would have to wait four to six weeks to get them. I told my representative that time
was money and I could not wait that long.

I then called the IBM headquarters in the United States and asked whether I could order
the manuals directly from IBM, U.S.A. After several phone calls, I was eventually
transferred to a librarian. She was in a meeting, so I left a message for her. She did not
return my call. I called again the next day and she explained that she is in charge of the
library. I said that I understood but hoped she could do a search of IBM departments and
tell me from where I could order the manuals I so desperately needed.

Three days later, the search was completed and the verdict was that I would have to call
the IBM office in Montreal. I called the Montreal office and asked them for the manuals
and the reply was that there would be a four- to six-week wait. The person I spoke to
even recognized my voice. I again explained I could not wait four to six weeks, and she
told me to complain to the Customer Service Department. I called Customer Relations
and they explained to me that it takes so long because so many people are in need of
IBM manuals.

I again tried calling IBM headquarters, U.S.A., and said that I needed IBM manuals. They
told me to call the IBM Learning Centre in New York City. I called this Centre and
inquired if they sell manuals. The answer was yes. However, they told me that the person
in charge of manuals was in a meeting. I left a message. The person in charge contacted
me and explained that, although she understood my position, she could not help me. She
said that she sold manuals only to people living in New York City.

After extensive detective work, I found a place called Mechanicsburg, Pennsylvania,
which is reputed to sell these manuals. I called IBM headquarters and told them that I
know that IBM in Mechanicsburg, Pennsylvania, sells manuals and would they please
give me their telephone number. I was told they did not know it. I then telephoned the
operator and found the number of the most sacred place of IBM operations.

I spoke to an IBM representative and explained that I needed the manuals urgently. She
told me that she could not sell to private customers, only to IBM employees. I pleaded
with her and told her that I did not think she would be fired if she made a customer
happy, but she said she could not take such a risk.

At this point, I decided to write a letter of complaint to the president of IBM. I called Ms. S.
Brown, the librarian at IBM headquarters, U.S.A., and I asked her who the president of
IBM is. She replied that his name is Mr. John Akers. I asked her for his mailing address,
but she said that she did not know it.

Therefore, I am sending this letter to the newspaper, and I hope that Mr. Akers will do the
following: find a way in which to improve customer service, give Ms. Brown his mailing
address, check if the same type of customer service exists in other computer companies,
and give the Defense Department some pointers on how to keep classified military
manuals out of sight!

Yours truly,
Gideon Vidgorhouse, Ph.D.
Montreal, Quebec
Reprinted by permission of Dr. Gideon Vigdorhouse.

Figure 1-1: Letter Published in a Newspaper
We begin this chapter by describing the main characteristics of organizational behavior and considering its importance as a subject of study. Following a general review of the historical and theoretical foundations of organizational behavior, we outline the primary research procedures used by both practitioners in the field and organizations themselves.

### 1.3 Defining Organizational Behavior

Organizational behavior (OB) is the study of individual and group behavior in organizational settings. OB looks at organizations as entities, the forces that shape them, and their impact on the members. The study of OB involves three levels within organizations: (1) Individual; (2) Group (or Team); and (3) Organizational.

Let's look at the components of this definition. OB examines individual and larger or macro-levels (e.g. regional, national, global or systemic) and group behavior, as well as attitudes, social climate, and performance, within an organization. Researchers examine why people (individually or in groups) behave the way they do and how to manage these behaviors so that the organization can achieve optimal performance.

Researchers in organizational behavior study such age-old questions as what are the characteristics of a good leader? How can a manager motivate workers? What are the causes of conflict in the workplace? Increasingly, questions that have social and moral relevance, such as what makes an organization "ethical" in both action and reputation, are being addressed.

OB is termed "interdisciplinary" because its principles have been borrowed from various disciplines. For instance, from psychology we draw on findings in motivation, teamwork, training, and leadership. Sociology and anthropology address such topics as roles, norms, group dynamics, gender and age differences, the changing workforce, and differences among cultures. Political science has contributed theories on power and authority, management science deals with organizational structure and dynamics, and medicine has contributed information on health and safety issues.

### 1.4 Why Study Organizational Behavior?

In our competitive, complex, and constantly changing world, organizations must be effective in order to survive. But organizations cannot be resourceful without a competent and cooperative body of employees. Thus, it’s important to understand how to build and maintain such a workforce.

Think about the organizations you’ve dealt with either as a customer or an employee. It’s likely that your experiences have not always been pleasant and trouble-free. Perhaps you’ve been kept waiting for service, spent frustrating hours trying to get relatively straightforward information, or worked for a boss who gave you no direction and then criticized your work. On the other hand, you have probably also been exposed to organizations that maintain standards.
of excellence with respect to customer service or management. Why some organizations are more effective than others and why some supervisors are better to work for than others are typical topics in OB.

By studying OB, both employees and managers come to understand what makes people behave the way they do in their jobs. Employees can use this knowledge to increase their job satisfaction and improve their work performance. Managers can use their understanding of OB to accomplish organizational goals and help employees achieve optimal performance. Most important, learning about OB will help you to understand your own behaviors, attitudes, ethical views, and performance, as well as those of the people with whom you’ll be working. This type of knowledge will assist you in working effectively with managers, colleagues, and subordinates.

Although organizations have existed in one form or another since the earliest human societies, OB is a fairly new field in the social sciences. In the following sections, we review the conditions that served as an impetus for the emergence of OB and consider major developments that occurred in this field into the 21st century.

1.5 Historical Foundations of Organizational Behavior

Two Industrial Revolutions

A revolution is a sudden, major change. To understand where the first industrial revolution got its name, consider what happened over a span of a mere century. Up to the early 1700s, all goods were made by artisans who performed all or most of the steps themselves; for instance, a cobbler would convert a piece of leather into a pair of boots by himself. By 1800, the cobbler's descendants were working in shoe factories, repeating the same, generally machine-operated task throughout a 12-hour workday.

The industrial revolution of the mid-1700s, which started in England and rapidly spread throughout the Western world, changed the nature of daily activity. With centralized factories, work became something one did under strict instructions from a manager; it also became much more hierarchical, bringing prestige and power to a few. This first industrial revolution reached a high point in North America 150 years later, thanks largely to Henry Ford, the automotive industrialist who pioneered the use of interchangeable parts and the moving assembly line. This development made manufacturing so efficient that the cost of cars dropped from thousands of dollars to a few hundred. It also transferred all responsibility for the nature and pace of factory work from the workers to the plant managers. The resulting conflict between assemblers and managers led to the rise of unionism. The latter part of the 20th century has seen the emergence of an equally profound revolution in the workplace. Some of the characteristics of this revolution are addressed below.

The Changing Job
New jobs, once abundant in manufacturing, are becoming scarce. For instance, as recently as 1980, all writing was done by pen or typewriter; printed matter was composed by skilled typesetters. Now there are more than 50 million computers in business use in North America, and virtually all white-collar employees are expected to be familiar with their operation. Good new jobs with major employers are scarce. Most new job openings involve service rather than manufacturing, and most service openings are for low-skill, dead-end positions. Much new work in Canada is self-generated by entrepreneurs, mostly women, starting in their own homes. The jobs that do exist offer less security than they used to, as managers talk of "flexibility" and "global competitiveness." In addition to being replaced by machines, employees are becoming casualties of "restructuring," in which companies close down or relocate, or use microelectronic and satellite technology to transfer work such as programming and data entry to staff in low-wage countries. Factories concentrate on high-tech efficiency. Instead of stockpiling components, they rely on computer communication with suppliers and customers, and "just-in-time" delivery of components. They also use temporary or contract workers ("just-in-time personnel"). Temporary jobs have increased by over 20 percent in the past five years, and one in every ten employed Canadians is now in such a job, typically without much security or benefits. About two-thirds of such employees would rather have permanent work, and one in five adult Canadians is either unemployed or underemployed.

The Changing Union

Unions have lost much of their power and continue to lose it, as governments give employees more basic rights under the law than the unions did at their height. Because unions once controlled job classification, seniority used to bring relief from physically demanding, repetitive work, which would be turned over to young newcomers. Now plants aren’t hiring, and to keep their jobs employees have to work harder and longer at the same types of work they were hired to do a quarter-century earlier. The "workday" used to be the hours of daylight. Many people worked at home or lived on the job site. With the industrial revolution, the workweek increased to 70 or 80 hours. The major goal of unions was to reduce the workweek to 40 hours. Now the workweek is defined in law, but employers, faced with expensive fringe benefits and training costs, would rather induce employees to work overtime than hire additional staffers who might be expensive to dismiss when no longer needed.

The Changing Technology

There has long been tension between operators and their workplace machinery, but it’s taken on a new face. Computers do not work very intuitively, and workers feel the machines control them more than vice versa. Jobs that were once described in terms of the skills or knowledge required are now defined in terms of the apparatus to be operated. The company that took pride in its large team of friendly and knowledgeable switchboard personnel has replaced them with user-friendly, automated voice-mail and a technician who can maintain it.
"Labor-saving" machinery hasn't reduced workers' labor as much as it has lessened the employers' costs. The employer who has replaced six staffers with a costly machine wants the machine to be operated efficiently and continuously, preferably while reporting to management how it's being operated. Machines are still driving the operators.

No equipment has been changed more radically than that used for communicating. At the time of the first business, messages could travel as fast as a horse could gallop or a ship could sail. Those speed limits didn't change with the first industrial revolution; the changes didn't begin until the mid-1800s, and they advanced significantly only a century after that. Today's executives can communicate with their partners across the globe more easily than their grandfathers could communicate with the branch across town.

**The Changing Marketplace**

With the reduction of political trade barriers and with more efficient transportation, the marketplace is becoming global. A new motion picture or computer program can be sold in 100 countries rather than one or two, and fads can quickly spread across the world.

A global marketplace justifies investing huge sums of development resources, and also makes it harder to predict demand and serve consumers. Errors are more likely and more costly; decision-makers must be fast and accurate.

Retailing is also changing, with specialized catalogues at one end and huge warehouse stores at the other. Advertisers are targeting more specific types of prospects. There are new forms of marketing, and a more sophisticated approach to customer service.

**The Changing Employee**

Not long ago the typical Canadian employee was a white male breadwinner with a secure job that paid enough to support his family. Today’s job applicants, male and female, represent vastly more diversity in education, work and life experience, ethnicity, age, and lifestyle. Employees in today’s workforce are more knowledgeable, skilled and are more concerned about how the organization can help them improve and also how they can contribute in their own way to the organization. They believe in being active members of the organization.

Employees are also consumers, as their employment permits the purchase of goods. In the past, people's needs were simple, and there were few goods for sale. Workers were paid by the day, and if they didn't need anything they could take days off. Now there's a limitless range of goods that people want, and both spouses, if they have work, have to put in longer hours to pay for them.

**The Changing Management**
Management style is changing in complex ways. On the one hand, there’s increasing emphasis on humanizing the workplace and improving the quality of worklife. On the other hand, sophisticated (often computerized) machinery and surveillance technology are giving supervisors more information about, and control over, employees.

**The Changing Organization**

Employees’ social structure is changing. Jobs were once rigidly classified by training, formal designations, the apprenticeship system, custom, and union contract. If the factory’s power failed, the plant plumbers would have a cigarette break or a card game; if the assembly line stopped, the assemblers would have some off-time together. Now employers are increasingly gaining the right to move staff where needed and to have them do whatever is assigned. This removes the job classification barriers as well as the opportunities for downtime and the human interaction associated with it. Employers argue that these changes give workers more variety and protection from repetitive strain injuries. But employees find they have fewer opportunities to make friends, take a break, and engage in human interaction. And they have to work harder, replacing one repetitive task with a series of repetitive tasks. Another change is the way management is borrowing the Japanese method of altering employees’ attitudes toward the employer. To foster feelings of solidarity and loyalty, Japanese staff and managers share common uniforms, cafeterias, parking places, work locations, and to a large extent pay. Through prework rituals of songs, slogans, and calisthenics, workers are trained to think of themselves as part of a large team and to focus on kaizen, which is the search for ways of improving productivity and quality. But employees are finding that kaizen reduces the number of their jobs and increases their workload, and that they’re acquiring the skill of being able to multitask rather than being multi-skilled. Employees who feel that they’re being made to work harder rather than smarter tend to be less committed to their employers and more likely to switch jobs.

**The Changing Meaning of Work**

The technical meaning of work is clear in physics, but when applied to how we make our living, the word has long troubled dictionary writers, philosophers, and social scientists. For most of their time on earth, humans probably didn’t think of what they did during the day as work. Few of our early ancestors traveled every morning from where they lived to follow the orders of someone else in exchange for some sort of payment. Even the basic concepts of hours, cash, and employment are quite recent.

**A More Complex World**
Now, nine out of ten North American workers sell their labour for wages, so it's not surprising that work dominates our thought and lives. Work can be defined as activity that is purposeful, motivated, skillful, disciplined, and structured by task and time. It is generally cooperative and paid for by someone else. It is conceived of as something one is required to do; a rancher on horseback is working, whereas a suburbanite riding a horse is engaging in a leisure activity.

In the past few centuries, work was often seen as a noble, almost spiritual, endeavor; to call someone hard-working was a compliment. Now, our attitudes toward work are inconsistent. A steady job brings status, pride, dignity, and self-definition, whereas unemployment can result in depression, anxiety, and lowered self-esteem. Yet, many people view work as an unpleasant and undervalued activity that economic necessity demands they perform.

Other major trends in the "Changing World of Work" include the following:

- New technologies: growing use of information and communication technology;
- Growth in the service sector, more specific risks (ergonomics and personal contact with people, stress, violence);
- New forms of work, such as telework, self-employment, subcontracting, temporary employment, flexible hours;
- Integration and globalization;
- Aging workforce;
- Raising employability through new qualifications, increasing interest in autonomous work;
- Changing management structures and — organizations have become flatter, smaller and leaner;
- Increasing participation of women in the workforce;
- Growing number of SME's, in which knowledge and resources are often insufficient;
• Increasing work pace and work load. The above types of workplace changes (to jobs, unions, equipment, marketplaces, employees, and the organization and— and to work itself) are more sudden and far-reaching than you probably realize. These changes, which add to the second industrial revolution, offer both opportunities and challenges to those who study and participate in organizational behavior.

Leaders In The Field

Henry Mintzberg

Henry Mintzberg is one of the scourges of modern management education. A professor of strategy and organisation, at McGill University in Montreal. An engineer by training, he received a PhD from MIT before joining McGill’s faculty of management in 1968. He was the first Fellow to be elected to the Royal Society of Canada from the field of Management. He is a prolific writer of books and journal articles. In all, he have written about 120 articles and about 10 books. His best-known books are: *The Nature of Managerial Work* (1973); *The Structuring of Organizations* (1979); *Power In and Around Organizations* (1983); *The Strategy Process* (1988); and Mintzberg on Management: Inside Our Strange World of Organizations (1989). His The Rise and Fall of Strategic Planning won the best book award of the Academy of Management in 1995. His latest are (a) *Strategy Safari* A Guided Tour Through the Wilds of Strategic Management, and (b) *Why I Hate Flying* (which is a spoof of all the foibles of flying, and of managing).

I am a great believer in the flat earth theory. We thought we discovered the TRUTH several hundred years ago: the earth is not flat, it is round. Out with the old, in with the new!

However, for most practical purposes, the earth is flat, and the flat earth theory remains perfectly acceptable and useful. The point is that it is arrogant to consider any theory true, whether the theory is new or old. Theories can be useful or not, depending on the circumstances. That means that the older theories that you will meet in this book can sometimes be as useful as the latest theory.

1.6 International Organizational Behavior

As organizations become more international and embrace both different nationalities and cultures, the study of organizational behavior has expanded
to involve global settings. All the aspects of change mentioned becomes amplified and even more critical as organizations move toward becoming more multicultural, multinational and even having offices located in different countries or regional of the world. The study of International Organizational Behavior requires the understanding of various regional contexts (American, Canadian, Latin-American, European, Asian and African) and their numerous local contexts with their indigenous cultures. Yet, researchers also need to understand the cross-cultural and virtual interactions especially in multinational companies (MNCs) and transnational organizations. Although all members in organizations are human beings, individuals working with different cultures and nationalities experience diverse difficulties that cannot be assumed as similar to those individuals working in a homogenous setting. Also, as organizations become more team oriented to cope with the need to be flexible and responsive to the volatile business environment, team research (especially cross-cultural and virtual) is becoming more critical in international OB. Finally, the perception and of organizational change and the rates of change in different regions and nations are beginning to be included as part of the field of international OB. In this book we offer some concrete examples that highlight the international flavor of Organizational Behavior across all three levels: individual, team and organizational.

**Scientific Management**

Modern OB was much influenced by Frederick Winslow Taylor in the late 1890s. His 1911 book *The Principles of Scientific Management* would have been on the office shelves of Henry Ford’s managers. Taylor was an engineer who wanted to find a way of improving employee performance in a steel factory where he worked. He believed that he could find an ideal set of management principles that would improve the satisfaction and performance of all employees.

The years Taylor spent analyzing and observing worker behavior resulted in a procedure for organizational control called scientific management. Taylor argued that each task should be simplified so that every employee would repeat the same minimum task as efficiently as possible. The best worker at a given task should be studied in terms of time taken and tools and techniques used, and this performance would be the benchmark against which other workers would be measured. Management would make all the planning, pacing, and maintenance decisions, and would pay employees based on their individual productivity.

He felt that his scientific management was the one best way of managing all employees; it would guarantee the optimal use of workers in virtually any working situation. Although it was later found that no single management style is highly effective in all situations, Taylor’s scientific management made some important contributions to our understanding of OB. These include identifying some of the sources of motivation of workers, developing goal-setting programs, bringing in incentive pay systems, laying the groundwork for modern employee selection techniques, and providing properly designed tools.
Taylor was criticized as having too mechanistic an approach to management, and for assuming that employees are basically lazy and need to be watched continuously. A contemporary critic of Taylor, citing one of Taylor’s success stories, asked if it was fair for employees to increase their output by 363 percent for a mere 61 percent increase in wages. Opposition to Taylor was a major cause of the rapid growth of unionism.

The interdisciplinary nature of OB surfaced early. In 1915, the U.S. physiologist Walter Cannon discovered the stress response, which he described as a physiological response to environmental stimuli. A generation later, organizational behaviorists would use Cannon’s finding to identify the relationship between health and employee behavior.

The Hawthorne Studies

During the 1920s, a Western Electric Co. telephone assembly plant in Hawthorne, Illinois, following Taylor’s theory, conducted routine scientific management research on variables such as the effect of workplace lighting on productivity. The illumination in one assembly room was unchanged; in another room, it was varied. Astonishingly, every time the lighting in either room was measured, productivity increased, at least initially. The puzzled management hired business school professor Elton Mayo to investigate. Again, Mayo soon concluded that no matter what changes were made, the employees’ productivity rose. This finding was the start for a series of four massive studies by Mayo over the next dozen years. One study on assemblers whose work environment was not being changed showed that they were all restricting their output to some unwritten standard. Mayo gradually switched his attention from the physical work environment to the attitudes, morale, and social relations of the employees, that is, to the human relations of the workplace. To investigate the nature of these human relations, detailed 90-minute interviews were conducted with over 20,000 employees. These interviews disclosed the importance of the informal social structure: employees were forming groups that established their own norms of behavior (including productivity) and pressured members to produce neither more nor less than these norms. These findings came to be known as the Hawthorne effect. The main Hawthorne effect is the remarkably energizing effect of the simple act of showing interest or paying attention. Ever since, researchers have been careful to consider the Hawthorne effect as a possible explanation of research participants’ behavior. (The more formal name for this effect is demand characteristics, meaning that the researcher can, even without meaning to, “demand” that the research participant behave in a certain way.) The other Hawthorne effect has to do with how the social influence of an informal group can determine employee behavior, including productivity. Mayo’s finding that working conditions, satisfaction, and relationships with other workers all influence employee behavior gave rise to the human relations approach to the management of people, which held that there is no one best way of managing employees. The first motivation theories were developed toward the end of the 1930s. These theories are based on the assumption that behavior is largely determined by immediate needs. Indeed, they show how the various physical, psychological, and social needs of a
person will predict behavior. The 1950s saw the development of motivational theory based on the work of Frederick Herzberg, which drew attention to the difference between needs that are satisfied by the external environment (extrinsic needs) and those that are satisfied by the inner upper-level needs (intrinsic needs).

**Leadership Research**

During the early 1940s, the world stage was highly dominated by a small number of political and ideological leaders such as Churchill, Hitler, Stalin, and Mussolini. Canadians looked to William Lyon Mackenzie King, who was then serving his third term as prime minister. Not surprisingly, this is a time when researchers began to look at the issue of leadership. The main early contributors were Ronald Lippitt and Ralph White, who examined democratic and autocratic styles of leadership. Later, J.R.P. French and B. Raven studied the concepts of leadership and power. The two main names in leadership research are R.M. Stogdill, who analyzed leadership behavior and suggested that an individual's personality characteristics determined whether he or she was a follower or a leader, and Fred Fiedler, who showed that different types of leaders are needed for different situations.

During the 1950s and 1960s, industrial psychologists began to examine the impact of satisfaction on the design of work and on employee behavior. Studies of group dynamics and interactions were also conducted. J.S. Adams's equity theory and Victor Vroom's expectancy theory dominated the work motivation research during this period. More details are presented in Chapter 3.

**1.7 Research Procedures in Organizational Behavior**

Without research, we'd have to rely on guesswork for our answers. What makes OB a science is its use of scientific research procedures, which are outlined in this section. OB researchers use both quantitative and qualitative designs in their research.

**Quantitative Designs**

**Correlational Research**

The term "correlation" refers to the relation between two variables or attributes. Most attributes of interest to OB researchers vary or change, hence the term "variable." Leadership traits, productivity, communication, and motivation are all variables.

Virtually all correlations are calculated through the use of a mathematical procedure devised by Karl Pearson. The full name of such a correlation is **Pearson product-moment correlation**, abbreviated as \( r \), and ranging from 0 (indicating no correlation whatsoever) to 1 (indicating a perfect correlation).
The numbers between 0 and 1 are termed correlation coefficients where the higher the number, the stronger the relationship. A minus sign in front of the coefficient means that as one variable goes up, the other decreases.

The higher the correlation between two variables, the more accurately we can predict the amount of one variable from knowing the level of the other. For instance, if we knew the amount of training given to employees and their motivation level, and if the training and motivation had a correlation of 1, then if I knew your training history I’d know your motivation level too.

Correlational research allows us to state how two variables are related mathematically, but not why they are related. For instance, if we know that there’s a high correlation between the amount of praise given to employees and their productivity and — the most productive are the most praised, and the least praised are the least productive and — then from knowing how much praise a worker receives, we can predict that person’s productivity. What we cannot do is determine the reason for this correlation, since there is more than one possible explanation. Maybe the praise caused the high output (or vice versa), or perhaps some third variable, such as the employee’s attitude, was responsible for both the level of output and the level of praise. We are entitled to guess as to the reason, but not to conclude. Examples of correlation research that are popular among OB researchers include field studies, surveys, archival research, factor analysis, longitudinal studies, and case studies.

**The Survey**

The survey is the most common procedure for collecting data in OB research. Surveys that involve written responses are called questionnaires; those that involve spoken responses are called interviews. Each of these survey types has advantages and disadvantages.

**Advantages of the Questionnaire**

- The questionnaire is the most cost-efficient means of surveying a large group of individuals. It is inexpensive to draft and to type a page of questions, and the page can be reproduced, distributed, and collected efficiently.
- The procedure is standardized. The same questions are presented in the same way to each respondent, and all respondents answer in the same way on the same answer form.
- A variable that can be tapped in this standardized fashion is writing ability. For instance, a question could say, "In the space provided, explain why we should offer you the position you are seeking."

**Disadvantages of the Questionnaire**

- The questionnaire is inflexible. Some questions do not lend themselves to a "yes or no" answer, or information that
the respondent wants to or should ask may not appear. Of course, skillful design of the instrument can reduce such problems.

- Questionnaires are subject to demand characteristics. That is, no matter how neutral or non-leading the questions were designed to be, the respondent is prone to interpret (from the wording, from the effect of previous questions, from the title of the document, etc.) what the "right" or "best" or "expected" answer is.
- Because of the ease with which questionnaires can be written, reproduced, administered, and collected, they invite carelessness in their design and administration. It is easy to collect more information than can be properly processed, interpreted, or used.
- Only a small percentage of those who receive a questionnaire are likely to complete and return it. The problem here is not one of numbers. If a researcher wants 100 completed questionnaires and the response rate is only 10 percent, it is still cost-effective to administer 1000 forms to yield the required 100 answers. The problem is non-responder bias, which is the systematic difference between responders and non-responders. For instance, people opposed to an issue are more likely to return a questionnaire dealing with it than are those in favour of or neutral toward the issue. Thus, responders may not be representative of the population surveyed.
- It is relatively easy to amass an impressively large array of data from questionnaires. However, achieving a high response rate does not eliminate problems. Respondents may answer carelessly or even randomly. This pattern is hard to detect and counteract. Some questionnaires contain repeated (reworded) questions throughout, so that internal consistency may be measured.
- No matter how clearly the researcher tries to word the questions, there remains the chance of misinterpretation.

**Factor Analysis**

Whereas correlation research reveals the extent to which two variables are related, factor analysis is a statistical procedure that shows the extent to which any number of variables are related. Factor analysis also shows how much "clustering" there is in a group of variables by revealing which variables are linked into groups. That is, it tells which variables are so strongly correlated with each other (and only weakly correlated with the other variables) that they represent some common trait, ability, or factor. For instance, suppose you obtain measurements on these five variables in a group of employees: performance, motivation, incentive, health, and age. Suppose that there's a strong connection among the first three variables, and that these variables are not related to the last two variables on the list. Factor analysis would show the extent to which performance, motivation, and incentive form a single cluster, sometimes also called a "loading."
As statistical methodologies become more sophisticated, organizational behavior researchers are incorporating methods in their work such as Structural Equation Modeling (SEM) and Multi-level analysis.

**Qualitative Designs**

**The Field Study**

The simplest type of scientific research is the field study, also known as naturalistic observation. These terms stem from the early history of animal psychology, when some researchers argued that because bringing animals into a laboratory for study would disrupt their normal behavior, scientists should observe the animals in the natural environment.

Field studies are routinely chosen for OB research when the objective is to find the correlation between two variables, such as the quality of the cafeteria food and worker contentment. By definition, when a field study is performed, the individuals being observed must be unaware of the researcher, a requirement that raises ethical issues when the subjects are human beings.

**Interviews**

One of the most popular qualitative designs is the use of interviews. OB researchers have used interviews to study organizations at all three levels.

**Advantages of the Interview**

- In contrast with the questionnaire, an interview yields high response rates because it is harder to ignore a survey-taker than a piece of paper. When potential respondents are not available, the interviewer can return or make contact by telephone.
- In most face-to-face encounters, the interviewer can assess the respondent’s confidence, attitude, and anxiety level. Similarly, the interviewer can note physical characteristics such as dress, grooming, and posture.
- By establishing a rapport with the respondent, the interviewer can elicit richer and more complete answers than would be possible in the context of a questionnaire.
- The interview can be highly flexible. Although flexibility is minimal in the structured interview, which involves reading the same questions to each respondent, the interviewer can probe (i.e., ask for clarification or expansion) in the semi-structured interview. In the unstructured version, the interviewer may ask anything in any order.

**Disadvantages of the Interview**

- Even a structured interview lacks standardization, because it is hard to remain unchanged in manner, voice, and
appearance over a period of time. An interviewer may start each interview in exactly the same way, but each response of the interviewee is likely to change the behavior of the interviewer.

- A more serious criticism is subjectivity. For instance, when one person meets another, an impression, perhaps having to do with physical appearance, tends to be formed immediately, and it resists change.
- A selection interview is susceptible to the "first date" syndrome, wherein each party tries to impress the other by exhibiting uncharacteristic behaviors.
- The interview is an expensive procedure for collecting data. To gather 1000 hours of responses requires 1000 hours of interviewing, yet 1000 respondents could complete a questionnaire at a cost of a few hours of research time.
- Respondents tend to be more nervous in a face-to-face encounter than in a paper-and-pencil encounter, especially if the interview is seen as important. A selection interview favors the applicant who is verbally articulate and skilled in self-promotion. When the interview is designed to gather research information, the respondent may feel intruded upon, self-conscious, or concerned about the lack of anonymity; such feelings can distort the responses.
- The prime liability of the selection interview is that success in the interview, a highly controlled situation, is not a reliable predictor of success on the job. It's likely that you have been asked to complete various surveys. And if you continue in OB, you may be involved in designing, administering, and interpreting surveys. No other research technique is as useful, and no other technique has as compelling a list of both advantages and weaknesses.

### 1.8 Mixed Designs (Both Quantitative and Qualitative)

**Archival Research**

Archival research involves the examination not of people's present behavior, but of the

*traces* of behavior they have left behind. For instance, to determine if a new machinery layout produces less wasted motion, the researcher could paint the floor area of both old and new layouts with a short-life paint. The more the employees have to walk about the equipment, the more they'll wear off the coating. After a month, the floor scuffing around the two layouts can be compared.

Archival research is often marked by innovation and cleverness in getting at and interpreting the wealth of traces that normal human activity leaves behind.
behind. For instance, an advertiser, wanting to know how popular a certain sports event on television is, would normally invest in a costly rating service. Alternatively, the advertiser could examine the record of a big city’s water pressure. The clever assumption would be that a captivating event will keep viewers in their seats until it’s over, whereupon large numbers will use the washroom, causing a significant drop in water pressure.

The Longitudinal Study

Longitudinal means "along the longest direction or dimension." A longitudinal study takes place over an extended time period. How long a study must be to merit the term "longitudinal" is a matter of opinion. In child psychology, a six-month study would rarely be seen as longitudinal, whereas an equally long OB study could be considered as such. What defines a study as longitudinal is a focus on development or change over time. Any format of research could be termed longitudinal, but such studies are typically field or correlational studies.

A classic example of longitudinal research is the 12-year-long Hawthorne study. Such examples are unfortunately rare, especially in OB research. For students performing research as part of their training, an artificial deadline requires a time-limited study. For academics, the faster a study is completed, the sooner it can be submitted for publication. Given today’s faster pace of progress, increased pressure to publish, and severe competition for research funds, we may never again see the results of a decade-long research program.
The Case Study

The terms case method or case study sometimes refer to a teaching or training procedure used by a group to solve an actual or made-up problem. The terms also apply to the procedure relied upon by early clinical psychologists and psychoanalysts, namely that of studying and reporting on a single client. When an OB researcher examines and reports on a single situation, especially after studying it in depth and applying some intervention or treatment to it, the report is also termed a case study. Research based on an individual case is appealing for the same reason longitudinal research is unappealing. A case study tends to be limited in scope, and it can often be completed in less time.

Overview of Correlational Research

We’ve touched on field studies, surveys, archival research, factor analysis, longitudinal studies, and case studies. There are so many variants of correlational research because correlational studies are favored by OB researchers. Why is this? Correlational research is attractive, especially for studies of humans, because the researcher does not have to intrude upon the participants but has only to measure some aspects of their behavior. (Only the survey requires interrupting a person’s routine. However, most people don’t object to answering a well-designed survey, and because no treatment variable is administered, the ethical concerns are minimal.) The weakness of correlational research is that no causal relationships can be assumed. For inferences of causality, the researcher must turn to the experiment.

The Experiment

Unlike correlational research, the experiment permits us to infer causality, that is, to assume the existence of a cause-and-effect relation. Only through performing an experiment can we conclude that variable a caused (or influenced, affected, yielded, changed) variable b. An experiment is an artificial procedure dealing with two variables, in which the level of Variable A is systematically varied, so that its effect upon levels of Variable B can be measured. A correlation researcher examining the relation between cafeteria food and worker contentment would ask, "Is there a relation between the two variables?" The experimenter would ask, "Does Variable A influence or cause Variable B?"

To answer this question, the experimenter could randomly divide the diners into two groups. Each group would be similar enough that if they were provided with identical meals their ratings of contentment would average about the same. If one group were to receive worse food than the other group, then any changes in the contentment scores could be attributed only to the changes in the food quality. That is, the level of the b variable (contentment) would depend on the level of the a variable (food quality). The b variable may be termed the caused or influenced variable, the outcome variable, or the dependent variable because its size depends on Variable A. Variable A, or causal variable, is termed the treatment or independent variable. While
Variable A is manipulated (it must be administered in at least two intensities), Variable B is measured.

Here is another example of an experiment. A researcher located 20 supervisors and separated their names into two matched groups of ten. ("Matched" means that the groups are so equivalent that if supervisory effectiveness were measured, all the groups would show similar averages.) One group was randomly chosen to be the experimental group and the other to serve as the control group. (When one group gets some treatment and the other group gets a fake treatment or nothing at all, the terms "experimental" and "control" are used to distinguish between the two groups.) The members of the experimental group underwent sensitivity training, while the control group was enrolled in a special program that involved physical training. A year later, measures were taken to show if, and to what extent, those given the sensitivity training outperformed the equivalent group given the control treatment. The study thereby indicated whether or not sensitivity training improves managerial effectiveness.

Not all experiments would read like the above examples, since many experimental designs are possible. What is common to every experiment is a systematic administration of a treatment variable so that its influence on a resulting variable may be measured. A final example will clarify this point. If you administer a survey during lunch to measure (1) whether employees eat meat or fish, and (2) how often they smile over the next hour, you have performed a correlational study that can reveal only the size of the connection between diet and facial expression. But if you randomly assign workers to either a meat table or a fish table, ensure that both groups are treated the same except for the food variable, and then record their smiling, you have performed an experiment that entitles you to infer the effect of diet upon smiling.

The essence of experimental design is that any difference in the outcome measure cannot be attributed to anything except the treatment variable. This is accomplished by the proper application of controls, or procedures that eliminate alternate explanations. Four common controls (randomization, matching, E bias, and demand characteristics) are outlined next.

**Randomization Control**

Suppose the researcher wants to divide ten welders into two groups, apply a different treatment to each, and measure a performance variable. The researcher lists the welders' names alphabetically and assigns the first five welders to one treatment group and the rest to another group. Would this create two groups whose performances would be about the same in the absence of any differential treatment? Suppose the ten included three members of the Watson family, all famed for their welding ability! The use of the alphabet to assign subjects to groups could introduce various sources of bias that would make the two groups inherently different. The most common solution is to randomly assign subjects to groups. In a random selection procedure, each individual has an equal chance of being chosen. For instance, if the researcher were to write each welder's name on a slip of paper, place the...
If you put the names of 100 welders in a hat and randomly divided them into two groups of 50, the performance of the two groups should be virtually identical. But if you did the same with only four welders, it is unlikely that one pair would perform the same as the other. The smaller the N (the number of participants studied), the smaller the likelihood that the group can be divided into subsets of similar performance. To divide a small N group into equivalent subsets, it is generally necessary to match the subsets. In a matching procedure, the researcher needs to know what organismic variables are likely to influence performance. (An organismic variable is a variable that is a characteristic of the organism.) The researcher may determine, for instance, that the organismic variables that predict welding performance are age and years of welding experience. To match the four welders on these two variables, the researcher would assign the oldest and most experienced welder to group 1, the second-oldest, second-most-experienced welder to group 2, the youngest and least experienced welder to group 1, and the closest match for this person (and final welder) to group 2. Matched groups provide a sensitive measure of the effect of a treatment variable, but the process of matching is not always simple. Knowing what variables to match may require a preliminary study. While it is easy to match on one or two variables, it becomes increasingly difficult, if not impossible, to match on several variables. Imagine having to identify the oldest, most experienced, nonsmoking, locally trained, underweight welder, and the closest match for this individual.

**Control of Experimenter Bias**

A researcher performing a study is likely to have some emotional investment in the outcome. Even the most dispassionate and objective scientist surely has expectations, assumptions, and hopes that may cause him or her to inadvertently influence the outcome of the study. This influence is termed experimenter bias, or E bias. A researcher can totally control E bias by hiring a technician to "run" the participants (i.e., to conduct the trials) in a process known as blind control. A researcher who is blind to (uninformed about) the purpose and expectations underlying the study is unlikely to communicate bias. Researchers always try to treat the participants neutrally, often by avoiding advance knowledge of which participants are receiving which treatment.

**Control of Demand Characteristics**

Research participants bring their own assumptions to the study. As noted in our discussion of the Hawthorne effect earlier in this chapter, demand characteristics relate to the fact that every intervention carries implied expectations or demands. When you say "hello" to someone, a specific response is demanded by the social situation. When you ask people to serve as research participants, the typical response (given an appropriate context) is one of compliance and cooperation. In the Hawthorne studies, it was the
demand characteristics of the intervention, not the changes in work environment, that affected employee performance. To control demand characteristics, the researcher can use a double-blind control — meaning that neither the experimenter nor the participants know which is the treatment and which is the control — and ensure that instructions to participants are kept as neutral as possible.

1.9 Organizational Research Procedures

**Top 50 Management Gurus (Business Experts)**

These individuals represent a mix of academics, consultants and business leaders, were identified in a study initially published in May 2002 by Accenture (the international firm of consultants). Accenture defined them as business intellectuals but they are probably better known as management gurus or business experts. They are thought leaders, providing the latest and best business thinking. Each enjoys "guru" status.

1. Michael E. Porter  
2. Tom Peters  
3. Robert Reich  
4. Peter Drucker  
5. Peter Senge  
6. Gary S. Becker  
7. Gary Hamel  
8. Alvin Toffler  
9. Hal Varian  
10. Daniel Goleman  
11. Rosabeth Moss Kanter  
12. Ronald Coase  
13. Lester Thurow  
14. Charles Handy  
15. Henry Mintzberg  
16. Michael Hammer  
17. Stephen Covey  
18. Warren Bennis  
20. Jeffrey Pfeffer  
21. Philip Kotler  
22. Robert C. Merton  
23. C. K. Prahalad  
24. Thomas H. Davenport  
25. Don Tapscott  
26. John Seely Brown  
27. George Gilder  
28. Kevin Kelly  
29. Chris Argyris  
30. Robert Kaplan  
31. Esther Dyson  
32. Edward de Bono  
33. Jack Welch  
34. John Kotter  
35. Ken Blanchard  
36. Edward Tufte  
37. Kenichi Ohmae  
38. Alfred Chandler  
39. James MacGregor Burns
Because of their large and diffuse nature, organizations invite their own specialized procedures. Five common ones are sociometry, position analysis, communications analysis, discretionary analysis, and comparative analysis.

**Sociometry**

In sociometry, all group members are asked to indicate their relationship on a specified dimension with every member of the group. The task may be, for instance, "List everybody you like," "Name the people you would approach to get something done," or "Next to each name, give the number of messages you sent last month." By combining all the responses, the researcher can diagram the relationships, competence ratings, and communication effectiveness.

**Position Analysis**

The position analysis researcher compares the job requirements with the abilities of each job holder. The purpose is to effect an optimal match between abilities and requirements and to uncover any mismatches. When a discrepancy is discovered, the tasks may be altered or employees may be reassigned.

For instance, a sales manager is responsible for responding to the performance of the sales representatives. The reps enter their orders into a new computer system on a daily basis, but the manager is not computer literate and so can respond only to data on the quarterly sales summaries. Following the position analysis, the manager is asked to either turn the feedback function over to someone who can interpret the daily computer data, or learn how to operate the computer system.

**Communications Analysis**

To perform communications analysis, the researcher traces the path of a message to reveal at what step it is delayed or blocked, simply passed on, or elaborated or acted upon. The formal communication structures can be contrasted with the "grapevine" (discussed in Chapter 6), and the messages can be analyzed for content.
For example, a firm is troubled by frequent rumors and by complaints of inadequate communication. All employees are asked to participate in a research project to determine the nature and extent of communication lapses. They are furnished with a "communications record" form that lists each hour of the workday for a week. Whenever they receive any kind of message related to the company, they are to note on the form what the message was and the level of the person from whom it was received. The researcher analyzes the hand-ins and makes recommendations; the management evaluates the proposals and decides what changes to make. A copy of the report, along with any changes decided upon, is sent to all the participants.

**Discretionary Analysis**

One way of evaluating the status of employees is to analyze their freedom to work unsupervised; this technique is termed discretionary analysis because it measures how much discretion the employees have. They may be asked, "For what length of time do you perform your assigned tasks using your own judgment, without the direct review of your superiors?" Generally, the less the direct control, the higher the worker's competence, responsibility, and pay expectations.

**Comparative Analysis**

The study of one organization can be facilitated by performing a comparative analysis of other organizations. For instance, college students complain that they have too little input into administrative decisions that affect them. The student leaders ask the administration for a response and also survey their counterparts at other schools. They may find that whereas their institution has the best record with respect to student representation on committees and student services, in terms of dispute-resolution programs other schools serve their students better. Armed with the comparative analysis survey results, the leaders publicize the role of students on committees, write an article in the student newspaper commending the excellence of student services, and prevail upon their administration to appoint an "ombudsperson" to mediate student complaints.

**1.10 Changing Concepts of Organizational Behavior**

In addition to the three major currents in the early history of OB and — namely, scientific management, the Hawthorne studies, and leadership research and — there have been a number of other influences as well. For instance, in France in the 1930s, Henry Fayol11 (pronounced fie-ole) designed for his fellow engineers a set of management principles that became widely accepted throughout western Europe. Fayol argued that (1) the role of a manager is to plan, organize, direct, and control; (2) each employee should report to only one supervisor ("unity of command"); and (3) functions should be specialized, so that experienced teams are responsible for human resources, research and development, marketing, and so forth. At the same
time in the United States, social psychologist Kurt Lewin\textsuperscript{12} focused attention on group dynamics, or the influence of the group upon individual behavior. Later, Richard Lazarus\textsuperscript{13} showed the need to understand how people perceived various situations and how their perceptions related to the experience of stress.

Robert Blake and Jane Mouton\textsuperscript{14}, who were the first to suggest that managers can be trained, provided a diagnostic test called the managerial grid. This grid positioned each leader along two axes, one addressing a concern for production or task completion and the other representing a concern with people and their feelings.

Table 1-1 lists key concepts of IOB that have developed over the past century or so.

<table>
<thead>
<tr>
<th>Period</th>
<th>Theory/Concept</th>
<th>Key Contributor(s)</th>
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<tbody>
<tr>
<td>1890s</td>
<td>Scientific Management</td>
<td>Frederick Taylor</td>
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<tr>
<td></td>
<td>Bureaucracy</td>
<td>Max Weber\textsuperscript{15}</td>
</tr>
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<td></td>
<td>Administrative Theory</td>
<td>Henry Fayol</td>
</tr>
<tr>
<td>1900s</td>
<td>Fight and-Flight (Emergency Stress Response)</td>
<td>Walter Cannon\textsuperscript{16}</td>
</tr>
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<td>1910s</td>
<td>Hawthorne Studies—Human Relations</td>
<td>Elton Mayo</td>
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<tr>
<td></td>
<td>Group Dynamics and Resistance to Change</td>
<td>Kurt Lewin</td>
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<tr>
<td>1920s</td>
<td>Early Leadership Studies</td>
<td>Ronald Lippitt and Ralph White</td>
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<td></td>
<td>Classical Conditioning</td>
<td>Ivan Pavlov</td>
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<tr>
<td></td>
<td>&quot;Need&quot; Theory of Motivation</td>
<td>Abraham Maslow\textsuperscript{17}</td>
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<tr>
<td>1930s</td>
<td>Behavior Modification</td>
<td>B.F. Skinner</td>
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<td></td>
<td>Psychoanalysis</td>
<td>Sigmund Freud</td>
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<td></td>
<td>Human Side of Enterprise</td>
<td>Douglas McGregor\textsuperscript{18}</td>
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<td></td>
<td>Hygiene-Satisfaction Theory of Motivation</td>
<td>Frederick Herzberg</td>
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<td>Humanistic Psychology, &quot;Sensitivity&quot;</td>
<td>Carl Rogers</td>
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<td></td>
<td>Stress Response</td>
<td>Hans Selye\textsuperscript{19}</td>
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<td>Managerial Grid Model of Leadership</td>
<td>Robert Blake and Jane Mouton</td>
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<td>Contingency Theory of Leadership</td>
<td>Fred Fiedler</td>
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<td>Personality, Locus of Control</td>
<td>J.B. Rotter\textsuperscript{20}</td>
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<td>Expectancy Theory of Motivation</td>
<td>Victor Vroom</td>
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<td>Cognition and Stress</td>
<td>Richard Lazarus</td>
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<td>1940s</td>
<td>Type A Behavior and Stress</td>
<td>M.D. Friedman and R.H. Rosenman</td>
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<td>Bounded Rationality Model of Decision-Making</td>
<td>R.H. Rosenman\textsuperscript{21}</td>
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<td>Power and Leadership</td>
<td>Herbert Simon\textsuperscript{22}</td>
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<td>Path-Goal Model of Leadership</td>
<td>Jack French and B. Raven\textsuperscript{23}</td>
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<td>1950s</td>
<td>The Dynamics of Bureaucracy</td>
<td>Robert House\textsuperscript{24}</td>
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<td></td>
<td>Theories of action, double-loop learning and organizational learning</td>
<td>Michael Crozier\textsuperscript{25}</td>
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<tr>
<td>1960s</td>
<td>Culture and Careers</td>
<td>Chris Argyris\textsuperscript{26}</td>
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<td>1970s</td>
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<td>Edgar Schein\textsuperscript{27}</td>
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</table>
International organizational behavior (IOB) is the study of individual and group behavior, attitudes, social climate, and performance within organizational settings in multicultural multinational settings taking into account the differences across cultures, nations and regions around the globe. Both managers and employees can use their understanding of IOB to improve work performance and achieve organizational goals and be better global managers.

The impetus for the emergence and development of OB as a discipline can be traced to two industrial revolutions that have introduced profound changes to the structure and conditions of work. The first industrial revolution, which reached its peak in the late 18th century, was marked by a shift from the work of skilled artisans to mass production in factories. Globalization, reduced job security, high-tech efficiency, and new styles of management are all characteristics of the present industrial revolution. The three main currents in the early history of OB were scientific management (or Taylorism), the Hawthorne studies, and leadership research.

Correlational research in OB allows the researcher to state how two variables are related. To infer causality, the researcher must turn to the experiment. The five most common research procedures adopted by organizations are sociometry, position analysis, communications analysis, discretionary analysis, and comparative analysis.

1. The study of OB involves three levels within organizations: Individual; Group or Team; and Organizational.

✔️ True ✗ False

2.
OB is not an interdisciplinary concept.

True False

3.

There have been two industrial revolutions: one in manufacturing and one in the workplace.

True False

4.

Scientific management is when tasks are simplified so that every employee would repeat the same minimum task as efficiently as possible.

True False

5.

Correlation research allows us to state why two variables are related.

True False

6.

The field study is an example of quantitative research.

True False

7.

The Hawthorne effect has to do with how the social influence of an informal group can determine employee behavior.

True False

8.

An experiment differs from correlational research in that it allows us to infer causality.

True False

9.

Experimenter bias, or E bias, is when a researcher’s emotions or expectations influence the outcome of the study.
The study of organizational behavior came about historically because of the two industrial revolutions.

True  False

1.13 Multiple Choice Questions

1. Organizational behavior is defined as:

✓ The study of individual and group behavior in organizational settings.

✗ Job requirements are compared with the abilities of each jobholder.

✗ The search for ways of improving productivity and quality.

✗ A statistical procedure that shows the extent to which any number of variables are related.

2. Scientific management contributed to our understanding of OB in what ways:

✗ Laid groundwork for modern employee selection techniques

✗ Developed goal-setting programs

✗ Created incentive pay systems

✗ Identified some sources of motivation for workers

✓ All of the above

3. Which answer best describes the Hawthorne Effect?
The influence a researcher has on the outcome of the study

The effect the industrial revolution has on organizations

How the social influence of an informal group can determine employee behavior.

Both a and c

4. Which is not an example of correlation research:

Longitudinal studies

Field studies

Surveys

Experiments

5. Researchers comparing the job requirements with the abilities of each jobholder is an example of:

Sociometry

Communications Analysis

Position Analysis

Discretionary Analysis

Comparative

6. Longitudinal studies are likely to be rare in the future because:

The faster a study is completed the sooner it can be submitted for publication.

There is severe competition for research funds
7. Which of these is not an advantage of using a questionnaire:

- [x] The procedure is standardized
- [x] It is very cost efficient
- [x] The ability to determine writing ability
- [v] It can be highly flexible

8. Which is listed as one of the three main currents in the early history of OB:

- [x] Leadership Research
- [x] Hawthorne Studies
- [x] Scientific Management
- [v] All of the above

9. Which of these does not describe an interview:

- [x] It can achieve richer and more complete answers
- [x] It has a high response rate
- [x] It is susceptible to the “first date” syndrome
- [v] It can easily be standardized

Cases and Exercises

Case: Stop Talking: My Tape's Run Out!
Monica Sanchez, a recent graduate in OB, hadn’t expected to make a return visit to ESADE Business School in Barcelona, to see Professor Adolfo Soler her OB instructor. However, she needed help in making a critical decision.

Upon graduation two years ago, Monica had accepted a job as assistant to the human resources (HR) manager in a small, privately owned agricultural manufacturing and engineering firm in Seville (Spain). Eduardo Garcia, the owner of the company, had been impressed by the internship she had served there prior to graduation. A year after she started, the HR manager resigned abruptly, and Monica was put in charge of HR.

Monica performed her duties with enthusiasm and professionalism. Within a short period, she gained the trust of the employees, and found that many of them liked to spend time with her discussing personal as well as work-related problems. They knew that the information they shared would be kept confidential.

One Monday, Garcia summoned her to his office and told her he’d heard rumors that some employees disliked his management style. "Frankly, Monica," he added, "there's no room in my firm for employees who don't accept my style or the company policies, so I have to ask you if what I've heard is true." He then pointed to a microphone and showed Monica how he recorded all the conversations that took place in his office. All conversations held in Monica’s office were to be secretly recorded as well. Mr. Garcia gave Monica a week to install the device, noting that failure to comply with his request would be interpreted as insubordination and result in dismissal.

Monica had a real dilemma. On the one hand, she liked her job and knew how hard it would be to find a comparable one. On the other hand, she was appalled by the owner request and the ultimatum that accompanied it. Monica needed guidance and direction. "What shall I do?" she asked Professor Soler.

Questions

1. What would you have done if you were Monica Sanchez?
2. What advice would you give Monica if you were Professor Soler?

Self-Awareness Exercise: Close-to-Home Organizational Problems
Write separate accounts of three organizational problems experienced by you, your family, or friends. For each account, use one of the headings listed below.

- Getting Hired
- Being Trained
- Being Motivated
- Being Poorly Led
- Performing the Work
- Dealing with Clients/Customer
- Dealing with Colleagues/Co-workers
- Dealing with Your Boss/Supervisor
- Being Treated Unfairly
- Experiencing or Witnessing Improper Behavior.

1.5 Notes

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French and Raven. The bases of social power.


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33.

Chapter 2: Understanding Individual Behavior in Organizations

2.1 Learning Objectives

After reading this chapter, you should be able to:

- Define "personality" and discuss its relevance to organizational behavior
- Identify the primary sources of personality differences
- Describe seven personality traits that influence employee behavior
- Describe three personality traits that are associated with political behavior in organizations
- Define "attitudes" and identify their three components
- Describe particular attitudes and their effect on organizational behavior
- Suggest ways of modifying negative employee attitudes
- Define "social perception" and describe the perceptual process
- Describe the attribution process
- Describe five common perceptual barriers and four common perceptual errors found in the interview process
- Define Experiential Learning
- Describe different learning styles

2.2 Introduction

Organizational successes and failures are due to people, whether managers or other employees. In this chapter, we look at some of the psychological and cognitive factors that determine organizational behavior. We begin with a discussion of personality and the personality traits that influence employee behavior. We then examine the impact of attitudes on employee behavior, and suggest techniques for modifying negative attitudes. Finally we discuss Experiential Learning Theory and explain the four basic learning preferences and how to develop learning flexibility. In the concluding section of the chapter, we address questions of how and why people perceive each other as they do; here we focus on attribution theory and on barriers to accurate perceptions.

2.3 The Concept of Personality

All of us have a "personality." Yours is as basic to your existence as your heart or your brain. Yet, although you have probably been using the term personality since you were young, you may not have tried to define this common word.
Most of us refer to personality when attempting to understand our own actions or those of another person. Personality is an important concept in organizational behavior because of its fundamental connection with behavior in the workplace. From the perspective of organizational behavior, personality can be defined as a set of relatively stable characteristics that influences a person’s behavior. This definition suggests that each of us has personality traits that distinguish us from other people and that cause us to behave in a generally consistent manner across a wide variety of situations.

The question of where personality comes from is a subject of continuing debate among psychologists. Research indicates that a complex array of factors contribute to the development of personality. Chief among these factors are heredity and childhood environment, culture, family, group membership, and life experiences.

**Heredity and Childhood Environment**

You can probably recall being compared to other members of your family. Many of our physical characteristics such as height and hair color are inherited, as is our tendency to contract such illnesses as arthritis, cancer, and heart disease. The question of whether personality characteristics are inherited is often expressed in the context of the nature-versus-nurture debate. Those who believe that most personality characteristics are inherited argue for the influence of nature; those who feel that personality is determined by environment take the nurture position. The current thinking about nature versus nurture can be summarized as follows:

1. Both heredity and environment (and their interaction) determine the personality traits an individual will develop.
2. Whether personality characteristics are inherited or shaped by environmental factors depends on the characteristic we are talking about. Some characteristics are primarily determined by heredity, others by environment, and still others by a combination of the two.
3. Heredity defines the range of personality characteristics you may develop; environmental factors determine which characteristics (within that range) you will develop. For instance, some people are generally predisposed to blushing when embarrassed; if their upbringing teaches them to be easily embarrassed, their blushing can be seen as a consequence of both nature and nurture.

*Figure 2-1* shows the relationship between personality, heredity, and the environment.
Culture

Culture refers to the set of values and commonly held beliefs that determine which behaviors are acceptable and expected for a given group. Countries, religious and ethnic groups, and organizations all have cultures. To illustrate the impact of culture on behavior, in cultures where punctuality and order are highly valued, people tend to exhibit behaviors that express these qualities. Although cultures influence broad patterns of behavior and personality, extreme differences can exist between individuals in the same culture. This is because culture is only one among many factors that influence personality development.

Family

An individual’s family has a profound impact on personality development. There are many reasons for this. As children, our initial communications are with other family members, who teach us what is right and wrong at an early age, thus influencing and shaping our values and beliefs. The importance of parents as role models is illustrated by the fact that children (often unconsciously) imitate their parents’ behavior; thus, children who are constantly criticized by their parents tend to develop critical personalities. From the family environment, the child also learns what is considered acceptable (and unacceptable) behavior. Within the family context, such factors as socioeconomic status, family size, and birth order play a role in personality development. For example, an only child may have more difficulty sharing belongings with others than someone who is raised with brothers and sisters. Someone from a small town where everyone knows one another may appear to be friendlier than a person raised in Toronto, New York or Paris.

Group Membership

We belong to many groups throughout our lives. The first such group is our family. As we get older, we may join social groups, sports teams, or special-interest groups. Each of these groups develops its own norms or guidelines of acceptable behavior. The norms of a group in which we participate, coupled
with the role we play within that group, will influence which personality characteristics we develop. For instance, the oldest daughter who loses her mother may take over the role of mother, developing a sense of responsibility and caring for others at an early age. To understand an individual's personality, we must examine the characteristics of the groups in which that individual participates as well as the role he or she plays within those groups.

The influence of group membership on personality characteristics differs from that of culture in that cultures define broad patterns of behavior for individuals, whereas groups influence more specific personality traits and behaviors; this is because groups develop more precise rules and norms of behavior that members must respect.

Life Experiences

All of us have had a great number of life experiences, both good and bad, that may influence personality development. A person who has experienced many failures in life may develop low self-esteem, whereas one who has received many awards may have a great deal of self-confidence. Living in different countries and experiencing different cultures and nationalities can be very helpful in understanding your own personality and that of others, what aspects are cultural and what are unique.

2.4 Personality and Behavior

Many personality traits have been shown to influence behavior. However, as organizational behaviorists, our primary interest is in those personality traits that influence behavior in the organizational setting. In this section, we consider seven personality characteristics that affect employee behavior and three personality characteristics that are linked to political behavior in organizations.

Personality Traits in Organizational Settings

Self-Esteem

Self-esteem refers to the opinion we have of ourselves, based on such factors as personal appearance and intelligence. With respect to work behavior, first, self-esteem influences the type of job we choose. A person with high self-esteem tends to take more risks in job selection and may be more attracted to high-status or challenging jobs. High self-esteem also has a positive impact on performance. People with high self-esteem are less easily influenced by the opinions of others, tend to set higher goals for themselves, and are willing to make more of an effort to achieve goals than are people with low self-esteem. Thus, a work team made up of individuals with high self-esteem is more likely to be successful than one comprising employees with low self-esteem.

Self-esteem seems to be influenced by situational factors and the opinion of others. For instance, an employee who experiences success is likely to have higher self-esteem than one who experiences multiple failures. Conversely,
employees' self-esteem may drop if they believe that the supervisor has a poor opinion of them. Given that high self-esteem among employees usually has a positive impact on organizational performance, managers need to demonstrate confidence in their employees' abilities and provide them with tasks commensurate with those abilities.

**Locus of Control**

Locus of control refers to the extent to which people believe they can control the events in their lives. People who have a high internal locus of control (internals) tend to believe that the events in their lives are the result of their own behavior and actions. Conversely, those who have a high external locus of control (externals) tend to believe that the events in their lives are determined by chance, fate, or other people. An employee's locus of control influences his or her behavior in the organization. For instance, internals tend to be more politically and socially active than externals, more likely to attempt to influence behavior, and more achievement-oriented. By contrast, externals tend to prefer a more directive style of leadership than internals, to be more easily influenced, and to adjust less easily to changes such as job transfers. Determining the locus of control of employees puts managers in a better position to improve worker satisfaction and performance. Internals tend to experience higher levels of job satisfaction if they are allowed to participate in decision-making; externals tend to perform better in highly structured situations.

**Introversion/Extroversion**

Whereas introverts tend to be shy and inward-looking, extroverts tend to be outgoing and concerned with external things. Most of us display an inclination toward one or the other of these two tendencies. Within an organization, introverts perform better in quiet environments with little stimulation, whereas extroverts perform better in more lively environments (that is, environments with more people, noise, and change). Thus, while an introvert may perform well in an independent research position, an extrovert would probably prefer a job with more people contact (for example, in management).

**Dogmatism**

People who are dogmatic tend to hold rigid beliefs, to regard legitimate authority as having absolute power, and to see the world as threatening. The highly dogmatic individual often accepts or rejects other people based on whether they agree or disagree with commonly accepted authority or values. In short, the highly dogmatic person (HD) is close-minded whereas the low dogmatic person (LD) is open-minded. Within an organizational setting, HDs work best under the direction of strong authority figures who provide highly structured work environments. LDs tend to function better in more informal settings.

**Self-Efficacy**
Self-efficacy refers to an individual's belief concerning the ability to accomplish a job task. People with high self-efficacy are confident in their ability to get things done. The four principal sources of self-efficacy are past successes, witnessing the success of others in similar situations, evaluation of one's physical and emotional capabilities, and positive feedback from others.

Self-efficacy is important to organizational success because the more we believe in our ability to do something, the more likely we are to succeed. There are a number of techniques managers can use to enhance self-efficacy among employees, including providing challenging job tasks, rewarding employee performance, ensuring adequate levels of training, and empowering employees by allowing them to participate in decision-making.

**Self-Monitoring**

Self-monitoring refers to the extent to which behavior is based on cues from people and situations. High self-monitors base their behavior on what they believe is appropriate for a specific situation and are sensitive to the impact of their actions on others. Low self-monitors, by contrast, base their actions on what they believe to be right, with little regard for the feelings of others. Thus, a low self-monitor would be more likely than a high self-monitor to tell a coworker that his or her work is unsatisfactory.

Self-monitoring has many interesting effects on employee behavior. For instance, the behavior of a high self-monitor varies from situation to situation, whereas a low self-monitor's behavior is relatively consistent. High self-monitors adapt more easily to group norms and organizational culture thanks to their ability to modify behavior according to the situation. As a result of receiving feedback, high self-monitors are more likely to change their behavior than low self-monitors, who evaluate their performance according to their own standards of conduct. Finally, high self-monitors may be more successful in teamwork situations given their ability to assume flexible roles.

**Positive and Negative Affect**

Affect, as a noun, refers to an emotion or a feeling. Positive affect employees focus on the positive aspects of themselves, other people, and the world around them. Conversely, negative affect employees focus on the negative in themselves, in others, and in the world around them. Employees with positive affect are absent from work less often, experience less work stress, and are more cooperative in a group setting than those with negative affect. Participative decision-making, pleasant working conditions, and constructive feedback are some of the means by which managers can enhance positive affect.

**Personality Traits Associated with Political Behavior**

In the organizational context, political behavior refers to actions that are intended to protect personal interests and advance personal goals. Unlike other types of organizational behavior, political behavior involves gaining
something at the expense of other employees, groups, or the organization as a whole. Three personality characteristics associated with political behavior are need for power, Machiavellianism, and willingness to take risks.

Need for Power

Self-Test: Are You A Machiavellian?

For each of the following statements, mark true (T) or false (F).

1. The best way to deal with people is to tell them what they want to hear. __________
2. To completely trust someone else is to ask for trouble. __________
3. People should not disclose their reasons for doing something unless it is personally advantageous to do so. __________
4. It is a good idea to flatter important people. __________

If you answered "true" to at least two of these statements, you may have some Machiavellian tendencies in your personality.

People who have a need for power are driven by the basic desire to influence and lead others, and to control their environment. Such individuals are likely to become involved in political activity simply because political activity, by definition, involves controlling one's environment and influencing others. Successful managers often have a high need for power. The two forms of power that managers may wish to acquire are personal power and institutional power. Managers who are interested in obtaining personal power have a need to dominate others and to create loyalty to themselves, not to the organization. By contrast, managers who seek institutional power are loyal to the organization and work to inspire the same kind of loyalty from their subordinates. Managers with institutional power are more effective than those with personal power in enhancing organizational performance.

Machiavellianism

Machiavellians refer to a pattern of behavior described by the 16th-century Italian philosopher and statesman Niccolò Machiavelli in his book *The Prince*. Machiavellian behavior involves manipulating others for personal or political gain, employing deceit in interpersonal relationships, distrusting others, and rejecting conventional moral principles. Machiavellians tend to approach situations thoughtfully and logically, are able to lie in order to protect their own interests, and are not influenced by loyalty, friendship, past promises, or the opinions of others.

Willingness to Take Risks

Some people actively seek out risky situations; others do everything possible to avoid such circumstances. (We will discuss how risk aversion influences decision-making behavior in Chapter 8.) Risk takers are more likely than risk
avoiders to engage in political activity. For an employee, political activity can be risky because it can result in demotions, lower performance ratings, and a loss of influence for individuals and groups.

**Personality and Performance**

The similarity between man and his best pet, "a Dog," -- Scientists have finally caught on to what pet owners have known all along, a dog's got personality. It seems only fitting that man's best friend would.

Dr. Sam Gosling, an assistant professor of psychology at The University of Text at Austin carried long and rigorous research and reports the following:

1. Matching pet owners with their pet has many parallels to human dating because a lot of people choose their dog on the basis of what they look like.
2. Just as we find some human personality traits make a person a good manager, accountant or doctor, some dog personalities are better suited for working than others, and for performing specific tasks.

### 2.5 Attitudes

Attitudes are enduring feelings, beliefs, and/or behavior tendencies. When we say that a person has an "attitude," we usually mean that he or she has an inclination or a predisposition to respond in a positive or negative way to a person, a situation, or an event. This is because people develop attitudes based on their background and past experiences. Attitudes have the following three components:

1. **Cognitive.** The cognitive aspect of an attitude refers to beliefs and opinions about a person or a situation. For example, if you had been bitten by a dog when you were a child, you might have developed a negative predisposition toward dogs.
2. **Affective.** The affective component refers to the feelings, sentiment, moods, and emotions evoked by some person, idea, event, or object. This component is the attitude itself. For example, if you are negatively disposed toward dogs, and a dog starts growling at you, you will experience a feeling of intense dislike for it.
3. **Behavioral.** The behavioral component refers to the action taken in response to the feeling. The person in whom intense dislike is evoked by the growling dog will likely take steps to avoid the dog.
Attitudes and Behavior

Attitudes are not necessarily predictive of behavior. For example, while it is customary not to talk to someone you don’t like, if the person you don’t like is your teacher, it is likely that you will talk to him or her. Outlined below are some of the factors that influence the relationship between attitudes and behavior.

1. **Specificity of the attitude**. The more specific your attitude, the more likely that your behavior will correspond to it. For instance, if you prefer not to eat red meat, the fact that the only dish in the cafeteria is a tuna salad may not affect your behavior. But if you have an aversion to tuna, you may well complain about the selection.

2. **Relevance of the issue**. The extent to which an issue is relevant to us influences the relationship between our attitude and our behavior. Suppose you depend on student loans to pay for your education. If the candidate from your state/town announces a party plan to cut student loans, you will likely have a negative attitude toward this politician, and since this issue is relevant to you, you will likely behave consistently with your attitude and vote for someone else.

3. **Timing**. The shorter the time between the attitude measurement and the observed behavior, the more likely the attitude will predict behavior. For example, the closer to an election that a poll is taken, the more accurately it will predict voter behavior.

4. **Personality**. The self-monitoring trait influences the relationship between attitudes and behavior. We learned earlier in the chapter that low self-monitors rely on their internal feelings when making decisions about behavior, whereas high self-monitors in the same situation are more likely to take into consideration the feelings and opinions of others. Thus, it follows that low self-monitors are more likely to demonstrate congruence between behavior and attitudes.

5. **Social norms**. Social norms influence the relationship between attitudes and behavior. For instance, a new employee from another country may have a negative attitude about women in management. However, it is unlikely that he would translate this attitude into behavior, because in Canada the presence of women in management reflects a social norm.

6. **Fear of consequences**. Sometimes our concerns about possible outcomes prevent us from behaving in a fashion
consistent with our attitudes. The employee in the above example may be inclined to treat his female manager with a lack of respect, but refrains from doing so because he knows that such behavior could damage his career prospects.

**Attitudes and Employee Behavior**

The attitudes that can most influence employee performance are job satisfaction and organizational commitment. Let's look at these.

**Job Satisfaction**

Job satisfaction is a positive emotional state resulting from an individual's opinion of the job. Although it was traditionally thought that a person who is satisfied with the job will perform better, recent studies have shown that an increase in job satisfaction does not always lead to improved performance. Our interest in job satisfaction stems from the fact that there are direct links between performance and job dissatisfaction. For instance, people who are dissatisfied with their jobs are more likely to be absent from work, to have physical and mental-health problems, and to quit their jobs. Measuring job satisfaction can identify aspects of the organization that may require change.

Job satisfaction is generally measured as a general overall attitude and as an attitude that contains five dimensions. These dimensions are the pay level, the work itself, the opportunities for promotion, the quality of supervision, and the level of satisfaction with one's co-workers. The most widespread method is to administer to employees a questionnaire such as the Job Descriptive Index (JDI), which asks respondents to answer Yes, No, or Cannot Decide to statements that describe their jobs. Another popular questionnaire is the Minnesota Satisfaction Questionnaire (MSQ), which asks participants to answer questions about their jobs by selecting responses from a scale of Very Dissatisfied to Very Satisfied. Some of the effects of various work factors on job satisfaction are outlined in Table 2-1.
<table>
<thead>
<tr>
<th>Work Factors</th>
<th>Effects</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Work itself</strong></td>
<td></td>
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<tr>
<td>Challenge</td>
<td>Mentally challenging work that the individual successfully accomplish is satisfying.</td>
</tr>
<tr>
<td>Physical demands</td>
<td>Tiring work is dissatisfying.</td>
</tr>
<tr>
<td>Personal interest</td>
<td>Personally interesting work is satisfying.</td>
</tr>
<tr>
<td><strong>Reward structure</strong></td>
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<tr>
<td></td>
<td>Rewards that are equitable and that provide feedback for performance are satisfying.</td>
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<tr>
<td><strong>Working conditions</strong></td>
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<tr>
<td>Physical</td>
<td>Satisfaction depends on the match between conditions and physical needs.</td>
</tr>
<tr>
<td>Goal attainment</td>
<td>Working conditions that promote goal attain satisfying.</td>
</tr>
<tr>
<td><strong>Self</strong></td>
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<tr>
<td></td>
<td>High self-esteem is conducive to job satisfactory</td>
</tr>
<tr>
<td><strong>Others in the organization</strong></td>
<td>Individuals will be satisfied with supervisors workers, or subordinates who help them afterwards. Also, individuals will be more satisfactory colleagues who see things the same way they do.</td>
</tr>
<tr>
<td><strong>Organization and management</strong></td>
<td>Individuals will be satisfied with organization have policies and procedures designed to have attain rewards. Individuals will be dissatisfied conflicting roles and/or ambiguous roles image the organization.</td>
</tr>
<tr>
<td><strong>Fringe benefits</strong></td>
<td>Benefits do not have a strong influence on job satisfaction for most workers.</td>
</tr>
</tbody>
</table>

*Table 2-1: Effects of Various Work Factors on Job Satisfaction.*


**Organizational Commitment**

Organizational commitment is the degree to which a person identifies with and feels a part of the organization. The two kinds of organizational commitment that most influence employee behavior are affective commitment...
and continuance commitment. A person who maintains affective commitment remains in the organization because of a strong desire to do so. Such a person believes in the goals and values of the organization, is willing to put forth an effort on behalf of the organization, wants to be part of the organization, and is loyal to the organization and concerned about its welfare. By contrast, employees who stay in the organization because they can't afford to leave or fear losing the benefits they've gained as a result of time invested in the company are demonstrating continuance commitment.

Organizational commitment is of interest to managers because of its positive effects on worker performance. Employees who show high levels of either type of organizational commitment are absent less often, produce higher-quality work, are more productive, and are less likely to quit. Organizations can enhance organizational commitment by encouraging employee participation in decision-making and by providing employees with relatively high levels of job security, autonomy, and responsibility.

2.6 Modifying Negative Employee Attitudes

Employees who have negative attitudes toward their jobs often perform poorly, may have a negative influence on the attitudes and performance of other employees, and can threaten an organization’s success.

Negative employee attitudes can be modified through persuasion. The extent to which a negative attitude can be changed will depend on the characteristics of the persuader, the person being persuaded, and the message.

Characteristics of the Persuader

Four characteristics that increase a persuader’s chances of success are expertise, trustworthiness, attractiveness, and likeability. A person who is considered an expert is particularly persuasive. Recently, a consulting organization in Barcelona approached one of the authors to include his research on teams as part of their consulting identity as it would make their consulting work more validated and established in strong theoretical foundations. Having links with respected and well known personalities or academics can certainly influence the marketability of one’s consulting practice. The advertising industry makes extensive use of such expertise to influence consumers’ attitudes toward products.

Trustworthiness also increases the ability to persuade. For instance, physicians are often able to change our attitudes because we tend to perceive these professionals as honest and trustworthy. Finally, personal attractiveness and likeability influence the ability to persuade. For instance, English footballer David Beckham who is the captain of the English national team and is also currently playing for Real Madrid has scored 61 goals while at Manchester United, 16 goals for the English national team and 8 goals thus far while playing for Real Madrid. Beckham’s relationship with and marriage to
the former Spice Girl Victoria has contributed towards him becoming a major celebrity away from football, and his name was searched for on Google more than that of any other sporting personality in 2004 and 2005. Another example, drawn from the 1990s is when actress Candice Bergen was chosen to promote Sprint Canada Long Distance because research showed that she is perceived as attractive and likable.

Characteristics of the Person Being Persuaded

You have probably noticed that some of your friends or family members are more easily persuaded than others. This is because certain personality traits affect a person’s responsiveness to persuasion. Three such traits are self-esteem, attitude intensity, and mood. People with low self-esteem have less confidence in themselves and their ideas and therefore are more easily persuaded than people with high self-esteem. Attitude intensity refers to the strength of the attitude. As you’d expect, people with extreme attitudes are less likely to be persuaded than those with more moderate attitudes. Finally, the mood we are in also affects how easily we are persuaded. Not surprisingly, people who are in a good mood are more easily persuaded than those who are in a bad mood.

Characteristics of the Message

A message that conveys even a hint of a threat tends to have the opposite of the desired effect on the person being persuaded. Besides ensuring that the message conveyed is non-threatening, a manager should acknowledge both sides of a given issue. Suppose the manager wishes to implement a new computer system and is meeting resistance from employees because they must invest considerable time in learning it. Instead of ignoring the employees’ concerns, the manager acknowledges the hard work facing them, but points out the advantages of the new system. This kind of message is far more likely to evoke a positive response than a message that is expressed in a threatening or authoritarian manner.

2.7 Social Perception

Perception is the process through which people receive, organize, and interpret information about their environment. Perception involves becoming aware of the world around us and processing information about that world. Perception is the method by which we come to understand ourselves, other people, situations, and events. Social perception is the process by which we interpret information about another person or other people. Our social perceptions help us form opinions and judgments about others. Social perception is of interest to organizational behaviorists because so many managerial activities are based on perceptions of employees. For instance, managers use social perceptions when they recruit, hire, train, and evaluate employees. To arrive at an understanding of the factors that influence social perception, we will consider the characteristics of the perceiver, the person being perceived, and the situation.
Characteristics of the Perceiver

Five important personal characteristics of the perceiver that influence the way he or she perceives others are familiarity of the culture of the person perceived, familiarity with the person perceived, attitudes, mood, self-concept, and thinking pattern.

Familiarity with the Culture of Person Perceived

In the context of social perception, familiarity refers to the knowledge about the culture that the person belongs to. The more the perceiver knows about the culture, the better he/she will be able to understand and base his/her perceptions on. However, understanding a culture does not necessarily mean you would be able to be accurate in your perceptions. For example, not all Americans are individualistic and not all Chinese are entrepreneurial minded. One of the best ways to understand culture is to live in that culture for a time to understand their social perceptions in that environment. However, living in another culture could be not only exciting but sometimes also very challenging and stressful.

Familiarity with the Person Perceived

In the context of social perception, familiarity refers to the perceiver’s knowledge about the person being perceived. The more the perceiver knows about the person being perceived, the greater the amount of information available to the perceiver on which to base his or her perceptions. But just because we know a great deal about a person does not necessarily mean that our perceptions will be accurate. For instance, sometimes we ignore information that is inconsistent with our beliefs about a person. If we tend to ignore or justify the mistakes of our close friends, it’s because such faults are inconsistent with our beliefs about our friends. So while familiarity influences our perceptions, it does not guarantee greater accuracy in perceiving.

Attitudes

The perceiver's attitudes influence social perception. For instance, if you accept a stereotype about a certain group of people, you will tend to perceive this characteristic in people from that group whom you meet.

Mood

The mood we are in affects the way in which we perceive others. You are probably aware that you think differently when you are happy than when you are sad. A person in a good mood tends to perceive others more positively. Imagine being escorted into a job interview by a receptionist who informs the interviewer that his car was just stolen from the parking lot!

Self-Concept
A person with a positive self-concept tends to perceive the positive characteristics of others. Conversely, a person with a negative self-concept is likely to focus on negative characteristics. The more accurate a person’s self-concept, the more accurate his or her perceptions of others will tend to be.

**Thinking Pattern**

Your thinking pattern influences your perceptions of others. For instance, some people perceive physical traits such as height and weight more readily than they perceive personality traits. Other people are able to perceive many characteristics of a person rather than noticing just a few specific traits.

**Characteristics of the Person Being Perceived**

Three characteristics of the person perceived that influence the perceptual process are physical appearance, verbal and nonverbal communication, and intentions.

**Physical Appearance**

Of the three characteristics of the person perceived, physical appearance has the greatest impact on social perception. We instantly note unusual physical traits. We also tend to perceive attractive people more positively; attractive people get more job offers and higher salaries. We also tend to perceive people’s origins based on how they look (e.g. even though a person may look Japanese, he or she could have been born and raised in Switzerland!). In an international environment, such misreading of physical appearances happens frequently.

**Verbal and Nonverbal Communication**

Both verbal and nonverbal communication influence how a person is perceived. In addition to the things we say, our tone of voice and body language convey information to the perceiver. For instance, a perceiver might interpret our ability to maintain eye contact as a sign of interest. Non-verbal communication is perhaps one of the hardest things to read when working with others as sometimes such are so enmeshed within a person’s culture. In a multicultural setting, sometimes even verbal communication is misunderstood. It is therefore always wise to restate what was said to ensure that the message was heard correctly.

**Intentions**

How we interpret the intentions of others influences our perceptions of their personality. For instance, if you assume that your professor is going to criticize your work, you may perceive your instructor to be a negative and critical person.

**Characteristics of the Situation**
One characteristic of the situation that influences perceptions is social context. Our perceptions of people in informal contexts (such as a golf course) tend to differ from our perceptions of those same people in more formal settings (such as a business office). Our perceptions are also influenced by the strength of the situation, meaning the strength of the behavior cues in a given situation. Some situations provide obvious cues as to what is considered appropriate behavior. For instance, suppose that two siblings who once had a disagreement and have not talked for years meet at their grandmother’s funeral. Talking to each other would be appropriate behavior in that situation, even if their feelings toward each other had not changed.

2.8 The Attribution Process

The attribution process is the process by which we come to understand the causes of our own behavior and that of other people. Whenever we try to explain why someone behaves in a particular way, we make an attribution. The attributions that we make have implications for the workplace. For instance, performance appraisals are often influenced by attributions in that managers often take into account the cause of the employee’s behavior. Understanding attributions can also help managers deal with conflict.

2.9 Kelly’s Attribution Theory

A key question in the attribution process is how perceivers decide whether someone’s behavior is the result of internal or external causes. If the cause is internal, targets have control over their behavior. Conversely, when the cause of the behavior is due to a factor beyond the control of the target, the cause is external. For instance, if you say that you failed an exam because you didn’t study, the cause is internal since you control your studying; however, if you say that the exam was unfair, your attribution is external.

Social psychologist Harold Kelly suggested that we can determine if a cause is internal or external by observing a person’s behavior. Next, we can evaluate the information received from three information cues – namely, consensus, distinctiveness, and consistency – and ask ourselves if other colleagues or peers would behave in the same way if faced with similar circumstances (consensus); if the person has demonstrated this type of behavior over a period of time (consistency); and, finally, if the person behaves in the same way whenever confronted with similar circumstances (distinctiveness). Given conditions of high distinctiveness, low consistency, and high consensus, we would tend to attribute the behavior to external causes. By contrast, if distinctiveness and consensus were low and consistency was high, we would attribute the behavior to internal causes.

Whether we tend to attribute our behavior to internal or external causes depends on a variety of situational and personal factors. For instance, on some occasions, exams are unfair! Our individual personality traits also influence the type of attributions we make. For instance, people with low self-esteem are likely to attribute their failures to internal causes and their success to luck or
the fact that the task was easy; those with high self-esteem attribute their successes to internal causes.

Our locus of control also influences our attributions. People with a high internal locus of control tend to attribute their behavior to internal causes, whereas those with a high external locus of control usually attribute their behavior to external causes. Achievement-oriented people often tend to attribute their success to ability and their failures to lack of effort, both internal causes. By contrast, people who generally expect to fail tend to attribute their failures to a lack of ability. This last type of attribution pattern often leads to feelings of incompetence and even depression.

Employees often make attributions about their work performance. In general, they tend to attribute task performance to ability, effort, task difficulty, or luck. Here are examples of how these types of attributions may sound in the work setting:

**Ability**

I delivered a good presentation because I have a natural gift for public speaking.

**Effort**

I delivered a good presentation because I had spent a great deal of time researching the subject.

**Task difficulty**

My essay was poor because it was impossible to complete it in such a short period of time.

**Luck**

I submitted a poor report because everything just happened to go against me.

The tendency to attribute success to internal factors and failures to external factors is known as the self-serving bias. A challenge for managers who evaluate performance is the employee who denies responsibility for poor performance. The self-serving bias also causes other organizational problems. Employees who always blame others for personal failures may cause interpersonal conflict with other employees and disrupt teamwork and group efforts.

2.10 Perceptual Barriers

Anything that inhibits or prevents us from making accurate perceptions is called a perceptual barrier or a perceptual error. Perceptual errors often result from the preconceived ideas perceivers hold about people and situations. Five
of the most common perceptual barriers are selective perceptions, stereotypes, halo effect, projections, and expectations.

**Selective Perception**

In the organizational context, selective perception means paying attention to information that supports your ideas and ignoring the rest. For instance, if you dislike some teachers, you would tend to focus on their negative personality characteristics and ignore any positive qualities that would be inconsistent with your opinion of them. Another type of selective perception is perceptual defense. This is the tendency for people to protect themselves from ideas, objects, or situations that are threatening. For instance, you may ignore a person who has ideas that threaten your deeply held convictions.

**Stereotypes**

A stereotype is an oversimplified mental picture that is associated with a particular group (e.g., women are emotional, Scots are thrifty, and fat people are jolly). Stereotypes persist because people who hold them tend to practice selective perception. For example, a foreperson who believes that young people are lazy may notice that some of the younger workers are taking extra breaks, but fail to perceive that older workers are doing the same. Positive stereotypes can be as misleading as negative ones. For instance, regardless of the reality, some of us tend to stereotype attractive people as warm, kind, sensitive, and honest.

**Halo Effect**

The halo effect occurs in organizations when managers provide overly favourable evaluations of employees based on their observations of isolated successes. A typical halo error made by managers is to assume that a person with a good attendance record is responsible in all areas of performance. Another is being influenced by the previous year’s performance evaluations.

**Projection**

Projection is the tendency to attribute one’s own beliefs, feelings, tendencies, motives, or needs to other people. For instance, a manager who enjoys taking on new responsibilities may project this tendency onto employees by assigning them extra job duties without first consulting them. Managers can avoid the negative consequences of projection by cultivating empathy and developing their listening skills.

**Expectations**

An expectation is the tendency to find in a situation or a person what one expects to find. Our expectations have a big impact on how we perceive the world around us. For instance, when we ask people how they are doing, we expect them to answer, "Fine, thank you." If their response is accompanied by
negative body language, we may choose to ignore the nonverbal information because it is not consistent with our expectations.

2.11 Typical Perceptual Errors in the Interview Process

Selecting the best person for the job is a crucial aspect of organizational success. Perception plays a significant role in this process. Some common perceptual errors made in job interviews are described below.

- **Similarity error.** The similarity error occurs when an interviewer makes a more favorable evaluation of someone who is similar to the interviewer. For instance, an athletic interviewer with an outgoing personality might have an undeservedly positive impression of someone who is outgoing and athletic.
- **Contrast error.** The contrast error occurs when an interviewer compares the candidate to other candidates instead of evaluating the individual according to a set standard. For instance, a mediocre candidate may receive an outstanding evaluation if interviewed after several poor candidates. Similarly, a strong candidate may receive a mediocre evaluation if seen after several outstanding candidates.
- **Overreacting to negative information.** Interviewers often perceive negative information as more important than positive information. A candidate who presents negative information at the beginning of an interview is more likely to receive a negative evaluation than a candidate who presents this information at the end of the interview. This is partially due to the impact of first impressions, which is discussed below.
- **First impression error.** Sometimes people make hasty judgments or evaluations of other people based on their first impressions. The first three minutes of a job interview can determine whether the person will get the position. Research suggests that positive first impressions are more likely to change than negative first impressions.

Sometimes our expectations turn into a self-fulfilling prophecy. Consider the example of a manager who believes that an employee is bored with his work and may quit. The manager gives this employee minimal feedback and encouragement, and assigns the interesting work tasks to other employees. These actions provoke the employee, who previously had no intention of doing so, into resigning.

2.12 The Theory of Experiential Learning

Experiential Learning Theory or ELT was developed and published by David A. Kolb in 1984. Experiential learning is a learning process involving the combination of grasping and transforming knowledge through experience. It is acclaimed as the most influential theory concerning learning, particularly in the area of managerial and leadership learning and development training programs. Its popularity and international acclaim makes this important especially because of its international and organizational focus.

**The experiential learning cycle**
Kolb asserts that we learn by grasping and transforming information. We grasp information in two ways: Concrete Experience (CE) and Abstract Conceptualization (AC). We transform information in two ways: Active Experimentation (AE) and Reflective Observation (RO). These four ways are called learning modes. The CE learning mode is one where we interact with our environment through immersion, experiencing it with our senses, feelings and emotions; we are involved with the tangible aspects of our surroundings. On the other hand AC learning mode involves thinking about, analyzing and theorizing to gain knowledge without being immersed in the environment. The RO mode is one where we incorporate diverse perspectives from the knowledge we gained through reflection or observation and the AE mode is where the focus is to do something about the knowledge we gained. Kolb states that most effective learning happens as one goes through a cycle using four modes of learning. Constant use of these modes would also cause individuals to develop learning flexibility. One could enter the cycle at any modal point, however, entering the cycle in a particular mode indicates an individual’s tendency or preference in how to grasp or transform information.

Consider a person (let's call her Jane) who is promoted to the position of manager based on her superior performance as an engineer. As a manager, Jane is immersed in a completely new work environment and in the first few months, experiences the stress related to the requirements, demands and expectations of this role. Starting her learning cycle from concrete experience, Jane would then reflect on the job and even begin to observe other managers to learn how they function successfully. She may also engage in conversations with other managers to obtain as many perspectives as possible to inform her own experience. In doing so, Jane has moved through two modes: concrete experience and reflective observation. Jane may then need to gain more knowledge and visits a book store or a library to read more about how to succeed as a new manager. As she gathers this information she comes up with her own ideas and concepts of how to succeed. At this stage Jane is engaging the third mode - abstract conceptualization – and develops her own working theories of successful behaviors for her new role. Finally, Jane decides to act by incorporating these news in her job by engaging in active experimentation (the fourth mode). As she now interacts with her environment and employs these new behaviors, she engages in concrete experience and the cycle continues. This learning cycle is shown in Figure 2-3.
Learning styles

Going through all four modes of the learning cycle provides the ideal well-rounded learning process. However, at times one might realize a preference for particular modes and tend to skip others. Further, when we interact with others we may notice that they also have such learning tendencies. As we progress into adulthood, we develop certain predispositions or preferences for how we grasp and transform knowledge. This tendency to choose certain learning modes is indicative of a learning style. A brief description of each style is discussed.

Diverging

An individual with a diverging learning style tends to choose concrete experience in grasping information and reflective observation in transforming knowledge. Such individuals tend to be personally involved in any situation or event and are sensitive to feelings and people. Individuals with a diverging learning style also tend to view issues from many and/or different perspectives, look for the meaning of things and also carefully observe a situation before making any judgments. Their interest in knowledge and idea generation is the reason for such a style to be labeled as "diverging." As such, they tend to do well and even thrive in situations that involve the bringing together of diverse perspectives such as brainstorming. Their passion for gathering information is ideal for Figure 2.4 Experiential Learning Cycle with Learning Styles (based on Kolb, 1984).

tasks or work involving creativity or the arts, entertainment and service. Such people also tend to be imaginative, have the ability to listen with an open
mind, and to function as excellent team players. In a classroom setting, discussion forums work well for individuals having diverging learning styles.

**Assimilating**

Individuals with an assimilating learning style tend to use abstract conceptualization to grasp knowledge and reflective observation for transforming knowledge. The diverging and assimilating styles share the same preference for transforming knowledge in that they tend to look at diverse perspectives but with a specific intention to understand. Individuals with this preference tend to distill information to seek clarity and precision. They tend to logically analyze ideas, and to plan systematically. People with this learning style have a tendency to remove themselves emotionally and instead seek to understand situations intellectually. Their focus on achieving clarity make them thrive in tasks or work areas involving theories, and ideas that promote precision such as the sciences, research and development and most academic environments. They tend to work well on their own and have very high standards in their work. In a classroom setting, assigned readings, listening to lectures and developing conceptual models work well for individuals with assimilating learning styles.

**Converging**

Sharing the preference for abstract conceptualization in grasping knowledge with the assimilating learning style, people with a converging learning style tend to prefer active experimentation in transforming information. Individuals with this learning style have an interest in not just understanding a situation or event but they also want to be able to take action using this knowledge. Unlike the individual that focuses on the soundness of a theory (those with assimilating learning styles), an individual with a converging learning style focuses on the practicality of theoretical models. Their propensity to use ideas to solve problems makes them ideal for careers in technology, engineering, and design. As such, they prefer to work with technical tasks than to deal with social problems or interpersonal issues. Individuals with converging learning styles thrive when they are given tasks with clear parameters or boundaries. In a classroom setting, using case studies, simulations and laboratory assignments work well for people with converging learning styles. Educational environments that focus on examinations and tests align with the converging learning style.

**Accommodating**

Individuals with an accommodating learning style tend to prefer immersing themselves in concrete experience to grasp information and active experimentation to transform information. Similar to individuals with diverging learning styles, those with an accommodating learning style tends to be sensitive to feelings and people and are concerned about relating to others. However, people with this learning style are also very focused on being able to get things done, take risks and influence people through action. They tend to accommodate (or adapt) to the environment they are immersed in. Such individuals focus on having "hands-on" experience as their primary mode of
interacting with their environment, tending to act on their "gut" rather than using logical analysis. They also do well in tasks or jobs related to sales, marketing and management due to the emphasis on action or getting things done. As with the diverging learning style, those with an accommodating learning style also like to work in teams but with the focus on getting things done, completing a project or doing field work. In a classroom setting, completing assignments, fulfilling tangible tasks and doing presentations work well for individuals with accommodating learning styles.

2.13 Summary

Your "personality" is what distinguishes you from other people and what makes you behave in predictable ways. Much of your personality was set at an early age, owing to the influences of heredity and childhood environment, culture, family, group membership, and life experiences. Personality traits ranging from self-esteem to risk taking have a major impact on organizational behavior.

Although hidden and internal, attitudes are of prime concern to organizational behaviorists because they account for so many of our activities. Two attitudes whose influence on employee behavior is particularly strong are job satisfaction and organizational commitment. Whether negative employee attitudes can be changed depends on the persuader, the person being persuaded, and the message.

Social perceptions are influenced by characteristics of the perceiver, the person being perceived, and the situation. According to Kelly’s attribution theory, we tend to attribute or "blame" outcomes either on ourselves or on factors beyond our control, depending on our perceptions and our personality. Perceptual errors prevent us from making accurate perceptions. These kinds of errors are commonly made in job interviews.

Learning styles can help us understand how we approach new situations at work or in our social settings. When we are faced with diverse situations, it is important to know if we are inflexible in how we learn or if we can be flexible toward how the situation is pressing us to behave. Understand ours and others’ learning styles can help us work better with others or to lead others as it is intrinsically tied to how we can motivate ourselves and others. Not everything boils down to "personality" problems!

2.14 True/False Questions

1. Personality can be defined as a set of relatively stable characteristics that influences a person’s behavior.

✔ True ✗ False

2.
Heredity is the only determinant of the personality traits an individual will develop.

False

3.

Attitudes are enduring feelings, beliefs, and/or behavior tendencies.

True

4.

Job satisfaction is a positive emotional state resulting from an individual’s opinion of the job.

True

5.

The attribution process is the process through which people receive, organize, and interpret information about their environment.

False

6.

Extroverts tend to be shy and inward looking, introverts tend to be outgoing and concerned with external things.

False

7.

If an employee has continuance commitment they will stay with the company because of their strong desire to do so and their belief in the goals and values of the organization.

False

8.

Perception is the process through which people receive, organize, and interpret information about their environment.

True
Both verbal and nonverbal communication influence how a person is perceived.

✓ True ✗ False

10.

The attribution process is the process by which we come to understand the causes of our own behavior and that of other people.

✓ True ✗ False

### 2.15 Multiple Choice Questions

1. Which answer best describes an example of an environmental factor that effects personality traits individuals develop?

   ✗ Life Experiences
   ✗ Culture
   ✗ Family
   ✗ Group Membership
   ✓ All of the above

2. Which is not an example of a personality trait associated with political behavior?

   ✗ Need for Power
   ✗ Machiavellianism
   ✗ Willingness to take risks
   ✓ Dogmatism

3. Which is not a component of attitudes?
Behavioral

Perception

Affective

Cognitive

4.

___________ is an oversimplified mental picture that is associate with a particular group.

Selective Perception

Halo effect

Perceptual barrier

Stereotype

5.

An individual’s belief concerning the ability to accomplish a job task is the definition of:

Self-efficacy

Affect

Self-monitoring

Organizational commitment

6.

Which characteristic is not typical of Machiavellianism?

Being extremely loyal

Manipulating others for personal or political gain

Distrusting others

Employing deceit in interpersonal relationships
7. Which of these is not a factor, listed in the book, which influences the relationship between attitudes and behavior?

- Specificity of the attitude
- Fear of consequences
- Timing
- Personality
- Self-efficacy

8. A characteristic that influences the way they perceive others is:

- Thinking pattern
- Self-concept
- Mood
- Attitudes
- All of the above

9. “I delivered a good presentation because I had spent a great deal of time researching the subject.” This is an example of which type of attribution?

- Ability
- Effort
- Luck
- Task difficulty

10.
____ means paying attention to information that supports your ideas and ignoring the rest.

❌ Projection

✔️ Selective perception

❌ Stereotype

❌ Halo effect

## Cases and Exercises

### Case: Fringe Benefits

Although secretaries, like any other group of employees, should have their good work recognized throughout the year, many organizations save their plaudits for “Secretary Week,” which generally occurs in the spring. Last year, the university’s secretaries had been given a day off during Secretary Week. Though this day off was not formally entrenched, the secretaries were looking forward to the same benefit this year. Many of them had put in extra hours, without pay, during the year.

On the first day of Secretary Week, the dean of the school sent each of the secretaries a bouquet of flowers – with no mention of a day off. This year the secretaries neglected to send the dean a thank-you note. “It doesn’t pay to try to be nice to people nowadays,” the dean muttered to himself.

### Questions

1. Where did the dean go wrong?
2. What should the dean do next year?
3. Is there anything the dean should do now?

### Self-Awareness Exercise: How Do You Learn?

Think about yourself at work, with your family and close friends, and with larger groups of people (a social setting). Whenever you are dealing with something new (whether it is a new situation, a new job, or a new task), rank order your preferences as indicated below:
• ___ I prefer to make sure I have all the information I need
• ___ I prefer to understand clearly what it is I am doing
• ___ I prefer to know what I need to work around with (what are my boundaries, limitations)
• ___ I prefer to just take the plunge and do it

Which of the four statements best describe you (check one)?

• ___ I am careful
• ___ I am a risk taker
• ___ I only take calculated risks
• ___ I need as much information as I can get before doing anything

How do I behave in each of these settings? For each statement, choose one of the following (A, B, C, or D). Choose the best option. You may repeat your choice.

A. I find out as much as I can
B. I need to know why before acting
C. I need to understand what my constraints or limitations are
D. I just do or work fast

When I have to act quickly, I _____________________________

When I am working with others (e.g. in a team), I _____________________________

When I have to make a decision to choose between at least two alternatives, I

________________________

When I have to think and understand clearly, I _____________________________

In each of these three sets of questions, what can you infer about your preferred learning style?

**Self-Assessment Exercise: What Is My Self-Monitoring Ability?**

For each of the following statements, mark True (T) or False (F).

1. I have difficulty imitating someone else's behavior.

2. In a social gathering, I don't try to talk or behave in a way that will please others.

3. I can't defend ideas unless I really believe in them.
4. I can easily talk about a subject that I know little about.

5. I assume that I can pretend just for the sake of impressing others.

6. I’d probably be a good actor.

7. It’s rare for me to deliberately attempt to attract attention in a group.

8. I often behave differently according to the people or circumstances involved.

9. I don’t always comply when others want me to like certain people.

10. I am not always the person I’d like to be.

11. I would not change my character to please or be accepted by others.

12. I have been told that I could be an actor.

13. I was never good at theatrical improvisation.

14. I have difficulty modifying my behavior in adapting to other people or situations.

15. In social gatherings, I normally leave it to others to tell jokes.

16. When meeting others, often I don’t create an accurate impression.

17. I can easily lie to anybody without people knowing it.

18. I have pretended to like someone I could not stand.

Scoring: Count one point if True for 4, 5, 6, 8, 10, 12, 17, 18; count one point if False for any others. Sum them. If you total 11 or more, you have good control over the impression that you’re creating; if you score 10 or less, the control over the image that you’re projecting is limited.

Chapter 3: Motivating People in a Global Environment

3.1 Learning Objectives

After reading this chapter, you should be able to:

- Understand the concept of motivation and why it is so important
- Describe the principal content theories of motivation (i.e., Maslow’s needs hierarchy, Alderfer’s ERG theory, McClelland’s needs theory, and Herzberg’s two-factor theory)
- Describe the principal process theories of motivation (i.e., Vroom’s expectancy theory, Locke’s goal-setting model, and Adams’s equity theory)
- Discuss the principles of behaviorism in motivational theories
- Discuss which theories are most appropriate for which situations
- Assess your own motivation style by completing the self-assessment exercise
- Understand how learning styles are related to how we are motivated

3.2 Introduction

Could you explain, without using the concept of motivation, why you are reading this book at this moment? Think back to your first year of school in kindergarten or Grade 1 and estimate how many of your fellow pupils managed to attain college or university. Could you explain differences in success without including motivational concepts?

Consider two business organizations, one successful and the other constantly on the brink of failure. Do you not think that you could tell which was which simply by measuring the motivation levels of their members? Consider two different countries: One is disadvantaged by its geographical location and supply of natural resources, yet it vastly out-produces the more favored country. Would you not be able to account for the difference simply by the motivation levels of the two sets of citizens?

Your behavior, that of organizational employees, and even the success of nations can be explained through many concepts such as opportunity, education, and luck. But much of this behavior is best understood in terms of motivation, a topic that has attracted considerable research from the beginning of social science. Chapter 1 introduced you to two early landmarks in OB – Frederick Taylor and the Hawthorne studies. Taylor felt that the best motivator was the employees’ self-interest, and so they should be paid according to how much they produced. The Hawthorne studies led to the opposite conclusion, which is that employees are motivated by what we would now call the organizational climate.
Motivation is a topic of key concern to anyone who is dependent on the work of others to get tasks accomplished. For instance, teachers, who need to produce an increase in the amount of knowledge students have from the beginning of the school year to the end, and managers, who depend on their subordinates’ work to meet production targets, can be successful only if students and employees are motivated. It does not take an expert to notice that motivated students and employees are not a given. The reality is that there are significant differences in individuals’ motivation; some people work hard and diligently, and others have trouble even getting to school or work. Of course, most of us fall somewhere between these two extremes. Motivation is complex, and over the years organizational psychologists have expended considerable time studying it and developing models that explain the variation we see in motivation levels. Understanding what brings about high levels of motivation is in everyone’s interest because when people are motivated they enjoy their work, have higher self-esteem, and are more productive. As a consequence, the organizations that employ them will be more productive, too.

In this chapter, we will define what is meant by the word "motivation" and we will describe a general model of the process of motivation. We will distinguish between two types of motivation, intrinsic and extrinsic, and will explain the most widely accepted theories of motivation. Where possible, examples will be used to enhance your understanding of the concepts and theories. Finally, we will consider the relationship between motivation and job satisfaction and performance.

### 3.3 What is Motivation?

The word "motivation" originates from the Latin word *movere*, which means "to move." A good way to understand motivation is as a drive or force within us that is triggered by various needs. This drive then moves our behavior toward the satisfaction of these needs. Because most of our essential needs require ongoing or regular satisfaction, the drive to meet them is maintained more or less continuously over time. An example is our need for food. Hunger awakens this need, and we direct our activities toward getting food. Once we have eaten, the need will disappear for a few hours. The drive to engage in behavior that will ensure a regular supply of food is an ongoing one. Motivation itself is not something tangible. We cannot see it, but we can assume its presence or absence on the basis of the behavior we observe. Motivation is a *process*, a set of steps that unfold. The model in Figure 3-1 illustrates this process.

**Needs**

Because unsatisfied needs and the drive to fulfill them are central to motivation, it is important to know something about needs. Needs can be thought of as deficiencies, or something that is lacking. Because they are deficiencies, needs energize and direct behavior toward their fulfillment.
If you were to write down all your needs, you would probably generate a list that would not look the same as someone else’s. Although there are some basic needs in common, people differ both in the relative importance of their needs and in what the less basic needs are. Lastly, needs can be classified into two types: physiological and psychological. The need for sleep is physiological; the need for approval is psychological. The satisfaction of both types of needs contributes to our well-being.

As shown in Figure 3-1, the process of motivation is thought to happen in the following sequence:

1. **Unsatisfied need.** You feel the need for something that is lacking, for instance, for some interaction with others after working alone all day.
2. **Tension.** The unsatisfied need creates a feeling of tension within the person. This tension tends to mount as the need remains unmet.
3. **Search.** To reduce the feelings of tension, the need must be satisfied, so you begin to search for ways to do this. In doing so, you change your behavior and direct it toward attaining your goal.
4. **Search outcome.** Search behavior can lead to a successful outcome, in which you satisfy your need and reduce your feelings of tension, or to an unsuccessful outcome. When the outcome is unsuccessful, the need remains and you continue to search for ways to reduce the tension. Some of the theories of motivation we will present discuss what is thought to happen when people are unsuccessful in satisfying their needs.
5. **Feedback** Following need satisfaction, tension is reduced and the need subsides, usually to be replaced by awareness of another need that requires attention. If the need remains frustrated, you are driven to continue the search.
Intrinsic and Extrinsic Motivation

A further feature of motivation is that it can arise from two different sources: *intrinsic* (from within ourselves) or *extrinsic* (from outside ourselves). You may have noticed, for instance, that some people work hard at a job even though they may receive no more pay than others doing the same work. Similarly, some students put more time and effort into their work than others even though it is unlikely that their grades will differ dramatically. Those who put in the extra effort are likely motivated intrinsically; they work hard because it gives them a feeling of accomplishment or a sense of control over their work that they find satisfying. Perhaps they find the work interesting and enjoy the feeling of satisfaction they get from doing it. Alternatively, people may work or study because they are motivated by external factors such as the possibility of receiving a bonus or praise and recognition for their efforts. Much behavior is influenced by both types of motivation.

3.4 Theories of Motivation

Thus far we have concentrated on defining what motivation is, but knowing what it is does not explain how it occurs. Motivation is so important, particularly in the world of work, that many theories have been put forward to answer this question. They can be divided into two groups: content theories and process theories. Content theories were the first to be developed, and they stem from the understanding of motivation as behavior that is based on attempts to satisfy unmet needs. Consequently, these theories attempt to identify universal human needs and, in some cases, to organize these needs in terms of their importance. Think about this group of theories as being concerned with identifying the content of motivation. Process theories, on the other hand, are concerned with explaining the behavioral and thought processes through which individuals attempt to satisfy their needs. Content theories address the question of *what* needs trigger motivation, whereas process theories tackle the question of *why* a person behaves in a certain way. Table 3-1 lists the main content and process theories of motivation.

<table>
<thead>
<tr>
<th>Classification</th>
<th>Theory</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Content Theories</td>
<td>Maslow’s Needs Hierarchy</td>
<td>Assume that behaviour attempts to satisfy needs/Address the questions of <em>what</em> needs trigger motivation.</td>
</tr>
<tr>
<td></td>
<td>Alderfer’s ERG</td>
<td></td>
</tr>
<tr>
<td></td>
<td>McClelland’s Needs Classification</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Herzberg’s Two-Factor</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Vroom’s Expectancy</td>
<td></td>
</tr>
<tr>
<td>Process Theories</td>
<td>Locke’s Goal-Setting</td>
<td>Behaviour is rational and involves cognitive thought processes/Address the question of why people behave as they do.</td>
</tr>
<tr>
<td></td>
<td>Adam’s Equity</td>
<td></td>
</tr>
</tbody>
</table>
3.5 Maslow's Needs Hierarchy

We start with content theories, the best known of which is Abraham Maslow's needs hierarchy theory. Maslow believed that you are motivated to satisfy all your needs in a specific order or hierarchy, starting with the most basic or lower-order physiological needs, and progressing to higher-order or more abstract needs such as safety and security, belonging, esteem, and, finally, the need for self-actualization. According to Maslow, your lower-level needs must be satisfied before you can address higher-level needs. You become concerned about safety and shelter only after you have fulfilled the basic survival needs such as thirst or hunger. Once a lower level of need is met, you are motivated to satisfy the next higher need, and so on. Maslow implied that we can never completely satisfy all our needs throughout life; as we satisfy one level, another emerges.

Figure 3-2 illustrates the sequence of needs identified by Maslow, starting with physiological needs. Let us see what they represent.
Maslow proposed that needs are satisfied in a specific order. Only when the lost needs are met is there motivation to seek fulfillment of the next level.

**Self-Actualization**
Realizing your full potential, “becoming everything one is capable of becoming.”

**Aesthetic Needs**
Beauty in art and nature—symmetry, balance, order, form

**Cognitive Needs**
Knowledge and understanding, curiosity, exploration, need for meaning and predictability

**Esteem Needs**
The esteem and respect of others; self-esteem and self-respect; a sense of competence

**Love and Belongingness**
Receiving and giving love, affection, trust, and acceptance. Affiliating, being part of a group (family, friend, work)

**Safety and Security Needs**
Protection from potentially dangerous objects or situations - elements or physical illness are examples

**Physiological Needs**
Food, drink, oxygen, temperature regulation, elimination, rest, activity, sex

*Figure 3-2: Maslow’s Hierarchy of Needs.*
Physiological needs. The lowest-order needs are for air, food, water, and any other needs that lead to physical discomfort, illness, or death if not satisfied.

- Safety and security needs. When physiological needs are satisfied, safety and security needs emerge and trigger behaviors to satisfy them. These needs are for a safe, secure environment. For instance, collecting explosives from a minefield would not have much appeal unless you would otherwise starve. Organizations that provide job security, insurance plans, retirement plans, and a safe environment would appeal to this level.

- Love and belongingness needs. When physiological and physical wellbeing needs are fulfilled, needs for affiliation and belonging emerge. This is the need for friendship, affiliation, love, and the desire to collaborate in a team and to link to new relationships. These needs drive us to collaborate and work in groups.

- Esteem needs. Esteem needs include self-esteem (needs for self-confidence, independence, achievement, competence, and knowledge) and the needs related to appreciation and recognition of your competence by your peers and the organization. The awarding of bonuses, promotions, or recognition such as "Employee of the Month" would cater to this need.

- Cognitive needs. These needs, added by Maslow and colleagues after the original formulation, relate to how you need to keep your mind active and logical, and to make sense of the world.

- Aesthetic needs. Another later addition, aesthetic needs are the preference for pleasing forms and structure, for attractiveness to the eyes and ears.

- Self-actualization needs. At the top of the needs hierarchy are achievement or actualization needs. They are your needs to fulfill your dreams. Maslow suggested that perhaps only 10 percent of us ever become self-actualized.

Leaders In The Field

Edwin A. Locke

Edwin A. Locke, Ph.D., is Dean’s Professor (Emeritus) of Leadership and Motivation at the R.H. Smith School of Business at the University of Maryland, College Park. He received his BA from Harvard in 1960 and his Ph.D. in Industrial Psychology from Cornell University in 1964. He has published over 260 chapters, notes and articles in

My major interest for the past three decades has been human motivation. One can approach this topic by focusing on motivation at the subconscious level (as was done by David McClelland, for instance), or on motivation at the conscious level. I chose the latter. My approach was based on the observation that the actions of all living beings are goal directed, the ultimate goal being the preservation of the organism's life. In the human, some goal-directed actions are automatic (e.g., the heart beat), but the actions of the whole person are directed purposefully and volitionally.

My work and that of my colleagues has focused on the relationship between conscious performance goals and performance on work tasks. Over the past three decades, some 500 studies of goal setting have been carried out, and some very reliable findings have been obtained. What made this success possible was (1) a sound philosophical or theoretical base, (2) the productive use of introspection, (3) many years of work on the same topic, one that I loved, (4) getting colleagues and students interested in the topic, and (5) building the theory inductively, always staying in line with the research findings.

Maslow proposed that needs are satisfied in a specific order. Only when the lowest needs are met is there motivation to seek fulfillment of the next level.

Maslow's theory was developed through deductive reasoning based on his clinical experience. Although much of it is supported by common sense, though there is little research evidence to support the idea of hierarchical progression. One problem with the progression hypothesis is that it leaves no way to move down the hierarchy (e.g., if a person at the esteem level loses a job and is now worried about security); another is the fact that some needs exist simultaneously.

This theory is not very useful in work settings because it suggests that managers and organizations should be flexible and able to tailor incentives to cater to individual needs if they wish to maximize employee contributions. Such a strategy is time-consuming and not very practical.

### 3.6 Alderfer's ERG Theory

Clayton Alderfer, like Maslow, acknowledges that needs are individual. However, the research he conducted did not allow him to establish a strict hierarchy of needs even if occasionally there is some progression. Alderfer classified needs into three categories: *existence* needs (E), *relatedness* needs (R), and *growth* needs (G); hence, the name ERG.

- **Existence needs**. These lower-order needs refer to primary ones fulfilled by food, air, and water, and also by wage, fringe benefits, and working conditions. This category corresponds to a person's...
primary needs on the physiological and material level, corresponding to Maslow’s physiological and safety and security needs.

- **Relatedness needs**. These social/interpersonal needs are fulfilled when you establish significant interpersonal relationships. Your social, interpersonal, safety, and affiliation needs drive you to relate to others and to search for recognition and esteem. This category reflects Maslow’s belongingness and esteem needs, partially overlapping security needs.

- **Growth needs**. These are gratified when you create something or make a significant contribution while developing your potential. Such needs are related to Maslow’s self-actualization or achievement needs.

The difference between Maslow’s and Alderfer’s theory is that the latter rejects the rigid hierarchy of needs. Contrary to Maslow, Alderfer assumes that we may not only progress but also go back to earlier stages of the needs hierarchy. As with Maslow’s, it remains uncertain whether this theory is sufficiently verifiable to be of value to practitioners.

### 3.7 McClelland’s Theory

David McClelland is known for his refinement of Maslow’s model. However, he established no needs hierarchy. McClelland focused on three needs that are obviously related to the working environment: the needs for achievement, affiliation, and power. According to his theory, you will develop a dominant bias toward one of these needs based on your socialization and life experiences.

- **Achievement needs**. These needs refer to the tendency or desire to excel. McClelland found that people with high need for achievement perform better than those with a moderate or low need for achievement.

- **Affiliation needs**. These needs are related to the desire for a friendly interpersonal relationship. Some people look for social approval, wanting to identify themselves with the group and be appreciated by it. Individuals motivated by these needs are more open and more likely to succeed in jobs requiring high interpersonal communication skills.

- **Need for power**. The need for power is the desire to influence others. Unfortunately, the term has been associated with power abuse, which makes us suspicious of anybody who displays a need for power. Nonetheless, such individuals exercise considerable influence in their circles since they want to control situations and people. Moreover, social and hierarchical status are important considerations for people with a high need for power; the more they can rise to the top of their organizations, the greater is their ability to exercise power and influence.

Studies have found that employees with a high need for achievement (nAch) experience satisfaction from good performance, set higher goals than those
with low achievement needs, and improve their performance following feedback. An underlying assumption in McClelland’s work is that people can be taught to have certain needs through training, and thus their achievement motivation could be enhanced.

### 3.8 Herzberg's Two-Factor Theory

Organizational consultants and management specialists in the late 1960s reacted enthusiastically to the publication of *The Motivation to Work* by Herzberg and colleagues. It soon became one of the most popular and far-reaching management texts ever written by an academician.

The research conducted by Herzberg’s team suggested that motivation is composed of two, largely independent dimensions: those aspects of the job that can prevent dissatisfaction but that do not increase motivation, because they do not relate to an employee’s growth and development needs (called *hygiene factors*); and those aspects of the job that actually encourage growth (*motivators*). That’s why the theory is called the two-factor theory. The factors associated with producing job satisfaction are separate from those precipitating job dissatisfaction. A focus on hygiene factors can prevent job dissatisfaction, but for the best performance, motivators must be built into a job. The theory is illustrated in Figure 3-3.

Although there has been some research support for Herzberg’s theory, many studies show that needs for salary, recognition, and responsibility operate both as motivators and as hygiene factors. Nonetheless, the theory is credited with providing a new way of thinking about dimensions of a job that could lead to satisfaction or dissatisfaction. These principles are being used by many companies for job redesign efforts, particularly in job enrichment.

![HERZBERG’S TWO-FACTORS THEORY OF MOTIVATION](image)

*Figure 3-3: Herzberg’s Two-Factor Theory.*
We now turn to process theories of motivation. According to process theories, we can explain behavior by the perceived value (outcomes) of its consequences. This theory also assumes that we choose the means that enable us to achieve our objectives not by routine personal efforts, but rather on a cost-benefit basis. We evaluate possible alternatives, which allow us to make a decision based on the particular circumstance we are facing. Expectancy theory assumes that motivation is a function of three components:

1. An effort-performance expectation (expectancy) that increased effort will lead to good performance;
2. A performance-outcome perception (instrumentality) that good performance will lead to certain outcomes; and
3. The attractiveness of the outcome (valence) in that any outcome can have a positive or negative value. (If we are to exert an effort or be motivated, we must value the outcome, which is to say we must believe that increased effort will lead to higher performance and that this higher performance will result in worthwhile rewards.)

Expectancy theory is linked to a behavioral strategy. You will evaluate a set of behaviors and select the most appropriate one to help you get what you consider the most valuable rewards. So, if you estimate that a regular improvement of your work quality is going to cause an increased salary and better promotional chances, you will behave accordingly.

Here's an example to demonstrate the way we reason when selecting a particular behavior. Pat, who has been working for a couple of years in a municipal tax department, is wondering about expending more effort to meet a deadline for finishing a report. What could motivate Pat to make the additional effort? Expectancy theory lets us infer that Pat might adopt a certain behavior after answering the following questions:

- What is the probability of completing the report on time (and according to my normal standards of quality) if I expend additional effort? (expectancy)
- What will be the likely consequence if I submit the report on time? (instrumentality)
- What is the value I attach to each of the identified consequences? (valence)

The expectancy is zero if Pat thinks it's impossible to meet the deadline. Pat knows that this is an important report that the boss will appreciate, but working late will not sit well with Pat's spouse. Finally, the valence Pat attaches to each of the outcomes expected for completing the report on time also influences the decision to exert more effort.
3.10 Locke’s Goal-Setting Theory

Related to expectancy theory, goal-setting theory holds that our conscious intentions (goals) are the primary determinants of task-related motivation, since goals direct our thoughts and actions. The theory was developed by Edwin Locke and his colleagues, who demonstrated through laboratory experiments that individuals setting challenging goals outperform those who set easy-to-attain goals.8
The theory emphasizes your capacity to select the goals you wish to reach, underlying at the same time the fact that those goals will strongly influence both your cognition and your behavior. Thus, to motivate you, it is enough to encourage you to set high performance goals or at least to accept those that have already been set for you. Once you wish to meet them, you will make the necessary efforts.

Locke originally assumed only that setting goals would raise performance, but later he added the notions of specificity, difficulty, and goal acceptance. Specificity relates to goal clarity and accuracy; the clearer and more accurate the goals, the better the chances of meeting them. Difficulty refers to the fact that the higher the goals, the better the performance. Goal acceptance relates to whether the goal is seen as attainable, appropriate, and palatable. In brief, Locke’s theory is that setting clear, challenging, realistic, and acceptable goals raises performance.

Goal-setting theory was demonstrated in an experiment with 36 truck drivers who transported wood for a large company. The hourly-paid, unionized drivers loaded their trucks to 60 percent of the allowed weight. Although this
action cut the efficiency and the productivity of the organization, it could be explained by its nonspecific performance goal of "do your best."

To stimulate the drivers' motivation, the company set a challenging but realistic goal: to load trucks to 94 percent of the permitted weight. Drivers were informed of the new plan and told it was a trial that wouldn't affect them in any way. During the first month, they loaded to 80 percent of the maximum weight. Later they went down to 70 percent to see if the company kept its promise, and the company imposed no penalty. By the third month, loading jumped to 90 percent, a percentage that was maintained and even exceeded.

### 3.11 Adams's Equity Theory

Some motivation theories assume that a person's behavior appears and is maintained by our efforts to establish or preserve an inner psychological balance. When we experience psychological tensions or when our balance is upset, we are motivated into action to re-establish the balance. This view of motivation comes from the theories of balance, which started with Festinger's cognitive dissonance theory. Festinger assumes that when we face contradictory cognitions or thoughts, we feel unpleasant psychological tensions that we lessen by changing one of the cognitions to make it consistent with the other.

The best known variant of cognitive dissonance theory is the equity theory of Adams. It assumes that we want equity (i.e., we want to feel that, compared to others, we are treated fairly and impartially by the organization). Figure 3-5 presents this exchange process between individuals and organizations.

![Figure 3-5: Equity Theory: The Exchange Process.](image)

Equity theory focuses on the input-output ratio within the organization. Inputs are represented by our contribution to the organization; output is everything we receive from the organization in exchange. This theory assumes that we engage in a relationship of exchange with an organization, evaluating the equity of what we get from this exchange by comparing our own input-output ratio to that of others, to determine whether we are underpaid or
overpaid. According to Adams, inequity creates tension proportional to the imbalance. It is this tension that motivates the individual to reduce the inequity. Consequently, the higher the inequity feeling, the stronger the motivation to reduce it. How would you reduce inequity? If you feel you are underpaid, you might increase your productivity and ask for a raise, or you may decrease your efforts and performance, or think of quitting. You may reduce inequity by a mental process such as changing your reference or comparison person. If you feel you are overpaid, you may increase your productivity. Negative inequity (underpayment) is felt more deeply than positive inequity (overpayment). Equity theory may help explain organizational behaviors. For example, it has been reported that employees who perceived their compensation decisions as equitable displayed greater job satisfaction and organizational commitment. Additionally, equity theory plays a role in labour–management relationships regarding union-negotiated benefits. The process theories of motivation are summarized in Table 3-2.

<table>
<thead>
<tr>
<th>Vroom's Expectancy Theory</th>
<th>Locke's Goal-Setting Theory</th>
<th>Adam's Equity Theory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individuals go through a process of cost-benefit analysis when selecting the behaviors that will help them achieve their goal. The multiplication of expectancy, instrumentality, and valence determines an individual’s motivation for a particular goal and for each of the implied consequences.</td>
<td>Individuals have better performance if the goals they establish are challenging but realistic. Goal setting spurs individuals into action.</td>
<td>The behavior of individuals is driven by the inequities they perceive when they compare their output-input ratio to that obtained by another person or group of persons.</td>
</tr>
</tbody>
</table>

The motivation force (expectancy × instrumentality × valence) influences the behavior to be adopted. For motivation to occur, goals must be:

- set
- clear and accurate
- challenging but realistic
- accepted by the individual

Employees wishing to re-establish equity may:

- alter their output
- alter their input
- switch reference person or group
- use mental processes
Table 3-2: Summary of the Principal Process Theories of Motivation.

3.12 Behavioral Model of Motivation

Behaviorism focuses on how we behave, not why. Behaviorists feel that inner reasons are cannot be defined and difficult to observe, whereas behavior and its consequences may be both observed and measured. The main originator of this theory is B.F. Skinner. The theory implies that one's behavior is completely determined by external consequences. Thus, there is no need to look into one's inner needs since we can influence behavior by modifying the ensuing consequences.

The assumption underlying Skinner's theory of operant conditioning is that behavior is determined and maintained by the environment. Although initial behavior is random, subsequent behavior depends on environmentally induced reinforcers. Thus, since behavior depends on its own consequences, one may expect that behaviors triggering desired consequences are more likely to be repeated than those with undesired consequences. According to this theory, we may control behavior by controlling its consequences.

The behaviorist model suggests the following techniques to alter behavior. Positive reinforcement refers to the welcome consequences you experience for engaging in a certain behavior. For instance, congratulating an employee or offering a salary raise following an increased performance represents positive reinforcements.

To increase the probability of a desired behavior, one eliminates unpleasant consequences associated with the behavior. For instance, an increase of grievances represents a negative consequence that either diminishes or disappears altogether if the manager behaves fairly. Negative reinforcement is seen when behavior allows an undesired consequence to be eliminated.

Be it positive or negative, any reinforcement alters the probability that a previous behavior will recur. Sometimes, however, to increase the probability of a certain behavior, one has to reduce the frequency of another behavior. This is where punishment, a technique as old as the human species, joins the game. This technique may be administered either by removing a positive consequence of a behavior or by administering an unpleasant one. An example is seen when parents say, "No dessert until you eat your vegetables" (removal of a positive consequence) or "Eat your veggies or I'll yell at you" (administration of a negative consequence).

In organizations, punishment can be represented by salary cuts or discipline. Organizations generally share the view that discipline (or punishment) represents a useful method for rectifying or extinguishing unwelcome activity. That's why managers carry out formal discipline and use verbal or written warnings, suspension and firing, or withdrawal of privileges. To be efficient, punishment should observe certain rules. Efficacy of punishment is
determined by its intensity and by the immediacy with which it is administered. Punishment is more effective if the offending employee is offered an alternative behavior and given the reason for being punished.

When deprived of a positive or negative reinforcement, the associated behavior tends to disappear.Behavior extinction or suppression is related to punishment in the sense that both have negative contingency. Instead of a negative consequence, however, behavior extinction involves deprivation of positive or negative reinforcement. Besides not reinforcing the undesired behavior, one can work toward extinguishing the behavior by directing attention to a desirable behavior.

Table 3-3 distinguishes among the four techniques of operant conditioning, and gives examples of their applications in organizations.

<table>
<thead>
<tr>
<th>Positive Reinforcement</th>
<th>Negative Reinforcement</th>
<th>Punishment</th>
<th>Behavior Extinction or Suppression</th>
</tr>
</thead>
<tbody>
<tr>
<td>Welcome consequences experienced by an individual for engaging in a desired behavior</td>
<td>Removal of unpleasant consequences associated with a desired behavior</td>
<td>Withdrawal of positive consequences or administration of negative consequences when undesired behavior occurs</td>
<td>Failing to positively or negatively reinforce behavior we wish to extinguish</td>
</tr>
<tr>
<td>Congratulating or giving a bonus to an employee who has a perfect attendance record</td>
<td>Not cutting the salary of an occasionally absent employee who informs the supervisor and gives valid reasons</td>
<td>Withdrawing a positive consequence (e.g., cutting salary of an employee who is frequently absent without valid reasons)</td>
<td>Failing to congratulate an employee who fails to observe safety regulations in order to exceed performance expectations</td>
</tr>
<tr>
<td>Granting a promotion, bonus, or salary raise to an employee whose performance meets or exceeds the organization's standard</td>
<td>Ceasing constant supervision of a high-achieving employee who is both responsible and able to work independently</td>
<td>Administering a negative consequence (e.g., warning an employee who is disrespectful to fellow employees; firing an employee for coming to work drunk)</td>
<td>Failing to clean dining areas if employees leave waste instead of disposing it in garbage cans</td>
</tr>
</tbody>
</table>

Table 3-3: Four Types of Operant Conditioning.

3.13 Selecting the Right Motivational Model

When is it appropriate to use each of the models of motivation we have discussed in this chapter? Expectancy theory may be useful if we wish to make
valences, expectancies, and instrumentalities more explicit. For example, one survey revealed that Montreal police officers value the creation of a career planning system more than any other program offered by the administration. Equity theory could be used in designing compensation programs. Human resource departments often conduct wage surveys to help them make decisions about wage increases for their employee groups. Internal equity is also achieved in organizations by justifying the pay plans via job evaluations.

On the other hand, the amount of effort a person is likely to exert on a task may be better explained by need, reinforcement, and equity theory than by goal-setting or expectancy theory. Similarly, satisfaction with one's work seems better explained by need theory and equity theory than by reinforcement theory, which is primarily focused on behavior rather than feelings.

Performance on the job seems well explained by reinforcement, equity, or goal theories. Finally, withdrawal behavior such as absenteeism and turnover can be effectively analyzed through reinforcement, equity, and expectancy theories.

In order to motivate their subordinates, managers should assess both their needs and their characteristics. They should also decide which motivational principles will be most effective given the resources available. The motivation process may include such actions as enriching the subordinate's job (e.g., making the job more challenging), setting more ambitious goals, assisting people in reaching their goals, removing barriers that may prevent people from accomplishing their goals, and reinforcing appropriate behaviors while discouraging others.

3.14 Learning Style and Motivation

As managers and leaders become more engaged in multicultural and multinational settings, applying motivation theories in the workplace is becoming increasingly difficult and sometimes even difficult to put in place. With the changing profile of employees and the increased use of multicultural teams in the work environment, a good method to motivate others is the use of learning styles.

As discussed in chapter 2, individuals have one of four preferred learning styles: Diverging, Converging, Accommodating and Assimilating. With each of these preferred styles are preferred ways of working. For example, if you have a project that needs to be done quickly, those with the Accommodating learning style would be motivated to work on such projects. However, those with the assimilating learning style would find this very difficult as they have to have time to clearly understand what needs to be done and why it should be done prior to actually doing the project. Speeding things up would cause them to be unmotivated. In much the same way, when a project involves market research, individuals with the Diverging preferred learning style would be motivated to do such a project as it involves gathering information. However, those with Accommodating preferred learning styles would find this
frustrating as they have an interest to get things done instead of gathering information. People with learning flexibility (across all four modes of learning) are able to work across all four learning styles and are therefore very flexible in their ability to across diverse work settings and are also very easy to work with as they understand how to motivate individuals according to their preferred learning styles that they demonstrate at work. As the Learning Styles Inventory has been administered to people in different cultures and nations, and shown to be robust across them, it is a good method to work with people in multicultural or multinational settings. Table 3-4 presents a simplified method of how to frame projects to fit learning styles. This is only a general guide and should not be taken as truth. Most of the time, you will find that the people that work for you will tell you what they need if you listen to them close enough! Use that as your main guide in dealing with others.

<table>
<thead>
<tr>
<th>Learning Styles</th>
<th>What Motivates</th>
<th>How to Frame Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diverging</td>
<td>Gathering information from diverse sources</td>
<td>Present projects as needing information or gathering information bounded by structures or limitations. Give them some freedom. Gently guide them not to stray too far.</td>
</tr>
<tr>
<td>Assimilating</td>
<td>Understanding and knowing why</td>
<td>Present projects as getting a better understanding and coming up with clear recommendations. Give them time. Gently guide them to work faster.</td>
</tr>
<tr>
<td>Converging</td>
<td>Working within parameters and guidelines</td>
<td>Present projects as guided by specific guidelines or parameters. Give them specific guidelines. Gently guide them to be creative.</td>
</tr>
<tr>
<td>Accommodating</td>
<td>Working Fast</td>
<td>Present projects as urgent and requiring actions that need to be carried out or done. Give them trust. Gently guide them to be more precise.</td>
</tr>
</tbody>
</table>

Table 3-4: A Simple General Guide to Understand How to Motivate People with Different Learning Styles (Simplified)

3.15 The Challenges of Motivating Diverse and Global Workforce

The success of any organization in today's global environment would rely on the ability to manage a diverse body of talent that can bring innovative ideas, perspectives and views to their work. The challenge and problems faced in an increasingly diverse workplace diversity can be turned into a strategic organizational asset if an organization is able to capitalize on this melting pot of diverse talents. With the mixture of talents from diverse cultural backgrounds, genders, ages and lifestyles, global managers need to have the diagnostic capacity to identify people needs, values (what seems important to them) and employ a corresponding motivation philosophy. Organizations should aim to nurture leaders and managers that are sensitive to the nature of intrapersonal, interpersonal and collective (and global) perspectives. We believe that global leaders have to develop the rigor of a scientist and the
sensitivity of an artist in their interactions with others especially around the
skills to keep and motivate talent in such a diverse environment. Managers,
thus, need to be creative, especially in the global arena. More importantly, if
an organization does not support such broad diversity, it would risk losing
talent to its competitors.

This is especially true for multinational companies (MNCs) who have
operations on a global scale and employ people of different countries, ethical
and cultural backgrounds. Thus, a manager needs to be mindful and may
employ a ‘Think Global, Act Local’ approach in most circumstances.

One of the main reasons for ineffective management of global workforce is the
predisposition to pigeonhole employees, placing them in a different silo based
on their cultural and other demographic profile. In the real world, motivating
a diverse and global workforce is not a simple task and studies suggest that
only handful global managers exist whereby having the capabilities to leverage
the talents of a broad workforce in the most effective manner.

3.16 Summary

Motivation is one of the core concepts in organizational behavior. It is a
personal attribute that is affected by a person’s background and attitudes, and
by various external conditions as well. Motivation is important because it is
central to performance, satisfaction, and commitment to work. Motivation has
been extensively researched. In this chapter, it was discussed in the context of
content theories, process theories, and behaviorism. The theories all have
different assumptions and consequently different implications for managers.

In an attempt to make sense of an extremely complex topic, early theorists
devised simple lists of instinct like needs that supposedly applied to all people
under all circumstances.

As theory solidified, researchers focused on more limited variables in more
specific applications. Thus, although a theory such as Maslow’s may appear
appealing, more recent ones such as goal-setting provide greater precision in
appropriate contexts. In this chapter we highlight that being able to motivate
employees in a global environment is not only based on individual needs or
valence in terms of rewards. A global manager needs to also understand the
perspectives and norms associated with the various cultural or national
contexts he or she is operating with. Developing such acute skill requires
extensive training and experience which include understanding learning and
learning flexibility. Perhaps the capacity for the global manager to learn would
be critical for him or her to understand how to motivate employees in such
complex and diverse environments.

3.17 True/False Questions

1. Motivation can be understood as a drive or force within us that
   is triggered by various needs.
2. The needs, as defined by Maslow, that relate to keeping your mind active and logical, and to make sense of the world are called Aesthetic needs.

3. Alderfer defines growth needs as those that are gratified when you create something or make significant contribution while developing your potential.

4. Vroom’s Expectancy theory is an example of a process theory.

5. Adam’s equity theory states that the behavior of individuals is driven by the inequities they perceive when they compare their output-input ratio to that obtained by another person or group of persons.

6. Goal-setting theory holds that our conscious intentions (goals) are the primary determinants of task-related motivation.

7. In the basic model of motivation “search” is the stage is when tension mounts within the person as the need remains unmet.

8. Someone who is motivated from within himself or herself experiences extrinsic motivation.

9. An example of operant conditioning is negative reinforcement.

10. In McClelland’s theory, the desire to influence others refers to achievement needs.
1. Which is not a part of the basic model of motivation?

- Tension
- Search
- Feedback
- Growth

2. The second level in Maslow’s needs hierarchy is:

- Safety and security needs
- Physiological needs
- Cognitive needs
- Esteem needs

3. Which is not listed as one of the needs in McClellan’s Theory of motivation?

- Existence needs
- Affiliations needs
- Achievement needs
- Need for power

4. Locke’s Goal-Setting theory states that goals must be accompanied with:

- Specificity
- Difficulty
- Goal acceptance
- All of the above

5. The theory that focuses on input-output ratios within the organization is:
6. Withdrawal of positive consequences or administration of negative consequences when undesired behavior occurs is the definition of:

- Behavior extinction or suppression
- Punishment
- Negative reinforcement
- Positive reinforcement

7. Working within parameters and guidelines is what motivates people with which learning style?

- Assimilating
- Accommodating
- Diverging
- Converging

8. Which of these is related to Vroom’s Expectancy theory?

- Difficulty
- Instrumentality
- Accommodating
- Positive reinforcement

9. Process theories can be defined as:
Theories that address the question of why a person behaves in a certain way.

Theories that address how we behave.

Theories that describe the hierarchical level of needs that we need to fulfill.

Theories that address the question of what needs trigger motivation.

10. Behavior is determined and maintained by the environment is the underlying assumption of which theory:

- ✔️ Skinner's Theory of Operant Conditioning
- ✗️ Adam's Equity Theory
- ✗️ Locke's Goal-Setting Theory
- ✗️ Vroom's Expectancy Theory

**Case 3a: If The Hat Fits, Wear It**

Sapur Prahala has worked at the New Delhi Hat Factory for more than a third of his 34 years; his father, Rahul Dev Bhushan, had retired from New Delhi Hat the previous year. Although the pay at New Delhi Hat is below average for semi-skilled workers in the area, Sapur likes the firm's incentive pay system under which employees are guaranteed a minimum wage per hour plus an incentive based on the number of finished hats completed above the standard. For the past two years, Sapur, like his father before him, has been working as a "utility person."

Sapur's favorite task as utility person is the "finish" job, which involves softening the brim of freshly pressed felt hats. Based on the procedures taught to new employees, this job requires considerable manual dexterity and stamina, making it difficult to produce over the standard.

But Sapur has learned how to do the finish job effectively. Before his father retired, he showed his son a labor-saving steel mandrel that he had devised a
decade earlier to help him finish hats (arthritis had made handwork difficult for him). Rahul Dev Bhushan had showed his supervisor, his invention, and the later invited the owner and general manager, Kapur Kanungo, to evaluate the mandrel. But after several employees misused the mandrel and damaged several expensive hats, the tool was banned from further use.

Rahul Dev Bhushan believed that the trial use of the mandrel failed because the other employees had received inadequate training. Thereafter, he hid the mandrel in his tool box. His supervisor had allowed him to continue using the tool, but cautioned him to keep a keen eye out for management; he knew that if they were caught violating the ban, they both could be disciplined.

So, Sapur inherited the secret mandrel and continued its covert use. Rahul Dev Bhushan knew that the tool, in experienced hands, could increase productivity to such an extent that the payroll department would catch on if Sapur were allowed to work the finish job for more than just a few hours each day. Sapur came to look upon the tool as a way to earn either "slack time" or a few extra rupies. Any guilt he might have experienced as a result of the deception was eased by the fact that management didn't exactly play fair and square with their large customers. For example, New Delhi routinely produced extra hats when filling large contracts with retailers. The extra hats would then be restamped on the sweatband in such a way as to conceal the original label, and then shipped to New Delhi Hat outlet stores in India and overseas.

One day while Sapur is working on the finish job with the mandrel, the Owner Kapur Kanungo suddenly appears from around the corner. He stops in his tracks when he sees him positioning a felt hat over the forbidden device.

Questions

1. If you were Sapur, what would you say to Kapur upon being discovered using the mandrel?
2. If you were Kapur, the owner, how would you handle the situation?

Case 3b: Fast or Slow? A Learning Perspective

Hans Hamburg is a manager in KER Tourism (a Multicultural Organizational satellite office) in Germany. As part of the strategic plan for the organization to develop better leaders, Hans was selected to attend a leadership training program organized in Stockholm. In this training program, he learned about learning styles and realized that he has an Accommodating Learning Style but is inflexible across situations that call for acting, valuing, thinking and
deciding. In all these four situations, he tended to be accommodating and prefer working very fast and to get things done. He mentioned in the session with the trainer (Chris Richley) that he takes pride in being able to get things done fast. He values people who can also do that and that speed is the most important skill to him. Chris asked him to pay attention to the different learning styles in his office because of the importance of understanding how to motivate others. Hans stated that he realized that he has had difficulties motivating his employees even though he understands motivation theories. He presented an example in the session for discussion.

An employee of his, Gretchen Geliebt, has always been difficult for Hans to manage. She was not only very interested in understanding why she had to do any projects assigned to her but also constantly asked for further clarification of tasks to be more precise in terms of what is needed. Hans constantly tells her that she should learn to "Just do it" and not worry about details like that. He wants to help her work fast and not to focus on details. He has been wondering how to motivate her to do her job fast. In his frustration, he had accidentally mentioned to her colleague, John Freund, that he wishes that Gretchen would not work so slowly. John mentioned this to Gretchen and she decided to approach him about this and requested a meeting with him.

In their meeting, Gretchen asked Hans about the quality of her work and he mentioned that her work has always been extremely well respected and regarded as the best work in the department. Gretchen explained that her approach to work was to ensure that her first draft of any project be almost perfect so that the department’s reputation will be high and that revisions would be minimal and ready for implementation. She claims that in her view, she works fast but differently from how Hans works and feels insulted when she heard what he mentioned to John.

Hans was really thrilled to be taught about learning styles and realizes that he did not have any problems working with Gretchen if he has approached it from the perspective of learning styles. As a matter of fact he immediately noticed that this awareness seem to diffuse the frustration he had felt working with Gretchen in the past. In fact, he has a new project that needs to be done well and fast and he has scheduled a meeting with Gretchen to hand her this project as he feels she is most suited for this job as she pays attention to details and he is confident that nothing will be left out. However, he also needs to have this project done quickly. Hans has decided to use this opportunity to experiment with his newly gained insight about learning styles. He just needs to know how to frame this project so that he can not only hand this project to Gretchen but also to motivate her to do it.

Questions

1. What is Gretchen's learning style and why is it difficult for Hans to deal with her and motivate her?
2. How could Hans become more flexible in learning?
3. How would you plan and manage the meeting with Gretchen to hand her the project?
4. How would you frame this project that will motivate her as well?
Self-Assessment Exercise: What is my Motivation Orientation?

*(Quiz developed by Dolan & Lingham)*

Please choose one of the following answers for each statement. At times, choices will be difficult, but try and choose anyway. The validity of this test depends on your answering honesty to all statements.

<table>
<thead>
<tr>
<th>Question/statement</th>
<th>Agree</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I love to be together with people; I like even when it serves no purpose</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. In many situations, clarifying who is in charge is the most important business at hand</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. When playing a game, I am as concerned with how well I have played based on my own judgment as I am with whether or not I win</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. I believe it is most important to have the respect of others in your community</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. When I set a goal, there is a good chance I will make it even though it doesn’t always happen</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. It is important to have a career (or possession) that will influence others to respect me</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Losing a friend is very upsetting to me. I work hard to regain friends I have lost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. I insist on the respect of people under me, even if I have to push them around to get it</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. I need lots of warmth from others and I give it back</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. I think about how what I am doing today will affect my future five years from now</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. I like to set up measures for myself of how well I am progressing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. I am very concerned with the efficiency and quality of my work</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. Many people need advice and help, and someone should give it to them whether they want it or not</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. Strong actions are needed when people make mistakes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. I enjoy social get-togethers and make time to go to them</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16. A key purpose in my life is to do things that have not been done before</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17. If I move to a new area, I imagine the first thing I would do is develop new friends</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18. I intend to get strong emotional reactions out of others because I know I am getting somewhere</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19. I very much need to be liked by others</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20. My friends may sometimes think it dull, but I find myself talking about how to overcome future obstacles I have anticipated</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
21. Relationships are very valuable to me, but everybody needs to understand their roles and obligations.
22. A good reason for being in business is to become rich and powerful!
23. I don’t like working on a project without knowing how well I’m doing, so I make plans that allow me to measure how fast I’m proceeding toward my overall goals.
24. I like to get involved in community activities because it gives me a chance to have influence where I live.
25. The real meaning of life is the capacity to influence other people.
26. I do best when I have some room to choose my own goals.
27. If people don’t really know you, you can’t expect them to listen to you carefully.
29. People who make it in business, are those who know what they are doing and do not deviate from their goals.
30. I always thought I would enjoy being a famous politician, actor or athlete and live in the lap of luxury.

Note: the above test was inspired by the dimensions of motivation developed by Professor David McClelland. The authors of this text, nonetheless, had modified the measures and interpreted the scores. Further empirical validation of the proposed scoring is needed. Also, remember that Professor McClelland’s original measures attempt to address whether you’re motivated by **Achievement**, **Power** or **Affiliation**.

Please calculate your score by counting the number of “Agree” in the following questions:

<table>
<thead>
<tr>
<th>Achievement</th>
<th>Power</th>
<th>Affiliation</th>
</tr>
</thead>
<tbody>
<tr>
<td>3, 5, 10, 11, 12, 16, 20, 23, 26, 28</td>
<td>2, 8, 13, 14, 21, 22, 25, 27, 29, 30</td>
<td>1, 4, 6, 7, 9, 15, 17, 18, 19, 24</td>
</tr>
</tbody>
</table>

Now place your Total scores on each of the dimensions in the following triangle which we call "the triaxial zone of motivation" and connect your scores to be followed by shading the zone.

Final and an important note: Don’t be discouraged if your achievement marks are low. "A quiz is a point in time. While there’s no ideal score, research suggests that entrepreneurial tendencies tend to score high on "achievement" in relation to their scores for power or affiliation."
Notes


Chapter 4: Managing Work Groups and Teams

4.1 Learning Objectives

After reading this chapter, you should be able to:

- Define what is meant by the term "group"
- Describe the importance and benefits of work groups and work teams
- Describe two common ways of classifying groups
- Understand the key characteristics of groups
- Describe the four stages of group development
- Identify the traits of a mature group
- Identify the factors that contribute to group effectiveness
- Understand the emerging trends in groupwork and teamwork
- Define what are conversational spaces in teams
- Describe the importance of creating the right context for teams to succeed
- Discuss the potential drawbacks of the team approach

4.2 Introduction

It is likely that one of your professors has assigned a project that requires you to work with classmates. Probably this is not the first time you have had to work in a group; you likely had experiences with group assignments in high school. At times you may have been able to select the groups with whom you wished to work, but more commonly you may have been assigned to a project group. You may have developed some opinions about this way of accomplishing goals.

This reminder of your past group assignments reflects what is happening in the world of organizations. We increasingly see the necessity to collaborate with other people to accomplish a set task. Often, supervisors ask their subordinates to get together in either formal or informal teams to improve practices pertaining to quality and quantity of their service or product. Although in a non-work setting we can often choose the groups that we join, in a work setting employees are generally assigned tasks that are to be accomplished by the entire group. Teamwork is not always effective and can be problematic. Consequently, we need to understand the dynamics that take place in a group. This understanding may help organizations design better groups, and will likely improve your value to the groups you will find yourself in.

Organizations contain different kinds of groups. For instance, some groups are based on friendships or common interests. By contrast, work groups whose principal purpose is to accomplish organizational goals are usually
formed by organizational managers. These work groups can vary in size, and their members may or may not have complementary abilities.

Groups are important in organizations for many reasons. Primarily, many organizations depend on formal groups to get the work done. Additionally, informal groups can have considerable influence on organizational effectiveness. Moreover, groups can enhance innovation and creativity in their members. Decisions made by groups are often of a higher quality than decisions made by individuals, and work accomplished in groups is usually of a higher quality than individual work.

Not only are groups necessary to satisfy organizational needs, they can fulfill the personal needs of their members. For instance, they can provide emotional support in a time of crisis or pressure. Groups may also provide important social benefits; you may achieve social identity and self-definition by being a member of a group. In some types of groups (such as friendship groups), members may experience psychological intimacy, a feeling of affection and warmth, unconditional positive regard, and the opportunity for emotional expression, openness, security, and emotional support. When psychological intimacy needs are met (through work groups or other types of groups), employee performance is usually of a higher quality.

Groups often have more control over worker behavior than managers do. This is because the power of "peer pressure" from group members can influence members' behavior. Groups often model desirable behaviors, offer feedback on performance, and provide direct instruction and assistance to one another in completing job tasks. In addition, attitudes toward work are influenced by groups. For instance, if a group has a strong work ethic, the members will likely have a similar work ethic.

Groups can also influence behavior and attitudes in a way that is detrimental to the organization. Consider this situation. A new member soon learns from the group who is considered to be a bad supervisor and which coworkers cannot be trusted. As a result, the group causes the new member to develop negative attitudes before the member has had a chance to make independent judgments. Thus, it is important that groups are managed by effective leaders to increase their potential benefits. As we begin the 21st century, the growing number of corporations moving toward employing teams across all levels is creating a critical need for managers to increase their knowledge about teams and to develop the skills required not only to be team members but also to lead, create and support teams. As organizations evolve to become more team oriented, research on teams continues to become more important. Teams are also becoming a critical aspect of an organization’s design incorporating top management, cross-functional, multicultural, kaizen, adhoc and many other teams.

4.3 Definitions

A basic definition of a group is two or more people who have common needs and goals and who interact with one another over a period of time. Through
these interactions, members mutually influence one another's behavior and attitudes. Over time, groups develop a set of rules and procedures (known as norms) that indicate what is considered to be acceptable behavior for their members.

A team is a special type of group that is made up of people who have complementary skills, and who are assigned the task of achieving a specific organizational objective. In most cases, team members determine their own performance standards and work methods; other types of groups may not do this.

4.4 Classification of Groups

We can classify groups according to whether they are formal or informal, or according to their primary purpose.

**Formal and Informal Groups**

Groups that are established for a specific purpose are called formal groups. This type of group is usually established by the organization to meet some clearly defined goals. Thus, student project groups are formal groups, as are committees established by the organization to evaluate a new product line. Organizational formal groups include boards, commissions, and task groups.

Informal groups, on the other hand, form naturally out of interactions among individuals over time. Because people who work in the same department or hold similar positions interact regularly, it is not surprising that informal groups emerge, with members having similar ideas, values, beliefs, and social needs. A simple way to detect such groups is to observe those employees who habitually take their coffee breaks or lunches together, or who meet socially after work. Organizations consist of many informal groups, and they can be beneficial to both the organization and the group members. For instance, informal groups can assist people in getting their jobs done by offering a network of interpersonal relationships that sometimes help speed up production. In addition, these groups may perform work-related favors for members. Finally, informal groups help members satisfy such needs as friendship, support, and sense of belonging.

4.5 The Purpose of Groups

Groups can also be classified on the basis of their primary purpose. Three possible reasons exist:

Functional groups are formed by organizational leaders for the purpose of performing tasks that are essential to organizational functioning. An organization's human resource, sales, and marketing departments are examples of this type of group.
Task groups or work teams are also created by the organization, but are usually more temporary. Their purpose is to work on a specialized project or problem, such as revamping the telephone system.

Interest groups are created by the employees and resemble informal groups in that members have similar values, beliefs, and goals. One type is the friendship group. Its primary purpose is to meet its members’ personal needs for security, self-esteem, and belonging.

4.6 Characteristics of Groups

So far, we have defined what is meant by a group and discussed ways of classifying groups. Of course, groups are not unknown to you because, in addition to the project groups we earlier speculated that you belong to, you are no doubt a member of several groups, both formal and informal, such as family, friendship groups, sports groups, committees, and work groups. Although there are many differences between groups such as these, it is useful to be aware of some key characteristics that they share.

Size and Composition

The size of the group may influence its function, the quantity and the quality of interactions among group members, and the effectiveness of the group as a whole. There are advantages and disadvantages associated with both large and small groups. For instance, small groups tend to evolve into mature groups more quickly than large ones. Also, interactions between members are easier in small groups, and their members tend to have a higher degree of satisfaction with the group. If a group’s success relies on regular interactions among all members, it should probably have no more than 12 members.

Conversely, large groups are more likely to tolerate direction and advice from the leader. Also, the quality of decisions tends to be higher in large groups. Table 4-1 lists the principle benefits and drawbacks of both large and small groups.

Group Norms

As they evolve, groups develop rules or patterns of behavior that regulate members’ behavior. These behavior codes, known as norms, may be verbal or written, but are generally implicit. For example, norms relating to dress codes and after-hours socializing are implicit, whereas work rules pertaining to production standards are likely to be explicit and thus do not constitute "group norms." In general, norms may specify what a group member should do (e.g., "Group members should participate in group discussions") or they may specify what a member should not do (e.g., "We should not wear jeans to work").

Take a moment to think about a group to which you belong. What are some of the norms that exist? Are these norms written or unwritten? Are they task-oriented or relation-oriented? Are they positively or negatively expressed?
You likely noted that the majority of norms are implicit and unwritten. This means that group members must behave in ways consistent with the norms. Also, some type of influence system must back up the norm in order for it to influence behavior. This usually takes the form of punishment from the group when the norm is not respected. For instance, someone who dominates group discussions and does not comply with a norm of letting everybody participate equally may be excluded from certain activities; someone who lies or cheats may be expelled from the group. Pressure from group peers to respect norms can have a major influence on behavior. This type of peer pressure is often more effective in influencing behavior than directives from management.

There are many reasons why a group develops norms. Norms help members predict one another’s behavior, and assist members in determining appropriate behavior for themselves. They also reinforce group unity by helping members gain a common sense of direction. Finally, they encourage members in achieving the desired level of performance. In short, norms are like guidelines that outline the appropriate behavior for group members so that they may achieve group goals.

In general, group norms are either task-oriented or relation-oriented. Some relate to behavior within the group, such as attendance and preparedness at meetings and willingness to participate in discussions. Others relate to relationships with colleagues, customers, or supervisors. Finally, norms may pertain to attitudes toward work such as honesty, personal commitment, and change.

Group norms may be expressed in either a positive or negative form. Expressing norms in a negative form may discourage workers and decrease motivation levels. Negative norms specify what members of a group should not do. Norms that are expressed in a positive form tend to increase employee commitment and performance.

<table>
<thead>
<tr>
<th>Small Group</th>
<th>Large Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develops more easily</td>
<td>Development more complex</td>
</tr>
<tr>
<td>More freedom to operate</td>
<td>Freedom to operate more limited</td>
</tr>
<tr>
<td>Communication usually simple</td>
<td>Communication more complex</td>
</tr>
<tr>
<td>Higher member satisfaction</td>
<td>Lower member satisfaction</td>
</tr>
<tr>
<td>Faster decision process</td>
<td>Slower decision process</td>
</tr>
<tr>
<td>Tendency to develop into cohesive team with divergent objectives</td>
<td>Tendency to develop subteams</td>
</tr>
<tr>
<td>Limited know-how</td>
<td>Expanded know-how</td>
</tr>
<tr>
<td>Quality of decisions restricted</td>
<td>Quality of decisions facilitated</td>
</tr>
<tr>
<td>Lower turnover</td>
<td>Higher turnover</td>
</tr>
<tr>
<td>Lower absenteeism rate</td>
<td>Higher absenteeism rate</td>
</tr>
</tbody>
</table>

Table 4-1: Advantages and Disadvantages of Small Groups versus Large Groups.
Leaders In The Field

Edward E. Lawler III is Distinguished Professor of Business at the University of Southern California Marshall School of Business and founder and director of the University’s Center for Effective Organizations (CEO). CEO has been recognized by Fortune and other publications as one of the country’s leading management research organizations. Professor Lawler is the author and co-author of 36 books. His most recent work, Built to Change: How to Achieve Sustained Organizational Effectiveness co-authored with Christopher G. Worley, is a groundbreaking book that shows how organizations can be “built to change” so they can last and succeed in today’s global economy.

Professor Lawler is the recipient of many awards including SHRM’s Michael R. Losey award for which he was the first recipient. He is also a consultant to many governments and corporations including the majority of the Fortune 100.

The traditional logic about what makes for high-performing organizations is no longer valid. The new logic includes the following elements:

- Add value to all levels of an organization, not just the top. Throughout the entire organization, members should coordinate and control their own work, thus reducing the need for management and bureaucracy.
- Change the organizational structure. It should be flatter (less pyramid shaped), and organized around small groups of minibusinesses, not around functions as in the past.
- Put individuals into teams. Individuals can do little in complex and interdependent situations, but can contribute to a multifunctional team. And it is the team, not the individual, who should be accountable.

The old organizational life is disappearing. The new one is not like the fads and fashions that have gripped management over the decades; it represents a fundamental change in the way organizations will operate. People who develop the skills to be effective in organizations and who follow the new logic will thrive; those who do not will become just as obsolete as low-skilled production workers in a high-tech manufacturing facility.

Group Roles
A role can be defined as the activities and behaviors expected of a person holding a particular position within a group. The roles that members assume within the group will have an impact on the effectiveness of the group.

An interesting way to classify the roles of group members is by dividing them into task-oriented roles, relations-oriented roles, and self-oriented roles. Each of these three groups of roles can be divided into sub-roles. Usually each group member adopts one or more sub-roles. In smaller groups, a member may occupy two or more of the sub-roles. These sub-roles are outlined in Table 4-2.

<table>
<thead>
<tr>
<th>Task-Oriented Roles</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initiators</td>
<td>These are creative people who offer new solutions to old problems. Their suggestions may involve adopting new group procedures or a new group organization.</td>
</tr>
<tr>
<td>Information seekers</td>
<td>Information seekers try to clarify suggestions offered by initiators and acquire authoritative information and facts to back up ideas. People who are fact-oriented and who pay attention to details are well suited to this role.</td>
</tr>
<tr>
<td>Information givers</td>
<td>These people offer opinions and generalizations based on past experiences. Employees with a great deal of experience and those who have been part of the group for a long time are best able to take on the role of information giver.</td>
</tr>
<tr>
<td>Coordinators</td>
<td>The coordinator identifies which ideas are pertinent to the mission of the group, identifies the relationships between the information contributed by members and the mission of the group, and pulls the ideas together and coordinates members’ activities so that the group mission is achieved. The person who shows the greatest amount of leadership abilities should be chosen for the job of coordinator.</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Relations-Oriented Roles</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Encouragers</td>
<td>These people encourage, praise, and support the ideas of others, and communicate warmth and belongingness to other group members.</td>
</tr>
<tr>
<td>Gatekeepers</td>
<td>The gatekeeper encourages equal participation from all members, drawing out nonparticipants and repressing those who talk constantly.</td>
</tr>
<tr>
<td>Standard setters</td>
<td>These people express the group standards or norms and check that members are respecting these norms. They also assess group progress in terms of the norms.</td>
</tr>
<tr>
<td>Followers</td>
<td>These members comply with whatever the group has decided.</td>
</tr>
<tr>
<td>Group observers</td>
<td>These people tend to stay out of group problem solving and decisions. Instead, they offer feedback on group decisions and activities. People who show high levels of objectivity make good observers.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Self-Oriented Roles</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blockers</td>
<td>These people resist just about every suggestion and action of the group. They tend to have a negative attitude and are usually stubborn. For instance, they may refuse to drop a subject that the group has already analyzed and dealt with.</td>
</tr>
</tbody>
</table>
Recognition seekers draw attention to themselves and their achievements. They are boastful and want to be the centre of attention.

The goal of the dominator is to control the agenda, generally by manipulating group members. These people avoid participating in decision-making and any other group interactions. They are also known as passive resistors.

<table>
<thead>
<tr>
<th>Role</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recognition seekers</td>
<td>Recognition seekers draw attention to themselves and their achievements. They are boastful and want to be the centre of attention.</td>
</tr>
<tr>
<td>Dominators</td>
<td>The goal of the dominator is to control the agenda, generally by manipulating group members. These people avoid participating in decision-making and any other group interactions. They are also known as passive resistors.</td>
</tr>
<tr>
<td>Avoiders</td>
<td>These people avoid participating in decision-making and any other group interactions. They are also known as passive resistors.</td>
</tr>
</tbody>
</table>

Table 4-2: Group Roles.

During the group’s development, members will likely perform a combination of task-oriented, relations-oriented, and self-oriented roles. While task-oriented and relations-oriented roles are useful to the group, self-oriented roles tend to frustrate the achievement of group goals. A group dominated by people who are primarily performing self-oriented subroles is likely to be ineffective.

4.7 Group Cohesion

Perhaps you’ve noticed that the various groups you belong to differ in terms of the strength of the feelings that their members have about them. There may be some groups that you feel proud to belong to, but others toward which your feelings are neutral or negative. When all members of a group display strong feelings of pride and identification with the group, the group is said to be highly cohesive. Cohesiveness is the degree to which members are attracted to and motivated to remain part of a group.

Most cohesive groups display the following characteristics:

- *Homogeneity.* The members have similar backgrounds, experiences, and beliefs.
- *Goals.* The members agree on group goals, and their personal goals complement those of the group.
- *Group size.* The groups are relatively small.
- *Group interactions.* The group goals necessitate high levels of interaction among members.
- *Membership stability.* There is a relatively low turnover rate in membership.
- *Group success.* The group experiences success in achieving its goals.
- *Competition between groups.* The group has a desire and an opportunity to compete with other groups.
- **External threats.** The group has been threatened and has managed to survive.
- **Mutual respect.** The members have respect for one another’s abilities and the role that each one plays within the group.

Group cohesiveness is important because individuals in a cohesive group value their membership and make an effort to maintain positive relationships with other group members. Second, members are concerned about their group’s activities and achievements. They tend to be more energetic in working on group activities, less likely to be absent, happier about performance success, and unhappier about failures than members of a less cohesive group. As a result, it is easier for cohesive groups to manage members and achieve goals.

Capitalizing on research results pertaining to group cohesiveness, many team managers have taken concrete actions to improve team performance. For instance, the manager of the Montreal Canadians hockey team hired a psychologist who accompanies the team during the season and intervenes regularly to enhance group cohesiveness. Executive teams from other organizations spend a few days in the woods or mountains overcoming various survival-related challenges. The aim of these exercises is to increase trust and cooperation among members of the team, and to make them more cohesive so that they will work together more effectively back at the office.

**Status**

A final important aspect of groups is that group members may vary in status, which is the relative rank, worth, or position within the organization and within the group. A high-ranking status may be obtained through seniority, education, or outstanding work achievements, or by having a high status in other groups. Status congruence occurs when your status in the group is consistent with your status in the organization. For examples of status incongruence, picture a senior employee who does not play a leadership role in a group of lower-level employees, or a college graduate with no experience who is appointed to lead a group of experienced employees. If your status in the group does not match your position in the company, you may experience dissatisfaction, thereby decreasing group effectiveness.

### 4.8 Group Development

Newly formed groups have different behaviors than groups that have been together for some time. This is because a group progresses through a number of stages of development, just as individuals progress from infancy into adulthood. Groups pass through the following distinct stages: forming, storming, initial integration, and total integration.

**Forming Stage**
When a new group is formed, a number of issues are unclear and must be decided. Recall a time when you were part of a new group and how you felt at first. An initial decision is to determine who will become a member of the group. Before joining a group, people ask various questions. Who can become a member? What are the roles of members? What can the group offer me? How can I contribute to the group? Until they are familiar with the new situation, potential members may also keep their true feelings to themselves, behave more confidentially than they feel, be unusually courteous, and try to evaluate the benefits versus the costs of joining. These concerns reflect the uncertainty faced when deciding whether or not to join.

A second matter that needs to be determined during group formation is the role each member will play. New members are often confused and uncertain about what is expected of them. To resolve this problem, "psychological contracts" can be drawn up through the role negotiation process, which involves group discussions of each member’s contributions to the group. Role negotiation takes place when a new member enters the group, and the results are maintained over time.

In this first stage, the group also begins to define what acceptable behavior is for members. A final issue is for the group to begin to determine its objectives so that members understand and agree upon the purpose or goals of the group.

4.9 Storming Stage

By the storming stage, members have become comfortable enough to express their true feelings. As a result, differences in personal styles, needs, and goals come to the surface. These differences may cause conflicts and tensions within the group. Conflicts are especially common when deciding who will be leader, and when negotiating individual versus group goals. Outside demands can create additional pressures on the group at this stage. Some members may withdraw or try to isolate themselves from the conflicts; others may form informal cliques and alliances within the group.
During this stage, the group should confront and manage the conflicts that have arisen. If conflicts are suppressed, members will likely develop bitterness and animosities that may permanently damage the group’s ability to perform effectively. Withdrawal from the conflicts may cause the group to disintegrate quickly.

**Initial Integration Stage**

During the third stage, the group starts to come together as a functioning unit. It sets rules relating to the way it will operate, and cooperation within the group is a dominant theme. The members are likely to develop an initial sense of closeness and belonging. At this stage, members may be more interested in holding the group together than in task accomplishment.

**Total Integration Stage**

In stage four, the group comes together and functions as a mature and effective unit. By this stage, the group has successfully worked through necessary interpersonal, task, and authority issues; that is, members have learned to get along with each other, they know and accept what is expected of them (their roles), and they have decided who should lead the group. The group is now able to deal with complex issues and resolve disagreements in creative and constructive ways. Most of the group’s activities are aimed at achieving group goals. Overall, members are satisfied. The principal challenges at this stage are to continue working together as a unit, to remain focused within the larger organization, and to adjust successfully to changing conditions over time.

**4.10 Traits of a Mature Group**

Most mature groups have a clear purpose or mission, a well-understood set of behavioral norms, a high level of cohesion, clearly defined roles, and a clear status structure. Let’s briefly examine these characteristics.

1. **Mission or purpose**

The group’s mission or purpose is the task or assignment to which the group has committed itself. The mission may have been assigned to the group by an external authority (as is the case with a task force or a functional group) or chosen by the group. If the mission has been assigned to the group, members may be obliged to re-examine and modify it as circumstances change. The most effective missions are those that are stated in terms of specific goals.

2. **Behavioral norms**

A mature group has clearly defined norms that are expressed in a positive form. Managers can encourage such norms in a number of ways: acting as a role model, rewarding desirable behaviors, providing emotional support, monitoring group performance through periodic evaluations, providing
feedback on the group's progress, training employees to adopt positive behaviors, recruiting people who show desirable behavior, and holding regular meetings to discuss group progress and member satisfaction.

3. Group cohesion

Although a mature group should display a relatively high level of cohesiveness, a cohesive group may be vulnerable to "groupthink," which is discussed later in the chapter.

4. Clear roles

In a mature group, the roles are well defined, so that all members know what is expected of themselves and others. This characteristic applies to both formal roles, such as the meeting secretary, and informal roles, such as "gatekeeper."

5. Status structure

A group’s status structure is the authority structure within the group. The status structure may be hierarchical (members hold high or low power) or egalitarian (members hold equal power). The issue of leadership is often a source of conflict in group settings. Some members may think they should be leader, while other members may not accept the chosen leader. Sometimes members share leadership roles. Regardless of the status structure chosen by the group, a mature group will successfully resolve these problems and the leader–follower relationship will be stabilized.

Figure 4-1 outlines the characteristics of a mature group.
1. Adequate mechanisms for getting feedback:

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Poor Feedback</td>
<td>Average</td>
<td>Excellent Feedback</td>
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</table>

2. Adequate decision-making procedure:

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<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Poor Decision-Making</td>
<td>Average</td>
<td>Very Adequate Decision-Making</td>
<td></td>
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</table>

3. Optimal cohesion:

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<th>4</th>
<th>5</th>
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<tbody>
<tr>
<td></td>
<td>Low Cohesion</td>
<td>Average</td>
<td>Optimal Cohesion</td>
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4. Flexible organization and procedures:

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<tbody>
<tr>
<td></td>
<td>Very Inflexible</td>
<td>Average</td>
<td>Very Flexible</td>
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5. Maximum use of member resources:

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<th>4</th>
<th>5</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Poor Use</td>
<td>Average</td>
<td>Excellent Use</td>
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6. Clear communication:

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<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Poor Communication</td>
<td>Average</td>
<td>Excellent Communication</td>
<td></td>
<td></td>
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</tbody>
</table>

7. Clear goals accepted by members:

<table>
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<tr>
<th></th>
<th>1</th>
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<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unclear Goals</td>
<td>Average</td>
<td>Very Clear Goals</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

8. Feelings of interdependence with person in authority:

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<tr>
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<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No Interdependence</td>
<td>Average</td>
<td>High Interdependence</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

9. Shared participation in leadership:

<table>
<thead>
<tr>
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<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No Shared Participation</td>
<td>Average</td>
<td>High Shared Participation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

10. Acceptance of minority views and persons:

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>No Acceptance</td>
<td>Average</td>
<td>High Acceptance</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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**Figure 4-1: Characteristics of a Mature Group.**

### 4.11 Factors that Influence Group Effectiveness

A group history is critical to our understanding of present and future group behavior. For example, the success of a sports team can be related to how the team selects, trains, and indoctrinates new members. In addition to group
maturity, other factors can influence effectiveness; the chief ones among these are described below.

**Geographical Location**

Sometimes group members work in different buildings or live in different cities. If this is the case, the interactions among members will decrease, making it harder for the group to achieve its goals. In addition, it takes longer for the group to reach maturity when members are widely separated.

**Physical Setting**

The physical arrangements of the work setting can influence group interactions and group effectiveness. Where people sit, whom they sit next to, and the closeness of the seats in a meeting can affect the amount of interaction between members, attitudes toward job tasks in the group, and attitudes toward one another. For example, you have probably had a teacher who arranged the classroom desks in a circle when the class was working on a group project. The teacher may even have asked you to exchange seats with your neighbor from time to time. Your teacher did this for a good reason. Circle seating arrangements with frequent seat exchanges encourage communication and more equal participation of group members. In order to improve interaction and cohesiveness, most Japanese firms, whose management philosophy emphasizes group processes and teamwork, have designed offices without walls and have arranged teams so that they face each other.¹

**Task Complexity**

Group effectiveness may be influenced by the nature of the problem to be solved. In most cases, it is harder for a group to solve a complex problem than a simple one. When confronted with a complex problem, the group needs to be well organized to be effective. That is, each member's responsibilities must be clearly defined, and the leader needs to ensure that communications between group members are effective and efficient. A classic story of a group solving a complex problem concerns the creation of the Macintosh computer. Apple's leader and founder, Steven Jobs, created an environment that facilitated the design of a new and innovative project. In addition to modeling strong leadership skills, he sheltered the group from bureaucracy and let the project team mature and become effective.²

**Leadership**

As you know, a leader has many important functions within a group. The most important is to coordinate group activities so that the group achieves its goals. The group leader also plays a key role in the selection process of new members and in the relations between the group and other groups.

**Environmental Factors**
Group effectiveness is affected by external as well as internal factors. Some of the key environmental factors are briefly discussed below.

**Technology**

Technology, which refers to the resources, knowledge, and techniques that transform raw materials into products or services for an organization, can influence the quality and quantity of communication within a group. For instance, communication is easier for group members who work on handcrafted pottery than it is for those who work on a noisy assembly line; yet both these technologies have their advantages and disadvantages. The technology used by the potters will promote close relationships and a stronger sense of identity within the group, whereas the assembly line is a more efficient means of producing merchandise.

**Resources**

A group’s effectiveness is influenced by the extent to which it has access to the needed resources, such as work facilities, equipment, technology, and personnel. Currently, many groups have inadequate resources because organizations do not have adequate funds. Scarcity in resources can lead to competition and conflict among group members. These behaviors can decrease a group’s ability to achieve its goals.

**Reward Systems**

Group effectiveness is influenced by the rewards provided by the organization. For instance, effectiveness may suffer when reward systems emphasize individual as opposed to group contributions. Indeed, reward systems based on individual contributions may encourage competition among members. When this happens, members become unwilling to help one another and the group’s ability to achieve its goals is reduced.

**Structure, Size, and Culture**

The size, structure, and culture of the organization can influence the success of the group. For instance, a group with an egalitarian status structure may have difficulties functioning in an organization with a rigid hierarchical structure. Similarly, an organization that emphasizes individual performance and competitiveness may have groups that are less effective. Finally, groups within very large organizations may be less effective because they have less personalized support and recognition.

**Social Loafing**

Social loafing occurs when one or more group members contribute little or nothing to the group and rely on the efforts of other members to accomplish group goals. Social loafing can cause friction among group members and tends to delay group maturity. Methods that have been developed to prevent social
loafing include member self-evaluation and identifiable individual contributions to the group. When a member’s contribution is visible to others, people are less likely to loaf.

**Groupthink**

Groupthink is conformity with majority opinion at any cost. It was first identified by social psychologist Irving Janis, who studied the decision-making policies made by governmental groups. Groupthink is not an inevitable consequence of highly cohesive groups, and steps can be taken to avoid it. For instance, the group leader can encourage new ideas and constructive criticism, and facilitate rather than direct group activities and discussions. Another way to avoid groupthink is to invite outside consultants to participate in and evaluate group discussions.

### 4.12 Emerging Trends in Groupwork and Teamwork

Work teams are similar to task-oriented work groups. Generally made up of people with complementary skills, work teams are often successful in performing complex tasks that an individual could not do alone. Work teams are particularly helpful when knowledge, talent, skills, and abilities that are needed to do a particular job are scattered across the organization.

Newspapers, professional journals, and companies have long stressed the importance of effective teamwork. In recent years, organizations have been employing teams in the context of total quality environment, a philosophy driven by such objectives as doing everything right the first time, making continuous improvements, and putting the customer first. A current trend in human resource management is the empowerment of employee work teams. **Table 4-3** compares the modern teamwork approach with the work environment of the past.

<table>
<thead>
<tr>
<th>Then</th>
<th>Now</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees were expected to follow orders and rules.</td>
<td>Employees are encouraged to show initiative.</td>
</tr>
<tr>
<td>Employee alienation was not considered problematic.</td>
<td>Employees are given maximum empowerment.</td>
</tr>
<tr>
<td>Teams were established by management.</td>
<td>Teams are based on consensus.</td>
</tr>
<tr>
<td>Work groups followed directives.</td>
<td>Work groups establish their own procedures.</td>
</tr>
<tr>
<td>Dissenting opinions were suppressed.</td>
<td>Constructive criticism is welcomed.</td>
</tr>
<tr>
<td>Personnel resources were exploited.</td>
<td>Human resources are valued and optimized.</td>
</tr>
<tr>
<td>Management was autocratic.</td>
<td>Management is increasingly democratic.</td>
</tr>
<tr>
<td>Organizational structure was tall and hierarchical.</td>
<td>Organizational structure is flatter.</td>
</tr>
<tr>
<td>Personal needs were ignored.</td>
<td>Personal growth and development</td>
</tr>
</tbody>
</table>
4.13 Types of Work Teams

Three types of teams can be used in the context of total quality management (TQM), the management approach designed to bring about a total quality environment workplace. These are parallel or problem-solving teams, project teams, and self-managed teams.

**Parallel or Problem-Solving Teams**

Parallel or problem-solving teams consist of employees who are taken out of their regular departments and placed in separate team structures that have different operating procedures and objectives. They usually meet one or two hours per week to discuss ways of improving quality and the work environment. In many organizations, these teams are called *quality circles*.

Problem-solving teams generally advise management on various work-related problems and do not have the authority to implement their decisions. Because they are not a permanent structure within the firm, these teams may encounter difficulty when trying to achieve organizational legitimacy; they must also compete for time, money, information, and other resources. Managers and other staff may perceive problem-solving teams as a threat when teams are required to respond to and implement recommendations that are similar to managerial mandates.

**Project Teams**

Project teams are made up of employees from different departments. Unlike problem-solving teams, they have the authority to implement their own recommendations, which often relate to work organization reforms and the introduction of new products or technology.

**Self-Managed Teams**

Self-managed teams are self-contained work units that are responsible for producing a product or providing a service. In most cases, each member of the team learns all of the jobs and tasks performed by the team as a whole. In addition, team members switch roles or job tasks; members may even take turns playing the role of leader.

Self-managed team members make decisions (traditionally made by managers) relating to scheduling, ordering materials, staffing, job assignments, team leadership, and team goals. Many organizations that have implemented self-managed teams have experienced increased productivity and improved quality. General Motors' Saturn division is a celebrated example of a self-managed team.
Self-managed teams differ from problem-solving teams in that they fundamentally change how work is organized and assigned. Self-managed teams are found most frequently in manufacturing settings, but they can also operate in other settings in which people are interdependent and can collectively be responsible for a product or a service. The use of work teams has increased in recent years, with 47 percent of Fortune 1000 companies reporting that they used teams in the early 1990s, compared with 28 percent in 1987.

4.14 Conversational Spaces in Teams and the Team Learning Inventory

In the organizational world of today, leaders, managers, employees, customers, and stakeholders are continually engaging in conversations. It is in these conversations that experiences are born, reified, changed and even will be predicted. Therefore, whether or not the conversations are meaningful and effective is critical to individual, group, and organizational learning and performance.

The Importance of Conversations in Leadership and Management

In a Leadership Training Program in the United States, one of us was involved as an evaluator and discussant. The training program offers five or six modules (earlier programs had five modules and the past two cohorts went through six) with a two-week window between each session to allow participants to practice what they have learned. During the last 30 minutes at the end of every session we had an open dialogue with the participants where they could raise issues regarding the topic of the training for that session or any other matters that they might want to discuss as they try out what they learned from the past session and if the sessions were important to them.

A consistent point highlighted by the participants was that they have come to realize that as leaders/managers, they have to really know their employees well – something they find difficult to do. When probed and pushed further, they discovered that one of the best ways to understand their employees, albeit simple, is to talk to them (i.e. to have conversations). It is apparent that conversations is central to the process of leadership and organizing and that providing leaders and managers with a tool to help them understand the conversational learning spaces in their departments would enable them to function better as leaders or managers.

The participants frequently asked how to have meaningful conversations with their employees so as to create a better work environment. Participants expressed feelings of inadequacy regarding their ability to initiate simple but meaningful conversations with their direct reports as a team to generate high participation so as to create high performing teams. In fact, participants felt that most of their conversations occurred primarily around performance appraisals and when they need to correct employee behavior or to clarify misunderstandings.

In order to help managers develop the skill and knowledge necessary to work in (and with) teams, a method that would meet this need is one that provides them with an understanding of the actual experiences of team members and the ideal experiences they would like to have based on their conversational spaces in order to function more efficiently and effectively. Lingham's (2005) Team Learning and Development Inventory offers such a method and opens up a unique opportunity to allow teams to engage in the process of team-directed learning and development where concrete action steps can be taken to move teams towards their ideal – not only in outcomes but in their team process as well. Developing such a method would require the need to study teams from a different viewpoint: one that centers on experience of team members based on human interaction and communication – their conversational spaces – especially since conversation is being recognized as a core business process.

A team's conversational space is the psychological space bounded by the experience of each team member's interaction and communication within the team to fulfill a purpose or task. This method is unique as it measures aspects of the complex integrative space involving relational, social, political, task, and learning aspects of the actual and ideal experiences of a team based on individual team member's responses and maps them in a way that generates immediate impact and insights for teams to engage in learning and development.

The TLI was developed based on Conversational Learning Theory and proposes a model of conversational spaces as one that has four major types of spaces: Divergent, Convergent, Shared Leadership, and Openness (See Table 4-4). The four dimensions have been tested and validated as a group level construct having strong and significant effects on team performance, member satisfaction and psychological safety. The method also permits teams to develop toward their ideal regardless of their maturity as it presents a snapshot of what is important for their team at the time the TLI was administered (Just-in-time feedback) and can be used continuously throughout the life span of the team. As this method provides the ability for a team to engage in continuous learning and development, it can be considered a "Kaizen" approach for team development focusing on process and outcomes. It is proposed that conversational spaces form the nexus around which individuals connect, learn, fulfill and design tasks or projects; and create individual and shared realities.

<table>
<thead>
<tr>
<th>Factors</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Divergent</td>
<td>A team's Divergent Space is defined as the extent to which a team is engaged in valuing one another, connecting with one another and where team members have the freedom to be individuals and relate to each other. This space is not task or purpose focused.</td>
</tr>
<tr>
<td>Convergent</td>
<td>A team's Convergent Space is defined as the extent to which the team engages in decisions and is driven by agendas or directions that are related to the task or its purpose.</td>
</tr>
<tr>
<td>Shared</td>
<td>A team's Shared Leadership Space is defined as the</td>
</tr>
</tbody>
</table>
Leadership extent to which leadership of the team is shared by all members and not having dependence on a single strong leader in the team.

Openness A team's Openness Space defined as the extent to which members focus on issues or ideas that are of interest or concern to individual members or the group as a whole.

Table 4-4: The Four Major Dimensions of Conversational Spaces.

In educational institutions, having students work in teams is very much part of courses and sometimes even a requirement in programs. Instead of teaching about what is important to teams and just having students experience teams, the TLI pushes this a step further by helping students engage in team-directed learning thereby developing the skills required to both lead, manage and be effective team members. Also, the aspects of the TLI can be used as principles in the classroom environment – one that is based on accepting the Divergent, Convergent and Safety (hospitalable) aspects of the learning environment while also to not establish strong dependence on the instructor. Such environments can be conducive to learning in educational institutions. Dealing with the complex nature of the team experience should no longer be farmed out to fringe team programs but included in educational programs as part of student and team learning and development.

![Figure 4-2: The Conversational Space Mapping Showing the Four Major Dimensions and its Subsumed Aspects.](image)

When part of a team's identity is that of having discussions, conversations, brainstorming along with fulfilling assigned tasks – such as those found in educational institutions and organizations – the TLI can be a very effective...
tool to help such teams realize their Real and Ideal Spaces (i.e., that involving human interaction, communication and task aspects) in measurable terms in a way that creates opportunities for the team to develop specific action steps towards becoming a more effective team. The TLI can also be very helpful for leaders and managers to realize the importance of both Experiential Learning and Conversational Learning in individual and team development. This chapter demonstrates that this stream of research and application would provide educational institutions and organizations across the globe that are focused on team leadership and development (whether multicultural or not) a method to help leaders and managers increase their knowledge about teams and to develop the skills required not only to be team members but also to lead, create and support these teams in order for them to function more efficiently and effectively. Below are two examples where the TLI has been used: Educational teams and organizational teams

**Using the TLI for an Educational Teams**

The TLI has been used in classroom settings in both Spain and the US. Teams went through a decision making exercise where the task was to decide to keep three of six employees in a fictitious consulting firm. They were given performance evaluations, resumes and background information of these six employees. As the TLI captures the experience of team interaction and task processes, its results are useful to help students understand the complexity of such experiences and to develop the ability to create concrete individual and team action steps. Having administered the TLI to more than 70 MBA teams, the experienced (Real) spaces are always unique but their Ideal Spaces remain somewhat similar. Figure 4-2 shows an example of two teams: Team 1 having different and Team 2 having similar Real and Ideal Spaces. Included in Figure 4-2 are their respective outcome ratings of performance, member satisfaction and psychological safety.

**4.15 Some Disadvantages of the Team Approach**

Despite the overwhelming evidence of the benefits of the teamwork approach, there are potential drawbacks. One rationale of the group approach is that it leads to synergy, cooperation, friendliness, helpfulness, and pulling together, based on all the group members having common goals and shared beliefs. But there is no guarantee that these qualities will develop or that, if they do, they will work to the benefit of the organization.

Sometimes the bringing together of relative strangers can result in *constructive tension*, a situation in which members try to impress the others by making useful contributions. By contrast, the establishment of long-serving teams can result in *inbreeding*, a situation in which members engage in groupthink. In especially close-knit groups, loyalty to the group can take precedence over loyalty to the organization. The team approach is successful in Japanese organizations because of the way the citizens of that country have been socialized. They understand that loyalty to the immediate group must always take second place to serving the organization that established the group in the first place. In Canada, where there is more value placed on individuality and competition, people in stable groups may forget that the objective of the group is to further the goals of the larger organization.
Should every new employee be integrated into some existing group? Sometimes it takes an outsider to observe that a work group includes redundancies, that is, members whose talents and contributions overlap. Sometimes all members of a group should be specialists, and when a group includes all the specialties needed, there may be no benefit to adding a new member.

Group activity is valuable insofar as it fosters teamwork that supports the whole organization. As organizations become larger and more complex, it’s easy for group members to lose sight of the organization as a whole. In these cases, organizational goals may be best served by a combination of individuals and group members.

As can be seen, the mappings do provide immediate impact on team members. In these two cases, members of Team 1 knew they had problems in their team but did not have the knowledge or the language to describe their problems and therefore found it convenient to attribute it to personality and cultural problems in the team. Upon receiving the TLI mapping, the team members were not shocked but were relieved that although in the past they were all concerned, they could now articulate what was important to them (as a team) and members agreed to both coach one another to help their team move...
toward their Ideal Space. Meetings that followed this event were much better and the students reported that they had developed a "team consciousness." In fact, where there were cross-cultural issues initially, the members saw this as an opportunity to voice individual and cultural differences and develop concrete action steps to help foster and maintain better understanding, communication and to engage in active listening. The TLI was one of the team’s highpoint in their MBA experience.

Team 2, on the other hand, was a very healthy team from the onset and the members were both pleased and relieved to receive the mapping results. As their Real and Ideal Spaces were almost identical, they could still engage in team-directed learning by choosing to focus on being more conscious of listening actively to one another and to ensure that leadership is rotated. One member mentioned that knowing how dependence on a strong leader can be damaging to a team’s experience, it helped understand why leadership training in organizations are emphasizing the importance of teamwork and collaboration.


**Using the TLI for an International Organization with Multicultural teams.**

As part of a its strategic planning, an international not-for-profit organization decided to include leadership and team development program for their regional and country directors for Africa and Asia. It was the first time that the African and Asian regional directors, country directors and the country teams met. Moreover, as about half of the members were new to the organization, this workshop was a critical part of both their strategic planning for leadership and team development.

In the team development section of the workshop, we used the TLI and had the team members chart their Real and Ideal conversational spaces. Instead of generating the mappings using computers (as it has been usually done thus far), the TLI self-scoring and mapping version was used. Members of each team filled out the TLI individually, averaged their individual scores, aggregated their individual scores and obtained an average team score for each of these dimensions. As all of the team members were present, we were able to map out each of the country teams. The teams then took time to review the experience, and discuss their reflections, analyzed their results, identify key learnings and to come up with concrete actions steps for team development.

Each team presented their Real and Ideal conversational spaces profiles, reported out a summary of the team's key learnings and highlighted what they consider as important aspects of the conversational space for the team to work on considering the discrepancies between their Real and Ideal Spaces. Finally, they presented some concrete action steps to develop these critical aspects and how they can use this knowledge and skills to achieve the goals spelled out in the strategic plan for their country teams.

One of the teams with a new Regional Director mentioned that the TLI helped him to get to know individual members of his team much better and gave him the opportunity and possibility to discuss their needs. Going through the process increased his team awareness as it gave him a good concrete sense of his team and that he could assist in helping the team establish clear norms and help co-create the team’s Ideal conversational space. He felt that both he and his team had developed quickly through this process and that it was very helpful to him as the team leader and as part of the team. His team members mentioned that the TLI gave them a method and language to identify what they needed and what was important to them. One of their action steps was
to have more of such safe, concrete and team developmental conversations. The
International Director mentioned that the TLI had been of great value as part of their
strategic planning process as it gave members that have been with the organization
longer a forum for encouraging continuity of valuable skills and previous goals that had
been set or achieved while also providing new members the possibility to co-create the
team and contribute to continued growth.

As the teams were in different stages – some had new members and others had been
together for at four years – they mentioned that the TLI was an extremely relevant,
important and useful instrument for team development as it identified what was uniquely
important to them and expedited their growth and development. The TLI also gave them
both language and a way to identify aspects that was important to the team without
blaming individual team members. Furthermore, it also helped them work and think as a
team instead of a collection of individuals. They also realized that individual learning
styles could be leveraged to help the team move toward their ideal where combinations
of learning modes (such as Concrete Experience and Reflective Observation in the
Divergent Space and Active Experimentation and Abstract Conceptualization in the
Convergent Space) were part of the critical aspects of the conversational space for their
team.

and conventional change methodologies to develop leadership capacity.

Figure 4-3: Conversational Space Mapping of Two MBA Teams and their
Corresponding Ratings of Three Outcome Measures.

4.16 Summary

Groups in organizations may be classified in terms of whether they are formal
or informal, or on the basis of their primary purpose. Groups have defined
characteristics and modes of behavior that facilitate their collective work. All
groups develop through typical stages, from creation to maturity.

Social loafing and groupthink can compromise a group's effectiveness.
However, the benefits of groups outweigh their drawbacks, and in recent years
organizations have focused attention on expanding work teams and
empowering their members. The success of a group can be measured by its
ability to advance the goals of the larger organization.

4.17 True/False Questions

1. Informal groups form naturally out of interactions among
individuals over time.

✓ True ✗ False

2. Someone who complies with whatever the group has decided would
be classified in the sub-role of an Avoider.

✗ True ✓ False
3.
A role can be defined as the activities and behaviors expected of a person holding a particular position within a group.

✓True ✗False

4.
Cohesiveness is the degree to which members are attracted to and motivated to remain part of a group.

✓True ✗False

5.
Status congruence occurs when your status in the group does not match your position in the company.

✗True ✓False

6.
Geographical location is a factor that can influence group effectiveness.

✓True ✗False

7.
Social loafing occurs when one or more group members contribute little or nothing to the group and rely on the efforts of other members to accomplish group goals.

✓True ✗False

8.
Task groups are formed by organizational leaders for the purpose of performing tasks that are essential to organizational functioning.

✗True ✓False

9.
The role negotiation process involves group discussions of each member's contributions to the group.

✓True ✗False
10.

Technology is an environmental factor that influences group effectiveness.

☐ True ☒ False

### 4.18 Multiple Choice Questions

1. A group that is formed by organizational leaders for the purpose of performing tasks that are essential to organizational functioning is called:

☒ Interest Group

☑ Functional Group

☒ None of the above

☒ Task Group

2.

Which is not related to a large group?

☑ Faster decision process

☒ Expanded know-how

☒ Quality of decisions facilitated

☒ Freedom to operate more limited

3.

Which is not listed as a sub-role of Relations-Oriented Roles?

☑ Initiators

☒ Gatekeepers

☒ Followers

☒ Encouragers
4. Which is not listed as a stage in group development?

- Storming
- Role negotiation
- Forming
- Total Integration

5. A mature group has which of the following characteristics?

- Group Cohesion
- Group Think
- Status Structure
- None of the above

Which type of work team is made up of employees from different departments and has authority to implement their own recommendations?

- Problem-solving team
- Project teams
- Self-managed teams
- None of the above

6. Group effectiveness being influenced by the nature of the problem to be solved is an example of:

- Leadership
- Geographical location
7. Which is not an example of an environmental factor that influences group effectiveness?

- Social loafing
- Groupthink
- Reward systems
- Resources
- None of the above

8. The extent to which leadership of the team is shared by all members and not having dependence on a single strong leader in a team is included in which dimension of conversational space:

- Shared Leadership
- Divergent
- Convergent
- Openness

9. Which is not listed as a characteristic of groups?

- Group roles
- Size and composition
- Group norms
- None of the above
Charles Lebeuf, VP of Human Resources for Bell Helicopter Textron of Canada, was asked to address the stockholders, employees, and reporters at the upcoming Annual General Meeting. After conferring with Hanna Gadomski, head of public relations, Lebeuf prepared the following speech:

It is a pleasure to address you here today at the end of one of our best years ever. It's now ten years since I moved to Montreal to take over human resources at our Mirabel plant. I believe this new plant constitutes a triple first:

(1) the first joint social and technical design of a highly complex, automated, and continuous process plant; (2) the first Bell Helicopters plant in Canada to successfully utilize all teams in the production process; and (3) the first plant to implement a team-based philosophy. We spent time and resources in the training employees to operate as a team, to make decisions as a team, and to take responsibilities as a team. This approach enabled us to flatten the organizational structure by eliminating the several layers of management. Apart from technical training, certain interpersonal competencies were needed in order to ensure good team cooperation. Thus, because teams are so critical to the operations, they were delegated the authority to recruit, select, and train new employees who join the team. Moreover, in order to reinforce this team-based management, we developed sophisticated team-based rewards that support this philosophy. Everyone at Bell Helicopters is excited about the new team-based philosophy. Morale is high, employees are satisfied, and productivity is surpassing expectations. We can all look back with pride at our accomplishments and to the future with confidence.

Thank you.

Gadomski phoned Scotty McPherson, a trusted and recently retired senior employee, and read him the speech. McPherson said, "If he gives that speech, they'll laugh him into the ground!" When she asked why, here's what he said: "All in all, we liked the team approach. But ten years of using it also taught us that it is not a cure-all. Problems came up every day, things we didn't think about, and we had to be creative to come up with solutions that fit into the team philosophy. I'll give you some examples.

"Each team operates independently, fine, but look what that did to our stress. When members of my team called in sick or took a personal-leave day, they knew that the burden on the other members of the team would increase. In
the old system, it was the supervisor’s responsibility to find a replacement. Now, the team was on its own and had to manage shorthanded.

“The company operates an individual incentive compensation plan that runs parallel to the team-based compensation. So a few people would not collaborate with the other members of the team in fear that their own contribution wouldn’t be recognized and they’d lose the annual personal bonus. In other words, the compensation plan was based partly on individual merit, but the company expected everybody to function as though only the team mattered.

“And sometimes we had competition between the different teams instead of cooperation. We never knew whether our first loyalty was to the team or to the organization as a whole.

“I was the team leader, and upper-level management would set quotas and production standards that my team did not agree with. So I had to waste time and energy trying to explain and convince the teams to accept these decisions.”

Questions

1. What would you do in Hanna’s place?
2. What other problems can you envision for a company that is using a team-based approach?
3. If you were senior management, how would you solve the problems identified (a) in your answer to the previous question, and (b) by Scotty?

Self-Assessment Exercise: What Are My Group Skills?

If you are member of a group, your integration and acceptance by other group members depends largely on your interpersonal group skills. The purpose of this self-assessment exercise is to help you diagnose your interpersonal skills. In order to do so, you need to complete the Interpersonal Skill Inventory (ISI).

Take your time to complete the ISI carefully. Your answers should reflect your behaviors as they are now, not as you would like them to be. Be candid. This instrument is designed to help you discover where you are now so that you can work to improve your interpersonal skills.

Use the following scale to rate the frequency with which you perform the behaviors described in each question. Place the corresponding number (1–7) in the blank space preceding the statement.

<table>
<thead>
<tr>
<th>Rarely</th>
<th>Irregularly</th>
<th>Occasionally</th>
<th>Usually</th>
<th>Frequently</th>
<th>Mostly</th>
<th>Consistently</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
</tbody>
</table>

1. I am available when others want to speak to me.
2. I greet others in a friendly manner.

3. I use humor to lighten tense situations.

4. I indicate my concern for others while speaking with them.

5. I am open to the views and opinions of others, even when they challenge my own views and opinions.

6. I face the person I am interacting with and maintain comfortable eye contact.

7. I lean toward the person who is speaking to me.

8. I rephrase what is said to me to make certain that I have understood.

9. I listen for messages underlying what is actually being said.

10. I note the body language of those with whom I interact (facial expressions, stance, vocal inflections, etc.).

11. I am comfortable with individual differences.

12. I respect the right to privacy.

13. I show that I understand the problems of others though I avoid becoming personally involved in these problems.

14. I try to prevent others' personal problems from becoming job problems.

15. I let others know that I am concerned about their well-being.

16. I encourage others to express their ideas, feelings, and perceptions.

17. I create a non-threatening environment in which ideas, feelings, and perceptions may be safely expressed.

18. I ask questions that will help others think through the matters under discussion.

19. To promote a free flow of information, I ask open-ended questions rather than questions that require specific responses.

20. I communicate to others that their ideas, feelings, and perceptions are of value.
21. I identify the positive aspects of another person's performance and accomplishments and reinforce these with compliments and encouragement.

22. I discuss negative behavior objectively by reviewing guidelines and current standards.

23. I present feedback in a helpful manner and with a workable plan for improvement, if required.

24. I ask others to evaluate themselves.

25. When presenting feedback to others, I protect their self-esteem.

The scoring sheet summarizes your responses for the ISI. It will help you identify your existing strengths and pinpoint areas that need improvement.

(a) Fill in your score column for each skill area by adding the scores for each item.

(b) Add the five category scores to obtain a total score; enter the total score in the space indicated.

(c) Compare your scores (for total and for each category) with other members of your class team/group. If your instructor computes the class average (for total and per dimension), compare your scores to the norms in your class.

(d) Discuss with your group or other classmates your relative strengths and weaknesses in the categories of behavior that make up interpersonal skills.

(e) Discuss with your group or classmates possible ways in which you can improve those categories of behavior where your scores are relatively lower than the group or class average.

<table>
<thead>
<tr>
<th>Skill Area</th>
<th>Items</th>
<th>Assessment-Dimension Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developing and Maintaining Rapport</td>
<td>1–5</td>
<td></td>
</tr>
<tr>
<td>Listening to Others</td>
<td>6–10</td>
<td></td>
</tr>
<tr>
<td>Displaying Sensitivity to Others' Needs</td>
<td>11–15</td>
<td></td>
</tr>
<tr>
<td>Eliciting Ideas, Feelings, and Perceptions from Others</td>
<td>16–20</td>
<td></td>
</tr>
<tr>
<td>Presenting Feedback</td>
<td>21–</td>
<td></td>
</tr>
</tbody>
</table>
Total Score

Source: Reprinted by permission from Management Skills: Practice & Experience by P.M. Fandt, pp. 23–24, © 1994 by West Publishing Company. All rights reserved.

Reflect on your experience in a specific class that you are attending (or have attended in the last six months). Consider the team you have worked with for the last few months.

1. How would you rate the performance of your team?

   1  2  3  4  5
   Poor  Average  Outstanding

2. How satisfied are you as a team member?

   1  2  3  4  5
   Not satisfied  Very satisfied

3. How safe do you feel as a member of your team?

   1  2  3  4  5
   Unsafe  Extremely safe

Think of how your team interacted when you meet. On a scale of 1–5, rate (by circling the best response) how you experienced the conversations in your team based on the following statements:

1. Team members value one another, connect with one another, have the freedom to be individuals and listen attentively to what is being raised by individuals.

   1  2  3  4  5
2.
Team members engage in decisions that are driven by agendas, are focused on understanding the task at hand and are focused on getting things done.

3.
Team members share leadership in the team and do not depend on one strong leader to guide them.

4.
Team members are able to raise ideas that are of interest to them or that are of concern to individuals in the team. They feel free to also raise matters that may be tangential to the task.

Based on the responses, if you were leading the team, what can you do to improve the interaction of your team? What would you do? How would you know what action steps need to be taken?

Source: Adapted from the Team Learning and Development Inventory (© Lingham, 2005) that measures and maps out conversational spaces in teams or group environments.

Notes

1. For more information on Japan’s human resource practices, see Dolan, S.L. & Schuler, R.S. (1994). *Human resource management:*
Chapter 3: Motivating People in a Global Environment

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Chapter 5: Leadership and Executive Coaching: The Keys to Success

5.1 Learning Objectives

After reading this chapter, you should be able to:

- Understand the meaning and importance of leadership
- Differentiate among leadership, power, and management
- Understand the trait approach to leadership
- Discuss three behaviorist approaches to leadership
- Know how to apply the managerial grid
- Describe five well-known contingency, or situational leadership, models
- Apply the path-goal theory to your own goals
- Understand how attribution theory can apply to your own life
- Describe the phenomenon of charismatic leadership
- Discuss an alternative to leadership (substitution theory)
- Understand competencies that underlie leadership development
- Understand the significance of executive coaching for leadership development

5.2 Introduction

Many of us have heard the expression "the youth of today are the leaders of tomorrow," yet few of us are able to define leadership and describe the characteristics of the ideal leader. Leadership is a central topic not only in OB, but also in social sciences, including social psychology, sociology, and anthropology, and, of course, in industrial/organizational psychology, business, economics.

For a number of reasons, leadership is the one topic that links almost all of social science. Mainly, it's that leaders are highly publicized. Daily, the mass media bring us images of leaders in everything from athletics to fashion. Also, we assume that success - whether in the family, business, school, the country, or the military - is often attributed to the quality of leadership. On a more personal level, you know that whenever a group of your friends forms, one of you will eventually assume a leadership role. And you hope some day to work under an inspiring and capable leader, and maybe to become one yourself.

Although researchers have published some ten thousand studies analyzing leadership since the early 1900s, the topic remains poorly understood for two
reasons. First, human social behavior is highly complex; second, as you saw in the preceding paragraph, leadership has many faces. That explains why there is no single, generally accepted theory of leadership, and why this chapter mainly presents the principal theories developed to further our understanding of this vital topic. In addition, the chapter begins with definitions and ends with a consideration of alternatives to leadership.

In today’s work environment, the melting away of national and geographic boundaries via computerization and the internet have caused organizations to go beyond physical structural boundaries and to expanded globally - both physically or virtually. This shift has caused companies to extend to become multinational or transnational which in turn has called for the need to train and develop global leaders and managers. The capacity to learn and adapt in diverse environments is becoming increasingly important. Such skills or competencies are currently achieving more significance in leadership training and development.

5.3 What is Leadership?

Numerous definitions of leadership have been formulated by psychologists over the past hundred years. The choice of one definition over another is usually determined by the type of question addressed. In the context of the work setting, most researchers include the following in their definition: leadership is based on the ability to influence others to achieve organizational goals.

Leadership has been defined over the years by philosophers, psychologists, sociologists, anthropologists, political scientists and others in the field of education and business. Numerous theories of leadership have been created ranging from great man theories, trait theories, behavioral theories, contingency (situational) theories, and integrative theories. Underlying these theories are definitions of leadership that vary not only in the context in which they were studied, but also in the view of leadership itself. Leadership was studied as a process or as a property and a property. Others studied leadership as a property or ability, as a management skill or as purely the ability to influence others by ideas or as discretionary influence. Leadership was also defined as an art, or as part of group dynamics. Yet some who studied leadership approached it as a relational phenomenon. In the 1980s, leaders begin to be studied as agents of change within a system of events and people, having a total effect on people and events, or as a system or mutual influence between leaders and followers. In the wake of chaos theory, some have even viewed the leader's task as one which is to communicate and to keep clear the simple governing principles, vision, values, and beliefs, and then allowing individuals in the system their random, sometimes chaotic meanderings. Looking at the way in which leadership has been defined over the years since 1927 would demonstrate how leadership perceptions have shifted. Table 5-1 shows the various definitions.
Leadership is both a process and property

Leadership is part of management skill

Leadership is focused on how to influence others by ideas

Leadership is an art

Leadership is part of group dynamics

Leadership is a relational phenomenon

Leaders are agents of change within a system of events and people

Leadership is a system if mutual influence between leaders and followers

Leadership is based on interdependence

Leadership is the skill of keeping clear governing principles and allowing individual randomness

Table 5-1: Views of Leadership since the 1920s.

A good leader can influence the behavior, attitudes, and performance of other employees and colleagues. The two types of leaders capable of exercising this influence are the formal leader, whose authority results from occupying a high rank in the organization, and the informal leader, who has earned the respect of others by demonstrating outstanding skills and abilities. Many organizations have both types of leaders.

Often a leader's effectiveness depends on the sources of power controlled and that person's ability to use these sources of power for the organization. Social psychologists French and Raven classified these sources of power into five categories: legitimate power (occupies a high position in the company); reward power (able to offer some reward); coercive power (has the capacity to punish employees); referent power (possesses admirable personal characteristics such as integrity); and expert power (has expertise and knowledge).¹ Some leaders operate from multiple sources of power, thereby enhancing their capacity to influence. For example, a hospital administrator who has a charming personality and is also a famous brain surgeon would possess all five sources of power.

Manager versus Leader

The role of a leader is different from that of a manager. Good managers produce a degree of order and stability in employees. On the other hand, successful leaders bring about useful changes in an organization. An executive who discloses a new program for improving customer services is
demonstrating leadership. An executive who answers questions about the new program and follows employee progress is demonstrating good management skills.

A good way of deciding whether individuals are managers or leaders is to watch what they do on the job. A manager plans and budgets, organizes job tasks and staff for them, monitors employees, and solves their day-to-day problems. By contrast, leaders determine the short- and long-term global objectives of the organization, align people with the objectives through effective communication, and motivate employees by delegating responsibilities and fulfilling individual needs. Someone can be both a good leader and a good manager; for example, a person who supervises production may foresee the need to improve product quality and develops a program for doing so.

Although leaders and managers are sometimes construed as different roles, in as far as being a person with an influential capacity on others in their influential circles, they converge. Managers, like leaders are also presented as creators of meaning; they guide the changing of schemas in organizations through communication. Managers, as individuals or as a team (especially top management teams), perceive, interpret, and respond (or take action) to changes in the organizational environment. They are also concerned with making ethical decision as invariably they affect people who work for them, and hence also need to develop the organization into an organizational learning environment permitting development both at the individual and organizational levels; or are seen as "superleaders" who help employees lead themselves to shape and control their behavior; and who are practical authors of learning.

Managers and leaders therefore have much in common (apart from organizational roles or labels). They have to deal with similar interaction processes with other individual or group. In this paper we intend to study global leaders/managers as their interaction extends beyond just other individuals or groups but also societies, cultures and work ethics.

5.4 Theories of Leadership

There are many theories and models of leadership, showing that we are still searching for definitive answers. As you read the following material, keep in mind that most of the academic research in industrial psychology and OB has been American, and that this is particularly the case with leadership. Thus, the formulations reflect North American values and culture, and may not explain leadership in, for instance, Asian and other non-Western countries. We have separated the theories into six groups: the trait model, behavioral models, contingency models, attribution theory, charismatic leadership theory, and substitution theory.

Traits
Alexander of Macedonia, Catherine II, and Peter of Russia: they were all known as "The Great." Greatness was also attributed to such figures as Caesar, Lincoln, and Churchill. Many people fantasize about being "great" themselves, and may harbour such ambitions for their children. It's hardly surprising, therefore, that the earliest theories of leadership assumed that there's something special about certain people that makes them great leaders.

A trait is a personality characteristic. Back in the early 1900s, psychologists, like many others, believed that personal traits determined the success of a leader, so considerable energy was spent observing the traits of great leaders. Eventually, comparative studies examined the differences between successful and unsuccessful leaders.

By the beginning of World War I, researchers were even more convinced that personal characteristics determined a person's ability to perform a given job (whether it was one of leadership or not). Subsequently, specialists developed elaborate tests aimed at pinpointing the personal characteristics required for each military rank and position. Personal traits were used as the principal criteria for placing millions of recruits in a wide variety of positions in the armed forces during World Wars I and II.

Over the years, a wide variety of personal characteristics have been evaluated with the hope of discovering which ones can be associated with successful leadership. We have classified these characteristics into the following five groups:

1. **Physical characteristics**. We once assumed that physical characteristics such as height and appearance were associated with leadership potential. Few modern organizations use such measures as hiring criteria, although a few exceptions remain. For example, to become a military combat officer, you must be at least 170 cm tall. Nobody has addressed the question of whether tall people are necessarily better fighters.

2. **Social status**. It is often assumed that leadership effectiveness is the result of higher education, social class, or social mobility. As in the case of physical characteristics, there appears to be little relation between social status and successful leadership.

3. **Intelligence**. It appears that leaders tend to have a somewhat higher intelligence than their subordinates. Nonetheless, the relationship between intelligence and leadership effectiveness is weak, indicating that other factors may have more influence on leadership success.

4. **Personality**. Most successful middle- and top-level leaders display the following work-related personality traits: (1) maturity, responsibility, and a broad range of interests in and out of the workplace; (2) high levels of initiative, motivation, and desire to achieve goals; and (3) an ability to work well with others, in particular, by showing respect for the values and needs of their employees. Not all leaders exhibit these characteristics. Further, there is little or no connection between leadership effectiveness and certain personality stereotypes such as self-confidence, enthusiasm,
optimism, and a need to dominate. Therefore, although certain personality traits may be associated with effective leadership, it seems likely that other factors are more influential.

5. **Social skills.** Leaders tend to participate in a wide range of activities and have excellent social skills. They do well in group settings and are often responsible for establishing an atmosphere of harmony and cooperation. Leaders also tend to reinforce group unity.

To sum up, the trait approach attempts to predict which personal characteristics result in effective leadership. Although most leaders possess certain personal attributes such as high intelligence and superior social skills, this is not the case with all leaders. Hence, successful leadership cannot be solely attributed to personal characteristics. Yet, the search for such characteristics continues. One writer recently said that the three personal traits demanded of a successful leader today are a **belief in oneself** (self-confidence along with openness to the ideas of others), a **passion for the job** (energy and drive that set an example for others), and a **love of people** (acceptance of others, along with a willingness to work alone in the front position).

**Behavior Models**

Because the traits model has failed to predict which personal traits are required in order to be a good leader, many researchers became interested in examining the leader’s behavior. What does the leader do, and how?

Most behavioral models suggest that successful leaders exhibit two types of behavior, task-centered relations and employee-centered relations. Task-centered relations are those that relate to the quality and the quantity of the work; employee-centered relations are based on meeting the personal needs of the staff.

In this section, we will examine two behaviorist approaches to leadership, the Ohio State University leadership theory, and the leadership model developed at the University of Michigan. We’ll follow by discussing the managerial grid of Blake and Mouton.

**Ohio State University Leadership Studies**

During the 1960s, students at Ohio State University discovered that two types of behavior can be associated with effective leadership: initiating structure and consideration. A leader who demonstrates initiating structure is **task oriented** and spends most of the work time clarifying the nature and the requirements of the various job tasks. On the other hand, a leader who primarily demonstrates consideration is **employee oriented**. These leaders are primarily interested in fulfilling the personal needs of their employees and invest the time to develop quality relationships in the workplace.

These two behaviors are the basis for the two-dimensional model presented in Table 5-2, from which these four leadership styles emerge: the employee-
oriented leader, the production-oriented leader, the hands-off leader, and the employee- and production-oriented leader. Note that consideration and initiating structure behaviors act independently in the context of the model. In other words, it’s possible for a leader to obtain a simultaneously high or low rating in the two behavior patterns. According to this model, the ideal leader is both production oriented and employee oriented, which means that this leader obtains a high rating in both consideration and initiating structure.

<table>
<thead>
<tr>
<th>High Consideration</th>
<th>Low Consideration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee oriented</td>
<td>Laissez-faire</td>
</tr>
<tr>
<td>Both task and employee orientation</td>
<td>Task orientation</td>
</tr>
</tbody>
</table>

Table 5-2: Two-Dimensional Model of Leadership.

**University of Michigan Studies**

Students at the University of Michigan also studied leadership around the same time as the Ohio State research. Their goal was to identify leadership styles that have a positive effect on group performance and satisfaction. Results were similar to those at Ohio State except for the finding of two leadership styles instead of four. The two are the employee-centered leader, who is primarily interested in improving the satisfaction of the employees, and the production-centered leader, who focuses on getting the job done, using strict discipline and close supervision. As with the Ohio State model, the two behaviors are not mutually exclusive; a leader can show high levels of both employee-centered and production-centered behaviors. The students found that employee-centered leaders have more productive work groups and higher employee satisfaction.

**Blake and Mouton Managerial Grid**

In 1978, psychologists Blake and Mouton developed a managerial grid aimed at discerning the principal leadership styles. This grid, shown as Figure 5-1, is an attitudinal framework of seven models or styles of leadership effectiveness. The individual styles are based on how two fundamental concerns join whenever two or more persons are engaged in an activity. The framework consists of a horizontal axis measuring concern for the task, and a vertical axis measuring concern for people. A leader’s concern for people and for the task are measured and the results are then plotted on a nine-position grid. The principal leadership styles that emerge from the managerial grid are shown in Table 5-3.
Middle-of-the-Road leader (5,5) continually makes compromises to get the job done and to maintain morale, maintaining the status quo and not putting much effort into either the job or the well-being of employees.

Authority-compliance leader (9,1) is preoccupied with maximizing production efficiency through enforcing disciplinary policies and maintaining close supervision of employees, and is not concerned with employee satisfaction.

Country club leader (1,9) emphasizes creating good feelings and improving relationships between the employees and himself/herself, and is more concerned with the well-being of employees than with increasing production.

Impoverished leader (1,1) puts minimal effort into both production and improving the well-being of other employees, and assumes a minimal amount of responsibility; comparable to the hands-off or laissez-faire approach identified at Ohio State.

**Figure 5-1: The Leadership Grid.**
**Paternalism/Maternalism** (9+9) prescribes outcomes by defining what he or she thinks is the best course. Praise is extended for compliance, and criticism for dissent. Intentions are reinforced by stressing loyalty and appreciation.

**Opportunism** subtly persuades others to support outcomes that benefit him or her personally. If others also benefit, that helps gain more enthusiasm. Any Grid style is used in order to assure collaboration.

**Team leader** (9,9) puts maximum effort into improving employee morale and maintaining high performance, so is most likely to positively influence both performance and satisfaction (with no trade-off between production and people, as is the case with the other leadership styles).

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**Table 5-3: Leadership Styles.**

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**Grid Style Consistency**

The dominant approach is the one most characteristic most of the time. It is the one you "know" and anticipate as typical of a person. Except for opportunism, each of the six other leadership styles is relatively consistent. Some believe that certain Grid styles don’t work when a crisis arises. In a fast-paced business environment, however, do leaders really stop, evaluate, and then pick and choose an approach for each situation? Not likely. More likely, leaders react spontaneously to take initiative, inquire, advocate, make decisions, solve conflict, react to failure, and critique results. The approach taken reflects the individual’s underlying and stable attitudes, motivations, and personal values, which remain constant. Grid style consistency makes even more sense when considered in the following way. When you meet a new co-worker, there are often moments of awkwardness. You may not be sure what to say or do because you’re not sure how that person may react. The more you interact, however, the more comfortable you become. You learn to anticipate his or her style, based on consistent behavior over time. Dominant style remains consistent across situations so that a person approaches a crisis more or less the same way that he or she approaches a routine procedure.

**Why 9,9 Style Works in any Situation**

Authority is not sacrificed in a 9,9-oriented style. Just because a leader demonstrates a high concern for others does not mean he or she avoids the tough decisions. On the contrary, the sense of shared cooperation and support makes the tough decisions easier to implement. The open, solution-seeking environment means others are more likely to understand and support a hard decision, even if they disagree, because they respect being informed. A 9,9-oriented manager has less need for damage control or fallout from a crisis because people are aware of circumstances and his or her position before a crisis happens. In a 9,9-oriented workplace, people are more flexible and better prepared to deal with change in new directions.

**Contingency Models**

As pointed out, both trait and behavioral models of leadership have not totally explained which behaviors or personal characteristics are associated with
effective leadership. Consequently, researchers started to examine the impact of situational variables on leadership. This marked the beginning of the contingency theories of leadership.

Contingency models attempt to pinpoint the various situational conditions in which a person’s traits and leadership style will result in effective leadership. For instance, a production-oriented style of leadership would likely be effective when employees show enthusiasm toward their work but have little technical knowledge of their job tasks. On the other hand, when employees show little motivation and when they are not capable of performing the job tasks, the team leader would likely be more effective in achieving the goals of the organization.

Often, contingency models examine four groups of situational factors: the leaders’ personal characteristics (personality, needs, sources of motivation, and past work experiences); the personal characteristics of the subordinates; the structure of the group, which includes each member's job responsibilities and the norms of the group; and the characteristics of the organization as a whole (including the rules and regulations of the organization, the level of professionalism required from employees, and the sources of power available to the leader).

In this section, we’ll discuss five well-known situational leadership models: Fiedler’s contingency model, Tannenbaum and Schmidt’s unidimensional model, House’s path-goal model, Hersey and Blanchard’s situational leadership model, and the Vroom–Yetton–Jago leadership model.

Fiedler’s Contingency Model

Is good leadership democratic ("Who would like to do what?") or authoritarian ("Here’s what you are to do")? Fred Fiedler’s answer, that it depends on the immediate situation and the nature of the leader in question, has inspired more research than that of any other leadership theorist. His "contingency" model, which was the first to examine situational factors in leadership success, has dominated leadership thought ever since it was
proposed in the 1960s. According to Fiedler, a good leader learns how to modify situational limitations to be more effective as a leader.\textsuperscript{4}

The model suggests that a leader exhibits one of two possible behavior styles: relationship-oriented behavior or task-oriented behavior. To identify a person’s leadership behavior, Fiedler developed the Least Preferred Co-worker (LPC) scale, some questions from which are shown in Figure 5-2. The leader is asked to think about all the people worked with in the past, and to identify the person with whom he or she had worked the least well. The leader rates the least preferred co-workers on the characteristics also shown in the figure.

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{lpc_scale.png}
\caption{The Least Preferred Co-Worker (LPC) Scale.}
\end{figure}
Low-LPC leaders describe their least preferred co-worker in negative terms and tend to have a task-oriented leadership style since they appear to be less sensitive to others. High-LPC leaders describe the least preferred co-worker in more positive terms. Since High-LPC leaders appear to be more sensitive to others, they are classified as having a relationship-oriented leadership style.

A situation is favorable to a leader who has a high level of control over others. To determine the leader's level of control, three environmental factors need to be examined. These are group atmosphere, task structure, and position power. Group atmosphere refers to the leader's acceptance by the group. Task structure reflects the complexity of the job tasks, and the clarity of the rules, regulations, and procedures used to get the job done. Finally, position power refers to the leader's legitimate power to evaluate and reward performance, punish errors, and demote group members. As shown in Figure 5-3, when group atmosphere is good, task structure is high, and the leader power position is strong (situation 1), the leader has maximum control over the employees; therefore, this is the most favorable situation.

Fiedler's studies show that task-oriented (low-LPC) leaders perform most effectively in the most favorable situations (1, 2, and 3) and in the least favorable situation (8). High-LPC leaders (relationship-oriented leaders) perform well under conditions that are moderately favorable (situations 4 through 7).

How would a leader use the model? As mentioned, good leaders learn to modify situational limitations to suit their leadership style. Therefore, to make use of this model, leaders must determine their LPC rating. This will indicate whether the leader is task-oriented or relationship-oriented. Secondly, the group atmosphere, task structure, and position power need to be measured. Finally, leaders must learn to adjust these environmental factors to accommodate their leadership style. For example, a relationship-oriented leader must ensure that the group atmosphere, task structure, and leader power position correspond to situations 4, 5, 6, or 7, whereas a task-oriented
leader would ensure that the level of the variables corresponds to situations 1, 2, 3, or 8.

This model also has other implications. For instance, leaders can modify their behavior to suit the situation if they have accurately evaluated the environmental factors. Also, the organization can adjust the situational factors or provide incentives in order to encourage the leaders to change their behavior. Therefore, the underlying theme of this model is the importance of a successful "match" between the leader's style and the demands of the situation.

To summarize, Fiedler claims that good leaders learn how to adjust environmental factors so that their leadership style is effective. A weakness in the theory is that the LPC scale suggests that a leader who is highly task oriented must be unconcerned with employee relations, and that a relationship-oriented leader must be unconcerned with task issues. In real organizational settings, this is not always true. Second, group atmosphere, task structure, and leader power position are not the only factors that determine the amount of control one has over a situation. For instance, personal characteristics such as charisma or intelligence may influence the degree of control the leader has over others. Despite these problems, Fiedler made an important contribution to the study of leadership by showing the importance of situational variables.

Tannenbaum and Schmidt's Unidimensional Model

The unidimensional model suggests that effective leaders will modify their behavior to suit the situation, and not the other way around. Hence, the logic of this theory is somewhat contrary to Fiedler's. According to Tannenbaum and Schmidt, there are seven basic leadership behaviors from which a leader chooses. These are described below.5

1. This leader has a purely autocratic leadership style, making all decisions independently and then announcing them to the other employees. This leader offers no explanation as to how or why the decision was made.
2. This leader also makes decisions independently but offers an explanation as to how and why the decision was made. In other words, the leader tries to convince other employees and colleagues that the decision was the best possible option under the circumstances.
3. This leader presents ideas and asks the advice of the other employees. Even if the leader makes the final decision independently, any questions concerning the decision are answered in order to help other employees understand what has happened and the implications of the decision.
4. This leader presents the decision to other employees but explains that the decision can be altered if the employees do not agree with it. Nonetheless, the leader is essentially responsible for making the decision.
5. This leader presents the problem to members of the group and consults with them before making any final decisions.
6. This leader defines the problem at hand and its situational limitations (temporal, monetary, etc.) but allows the group to make the decision. The leader participates in discussions and offers some guidance to employees, while allowing the group as a whole to make the final decision.
7. This leader has a purely democratic-participative leadership style, allowing the group to define the problem, identify the possible solutions, and decide which solution will be most effective. The leader also defines the situational limitations but otherwise plays only the role of a group member. This leader allows the employees to participate in most work-related decisions but reserves the right to verify the final decision.

As you can see, these leadership behaviors are on a continuum from autocratic to democratic-participative leadership. According to this model, the leader chooses one of the above leadership behaviors in a given situation. In order to make the best choice in a particular situation, three groups of situational factors must be examined and evaluated; these are the strengths of the leader, the strengths of the group members, and the strengths of the given situation.

The strengths of the leader refer to the leader's values, past work experiences, skills and abilities, and level of confidence in the employees, and include the preferred style of leadership. The strengths of the group include its desire for independence, ability to assume responsibilities, willingness and ability to participate in group activities, degree of tolerance and flexibility when confronted with complex situations, and the amount of interest members have in their work. Finally, the strengths of the situation include the structural characteristics of the organization, the level of group efficiency, the characteristics of the problem in question, and the time limitation for solving the problem.

According to Tannenbaum and Schmidt, when group members are included in decision processes, their level of motivation increases; thus, it seems that a democratic-participative leadership style would be the best choice in most situations. Tannenbaum and Schmidt’s theory differs from Fiedler's in that the latter does not indicate how one matches leadership style with the demands of the given situation. As you will recall, Fiedler's model matched the leadership styles with specific situations.

**House's Path-Goal Model**

Troubled by the inconsistent findings on leadership, Robert House developed the path-goal model of leadership. This model is based on Vroom's expectancy theory of motivation, which was discussed in Chapter 3.

The term "path-goal" refers to how a leader's behavior can influence an employee's perceptions so that the employee perceives a link (or path) between personal satisfaction and the goals of the organization. According to
House, leaders must adjust their behavior to compensate for the features which are lacking in a setting that is likely to be satisfactory to the employees. Indeed, this method of increasing employee satisfaction will also improve performance because the links between employee effort, performance, and rewards will become obvious to the employee.

As mentioned, the leader must first determine which environmental factors are lacking in the setting that is likely to be satisfactory to the employee. This is accomplished by analyzing the characteristics of the work environment and the characteristics of the followers. Before discussing these characteristics, let’s examine the four behavior styles from which a leader may choose.

1. **The directive style**. The directive leader spends most of the time providing instructions, organizing work schedules, delegating job responsibilities, enforcing rules, and maintaining performance standards. This style is similar to the initiating structure identified by the Ohio State researchers.

2. **The supportive style**. The supportive leader is primarily concerned with establishing interpersonal relationships with other employees and creating a pleasant and friendly work environment. This leader responds to the needs of employees and shows concern for their welfare. This style of behavior resembles the consideration behavior identified by the researchers at Ohio State.

3. **The participative style**. This type of leader believes that employee participation improves the quality of decisions and performance and encourages participation in decisions, always taking the time to listen to the ideas of others.

4. **The achievement-oriented style**. This leader sets challenging goals for other employees, is continually striving for excellence, and shows high levels of confidence in others' abilities. Minimal supervision is required with this style of leadership.

Now let’s examine the characteristics that influence the leader's choice of behavior. Three employee characteristics need to be considered. The first relates to employees' perceptions of their ability to do the job. According to House, when employees have confidence in their abilities, the achievement-oriented leadership style is usually effective. On the other hand, if the employee demonstrates little confidence, the directive leadership style is more likely to improve employee satisfaction and performance levels.

Second, the leader examines employees' perceived level of control over a given situation. In other words, do the employees believe that they can influence events in the workplace? If so, a participative leadership style is likely to increase satisfaction.

Third, the leader must analyze the personal needs of employees. The leader should determine if employees show needs of dominance, accomplishment, belongingness, and/or submission. By determining employees' personal needs, the leader is in a better position to determine the ideal level of supervision required to improve performance and personal satisfaction. For example, if an employee demonstrates a need for accomplishment and
possesses the abilities necessary to perform the job, the achievement-oriented approach may be used.

Three variables concerning the work environment also should be considered when choosing a leadership style. First, the complexity of the task should be examined. Employees who perform repetitive or tedious tasks respond well to a supportive leadership style, whereas more complex tasks may require a directive leadership style. Second, the characteristics of the work group should be examined. When the work group shows a high level of unity and autonomy, the leader can improve performance and satisfaction by using a participative leadership style. Last, the company’s formal authority system should be considered. If the company’s rules, regulations, and procedures are rigid, the participative leadership style may not bring about the desired results.

House, like Tannenbaum and Schmidt, presumes that leaders are willing to adjust their behavior to meet the demands of the situation. But in an organizational setting, leaders may not always be willing or able to exercise this kind of flexibility. An illustration of the model is presented as Figure 5-4.

**Figure 5-4: Model of Path-Goal Theory of Leadership.**

**Hersey and Blanchard's Situational Leadership Model**

In 1969, Paul Hersey and Kenneth Blanchard introduced a model that draws attention to an aspect of leadership we have not yet discussed. This is the maturity level or readiness of the employee. According to these authors,
leadership behavior should be adjusted to the maturity level or readiness of the employee, who is known as the "follower."  

Follower readiness refers to the employee's willingness and ability to accept responsibility for completing the assigned work. The authors classify follower maturity into these four levels of readiness (Rs):

- R1: The employee is neither able nor willing to perform the task.
- R2: The employee does not possess the abilities to do the job yet displays confidence and is willing to try.
- R3: The employee is able to do the job but lacks either willingness or confidence in abilities.
- R4: The employee is willing, able, and confident of ability to do the job.

As shown in Figure 5-5, Hersey and Blanchard identify two dimensions of effective leadership behavior: task behavior and relationship behavior. These behavior styles resemble the consideration and initiating structure dimensions identified by the Ohio researchers.

![Hersey and Blanchard's Leadership Model](image)

**Figure 5-5: Hersey and Blanchard’s Leadership Model.**

According to Hersey and Blanchard’s leadership model, leaders should adjust their behavior in the following manner. When the readiness level is low, the
leader should use high amounts of task behavior. As the readiness level increases, the leader's behavior should be both high relationship and high task behavior. When the maturity level reaches R4, the employee needs only minimal task and relationship behavior.

Let's now examine the four leadership styles that correspond to each style (S) of maturity levels.

- **S1**: A telling style provides clear, detailed instruction and close supervision of the employees. This style of leadership should be used when employees are unable and unwilling to do the job (R1).
- **S2**: A selling style is effective when employees are willing yet unable to perform the task (R2). This style encourages two-way communication between leader and employees, thus enabling the leader to convey information necessary to completing the task.
- **S3**: A participative style works well when the employee is able to do the job but lacks confidence (R3). The participative leader allows employees to participate in decision processes to build confidence and motivation.
- **S4**: A delegating style is effective when employees are willing, able, and confident in their abilities (R4). A delegating leader has little or no relationship with the employees and provides a minimum of supervision, since the employees are able to do the job on their own.

**Leadership Mythology**

Gregory P. Smith, a well known management consultant, asserts that many organizations do a pitiful job helping people reach their potential. One reason for this is old-fashioned leadership techniques—out-dated leadership concepts or what he calls, "leadership mythology." A myth is something that is false, but believed to be true. As in many things in life, there are several myths surrounding the concept and practice of leadership. Unfortunately, these myths prevent qualified people from rising to the top. By listing these leadership myths, Smith hopes to dispel many of these false beliefs. He lists the following 5 principal myths:

**Myth 1 - Leadership is a rare ability only given to a few.** Many people still think leaders are born not made. This can't be further from the truth. Most people have the potential to become good leaders. Leadership is not like a diet pill. Like most learned skills, it takes time, training, and lots of trial by error. The key ingredient making people good leaders is the ability to care about others. The second ingredient is a sense of purpose, vision or mission. A good leader charts a course and provides direction to those they lead.

**Myth 2 - Leaders are charismatic.** Many leaders are charismatic, but closer scrutiny shows that most leaders are not. Some of the world's most famous leaders had warts—some sort of shortcoming or personality issue. In a leadership role, people skills are very important—more important than technical skills. However, the best leaders are those who work toward a goal. Your cause, your purpose and your mission in life will make you charismatic, not the other way around.

**Myth 3 - The person with the title, most rank or the highest position is the leader.** True leadership is not based on position or rank. It is based on action, performance, ability, and effectiveness. We all relate to working for those people who were placed in
leadership roles who did more to demoralize and destroy the business than anything else.

The best companies strive to develop and create as many leaders as possible. W.L. Gore & Associates, makers of Gore-Tex and other products, have a unique approach to leadership. The practice of natural leadership "leadership by followship." They don't appoint people as leaders . . . they let the true leaders surface to the top. People naturally gravitate to those they want to follow, respect, and work with. There are no limiting job descriptions, job titles, and few rules and regulations. If a person comes up with a new idea, he or she puts a team together of people who have the desire and knowledge to make it work.

**Myth 4 - Effective leadership is based on control, coercion, and manipulation.** Leadership is about the future, not the past. Joel Barker's has the best quote about leadership, "A leader is someone you would follow to a place you would not go to by yourself." Good leaders gain followers out of respect and their ability to cause people to work toward a particular goal or achieve a destination. People follow because they can relate to the vision or goal personalized by the leader. A good leader helps people become better than they are. A good leader creates a work environment that attracts, keeps and motivates its workforce.

**Myth 5 - Good leaders have more education than other people.** Educational degrees may mean you have a good education, but it doesn't necessarily mean you are a good leader. When it comes to leadership, experience is the best teacher.


Initially, Hersey and Blanchard's model generated a great deal of interest among organizational consultants and management specialists, but scholars have recently pinpointed flaws in it. The model is thought by scholars to presume that a leader is able to read the readiness level of other employees without being influenced by personal biases. In real-life organizational settings, most people are not able to do this. Second, in addition to employee readiness, other factors (such as the leader's personal preferences) are likely to influence the leader's choice of behavior style. For instance, a leader who wishes to improve employee satisfaction and create good relationships with other employees would be unlikely to use a purely *telling* style of leadership, regardless of the maturity level of the employees.

**The Vroom-Yetton-Jago Normative Decision Model**

Dissatisfied with previous interpretations of leadership, psychologists Vroom and Yetton developed the normative decision model. First presented in 1973, this model suggests that effective leadership depends on the quality of decisions made by the leader. In 1988, Jago presented a modified version of the model, which is presented in Figure 5-6.
Figure 5-6: The Normative Decision Tree Model.

According to the normative decision model, to ensure that the best decision is made at a given time, the leader must answer a series of questions related to the level of employee participation in the decision process. In other words, the leader must determine if the employee should play a role in the decision process and, if so, to what degree. Four criteria are examined to determine the appropriate level of employee participation. These are the need for a high-quality decision, acceptance (the degree by which the method of handling a decision increases employee commitment), timeliness (the respect of time limitations to maximize the effectiveness of the decision), and the availability of information related to the problem. The decision tree helps the leader to evaluate the relative importance of these four factors.

As shown in the model, working through the decision tree leads to a prescribed leadership style at the end of the path. The five possible leadership styles are described below.

- **AI**: This leader solves the problem based on the information available and does not consult other employees or offer them any explanation concerning the decision.
- **AII**: This leader obtains information from the employees beforehand and then makes the final decision independently.
- **CI**: This leader shares information concerning the problem with group members individually, without calling them together to discuss the subject. The leader listens to their ideas and proposals, but the final decision may or may not reflect the employees’ views.
- **CII**: This leader shares the problem with group members in a general meeting, at which he or she obtains ideas and suggestions from workers. The leader's decision may or may not reflect the influence of the group.
- **GII**: This leader calls a meeting in order solve the problem, explains the situation, and, with the group, finds a solution. The leader coordinates the discussion and keeps it focused on the problem, yet does not attempt to influence the decision process.

The normative decision model has proved useful to managers and consultants when choosing the best decision style. However, good leadership is not based solely on first-rate decisions. To be effective, a leader also needs to develop good communication skills and learn how to motivate others.

**Attribution Theory**

Much like the contingency models, attribution theory suggests that a leader must select an appropriate behavior for each situation. In this case, however, the theory suggests that leaders choose their behavior based on their attributions of the causes of the employee’s performance. That is, the leader determines the cause of employee behavior and acts accordingly.
Attributions are formed through observing employee behavior on a daily basis. The leader uses the following three evaluation criteria or information cues to evaluate the causes of behavior:

1. **Distinctiveness**: Did the behavior occur in this task only?
2. **Consistency**: Is this the usual level of performance for this employee?
3. **Consensus**: Is this the usual level of performance for other employees?

The answers to the above questions enable the leader to determine if the causes of employee performance are of an external (situational) or internal (personal) nature.

According to Green and Mitchel, leaders seek to change behavior only when *internal* attribution is made. In other words, if the leader believes that poor performance can be attributed to personal reasons, he or she may try to increase employee motivation, offer training, or reprimand the employee. But a leader who believes that an employee’s poor performance is the result of *situational* factors will attempt to modify the worker’s environment. For example, this leader might provide resources, redesign the job, reduce noise levels, or increase lighting.

Employees also make attributions pertaining to the causes of their leaders’ behavior. In general, employees believe that their leader has an effect on their performance (even if this is not the case). As a result, they will display positive or negative attitudes toward their leader.

Let’s examine more closely the factors that influence the attribution process of the employee. Apparently, employees’ past performance influences their ratings of their supervisors. For example, an employee who has performed well will give the supervisor a favorable rating. In the case of group failure, employees seek to distance themselves from their leaders.

Similarly, when a group or organization is unsuccessful, performance problems are often attributed to the leader’s conduct rather than that of the employees. We can find many practical examples of this principle both in and out of the workplace. For instance, when a sports team has a poor season, often the manager is fired, not the players. Likewise, when an organization suffers financial losses, it is often the CEO who is fired, not the employees.

Like Hersey and Blanchard’s model, attribution theory presumes that a leader’s perceptions are accurate and free of biases and prejudice. As you know, this is rarely the case. In the organizational setting, employers and leaders tend to be biased toward making internal attributions, which leads to more regular use of disciplinary actions. A leader who attributes an employee’s poor performance entirely to internal causes may provide less support to that employee in the future. Therefore, leaders should exercise caution when using personal attributions to determine the best behavior for a given situation.
Charismatic Leadership Theory

In the 1970s, Robert House introduced an approach to leadership that has attracted considerable interest in recent years. Those who exert charismatic leadership inspire profound devotion through the sheer force of their personalities. As described by Conjer and Kanungo, charismatic leaders:

- offer an unusual or "far out" vision of reality;
- make sacrifices or take risks to further their vision;
- use unconventional methods to achieve their goals;
- exploit any unrest within their followers; and
- communicate supreme confidence in their abilities to handle any problems.

One of the problems in achieving an understanding of charismatic leadership is that the traditional research techniques are not always appropriate. Another is that there is a wide gap between charismatic leaders of industrial organizations and the charismatic leaders whose names appear in newspaper headlines. Nevertheless, we can expect to hear more about unorthodox leadership in the organizational context.

Substitution Theory

Unlike the other models presented in this chapter, substitution theory suggests that leadership is not necessary in every situation. For example, an employee who has a high level of ability and job-related knowledge probably requires little if any task-oriented leadership, but may require a certain amount of relationship-oriented leadership in order to maintain a high level of motivation. A cohesive, independent work group would require little of either task-oriented or relationship-oriented leadership. Indeed, self-managed work teams often act as a substitute for relationship- and task-oriented leadership. The trend toward reducing the need for task-oriented leadership is also seen in the emergence of employee empowerment strategies.
Leadership Competencies

Let us take a moment to think about our own experiences with those we consider to be great leaders. As individuals or groups, do the following exercise given below:

What common themes did you uncover from this exercise? Can you identify behaviors that can be taught to others? These behaviors (or skills) are labeled "competencies". Organizations have used consultants to help them identify what competencies are critical for their managers to develop. These competencies are identified by the consultants interviewing the superior performing leaders or managers in that organization. Competency development is a multi-billion dollar industry in today's work environment.

What are competencies?

Competencies are abilities or skills that are socially learned, not inherited, behaviorally specific and observable. When referring to competencies, we are usually focused on the person. A competency can be best described as: An underlying skill, trait, or personal characteristic that leads to, or causes superior or effective performance. An ability has to include both intent and behavior. Competency assessment usually take the form of a 360° feedback system (i.e., from one's managers, peers, direct reports, friends, family, and significant others). Other methods include critical incident interviews, or behavioral event interviews. These more qualitative methods requires the
development of a competency codebook that is used to code for competencies from these interviews. Competency development occurs in a specific progression: After receiving results from the 360° feedback (or from the codes identified in the interviews), people will first realize that they did not realize they were weak in some competencies (unconscious incompetence) and achieve the awareness that they are weak in certain competencies (conscious incompetence). They then try to develop these competencies that they are weak in (conscious competence) and finally over time they develop these competencies to the point of being "second nature" (People who over time develop competencies to the point of it being "second nature").

**Types of Competency Models**

In today's work environment, there are numerous competency models floating around. Some organizations develop their own competency models and use it to train their managers or leaders. Others use existing models (among the popular models are Managerial Competencies and Emotional Intelligence Competencies) for training and development for managers and leaders in their organizations.

**Executive Coaching**

Most competency development process involves working with an Executive Coach. Executive coaches have become an integral part of leadership or managerial training and development. Executive coaching can take many forms. The most popular are those who focus on coaching around a vision, coaching for competency development and coaching for developing learning flexibility. Executive coaches are experts in a particular area (such as competency development, vision, learning or all three) and are usually hired by the organization or the executive to help with the development process.

In reality, according to some experts, executive coaching in many U.S. companies are currently playing a role occupied in the past by some psychoanalysts. IBM, for example, has more than sixty certified coaches among its ranks. Scores of other major companies have made coaching a core part of executive development. The belief is that, under the right circumstances, one-on-one interaction with an objective third party can provide a focus that other forms of organizational support simply cannot. More importantly, whereas coaching was once viewed by many as a tool to help correct underperformance, today it is becoming much more widely used in supporting top producers. In fact, in a 2004 survey by Right Management Consultants (Philadelphia), 86 percent of companies said they used coaching to sharpen the skills of individuals who have been identified as future organizational leaders.

"You Can't Create a Leader in a Classroom" - 'A Short essay on Henry Mintzberg and Mintzberg message.'

Professor Henry Mintzberg is one of the world's most influential teachers of business strategy. For some 30 years, he's been contributing path breaking ideas and trailblazing
analyses, all rooted in the real work of companies and their executives, to a discipline that often feels stuck in the abstract and the theoretical. And although many of his ideas were considered radical (some would say downright heretical) when he introduced them, Mintzberg is “hot” again: More and more companies are realizing that there’s an enormous difference between a CEO with keen financial instincts and a great leader.

Mintzberg claims that management education is terribly broke. "The MBA is a fabulous design for learning about business," he says. "But if you’re trying to train managers, it’s dead wrong. The MBA trains the wrong people in the wrong ways for the wrong reasons. Mintzberg concedes that the U.S. style of management education is in demand around the world - but mainly, he says, for the big bucks that such a degree confers upon its holder. "Right now, we are creating a kind of neo-aristocracy," he complains, "a ‘business class’ that believes it has the right to lead because it spent a couple of years in a classroom." But if you really want to learn how to be a manager, he says, you need to be in an environment with, well, other managers. "This is supposed to be about leadership," he says. "You can’t create a leader in a classroom."

Source: http://www.fastcompany.com/online/40/wf_mintzberg.html

5.5 Summary

The topic of leadership attracts many kinds of people, including many researchers and theorists in the behavioral sciences. But humans are so complex that we have a number of theories that reflect the prevailing interests over the various decades. After differentiating between management and leadership, we touched on the primary approaches to studying leadership. Trait theories assume that leaders like Alexander the Great were all "great." It seems logical to explore what characteristics ("traits") one needs to have in order to be a leader. A countering argument was that what a leader does is more useful to know than what a leader is. This led to the behavioral approach, which explored the actions of leaders. The contingency approach argued that we should understand leaders' traits and behaviors, not in isolation, but in the context of the situation, that is, what behaviors and traits are most effective under what contingencies or situations. The chapter also discusses the puzzling phenomenon of charismatic leadership, and on an alternative to traditional types of leader behavior (substitution theory). Finally, we discuss the notion of competency development and the use of executive coaches to train leaders and managers perform better in their work environment.

5.6 True/False Questions

1. Leadership is based on the ability to influence others to achieve organizational goals.

✓ True ❌ False

2.
Good leaders produce a degree of order and stability in employees, whereas successful managers bring about useful changes in an organization.

True ✗ False

3.

Task-centered relations are based on meeting the personal needs of the staff.

✗ True ✓ False

4.

The hands-off leader has a high level of initiating structure and a low level of consideration.

✗ True ✓ False

5.

An authority-compliance leader is preoccupied with maximizing production efficiency and is not concerned with employee satisfaction.

✓ True ✗ False

6.

Task structure reflects the complexity of the job tasks, and the clarity of the rules, regulations, and procedures used to get the job done.

✓ True ✗ False

7.

The directive leader spends most of the time providing instructions, organizing work schedule, delegating job responsibilities, enforcing rules and maintain performance standards.

✓ True ✗ False

8.

A delegating leadership style allows employees to participate in the decision process to build confidence and motivation.

✗ True ✓ False

9.
Those who exert charismatic leadership inspire profound devotion through the sheer force of their personalities.

✓ True ✗ False

10.

A competency is an ability or skill that is socially learned, not inherited, behaviorally specific and observable.

✓ True ✗ False

### 5.7 Multiple Choice Questions

1. Which is not listed in the text as one of the five classifications of character traits?

    ✗ Social skills
    ✗ Social status
    ✗ Intelligence
    ✓ Consideration

2. Most behavioral models suggest that leaders exhibit which type of behavior:

    ✗ Task-centered relations
    ✗ Position power
    ✗ Employee-centered relations
    ✓ Both a and c

3. Which of these is listed by Ohio State University as a leadership style:

    ✗ Production-oriented leader
    ✗ Employee-oriented leader
4. In the Blake and Mouton managerial grid, a leader who continually makes compromises to get the job done and to maintain morale, maintaining the status quo and not putting much effort into either the job or the well-being of employees has which management style:

- Country club
- Middle-of-the-road
- Authority-compliance
- Impoverished

5. Which is not listed as an environmental factor in Fiedler’s Contingency model?

- Task structure
- Position power
- Group atmosphere
- None of the above

6. In Tannenbaum and Schmidt’s unidimensional model, which situational factors refers to the leader’s values, past work experiences, skills and abilities, level of confidence in the employees, and include the preferred style of leadership?

- Strengths of the situation
- Strengths of the leader
7. In House’s Path-Goal model, which answer describes a leader who is primarily concerned with establishing interpersonal relationships with other employees and creating a pleasant and friendly work environment?

- Directive style
- Achievement-oriented style
- Participative style
- Supportive

8. In Hersey and Blanchard’s situational leadership model, which leadership style encourages two-way communication between leader and employees, thus enabling the leader to convey information necessary to completing the task?

- Telling style
- Participative style
- Delegating style
- Selling style
9.

Executive coaching popularly focuses on:

- Coaching for developing learning flexibility
- Coaching around a vision
- Coaching for competency development
- All of the above

Case 5a: Problems at the Cop Shop

A new chief of a large police service in Sydney, Australia has just been appointed. In the two months between the announcement of the appointment and the assumption of the new duties, the chief-elect is approached by the following individuals:

Chair of the Police Services Personnel Branch: "I would like to see another 20 positions declared open as soon as possible. Because most of our officers and all of our administrators are white males, I think it important that our future hiring should better reflect the community, which means recruiting, hiring, and promoting women, people of color, and those with disabilities."

The outgoing chief: "Policing is a very traditional business. You don't want to make sudden changes or the public will lose confidence in us. A lot that we do we can't talk about in public, so be guarded in your exposure to the public and especially to the media. And always make the officers go through channels. If you let them approach you directly, you will undermine the confidence of your staff sergeants."

The head of the Police Officers' Association (similar to a union, except that members may not go out on strike): "I hope you will start an open-door policy, so that all of our members can see you personally about any problems or questions they might have."

The chair of the Senior Officers' Association: "Rumor has it that you'll be expected to make the organization flatter by getting rid of some layers of senior officers. However, it is our experience that the officers in the field need
close supervision. Besides, you never know when you'll be grateful to have the benefit of our experience."

The head of the Training and Development Branch: "With all the new technology available to our officers, I think it's important that you provide at least two weeks per year of duty time for training."

The deputy chief: "Everybody will give you advice. Ignore it all—including mine. Do what you think best, and know that you'll be wrong in any case."

Head of the central government's Policing Services: "Congratulations on your appointment. We expect that you will make an early effort toward implementing 'community policing,' that is, making your service responsive and responsible to the people it serves."

Chairperson of the Police Services Board: "We anticipate a $3.5 million cut in your first budget. The taxpayers of this region will not accept more tax increases. Nor will they accept a reduction in police services, so you may want to encourage some of your executive officers to consider early retirement."

The head of the local Chamber of Commerce: "The businesses I represent hope that you will assign more officers to foot patrol duty; visibility of uniformed police, especially in the downtown area, is necessary to restore public confidence in the safety of our streets.

Questions

1. What are the differences between an administrator, a leader, and a manager?
2. How would you go about demonstrating leadership if you were the new chief?
3. How would you reconcile some of the obviously competing demands that are surfacing even before you start your duties?

Case 5b: Help! I need competencies, Help!

Annette has been with your organization for 20 years and for the last five years has reported to you. She began her career with the organization and has been involved in its development. Annette played a key role in helping the organization grow throughout the country, in particular because of her understanding of local knowledge and relationships. Her primary role has been informal but has centered on creating partnerships, intervening during
conflicts with various local organizations and in general maintaining critical ties to the community and throughout the country.

While Annette joined the staff as a support person, her particular knowledge and "people" skills allowed her to receive more responsibility and authority over the daily office operations. One trait you especially value is her ability to deal with conflict among office staff. Annette frequently deals with the problems that you would otherwise have to manage which allows you to focus on higher level issues that are important to sustaining the organization.

The organization has continued to thrive and to grow globally. What was once a single office has blossomed into a network of satellite offices around the world. You realize the organization has grown in complexity and the pressure to serve even more people is a constant reality. You feel fortunate that you can rely on Annette to keep everyone happy.

Recently, however, you received a surprise when you asked Annette to review the annual budget with you and to help you to prepare the yearly progress report. Annette seemed flustered and avoided the issue for several days. When you asked her about the information and a time to meet she broke down in tears saying that the paperwork somehow "got away from her" and that she has been overwhelmed with dealing with staff conflict and the ever growing need to connect with organizational partners. You were stunned, in part because Annette's work has always been above reproach, but also because your boss is expecting the report in one week. Annette's comment was that she is overworked and that perhaps the time has come for her to resign.

Questions

1. What went wrong?
2. How can you as a boss focus on resolving this issue (from a competency perspective)?
   a. What are her strengths?
   b. What are competencies Annette could develop?
3. What are our strengths and weaknesses? How can you develop?
4. How can you help Annette succeed in her job?

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Jenny is employed at ABC University as one of four directors in the student affairs department in the DEF School. The four directors have two assistant directors that work for all of them, although the work and their influence is not evenly distributed. In fact, two of the four directors have more power and control over the two assistant directors. Jenny has not been happy at work and has brought her concerns to the associate dean and the executive director, asking them to become more involved in the department and to help the department directors be more cohesive.

As a result of Jenny’s interest in enhancing the department she was nominated to attend an Excellence in Leadership Training Program organized by the Human Resources Department of ABC University in partnership with the School of Management. After completing the sessions, Jenny was energized and decided to initiate the changes that she believed would benefit the department.

Being an enthusiastic individual, Jenny decided to bring about positive change in her department and to get the associate dean and the executive director involved in this change effort. Also, to ensure that she was headed in the right direction Jenny met with Tim, a consultant hired to function as a coach for the participants in the leadership training program. During an extensive 2-hour conversation with Tim, Jenny explained the situation. Some of the following points emerged.

1. There are a total of four directors:
   1. a Jenny (the participant) - the Director of Corporate Relations;
   2. b Maggie - the Director of Student Affairs;
   3. c Donna - the Director of Alumni Affairs; and
   4. d Sherri - the Director of Placement/Employment.
2. There are two associate directors:
   1. a Jo, who works mainly with Maggie; and
   2. b Jill, who supports both Jenny and Sherri although she works mainly with Donna.
3. There are a total of 13 people in the department.
4. The office mainly manages by e-mail and the directors have very little face-to-face time. Also, the e-mails that are exchanged are mainly complaints or problems that have reached the top management that bypassed the directors.
5. Historically, there has been a tendency to blame the department with regard to matters pertaining to students or corporations that support the school by providing employment opportunities to
graduates or that provide funding to the school. This is important information considering that the ranking of the school depends on information provided by this department.

6. Some of the higher management staff are relatively new to their job and therefore tend to push matters down to be handled by the directors. This has created a dynamic of ‘support’ from higher management largely based on complaints rather than a truly supportive, positive atmosphere.

7. The four directors are not functioning as a team. There are pockets or ‘cliques’ among the directors that are very strong and hard to break. In meetings, the cliques tend to support each other and those who do not ‘belong’ feel ostracized and unsupported. The four directors hardly meet together but converse via e-mail instead. They feel that they only need to please three stakeholders in order to do a good job: students; employers; and alumni. This dynamic created an atmosphere that projected a lack of cooperation.

After listening to all the issues that were raised by Jenny, Tim asked if she had goals for this project and if so, what they were. After thinking for a while, Jenny mentioned that she wanted to create an atmosphere of trust, a high sense of self- and team-motivation, a good system for tracking information so as to be able to help ease the compiling or writing of reports for higher management, determine and agree upon who are the stakeholders for the department, and finally to revisit the structure of the department in order to create a more team-oriented work ethic.

Jenny believes this can be done by organizing a directors' retreat, but wanted to know what steps could be taken to facilitate this. She realizes from the leadership training that her approach to this initiative will be critical in determining its success.

Questions

1. How would you deal with this situation if you were Jenny?
2. How would you frame this project using the skills and knowledge you have gained from your education and experience?
3. What further steps would you recommend that Jenny take after the conversation with Tim? Would you move forward with the directors' retreat? If no, why not? If yes, why?
4. Assuming Jenny moves forward with the retreat, what steps would you take prior to the actual event? In essence, what is your strategy and plan of action?
5. What outcomes would you hope to obtain from the retreat?
After the meeting with the consultant Jenny emailed her colleagues to inform them of the retreat. When she mentioned this to Tim he strongly recommended that she rethink this approach and instead connect with the members of the department in person as a way to begin to set the tone for the meeting. He also suggested that Jenny have a pre-retreat planning meeting and to involve the attendees in co-creating the meeting agenda. Tim discussed the importance of Jenny living the change she hoped to create. Jenny agreed but followed up her email with a phone call to confirm the meeting. She never connected with her colleagues as Tim recommended.

Jenny went to work organizing the retreat which included the directors, the associate dean, associate directors and other top management. She did not invite secretarial or other support staff. The retreat was held with the topic identified by Jenny as "Developing high-quality teamwork among department members."

**Retreat outcomes**

The team worked on the following issues during the retreat:

- Mission
- Vision
- Goals
- Steps for how to work like a team
- Highlighted when they succeeded in the past
- Split the workload and discussed impact of uneven influence
- Created a "high motivation" affect during the meeting

**Three months later**

Jenny left the department. She said that while everyone was happy with the retreat she felt that in the days and weeks that followed most people were just trying to please the associate dean and were not committed to change. She also felt that they were not committed to being a team and she did not want to be a part of a department that failed. She felt that she had star potential and decided to go where she was appreciated.

**So what went wrong?**

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Self-Assessment Exercise: What Is My Leadership Style?

T-P Leadership Questionnaire: An Assessment of Style

To evaluate oneself in terms of task orientation and people orientation.

Unlimited.

Approximately 45 minutes.

1. Fill out the T-P Leadership Questionnaire.
2. T-P Leadership-Style Profile Sheet.

1. Before the questionnaires are scored, it may be appropriate to discuss the concept of shared leadership as a function of the combined concern for task and people.
2. In order to locate oneself on the Leadership-Style Profile Sheet, each group participant will score his or her own questionnaire on the dimensions of task orientation (T) and people orientation (P).
3. The T-P Leadership Questionnaire is scored as follows:
   1. Circle the item number for items 8, 12, 17, 18, 19, 30, 34, and 35.
   2. Write the number 1 in front of a circled item number if you responded S (seldom) or N (never) to that item.
   3. Also write a number 1 in front of item numbers not circled if you responded A (always) or F (frequently).
   4. Circle the number 1's which you have written in front of the following items: 3, 5, 8, 10, 15, 18, 19, 22, 24, 26, 28, 30, 32, 34, and 35.
   5. Count the circled number 1's. This is your score for concern for people. Record the score in the blank following the letter P at the end of the questionnaire.
   6. Count uncircled number 1's. This is your score for concern for task. Record this number in the blank following the letter T.

5. Follow directions on the Leadership-Style Profile Sheet. A discussion of implications members attach to their location on the profile would be appropriate.

1. Participants can predict how they will appear on the profile prior to scoring the questionnaire.
2. Paired participants already acquainted can predict each other’s scores. If they are not acquainted, they can discuss their reactions to the questionnaire items to form some basis for this prediction.
3. The leadership styles represented on the profile sheet can be illustrated through role-playing. A relevant situation can be set up,
and the "leaders" can be coached to demonstrate the styles being studied.

4. Subgroups can be formed of participants similarly situated on the shared leadership scale. These groups can be assigned identical tasks to perform. The data generated can be processed in terms of morale and productivity.

**Directions:** The following items describe aspects of leadership behavior. Respond to each item according to the way you would most likely act if you were the leader of a work group. Circle whether you would most likely behave in the described way: always (A), frequently (F), occasionally (O), seldom (S), or never (N).

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<tr>
<td>1.</td>
<td>I would most likely act as the spokesperson of the group.</td>
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<td>A</td>
<td>F</td>
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<td>2.</td>
<td>I would encourage overtime work.</td>
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<td>A</td>
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<td>3.</td>
<td>I would allow members complete freedom in their work.</td>
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<td>4.</td>
<td>I would encourage the use of uniform procedures.</td>
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<td>5.</td>
<td>I would permit members to use their own judgment in solving problems.</td>
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<td>6.</td>
<td>I would stress being ahead of competing groups.</td>
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<td>7.</td>
<td>I would speak as a representative of the group.</td>
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<td>8.</td>
<td>I would needle members for greater effort.</td>
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<td>9.</td>
<td>I would try out my ideas in the group.</td>
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<td>A</td>
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<td>O</td>
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<td>10.</td>
<td>I would let members do their work the way they think best.</td>
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<td>A</td>
<td>F</td>
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<td>11.</td>
<td>I would be working hard for a promotion.</td>
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<td>F</td>
<td>O</td>
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<td>12.</td>
<td>I would tolerate postponement and uncertainty.</td>
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<td>F</td>
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<td>13.</td>
<td>I would speak for the group if there were visitors present.</td>
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<td>A</td>
<td>F</td>
<td>O</td>
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<td>14.</td>
<td>I would keep the work moving at a rapid pace.</td>
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<td>F</td>
<td>O</td>
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<td>15.</td>
<td>I would turn the members loose on a job and let them go to it.</td>
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<tr>
<td>16.</td>
<td>I would settle conflicts when they occur in the group.</td>
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<td></td>
</tr>
<tr>
<td>A</td>
<td>F</td>
<td>O</td>
<td>S</td>
<td>N</td>
</tr>
<tr>
<td>17.</td>
<td>I would get swamped by details.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>F</td>
<td>O</td>
<td>S</td>
<td>N</td>
</tr>
<tr>
<td>18.</td>
<td>I would represent the group at outside meetings.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>F</td>
<td>O</td>
<td>S</td>
<td>N</td>
</tr>
<tr>
<td>19.</td>
<td>I would be reluctant to allow the members any freedom of action.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>F</td>
<td>O</td>
<td>S</td>
<td>N</td>
</tr>
<tr>
<td>20.</td>
<td>I would decide what should be done and how it should be done.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
21. I would push for increased production.
22. I would let some members have authority which I could keep.
23. Things would usually turn out as I had predicted.
24. I would allow the group a high degree of initiative.
25. I would assign group members to particular tasks.
26. I would be willing to make changes.
27. I would ask the members to work harder.
28. I would trust the group members to exercise good judgment.
29. I would schedule the work to be done.
30. I would refuse to explain my actions.
31. I would persuade others that my ideas are to their advantage.
32. I would permit the group to set its own pace.
33. I would urge the group to beat its previous record.
34. I would act without consulting the group.
35. I would ask that group members follow standard rules and regulations.

**Directions:** To determine your style of leadership, mark your score on the concern for task dimensions (T) on the left-hand arrow below. Next, move to the right-hand arrow and mark your score on the concern for people dimension (P). Draw a straight line that intersects the P and T scores. The point at which the line crosses the shared leadership arrow indicates your score on that dimension.

Shared leadership results from balancing concern for task and concern for people.


### Notes

Chapter 6: Enhancing Effective Communication in Organizations

6.1 Learning Objectives

After reading this chapter, you should be able to:

- Describe the communication process and its basic elements
- Understand the nature and importance of nonverbal communication
- Evaluate the effects and implications of different types of communication networks
- Describe the three directions of communication in organizations
- Discuss the advantages and disadvantages of one-way communication and two-way communication
- Describe the various obstacles to effective communication
- Describe various methods by which organizational communication can be improved

6.2 Introduction

After saying something to a friend, did you ever learn that your words had been misinterpreted? If so, you experienced a problem in communication, which refers to an exchange of information between at least two persons. Communicating with others is an important part of our daily lives. We communicate with our teachers, family, friends, and strangers on a regular basis. Communication is important because it allows us to relate to others and to the world around us.

The ability to communicate richly detailed information in new and varied ways is what sets the human species apart from all other animals. Back when our ancestors were few in number and relatively self-sufficient, limited communication would have sufficed. Now, however, we experience communication with large numbers of people in different contexts and in diverse locations. Moreover, our very progress in life is defined partly in terms of our communication. Without skill in this area, we are likely to be severely limited.

Effective communication is also crucial to an organization’s success. For instance, supervisors need to communicate information to employees concerning the nature of their job tasks, their performance, procedural issues, and so on. Communication has long turned up as a management problem in surveys of North American companies.
If someone were to ask *how* we communicate with others, most of us would probably answer "by writing or talking." However, much communication is transmitted nonverbally, through gestures, facial expressions, and body language. In this chapter, we will discuss these and other methods of communication. We start by describing the basic elements of the communication process. Next, we discuss various forms of nonverbal communication. We'll look at three models of communication and describe some basic communication networks. In the final two sections of the chapter, we outline barriers to effective communication and ways to improve communication in organizations.

### 6.3 Elements of Communication

Communication is the process by which information - a message - is transmitted between people. The sender is the person who formulates and sends the message; the receiver is the person to whom the message is directed. Of course, communication usually consists of many exchanges between two or more people; therefore, the roles of sender and receiver shift back and forth. If the sender has been successful in transmitting information, the receiver will likely respond to the sender, whereupon the receiver takes on the role of sender and the sender becomes the receiver.

The sender's objective is to convey information that the receiver will understand. To do this, the sender must transform the information into a form that the receiver will understand. The term for this is encoding. The process of encoding involves transforming the information into *symbols*, such as words (spoken or printed), gestures, and facial expressions. Suppose that in class a student looks in your direction while the instructor is talking, and yawns while rolling her eyes. The *meaning* of her message is that she is uninterested in what the teacher is saying. Since she can't speak to you to help you understand her feelings, she has encoded the meaning into two nonverbal symbols: rolling her eyes and yawning. You understand the meaning of the message simply by looking at her.

The communication process is based on a series of five steps (Figure 6-1), which can be described as follows.

1. **Idea conception.** In the first step, the sender generates an idea, feeling, attitude, opinion, or emotion to send to one or many receivers. As noted, the idea has a meaning that the sender wishes to transmit to the receiver.

2. **Encoding process.** At this stage, the sender translates or encodes the meaning of the idea into any combination of symbols such as words, signs, illustrations, and physical gestures. The chosen combination of these symbols constitutes the message. The goal is to encode the meaning into a message filled with symbols that the receiver will understand. Sometimes a message is encoded in symbols that prevent the receiver from understanding the intended meaning. Suppose that a college professor is invited to give a lecture on mathematics to Grade 6 pupils. If this speaker encodes meanings in
the vocabulary commonly used by college students, the audience will be lost.

3. **Transmission of the message.** The message is transmitted through communication media and channels. The goal of this stage is to transmit information in a way that maximizes the effectiveness of the communication while achieving reasonable efficiency in the process. Thus, the sender chooses the communication media and channel (telephone, face-to-face, E-mail, etc.) most likely to achieve this goal.

4. **Reception and decoding of the message.** At this stage, the receiver obtains the message and starts decoding it. Decoding refers to a process whereby the received message is translated into understood meanings. When the sender and the receiver have the same culture and language, the receiver is usually able to decode messages accurately. The decoding process may be hampered by communication barriers such as "noise." Noise is anything that interferes with the effectiveness of a communication attempt, including ringing telephones, interruptions, a loud radio, and cultural differences.

5. **Application of the message and feedback.** At this stage, the receiver has attributed a meaning to the message received and formulates a response. The receiver may or may not send the response back to the sender. A receiver who transmits a response takes on the role of sender, and the process starts over again.

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*Figure 6-1: Basic Model of the Communication Process.*
Once the transmission of a message has begun, the communication process is no longer completely controlled by the sender. In addition, a message that has been transmitted cannot be brought back. For instance, think of the times you have said to yourself, "I wish I hadn't said that!"

We can rate communication according to its effectiveness and its efficiency. Effective communication occurs when the sender’s intended meaning and the receiver’s perceived meaning are identical. Efficient communication is communication that expends a minimum amount of resources such as time, money, and effort. For instance, a manager who wishes to share information with ten other employees would probably find e-mail more time-efficient than speaking to each of the ten employees individually. In organizations, the goal of communication is to achieve maximum effectiveness with a reasonably high level of efficiency.

Leaders In The Field

Rosalie L. Tung

Rosalie L. Tung is the Ming and Stella Wong Professor of International Business at Simon Fraser University (Canada). Dr. Rosalie L.Tung have completing a five-year stint as vice-president, president and past president of the Academy Management (2000-2005). A Fellow of the Royal Society of Canada, the Academy of Management, and the Academy of International Business, she also won the 1998 Vancouver YWCA Woman of the Year award in Management, the Professions and Trades; in 1997 she won the American Society for Advanced Global Competitiveness Research Award. Rosalie joined SFU Business in 1991 after serving on the faculties of a number of American universities, including a Wisconsin Distinguished Professorship with the University of Wisconsin System and the Wharton School at the University of Pennsylvania. She has been a visiting professor at universities around the world, including Harvard, and has served on the United Nations’ Task Force on Human Resource Management. Rosalie is also involved in management development and consulting activities around the world. In her spare time, she enjoys Chinese brush painting, and meditation. Rosalie has published widely on the subjects of international management and organizational theory and is the author or editor of 11 books.

The world of work is in the midst of radical changes. The main changes are technical advances in telecommunication and data processing; the globalization of industries and rise of alliances across different countries; organizational restructuring; growing diversity in the domestic workforce, and increased mobility of workforces across international boundaries.
Tomorrow’s managers, both Canadian and international, will have to possess a different set of skills and core competencies to enable them to complete effectively and globally. These skills include the ability to:

- understand how people from different disciplines function and communicate;
- work with teams of people from different companies and diverse backgrounds; and
- balance the conflict between the demands of global integration and the local workforce.

Unfortunately, such attributes are not associated with North Americans. We tend to be ethnocentric rather than to relate to those with different value systems and attitudes, and to specialize and compartmentalize rather than to develop a broad-based knowledge of various disciplines and industries. The new skills and core competencies identified above can be developed through a combination of the following mechanisms:

- developing communication competency in several languages;
- undertaking overseas assignments;
- honing negotiation skills; and
- becoming sensitive to diversity.

In short, the modern manager needs to be a competent communicator, whether negotiating, promoting diversity, reorganizing, or forging links with clients, colleagues, and customers in far-off lands.

### 6.4 Communication Media

The ways in which information can be communicated are known as communication media. They include talking face-to-face, telephone conversations, electronic mail (e-mail), facsimiles (faxes), and written memos. Obviously, the nature or quality of communication will differ depending on the medium used. For instance, a message received by fax would provide less information about the intentions or mood of the sender than would a telephone conversation.

In terms of medium richness (the capacity of a medium to convey the true meaning of the message through multiple information cues, and to provide a rapid response), the "richest" medium is face-to-face conversation. Next is telephone or radio conversation, which you can think of as a face-to-face chat in the dark. The next richest medium is the informal note, memo, or letter, especially if the sender and receiver know each other. Formal written messages not addressed to a specific individual provide little richness, nor does e-mail communication. The least rich messages are seen in formal documents that are mostly numbers.

### 6.5 Nonverbal Communication

So far, we’ve discussed only the content of the message, that is, the information that the sender wants to convey. Another vital element of any face-to-face communication is the manner in which the information is
conveyed, or the nonverbal communication. Gestures, poses, and facial expressions are all examples of nonverbal communication. It has been reported that as much as 95 percent of the meaning of a spoken message is transmitted through this form of communication. Nonverbal communication need not occur in a face-to-face situation; in a telephone conversation, for example, a person's tone of voice can convey meaning above and beyond the spoken message.

Nonverbal behavior is not instinctive; it is taught by one's culture. Often, it differs according to sex, age, and subgroup within the culture. Nonverbal communication influences other people's opinions of us. For instance, job candidates who display nonverbal behaviors such as sustained eye contact and erect posture are evaluated more favorably than those who look down and slouch. Many consulting firms that assist job seekers in impressing potential employers train the applicants on aspects of nonverbal communication such as appearance, posture, and mannerisms.

Nonverbal messages have many functions. They can complement, emphasize, or even contradict the spoken message. They can call for attention, as when you raise a finger to signal your expectation of silence from the listener. They can also replace words, as when you glare at someone instead of saying something threatening. If someone were to say, "I'm going to get you," you would look at the nonverbal signals to understand the intent.

Nonverbal communication can be classified into four categories: use of space, body movement, variations in speech tone, and facial expressions. Let's look at each.

**Use of Space**

In an organizational setting, the way one uses space can communicate messages. How one uses interpersonal space, office space, and seating arrangements are all communication signals. Interpersonal space refers to the space that extends outward from the body. This space can be divided into four zones, each having different types of interactions.

The intimate zone includes all space extending 45 cm from the body. Usually this zone is reserved for interactions with significant others and family members. The personal distance zone extends from 45 cm to 1.2 m from the body. We usually interact with friends in this zone. The social distance zone extends from 1.2 to 3.6 m from the body. Business associates, acquaintances, and salespeople generally interact within this zone. The public distance zone starts at about 3 m from the body and continues outward. We usually become uneasy when strangers enter this zone.

Communication can be influenced by seating arrangements. For instance, if you wish to encourage cooperation, you should seat the other person beside you and facing the same direction. Conversely, seating the other person directly across from you may encourage competitive interactions. Think of your classroom arrangements: Seminar type classes are usually arrange in a
circular or U-shaped settings so that it would encourage more communication and interaction among students and professors. Lecture type settings are usually tiered and facing the lecturer which does not promote bi-directional communication between professors and students. Physical setting can significantly affect the quality and level of communication.

Finally, the way in which you organize your office will communicate information to visitors. People tend to be less comfortable when a desk separates them from the person they are visiting. Artwork and decor also influence a visitor's ability to relax. The current trend in office designs is to communicate a friendlier, less authoritarian message. This is accomplished through the use of open floor plans, rounded meeting tables, and fewer furniture barriers.

Body Movement

There are many ways in which body movements such as nods of the head, crossing of one's arms or legs, and posture communicate messages. These messages vary from culture to culture. For instance, a nod of the head means "yes" in North America, but in Greece an upward tilt of the head means "no." Body movements that communicate stress include rubbing the hands together, clenching the fists, and rubbing the forehead. Nervousness can be communicated by pacing back and forth or jingling change. People who are yawning or drumming their fingers might be telling you they are bored.

Speech Tone

Specific messages can be communicated by variations in speech, such as loudness, pitch, and tone, as well as laughing and crying. For instance, someone who is talking loudly may be communicating anger. Crying and laughing generally have the same meaning across cultures. Other speech variations include rapid talking (which may be a sign of nervousness) and interruptions (which may be used to speed up the speaker).
Facial Expressions and Eye Movements

Facial expressions and eye movements are the most frequently used types of nonverbal communication. A smile or a frown, raised eyebrows, and other facial expressions are useful in helping us understand the feelings, emotions, and attitudes of a speaker. In some cases, facial expressions convey emotions that the sender is trying to hide.

Eyes can also communicate a variety of messages. As with body movements, the message communicated by eyes depends on the sender’s cultural background. For instance, in Western culture, a direct gaze between men and women is often indicative of honesty and openness, whereas in the Muslim culture, only marriage partners may look each other straight in the eye. Direct eye contact between strangers is often interpreted as rude or threatening in Canada, but not in Latin cultures such as Latin America, Spain, or Italy.

How well do we interpret the above types of nonverbal information? In most cases, people think that they interpret nonverbal cues better than they actually do. This is particularly true when we are trying to determine what motivates a person based on nonverbal communications. Indeed, studies have shown that interviewers are much better at determining aspects of a person’s social style (e.g., extroversion, friendliness, and ability to communicate) than they are at guessing their motivation based on nonverbal cues.

Members of an organization should learn to pay attention to nonverbal cues because they provide information on the meaning of the message. Table 6-1 provides some examples of nonverbal cues that are often misinterpreted by employees.

<table>
<thead>
<tr>
<th>Nonverbal Communication</th>
<th>Signal Received</th>
<th>Reaction from Receiver</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager looks away when talking to the employee.</td>
<td>Divided attention.</td>
<td>My supervisor is too busy to listen to my problem or simply does not care.</td>
</tr>
<tr>
<td>Manager fails to acknowledge greeting from fellow employee.</td>
<td>Unfriendliness.</td>
<td>This person is unapproachable. Reciprocal anger, fear, or avoidance, depending on who is sending the signal in the organization.</td>
</tr>
<tr>
<td>Manager glares ominously (i.e., gives the evil eye).</td>
<td>Anger.</td>
<td>This person thinks he or she is smarter or better than I am.</td>
</tr>
<tr>
<td>Manager rolls the eyes.</td>
<td>Not taking person seriously.</td>
<td></td>
</tr>
</tbody>
</table>

Manager sighs deeply. Disgust or displeasure. My opinions do not count. I must be stupid or boring to this person.

Manager uses heavy breathing (sometimes accompanied by hand waving). Anger or heavy stress. Avoid this person at all costs.

Manager does not maintain eye contact when communicating. Suspicion or uncertainty. What does this person have to hide?

Manager crosses arms and leans away. Apathy and closed-mindedness. This person has already made up his or her mind; my opinions are not important.

Manager peers over glasses. Scepticism or distrust. He or she does not believe what I am saying.

Manager continues to read a report when employee is speaking. Lack of interest. My opinions are not important enough to get the supervisor’s undivided attention.

<table>
<thead>
<tr>
<th>Variable</th>
<th>One-way</th>
<th>Two-way</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>short</td>
<td>longer</td>
</tr>
</tbody>
</table>

Table 6-1: Common Nonverbal Cues from Manager to Employee.

6.6 One-Way Versus Two-Way Communication

A proper communication process is verified only if the receiver transmits a response to the sender. When this exchange takes place, two-way communication has occurred. One-way communication occurs when a person sends a message to another and receives no feedback of any kind from the receiver, as when a person gives instructions or directions through a memo or e-mail.

One-way communication is usually a faster method of transmitting information; how much faster depends on the amount and the complexity of the information communicated and the medium chosen. One-way communication is advantageous to organizations that rely on rapid communication, such as the military, firefighters, and police.

The principal drawback of one-way communication is that it is impossible for the sender to verify that the meaning of the message was understood by the receiver. Thus, one-way communication may have a lower level of accuracy since the receiver does not communicate to the sender any possible misunderstandings. Because of this potential for miscommunication, one-way messages should be clear. Organizations that rely on one-way communication often offer programs that train senders to transmit clear and simple messages. Table 6-2 presents a comparison of one-way and two-way communication.
<table>
<thead>
<tr>
<th>Atmosphere</th>
<th>calm</th>
<th>noisier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction</td>
<td>low</td>
<td>higher</td>
</tr>
<tr>
<td>Quality</td>
<td>poor</td>
<td>better</td>
</tr>
</tbody>
</table>

Table 6-2: One-way versus Two-way Communication.

### 6.7 Communication in Organizations

Having discussed the elements of the communication process, we now turn to communication in organizations. In this section, we review formal and informal communication networks, and the direction of communication flow within organizations.

#### Formal Channels of Communication

The formal channels of communication correspond to the chain of command established by an organization's leaders. In most organizations, the formal communication network is represented in an organization chart that shows the hierarchical or status levels in the organization. That is, the organization chart illustrates the way in which formal communications such as letters, memos, and policy announcements are transmitted throughout the organization.

As a rule, the number of communication relationships possible increases as the size of the group increases. To illustrate this point, we will examine some of the channels of communication available to a team consisting of five people. While there are about 60 communication networks available to a five-person group, we will focus on the five most common. Illustrated in, these are the star, square, chain, Y, and circle.
The star communication structure (A) contains the most restricted communication, since all messages must pass through the person in the centre. There is no communication between the other members; everyone must call upon the centre person in order to transmit messages. In the star network, the centre person is likely to become leader. This type of structure is highly efficient for solving simple organizational problems. Communication effectiveness, however, is not high between outside members because everyone must pass through the middle person.

The square, chain, and Y structures (B, C, and D) give everyone in the network the ability to communicate with the people adjacent to them, but not with other people. The person in the middle of the square and the Y receives most of the information. As in the star, communication in the square and the Y is fairly centralized and therefore relatively efficient in terms of speed. Communications between members are more accurate than those in the star.

The circle (E) does not have a central source of information and power. Each member has equal status and equal potential to acquire information and power. The circle network allows each member to communicate with those positioned on either side, whereas the chain network allows each member to
communicate directly with any other member in the group. It is impossible to identify a leader because each member has an equal status.

The centralized networks (the star, square, and Y) tend to be more rapid and more precise in terms of communication and problem solving than the noncentralized networks (the circle and chain). Nonetheless, satisfaction is usually lower among workers in centralized networks. Conversely, the noncentralized structures permit complex problem solving and higher satisfaction. The disadvantage of these groups is that problem solving is likely to take more time. No single network is effective in all situations. Thus, managers should define the objectives of the group and choose the network that best facilitates those objectives.

**Informal Channels of Communication**

Think of the last few times you heard a rumor about school. Did you not usually hear these rumors from the same source? Did you not pass them on to the same friends? If so, you have participated in an informal communication network. Unlike formal networks, informal networks do not correspond to the organization’s hierarchical structure.

Informal networks encourage the development of open communication between employees. They bring people with similar interests and job structures together for the purpose of exchanging information and offering mutual support. In many cases, informal networking can provide information that is impossible to obtain through formal networks. In addition, informal networks are more likely to transmit information outside of the organization.

Many organizations encourage informal networking by organizing company dinners, galas, sporting tournaments, conferences, and so on. For instance, the Quebec public service holds golfing tournaments every summer to encourage informal networking. These events provide upper management with opportunities to learn more about what is happening in the lower levels of the organization.

One type of informal network is the grapevine. Grapevines are informal ways of spreading unofficial news and rumors. Information communicated through the grapevine travels much more quickly than information transmitted through formal networks. For example, employees may learn about imminent layoffs through the grapevine before receiving official notification. Most organizations develop at least one grapevine; large organizations usually have many grapevines in and between branches and departments.

Perhaps only about 75 percent of the information received through grapevines is accurate. Rumors can be particularly misleading. Although they may be more or less truthful at the outset, by the time they have circulated through the grapevine, they may bear little relation to reality. The more people in the grapevine, the more subject a message is to distortion.

**Direction of Communication**
Usually organizational communication travels in one of three directions: downward, upward, and horizontally.

**Downward Communication**

Downward communication refers to the transmission of information from higher- to lower-level employees. This is the most common communication path in the majority of organizations. Types of information that are most likely to be transmitted from the top down include instructions relating to job descriptions and job tasks; information relating to the goals of the organization; rules and procedures of the organization; feedback and performance evaluations; and information pertaining to organizational values, management philosophy, and the goals of the organization.

**Upward Communication**

Upward communication refers to information that travels from lower-level employees to higher-level ones. At the beginning of the industrial revolution, information rarely traveled in this direction because managers believed that information coming from below was not important. Today most organizations recognize that all employees have valuable contributions to make to the organization, especially since they are often more knowledgeable than their supervisors about the operational aspects of their job.

Information traveling upward usually pertains to employees’ personal problems, job performance, and reactions to organizational rules and procedures. Both upward and downward communications are subject to distortion, particularly when the information travels through many organizational levels. On the other hand, employee satisfaction increases when upper management encourages upward communication by taking an interest in the jobs and ideas of lower-level employees.

**Horizontal Communication**

Horizontal communication refers to messages transmitted between departments, services, or employees on the same organizational level. Although this type of communication is less common than the other two types, it helps the organization to become more effective and efficient. Not only can horizontal communication help prevent overlaps in production, but it can be a means by which employees solve problems and offer each other encouragement and support.

Horizontal communications are usually less distorted than downward or upward communications because the information does not travel through numerous organizational levels. Nonetheless, rivalry and competition between employees is more common in horizontal communications, and this can lead to the transmission of deliberately misleading information.

**6.8 Barriers to Effective Communication**
In this section, we focus attention on eight common barriers to effective communication.

**Frame of Reference**

Frame of reference refers to the way we judge and interpret situations based on past experiences. Over the years, we accumulate a wide variety of experiences that help form our frame of reference. Much of our decision-making is based on our frame of reference, which can interfere with our ability to communicate effectively. For instance, communication between a union leader and a manager may be hampered by the fact that each holds radically different preconceived notions (or frames of reference) with regard to layoffs, salaries, and productivity increases.

**Status Effect**

In an organizational setting, status refers to a person’s position in the hierarchy; the higher the position, the greater the status. Status may influence an employee’s ability to communicate effectively. In general, the higher a person’s status, the more likely it is that the receiver will take the person’s message seriously. In the same way, we may pay less attention to the comments and suggestions of employees in lower-ranking positions. Thus, status can be a barrier to effective communications for lower-ranking employees.

To avoid antagonizing them, employees may tell their managers only what they think they want to hear. A good way to avoid this problem is to create an environment of open and honest communication between managers and subordinates. This may be accomplished by taking advantage of all opportunities for face-to-face communication, by including subordinates in decision-making processes, and by asking employees for their opinions on decisions made by managers. These actions can help develop trust between managers and subordinates, which in turn will encourage employees to communicate openly with managers.

**Geographic Separation**

When the people involved in the communication live in different places, effective communication becomes more difficult and some information transmitted by the sender will not be picked up by the receiver. This is because with the exception of the speech variations discussed earlier in this chapter, nonverbal communications cannot be transmitted unless there is a face-to-face meeting between sender and receiver. Given the limited amounts of nonverbal information that can be communicated via telephone, e-mail, or fax, communicators should try to schedule periodic face-to-face meetings with associates who live at a distance.

**Language and Jargon**
Semantics is a branch of linguistics that deals with the meaning of words. Semantic problems occur when the meaning intended by the sender does not correspond to the meaning picked up by the receiver. For example, while to most Canadians, a "loony" refers to a one-dollar coin, to those in other English-speaking countries, its meaning is quite different. Jargon can present another barrier to communication. A professional's use of technical terminology might confuse and perhaps alienate a receiver who does not belong to the same profession.

**Mixed Messages**

When a person communicates one message with words and an opposing message with nonverbal cues, the receiver picks up what is known as mixed messages. When your professor says, "I'm very interested in your opinion," while filing papers, you are receiving a mixed message.

**Selective Listening**

The expression "People see what they want to see" also applies to listening; sometimes we hear only what we want to. This happens because we tend to ignore information that is inconsistent with our hopes, expectations, or beliefs. If your professor announces, "The upcoming exam will be easy for those who have kept up with the work and studied hard," you may manage to hear only the first six words of the sentence.

**Information Filtering**

Information filtering refers to the process whereby those parts of a message that may cause discomfort or conflict are omitted. For example, subordinates do not always communicate every detail of a situation to managers because they do not wish to waste their time or upset them. When an employee omits important details, the manager may misinterpret the situation.

**Information Overload**

In the modern organizational setting, managers and employees alike are often bombarded with vast quantities of information. This is partially due to the technological advances that allow us to send and receive large amounts of information rapidly. If you began your workday with the receipt of five faxes, six voice mails, seven memos, and eight e-mails, you cannot digest and respond to everything at once, and information may get lost during the confusion and delay. The higher the level of management, the greater the need to prioritize the flood of incoming messages.

6.9 **Improving Communication in Organizations**

Eliminating the communication barriers outlined in the previous section will not in itself guarantee effective communication. Organizational members also
need to develop good listening skills and learn how to provide timely and constructive feedback.

**Developing Listening Skills**

Active listening is as important to the communication process as speaking. Only through listening can we get a clear understanding of a message. Despite the importance of listening, listening comprehension tests indicate that most people listen at a level of 25 percent accuracy.

One way in which we can improve our listening skills is to engage in reflective listening, which involves listening to another person and repeating back the "decoded message" to verify that it was understood. When an aircraft pilot is given a verbal instruction by air-traffic control (ATC), the pilot is required to immediately repeat the message back to ATC. If, for instance, the pilot repeats, "Flight 125 cleared to descend to five thousand," ATC might reply, "Negative, Flight 125 is cleared to nine, repeat, nine thousand feet," whereupon the pilot must answer, "Correction, Flight 125 cleared to niner zero zero zero." Misunderstandings in organizations are not likely to lead to deadly collisions, but reflective listening can help the receiver avoid troublesome misunderstandings.

During face-to-face communications, receivers can improve their chances of understanding the message by maintaining eye contact with the sender.

**Providing Feedback**

Feedback is the act of sharing our thoughts and reacting to a message we have received. Feedback sometimes includes the receiver's proposals or suggestions. In an organization, employees receive feedback periodically in the form of performance appraisals. Students receive feedback in the form of a grade for their work. Instructors and managers can make feedback more effective by following these guidelines:

- **Feedback should be specific.** Criticizing a term paper for being "unclear" is not as useful as pointing out specific words, phrases, or sentences whose meaning is ambiguous.
- **Feedback should take into account the needs of the receiver.** Feedback can be destructive when it serves only the transmitter's needs and fails to consider those of the receiver. Feedback should be constructive, not hurtful.
- **Feedback should be timely.** Immediate feedback is more useful than delayed feedback.
- **Feedback should not overwhelm.** The feedback should include only the information that the receiver can use and not be an overload.

Sometimes managers are obliged to criticize employees. This can be a difficult communication situation. A message that's intended to be constructive may come across as nagging or derogatory. Here are some tips on conveying constructive criticism:
• Get to the point quickly.
• Be specific.
• Agree on the source of the problem and work toward the solution by participating in an open, honest, and non-threatening discussion.
• Conclude the discussion by having the receiver summarize the meeting and the solution.

Properly communicated feedback can be used by employees to improve their performance. It can also provide an opportunity for misunderstandings and conflicts to be resolved.

*Enhancing Cross-Cultural Communication within the medical field can save life: Some stories and anecdotes from selected hospitals*

Patient–physician communication about treatment options can be difficult even under optimal circumstances. But the issues are exacerbated when patients or their family members do not speak English well or have cultural beliefs that clash with modern medicine.

**Story 1:** Mohammad Kochi, a 63-year-old Afghani man with stomach cancer, refuses chemotherapy in part because of poor communication between his doctors and his daughters, who act as his translators. Kochi had a gastric tumor removed and initially believed that his cancer was cured. A follow-up examination, however, found there was some remaining tumor. These results were not clearly related to him by his younger daughter, who felt that it was important for her father to remain hopeful and strong-willed. In a later visit, his older daughter, who had not been involved in the earlier visit, expressed surprise that Kochi still had cancer and disappointment that he had not chosen to receive chemotherapy. Because Kochi's family makes decisions as a unit. It is important for health professionals to arrange family meetings and discuss decisions as a group. It should be pointed, however, that there are pitfalls of using family members as ad hoc translators; family members may miss the subtleties or complexities of medical information or—as in the case of Kochi’s daughter—bring their own biases to the table. In this story the principal message is centered on the importance of using high-quality, professional interpreters when crucial decisions are being made.

**Story 2:** Justine Chitsena, a 4-year-old girl who needs surgery for a congenital heart defect. Justine’s family are Khmu, indigenous people of Northern Laos. Her grandmother adheres to traditional Laotian and Buddhist beliefs and worries that the scar from the surgery will affect Justine’s spirit in her subsequent lives; Justine’s mother worries that her family will blame her if something goes wrong. This story highlights the importance of taking into account patients’ traditional and religious beliefs and coming up with creative ways to meet patients’ needs while aiming for the best possible outcomes.

**Story 3:** Robert Phillips, a 29-year-old African American man with end-stage renal disease. As Phillips has a routine dialysis, he talks about his frustration with the “medical bureaucracy.” He has waited nearly three years for a kidney transplant and believes that endocrinologists are hesitant to recommend African American patients for new kidneys because, the doctors believe, “they’re just going to ruin it anyway.” As Phillips points out, many African Americans do not trust doctors or the health system because of the legacy of racism. In addition, recent studies have found that patients are treated differently by the health care system, based on their race and ethnicity. The story highlights that
physicians make conscious attempt to avoid stereotypes and build trust with their patients, while working to address the root causes of health disparities.

**Story 4:** Alicia Mercado, a 60-year-old Puerto Rican woman who lives in New York City. She has several chronic illnesses, including diabetes, hypertension, and asthma, but has not managed them appropriately. This is a typical story where patients are not adhering to medical advice. In this case, Mercado has lost her cherished apartment and fears that there may be side effects from the prescribed medications. Exploring these issues with patients can lead to improved compliance and disease management.

Source: http://www.cmwf.org/Tools/tools_show.htm?doc_id=232255 Note: All the above stories were videotaped and in clicking on the web link, one may watch the respective video clip for each story

**Harnessing new web based technologies to improve communication in virtual teams**

Although the essence of communication as proposed throughout this chapter is focused on better giving and receiving messages and keeping the cycle going until the common goal(s) are achieved, the task becomes even more complicated in communicating around virtual teams. Until recently most so-called collaborative Web efforts have involved little more than somebody posting information for somebody else to read and possibly reply to. But new tools and a full understanding of the Web's capabilities are transforming the Internet and intranets into places where people do real work together.

The Web is a particularly effective forum when the issues are sticky – like those that occupy the mind of Vahid Mansubi, manager of Unix networking for Hewlett-Packard Co.'s Worldwide Technology Expert Center (WTEC). Mansubi oversees 17 high-level engineers who tackle the company's Unix networking problems. When end users and customers call HP's help desk, the response center's 3,500 support engineers usually can handle their requests. But if a fire is big enough, new enough or complicated enough, the call will make its way up three more levels to the WTEC. "The most critical and real problems get to us," Mansubi says. At that level, answers aren't something you find in a manual: They're complex, multifaceted and can be difficult to implement. In 1993, HP began exploring ways to avoid that expensive and time-consuming process. By cobbling together an array of TCP/IP-based desktop videoconferencing and data- and application-sharing software, the company enabled its employees in North America, Europe and Asia to gather online occasionally to discuss situations and pass on fixes to lower levels of support staff.

In the early 2000s various group developed new applications that creates Web spaces in which distributed workgroups and teams could do their thing, no matter what their individual platforms. Today companies such as SKYPE, MSN, and others facilitate the use of these new technologies and users throughout the world can apply them easily. Team can organize problem-solving sessions on its intranet and or internet, and deliver fixes to engineers at their desktops in easy-to-absorb doses during collaborative, real-time communication sessions.
The primary benefit of Web-based collaboration is the Web's environment, which allows you to do multiple activities in a seamless fashion. It enables sharing documents, give presentations, and do virtually everything people wanted to do with videoconferencing on their computer. There is no other medium that brings things together like that. Web collaboration also encourages more creativity and synergy because users know that other people are present. Even if the communication is asynchronous, people still have a greater sense that co-workers are there – or have been there – because message-based discussions are easier to follow than the file-based discussions that occur in many client/server groupware applications. There is a greater sense of cooperating with others because it is easier to follow a thread of discussion and see the interactions. Actually, "putting yourself into the conversation space is easier; It's a more comfortable situation."  

6.10 Creating the Right Conversational Spaces

As mentioned earlier, the physical setting of an environment can affect the way communication happens and also the effectiveness or efficiency of the process. When in a brainstorming session, it would be critical to have a circular setting as the intent of the communication is that of the generation of ideas and hence everyone should feel that they are peers and equal contributors. In a working meeting, there should be a sense of movement in the communication that focuses on seeking clarity on the task concerned, creating an agenda from which to work from, and also the identification of action steps that generate movement in the communication. Yet, in all these instances, the participants should feel that the interaction space (or conversational space) created by those involved is one that is open, hospitable, and safe. Whenever needed, leadership can also be rotated so as not to create dependence on a single leader. These four aspects: Diverging space, Converging space, Shared Leadership Space, and Openness Space, have been discussed in more detail in Chapter 3. It is important to note that effective and efficient communication happens in the right environment and the good news is that each one of us can be responsible to create such a space.

6.11 Communication in Cross Cultural Settings

Communication can become very complex when it involves people from different nationalities or cultures. The inherent norms, taboos, and subtleties embedded within cultures can make communication difficult or sometimes misunderstood. Managers and leaders that have to lead or supervise direct reports that come from different cultural backgrounds can certainly be a challenge! Take an example that demonstrates this phenomenon:

Nausicaa poked his head into Ravindran’s office while he was having a meeting with an American employee, Joe.

Nausicaa: I am sorry to interrupt. Are you free on Friday?

Ravindran: Sure. Are you thinking about tea, lunch or dinner?
Nausicaa [after some thought]: Tea is fine.

Ravindran: Would you prefer the cafeteria or should we talk in my office?

Nausicaa: The cafeteria is fine.

Ravindran: Okay. Would 10:30–11:30 be enough for you?

Nausicaa: I think half an hour is enough.

Ravindran: Great. Let’s meet on Friday at 10:30 in the cafeteria then!

Nausicaa: Thanks!

Joe looked at Ravindran and said: What just happened?

Ravindran mentioned that Nausicaa had something important to discuss with him and that it was a personal issue but something that was not sensitive or confidential. In fact, Nausicaa needed to talk with him as he wanted to find out his opinion on an issue that Nausicaa was concerned about.

Joe responded: Why doesn't he just tell you explicitly?

Ravindran said, "He didn't have to."

How did Ravindran know all this in the exchange between him and Nausicaa?

6.12 Summary

Communication is a complex process involving three major components: the sender, the receiver, and the medium used to deliver the message. Our opinions of others are strongly influenced by the nonverbal messages they transmit. Communication in organizations occurs in the context of both formal and informal communication networks. The flow of communication within organizations may be downward, upward, or horizontal. Communication in organizations can be improved by eliminating common communication barriers, by providing organizational members with opportunities to develop good listening skills, and by ensuring that managers become proficient in transmitting constructive feedback.

As organizations become more global, understand how to communicate across different cultures and nationalities become a critical aspect of successful global leadership or management.

6.13 True/False Questions

1. Communication is an exchange of information between at least two persons.

✔ True ❌ False
2.

Encoding is the process whereby information is transformed into symbols, such as words, gestures, and facial expressions.

✔ True ✗ False

3.

The third step in the communication process is reception and decoding of the message.

✗ True ✔ False

4.

Medium richness is the capacity of a medium to convey the true meaning of the message through multiple information cues, and to provide a rapid response.

✔ True ✗ False

5.

The personal distance zone refers to the area around us in which we usually interact with business associates, acquaintances, and salespeople.

✗ True ✔ False

6.

Informal communication networks usually correspond to the organization’s hierarchical structure.

✗ True ✔ False

7.

Frame of reference refers to the way we judge and interpret situations based on past experiences.

✔ True ✗ False

8.

Information filtering refers to the process whereby those parts of a message that may cause discomfort or conflict are omitted.

✔ True ✗ False
9.

Feedback is the act of sharing our thoughts and reacting to a message we have received.

✓ True ✗ False

10.

Reflective listening means we take time to reflect upon what we have heard to try to understand it more fully.

✗ True ✓ False

6.14 Multiple Choice Questions

1. The third step in the communication process is:

✓ Transmission of the message

✗ Idea conception

✗ Reception and decoding of the message

✗ Encoding process

2. The capacity of a medium to convey the true meaning of the message through multiple information cues, and to provide rapid response is the definition of:

✗ Communication media

✗ Nonverbal communication

✗ Interpersonal space

✓ Medium richness

3. Which type of interaction occurs in the personal distance zone?

✓ Interaction with friends
Interaction with the general public

Interaction with business associates, acquaintances, and salespeople

Interactions with significant others and family members

Which is not a category of nonverbal communication?

Facial expressions

Variations in speech tone

Use of space

Body movement

None of the above

Which does not describe two-way communication?

Higher satisfaction

Better quality

Noisier atmosphere

Calm atmosphere

Longer time

Which direction of communication occurs when messages are transmitted between departments, services, or employees?

Downward communication

Horizontal communication

Upward communication
7. 
________ can be defined as when a person communicates one message with words and an opposing message with nonverbal cues.

✓ Mixed messages
✗ Language and jargon
✗ Selective listening
✗ Information overload

8. Which barrier to communication is defined as when the meaning intended by the sender does not correspond to the meaning picked up by the receiver?

✗ Frame of reference
✗ Status effect
✗ Geographic separation
✓ None of the above

9. Which is a guideline given in the book for providing feedback?

✗ Feedback should be specific
✗ Feedback should be timely
✗ Feedback should not overwhelm
✓ All of the above

10. Which is not one of the three components of communication?

✗ The receiver
Cases and Exercises

Sue Myata, head of training for the Sussex office of a large service organization, was excited about the new training program. Six months earlier, the head of Human Resources, after conferring with all regional heads of training, told her that the company had purchased a speed-reading program that had proved valuable in other firms.

Sue knew that most employees were faced daily with a flood of reading material: correspondence, internal memoranda, announcements of company-policy changes, digests of changes to provincial and federal legislation regarding the workplace, and daily communications from suppliers, customers, and partner firms. Surely speed reading would be helpful on the job!

Headquarters flew the regional training representatives, including Sue, to the main office in London for instruction on how to conduct the program. Afterward, a confident Sue began training the Sussex personnel. She led five groups of 30 staffers in the nine two-hour sessions, at a cost to the firm of 7110 per person, including supplies, taxes, and the value of time off work. The program was well received, and tests showed an average improvement in reading speed of 100 percent.

A month after the completion of the sessions, Sue casually asked some employees who had participated if they were applying the principles in their work. They indicated that they were practicing their new skill with their off-the-job reading only. Investigating further, she frequently heard that, as before, employees were simply not reading the material that continued to flood in. Sue was disturbed by this information, but not sure what to do with it.

Questions

1. What mistakes did Sue make?
2. Did Sue waste valuable training funds?
3. Should Sue consider some form of follow-up training?
4. How could she have avoided the situation she now faces?
5. Should organizations train employees to develop skills they can use off the job?
6. Who besides Sue made an error?

A department in an American university was undergoing extensive organizational restructuring and change. In order to help the process to go smoothly, the Head of the department (Anna) created three groups: One to oversee the renovation involved in the change, another (which comprised of professional staff) met to discuss the job redesign and expansion; and finally she decided to meet with the whole department once every two weeks to obtain feedback and other information from everyone so as to have all involved in the change process. When she heard about the Team Learning and Development Inventory, she wanted to use it to map out the conversational spaces in these three groups. She was particularly interested in the third group as she was leading that group.

The TLI was administered to the three groups in a department going through organizational change. When the department head saw the cross-organizational mapping (that of the third group), she was surprised as most of the aspects of the experienced conversational space were rated low (she had also filled out the TLI for this mapping) even for the Shared Leadership Space. She called for a meeting with the staff to discuss the findings and found out that most of them mentioned that during the meetings she had usually given them information about the change to keep them updated but did not ask if they could or would like to be involved in the process. Others pointed out that they did not feel safe to voice out their own opinions or experiences based on how the change initiative was handled while others mentioned that it was the first time that they had been asked about the change process and felt that the department head was genuinely interested in what they had to say. The department head informed me later on that she had not realized that she was merely disseminating information and that key skills for leaders and managers included the ability to promote collaboration and conversation during such a major change initiative.

Questions

1. What would you do if you were Anna?
2. What would you do to create a better conversational space for the third group such that subsequent meetings will be more lively, productive and involved?
3. How would you ensure that you engage in deep listening in the meetings?
4. How can you get others involved outside of these three groups?

Self-Assessment Exercise: What Are My Written Communication Skills?

Introduction

The Written Communication Process Questionnaire examines your current written communication skills in six areas that are essential if you wish to become an effective manager.

Instructions

When responding to the questionnaire, relate to your experience in the classroom or any other organization that you have been a member of. Answer all 24 questions by placing the corresponding number (1–7) in the blank following the statement.

1 2 3 4 5 6 7 Rarely Irregularly Occasionally Usually Frequently Almost Always Consistently

1. I clearly establish the general purpose of each of my written communications._______
2. I clearly establish the specific objective(s) of each of my written communications._______
3. I systematically obtain the necessary and relevant information to include in my written communications._______
4. I sort through and organize information to be included in my written communications (e.g., organize by topic, source, problem, or time frame)._______
5. I outline (in writing) the sequence or structure of my written communications._______
6. I familiarize myself with the background, expectations, and experiences of my reader(s)._______
7. I take note of my reader’s probable point of view._______
8. I consider the level of knowledge that the reader possesses._______
9. I recognize the needs of the reader and their effect on the reception of my written communications._______
10. I determine ways to adapt my written communications to meet the needs of or gain acceptance from the reader._______
11. I quickly and correctly choose words that clearly express my intended meanings._______
12. I quickly and correctly choose words that clearly express my intended meanings._______
13. I consider the fact that words often contain hidden messages and make sure that these messages convey my intended meaning._______
14. I seek feedback from readers to make certain that my words are understood. 
15. I avoid using words that might not be part of the reader’s vocabulary. 
16. I use concrete nouns as opposed to abstract nouns in my written communications. 
17. The pronouns I use accurately reflect the gender and number of the persons to whom I refer. 
18. I am careful to avoid the use of extreme adjectives or other “loaded language” when my objectivity as the writer is important. 
19. I do not repeat myself needlessly in my writing. 
20. I avoid the use of technical jargon. 
21. My sentences express one main idea. 
22. I compose paragraphs so that ideas and information concern one main theme that is expressed in the topic sentence. 
23. I use transition ideas and sentences to lead from one paragraph to another. 
24. I use an outline form or subheadings to structure my written communication. 

The scoring sheet summarizes your responses for the questionnaire. It will help you identify your existing strengths and pinpoint areas that need improvement.

1. Fill in your score column for each skill area by adding the scores for each item. 
2. Add the five category scores to obtain a total score; enter the total score in the space indicated. 
3. Compare your scores (for total and for each category) with other members of your class team/group. If your instructor computes the class average (for total and per dimension), compare your scores to the norms in your class. 
4. Discuss with your group or other classmates your relative strengths and weaknesses in the categories that make up the skills of written communication. 
5. Discuss with your group or classmates ways in which you can improve those categories where your scores are lower than the group or class average.

<table>
<thead>
<tr>
<th>Skill Area</th>
<th>Items Assessment-Dimension Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Determining objectives and organizing needed material</td>
<td>1-5</td>
</tr>
<tr>
<td>Consideration for the message receiver(s)</td>
<td>6-10</td>
</tr>
</tbody>
</table>

209
Carefully choosing words and jargon 11-15

Selecting word forms 16-20

Constructing the written communication 21-25

Total Score --

Read the following guidelines only after you have completed the questionnaire.

If you wish to become more effective in your written communication skills, make sure that you emphasize:

A. Prewriting Activities

- Determining objectives and organizing needed material. In this initial step, you should clearly establish both the general purpose and the specific objectives of your written communications, and you should obtain and organize relevant information and outline the sequence of your ideas.
- Considerations for the message receiver(s). You should consider the background and expectations of the message receiver(s), as well as his/her/their viewpoints, knowledge, and needs.

B. Writing Activities

- Carefully choosing words and jargon. You should choose words that clearly express your meaning, but you also have to ensure that the jargon is understood by the message receiver; thus, you need to seek feedback.
- Selecting word forms. You should use concrete nouns, select the correct gender of pronouns, and avoid extreme adjectives and repetitiveness.
- Constructing the written communication. You should place ideas in sentences and paragraphs in conformity with sound principles of sentence construction; use transitions and outline your writing; once completed, make sure to review and edit your message.

Source: Reprinted by permission from Management Skills: Practice & Experience by P.M. Fandt, pp. 103–4; © 1994 by West Publishing Company. All rights reserved.

Notes


Chapter 7: Managing Power and Conflict in the Workplace

7.1 Learning Objectives

After reading this chapter, you should be able to:

- Understand power as a concept
- Identify interpersonal, structural, and situational types of power
- Discuss strategies for using power effectively
- Understand the concept of employee empowerment
- Describe six types of organizational conflict
- Describe some of the sources of organizational conflict
- Describe the direct and indirect methods of managing conflict
- Understand how to frame or reframe conflict
- Understand the complexity of power, influence and conflict in an international environment
- Identify the main differences between constructive conflict and destructive conflict

7.2 Introduction

Open the pages of a newspaper any day of the week, and you will encounter a generous supply of stories focusing on two themes central to humanity, power and conflict. Whether at the individual, national, or international level, we need not look hard to see these forces at play; wars, high-level corporate power struggles, and interpersonal conflicts are just a few examples.

Power and conflict are fundamental aspects of organizational behavior. Some managers spend 20 percent of their time dealing with conflict. In an organizational setting, there is a close relationship between conflict and power; many organizational conflicts are the result of a power struggle, an idea clearly illustrated by the negotiating and collective bargaining process. Power relations and conflicts do not always have a negative effect on organizations. In some cases, power struggles and conflicts help organizations to solve problems and improve their overall performance.

In this chapter, we will discuss the concepts of power and conflict and their roles in the organizational setting. In addressing power, we will discuss power as a concept, identify various types of power, and outline strategies for using power effectively. Our examination of organizational conflict will focus on various types and sources of conflict, direct and indirect methods of managing conflict, and the differences between constructive and destructive conflict.

7.3 The Concept of Power
Power is the ability to influence the behavior of others. Individuals, groups, organizations, and countries all possess varying amounts of power. For instance, parents influence their children’s behavior by enforcing rules concerning housework and bedtime. Professors influence behavior by setting exams. Employers set various rules of the workplace.

Power centers on the effect of one person’s or group’s actions on the behavior of others. Therefore, we can say that power is relational in nature; a person has power in relation to other people. The ability to influence behavior is based on the dependence of a recipient on the person with power; the reason someone has influence is because the other party to the relationship is in a position of dependence. Thus, the power relationship is not unconditional or unchanging. It is a dynamic relationship that changes as the situation and the people involved change.

7.4 Types of Power

You may have observed that not everyone acquires or even wants power. However, with regard to those who have power in organizational settings, you may have wondered how they achieved it. In answer to this question, researchers have identified several types of power, which can be classified into two categories: interpersonal and situational or structural.

Interpersonal Types of Power

Interpersonal power refers to the type of power that can be exerted within the relationship between leaders and subordinates. After many years of research, social psychologists J.R.P. French and B. Raven identified five types of interpersonal power used by managers to influence, persuade, or motivate their employees. These are legitimate power, reward power, coercive power, expert power, and referent power.

Legitimate Power

In an organizational context, both legitimate power and authority refer to the idea that power is based on position and mutual consent. Position refers to the fact that a person has been granted power by the organization to make decisions within a specific area of responsibility. For example, a safety inspector is empowered to make decisions concerning the health and security of employees. Mutual consent refers to the idea that other employees believe the person holding power has a right to give them directives. More simply, mutual consent occurs when other employees perceive the manager’s directives as legitimate and accept them without question. Not all directives given by a person in a position of authority are perceived as legitimate. When the employee does not perceive the directive as legitimate, the leader is not able to exercise position power. An employee will probably comply with a safety inspector’s order to wear safety glasses, but not an order to fetch a cup of coffee.
**Reward Power**

Reward power is the ability to influence the behavior of another by controlling rewards. In an organizational setting, a manager usually uses reward power to encourage good performance. Typical rewards in organizational settings include monetary bonuses, extended vacation periods, promotions, flexible hours, pay increases, and gifts.

**Coercive Power**

Coercive power refers to one person's ability to impose an unpleasant action on another. This usually takes the form of punishing a subordinate for not following instructions. Forms of punishment include suspension without pay, reprimands, undesirable work shifts, closer supervision, tighter enforcement of work rules, or dismissal.

**Expert Power**

Expert power refers to a person's capacity to influence others owing to specific skills and abilities. The confidence of others in the expertise of the person with expert power is essential to the effectiveness of this type of power. New managers may have less expert power than their employees.

**Referent Power**

If you can influence behavior simply because you are liked or admired, you have referent power. There are many examples of referent power in and out of the workplace; think of all the movie stars, sports figures, and other famous people in advertisements. Since these people are admired, they influence the buying behavior of the general population. Similarly, a well-liked executive who has been particularly successful may have referent power over younger managers who seek to copy the executive's management style.

The above five types of interpersonal power are either position-based or person-based. Legitimate power, reward power, and coercive power are position-based because they are conferred on people as a result of their hierarchical position in the organization; these powers are controlled by the organization, which can withdraw them at any time. Expert power and referent power depend on the personal characteristics of an individual and, therefore, are not controlled by the organization.

Which of the five forms of power is most useful to a leader in an organizational setting depends on the goals of the person controlling the sources of power. Reward power, coercive power, and legitimate power are effective only if managers maintain close supervision of subordinates so that rewards and punishment are provided immediately following the behavior. Those with referent power can have a major influence on the behavior of others and should use their power to advance organizational goals. The manager who acquires and effectively uses expert power is the most likely to improve performance and employee satisfaction.
7.5 Situational and Structural Types of Power

Situational and See Situational types of power arise when certain situational factors and structural characteristics exist in the organization. These types of power can be classified into four categories: knowledge power, resource power, network power, and decision-making power.

Knowledge Power

Knowledge power is achieved when individuals, groups, or departments have access to knowledge that is essential to achieving organizational goals. This type of power is different from expert power because it is based on access to important information, whereas expert power results from acquiring outstanding skills and abilities. An administrative assistant who has access to quarterly performance data or future marketing strategies has knowledge power but not expert power.

Knowledge also provides the organization as a whole with power. The intellectual capital of an organization refers to the total knowledge, skills, and abilities that exist in that organization; an organization rich in intellectual capital will have a competitive advantage.

Resource Power

A person, group, or department with a resource that is valuable to the organization retains resource power. Examples of such resources are human resources, money, equipment, materials, supplies, and customers. For instance, an organization China may be required to offer both Mandarin and English services. Since few Chinese are fluent in both languages, those who can offer this service possess resource power.

Network Power

We often need help to complete a task, so we ask for assistance from others. In the same way, managers and departments often rely on help from other business associates to get the job done. The process by which alliances and contacts are established both inside and outside the organization is known as networking.

Three types of networks are useful in an organizational context: information networking, which involves acquiring important information through inside and outside connections; resource networking, which involves acquiring valuable resources through outside connections; and support networking, which involves obtaining the support of important people in the organization.

Decision-Making Power

Anyone who can influence decision processes has decision-making power. Decision-making power does not refer exclusively to the act of influencing a
final decision. Those who influence early stages of the decision-making process may have as much influence on the outcome as those who make the final decision. For example, a quality circle that makes tentative recommendations concerning the quality of services plays a significant role in determining the type of services offered in the future.

### 7.6 Strategic Contingencies and Power

Strategic contingencies are activities that other groups or individuals depend on in order to complete their tasks. The following three strategic contingencies can increase manager or group power within an organization.

1. **The ability to cope with uncertainty**. Those who can help others cope with uncertainty have power. For instance, the legal department can help others in the organization deal with the fear and uncertainty associated with lawsuits against the firm.
2. **A high degree of centrality**. If your activities are important to the organization's success, you have a high level of centrality and therefore power. For example, if a restaurant depends on the chef's ability, the chef possesses power.
3. **Nonsubstitutability**. Nonsubstitutability refers to the extent to which you perform a function that is vital to the organization. A computer programmer who sets up a firm's system is playing a key role in the organization.

### 7.7 Turning Power into Influence

Knowing about the types of power that are exercised at both the individual and group levels does not tell us how power is used to influence others. Table 7-1 outlines 12 influence strategies that are frequently used by those with power.

Managers are increasingly becoming aware of the advantages of *sharing* power with employees. When used effectively, empowerment strategies can lead to increased employee motivation and job satisfaction. Here are some tips on implementing these strategies:

- Show confidence in employees and set high performance goals. Positive expectations often lead to improved performance.
- Encourage employees to participate in every possible aspect of the decision-making process.
- Eliminate unnecessary bureaucratic procedures that prevent employees from managing themselves.
- Set goals that are stimulating and meaningful to employees and that directly affect their well-being. When explaining goals to employees, make sure they understand the importance of their role in achieving them.

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Definition</th>
<th>Example</th>
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<tr>
<td>Influence Strategy</td>
<td>Description</td>
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<tr>
<td>Assertiveness</td>
<td>The use of direct and forceful dialogue</td>
<td>Manager to employee: &quot;When will you have finished this report?&quot;</td>
</tr>
<tr>
<td>Bargaining</td>
<td>Offering compensations in order to influence behaviour</td>
<td>A manager offers employees a raise if they agree to participate in a quality-improvement program</td>
</tr>
<tr>
<td>Coalition</td>
<td>An alliance with others</td>
<td>A professor solicits student support before asking the administration for additional teaching assistants</td>
</tr>
<tr>
<td>Consultation</td>
<td>An invitation to others to participate in a decision-making process</td>
<td>A manager invites employees suggest ways of reducing the fear of using new technologies</td>
</tr>
<tr>
<td>Contract</td>
<td>Written or verbal agreement</td>
<td>A collective agreement</td>
</tr>
<tr>
<td>Friendliness</td>
<td>The use of flattery and demonstration</td>
<td>A manager congratulates an employee for winning an award</td>
</tr>
<tr>
<td>Appealing to higher authority</td>
<td>Obtaining superiors' support for an action</td>
<td>A manager requests superior's backup before disciplining a subordinate</td>
</tr>
<tr>
<td>Ingratiation</td>
<td>Deliberate effort to gain favour</td>
<td>An employee is particularly friendly and helpful to a secretary before asking for extra work</td>
</tr>
<tr>
<td>Inspirational appeal</td>
<td>Appealing to personal values and ideals</td>
<td>Manager to employee: &quot;I know you'll do a really good job.&quot;</td>
</tr>
<tr>
<td>Pressure tactics</td>
<td>The use of threats</td>
<td>Manager to employee: &quot;If I don't get the report by 4 p.m., you'd better look for another job.&quot;</td>
</tr>
<tr>
<td>Rational persuasion</td>
<td>The use of facts, data, or logical argument</td>
<td>Manager to superior: &quot;If you accept my proposal, the company will save $500.&quot;</td>
</tr>
<tr>
<td>Sanctions</td>
<td>The use of rewards or punishments</td>
<td>Professor to students: &quot;For each day your essay is late, there will be a 2 percent deduction in your mark.&quot;</td>
</tr>
</tbody>
</table>

Table 7-1: Commonly used Influence Strategies.


7.8 Types of Organizational Conflict

All of us have experienced conflict with other people. For example, we may clash with a family member over who will use the car, or argue with a teacher.
about the results of an exam. We also experience internal conflicts; for instance, we may have difficulty making a decision when confronted with many choices.

Conflict is also prevalent in the workplace, where it is often the result of incompatible goals or expectations. Organizational conflict can be classified into six categories: intrapersonal, interpersonal, intragroup, intergroup, intraorganizational, and interorganizational. Let’s take a closer look at these levels of conflict.3

**Intrapersonal Conflict**

Intrapersonal conflict occurs when a person is confronted with several mutually exclusive options and has difficulty making a decision. Many intrapersonal conflicts in the workplace centre on the conflict between personal values and organizational values.

**Interpersonal Conflict**

Interpersonal conflict occurs when two or more people perceive goals, attitudes, values, and behavior differently. You may have experienced interpersonal conflict at school when your teacher felt that you were not working as hard as you felt you were working; the two of you had conflicting perceptions concerning your behavior. Interpersonal conflicts are especially common in the workplace, since we are often forced to work with people whose ideas and values differ from our own.

**Intragroup Conflict**

Intragroup conflict occurs when there is a clash between members of a group, perhaps over how to accomplish a particular task. Intragroup conflicts are common in family-run businesses and in work groups whose members are highly diversified in terms of cultural background, age, and amount of work experience. Nonetheless, diversity among group members can have a positive effect on group performance if conflicts are managed effectively.

**Intergroup Conflict**

Intergroup conflict refers to conflict between different groups or teams. Such conflicts can have both positive and negative effects. For instance, group cohesiveness and loyalty may increase as a result of intergroup conflict. On the other hand, groups may develop an "us against them" mentality. In organizational settings, intergroup conflicts may result in divided loyalties.

**Intraorganizational Conflict**4

Intraorganizational conflict occurs when there is disagreement in an organization, either within or between levels. Three levels of intraorganizational conflict are *vertical*, which occurs among different
hierarchical levels; *horizontal*, which occurs between departments on the same level (e.g., sales department versus manufacturing department); and *line–staff*, which occurs between line managers and staff managers. Generally, line managers are responsible for managing an aspect of production, while staff managers offer a consulting service to managers. Conflict between these two groups usually stems from the fact that the consultant’s authority in the organization is not clearly defined. As a result, line managers sometimes think that staff managers are trying to take away their power as managers. These two types of managers are compared in Table 7-2.

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Line</th>
<th>Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>Low to moderate</td>
<td>High</td>
</tr>
<tr>
<td>Number of subordinates</td>
<td>Many None or few</td>
<td>None or few</td>
</tr>
<tr>
<td>Authority</td>
<td>High</td>
<td>Limited</td>
</tr>
<tr>
<td>Seniority</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Nature of decisions</td>
<td>Strategic (long-term)</td>
<td>Short-term</td>
</tr>
</tbody>
</table>

*Table 7-2: Line Managers versus Staff Managers*

**Interorganizational Conflict**

Interorganizational conflict, or conflict between organizations, may result from competition or takeover attempts. This type of conflict can lead to increased organizational loyalty and cohesiveness among employees.

**7.9 Sources of Organizational Conflict**

The sources of organizational conflict can be classified into two main categories: *structural factors*, which relate to the nature of the organization and the way in which work is organized; and *personal factors*, which relate to differences between organizational members.

**Structural Factors**

There are eight structural aspects of an organization that are likely to cause conflicts. They are specialization, common resources, goal differences, interdependence, authority relationships, status differences, jurisdictional ambiguities, and roles and expectations. Let’s examine each of these in turn.

**Specialization**

Employees tend to become either experts at a particular job task or to obtain a general knowledge of many tasks. When the majority of employees in an organization are specialists, conflicts may arise because workers have little knowledge of one another’s job responsibilities. For example, a receptionist at a camera repair store may tell you that your camera can be repaired in an hour. In fact, the repair will take a week, but the receptionist has little
knowledge of the technician’s job and so gives an unrealistic deadline, thereby paving the way for conflict with the technician.

**Common Resources**

In many work situations, we are obliged to share resources: The scarcer the resource the greater the potential for conflict. For example, imagine that your class had an essay due tomorrow and there was only one computer available. The chances of conflict among the students would be high.

**Goal Differences**

Sometimes groups or departments in the organization have different and incompatible goals, increasing the chances of employees experiencing conflict. For instance, a computer salesperson may want to sell as many computers as possible and deliver them quickly; the manufacturing facility, however, may be unable to assemble and inspect enough computers to meet the sales promises.

**Interdependence**

Sometimes one employee must depend on another to complete a task. When workers are in an interdependent situation, it is easy to blame a co-worker when something goes wrong. For example, a manager may clash with a systems analyst who provides inaccurate data.

**Authority Relationships**

Often, there is underlying tension between managers and employees. This is because most people do not like being told what to do. Managers who are overly strict are frequently in conflict with their employees – hence, the growing popularity of team approaches and empowerment strategies.

**Status Differences**

In many organizations, managers are granted privileges denied to other employees. For instance, managers may enjoy flexible hours, free personal long-distance calls, and longer breaks. In the words of one management consultant, "If you want to know who is really important in the organization, just observe the signs in the parking lot and watch for the distance between the parking and the office building; the bigger the sign and the closer to the building, the higher the status of the incumbent." Some organizations are creating a more egalitarian appearance to reduce conflicts that result from status differences.

**Jurisdictional Ambiguities**

Jurisdictional ambiguities occur when the lines of responsibility in an organization are uncertain. When it is unclear who does what, employees have
a tendency to pass unwanted tasks onto the next person. Think of the times you have telephoned a company or government agency and been transferred to several people and departments before being served. Detailed job descriptions can help to eliminate jurisdictional ambiguities and the conflicts arising from them.

**Roles and Expectations**

A role refers to the behaviors and activities expected of an employee. Every employee plays one or more roles within the organization. These roles are usually defined through a combination of such elements as job title, description of duties, and agreements between the employee and the organization. Manager–subordinate conflict can result when the subordinate's role is not clearly defined and each party has a different understanding of that role.

**7.10 Personal Factors**

The most common personal factors associated with organizational conflict are skills and abilities, personality conflicts, perceptions, diversity, and personal problems. Let's see how each can lead to conflict.

**Skills and Abilities**

Usually the members of a department or work team have different levels of skills and abilities. Conflict can result when an experienced employee must work with a novice who has good theoretical knowledge but few practical skills.

**Personality Conflicts**

Personality conflicts are a reality in any group setting, including the workplace. There always seems to be at least one co-worker who is difficult to get along with. One of the most difficult personality traits is abrasiveness. An abrasive person is often hardworking and achievement-oriented, but critical and insensitive to others' feelings. Other irritating personality traits include laziness and gossiping. We will discuss how to deal with difficult people further in this chapter.

**Perceptions**

Much organizational conflict stems from the fact that employees and managers have different perceptions of situations. For example, a manager may feel that an employee is underperforming, whereas the employee may feel that the best job possible is being done.

**Diversity**
Across the world, organizational workforce is becoming increasingly heterogeneous. Differences in age, cultural background, ethics, and values can be a source of conflict among employees. For instance, a long-serving employee who feels loyal to the organization may clash with a young newcomer who sees the organization as nothing more than a stepping stone.

**Personal Problems**

When we bring our personal problems to work, our performance tends to suffer and we may clash with co-workers who are obliged to "pick up the slack."

### 7.11 Conflict Management

There are many techniques for managing conflict. We begin by considering five basic conflict management styles, after which we will describe various indirect and direct conflict management techniques.

**Thomas's Model of Conflict Management Styles**

In 1976, Kenneth Thomas, a specialist in organizational conflict, developed a "conflict management grid" in which he pinpointed five conflict management styles used by people in an organizational context. These conflict management styles are profiled in Table 7-3 and described below.

<table>
<thead>
<tr>
<th>Style</th>
<th>Principal Issues</th>
<th>Dominant Strategy</th>
<th>Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avoiding</td>
<td>Avoiding unpleasant situations</td>
<td>Flight / retreat / &quot;Golden silence&quot;</td>
<td>Outcomes are not very important / The chances of winning are slim / High risk is involved / Others can handle the situation better</td>
</tr>
<tr>
<td>Forcing</td>
<td>Satisfying personal interests / Winning at any cost / Competing</td>
<td>&quot;Gaining power&quot;</td>
<td>Urgency / Unpopular decision is necessary / Vital for the organization / Must protect interest groups</td>
</tr>
<tr>
<td>Accommodating</td>
<td>Maintaining relationships with others / Opting for harmony</td>
<td>Avoiding conflict at almost any cost</td>
<td>The issue is vital to the other party / The other party is significantly better equipped / Harmony is more important than victory</td>
</tr>
<tr>
<td>Compromising</td>
<td>Middle ground exists / Partial satisfaction is</td>
<td>Negotiation</td>
<td>Objectives are moderately important / The two parties are equal in power / Solutions can be</td>
</tr>
</tbody>
</table>
Attainable reached / Neither collaboration nor force works

Collaborating Satisfying mutual interests Confrontation Problem solving

Table 7.3:
Profile of Conflict Management Styles

Avoiding Style

People who fear conflict use the avoiding style to escape from conflict situations. For these individuals, escaping conflict is more important than satisfying their own needs or the needs of others. When this style of conflict management is used, everyone loses.

Forcing or Competing Style

Those who use the forcing style of conflict management are preoccupied with achieving their own goals and have no concern for the goals of others. The forcing person believes that one side must win and one side must lose. Sometimes employed in times of crisis, this type of conflict management is generally ineffective in achieving organizational objectives, particularly if the people involved have a long-term relationship.

Accommodating Style

People who use the accommodating style are cooperative, unassertive, and supportive of the other party's goals, usually at the expense of their own. Like the competing style, the accommodating style of conflict management will result in a win–lose situation. Accommodating behavior is appropriate when you know you are wrong or when the relationship is important to you. On the other hand, a person who relies exclusively on accommodation to manage conflicts may lose the respect of colleagues.

Compromising

This style is half-assertive and half-cooperative. It is based on give-and-take and usually involves a series of concessions. Compromises are often made in the final hours of union–management negotiations. Those who are willing to compromise generally help negotiations to run smoothly and are perceived more positively by members of the organization. However, when this style of conflict management is used, both parties may be left unsatisfied.

Collaborating Style
This style is characterized by cooperation and assertiveness on the part of both sides. Each person or group is willing to work together to reach a mutually beneficial solution. Conflicts are analyzed and frankly debated, and the result is usually a win–win situation.

7.12 Conflict Management Techniques

Conflict management techniques can be divided into indirect methods, which are aimed at managing the conflict, and direct methods, which are aimed at resolving the conflict. Indirect methods of conflict management include the following:

- **Creating common goals.** Frequently, conflict results from the fact that people or groups have dissimilar goals. One way to resolve this conflict is to work toward the development of common goals that will give both sides in the dispute a larger issue on which they can agree.

- **Hierarchical referral.** A middle manager who uses hierarchical referral to manage a conflict simply sends the problem to senior management. Sometimes the senior manager may have superior conflict management skills, and therefore be in a better position to resolve the problem. Other times, a middle manager who resorts to hierarchical referral may be motivated by nothing more than a desire to "pass the buck."

- **Expanding resources.** When insufficient resources produce conflict among employees, the obvious solution (budget permitting) is to increase resources.

- **Shifting personnel.** When repeated attempts to resolve conflicts between co-workers fail, and if performance continues to suffer, it may be wise to transfer one of the parties to another department.

A common direct approach to conflict management is negotiation. Negotiation occurs when two or more parties meet to discuss and find a solution to a problem. In organizational settings, negotiation typically involves identifying the reasons for the conflict and working toward a solution through a combination of compromise, collaboration, and perhaps some forcing on issues that are important to one or more of the parties. For example, if tensions exist in a restaurant because the servers do not share their tips with the kitchen staff, one solution would be to pay the kitchen personnel higher wages to compensate for their not receiving tips; another solution would be to negotiate a formula whereby some percentage of the tips is distributed among all employees in the restaurant.

Another direct approach to conflict management is framing (or reframing). Usually conflicts arise largely due to the different perspectives between two individuals, groups of individuals or even two different nationalities or societies. Understanding how others perceive their stance in a conflict can be very useful in reframing the existing conflict. When a conflict is reframed, the result is not conflict resolution but rather conflict dissolution. Such a skill, however, requires one to have a good sense of empathy for individuals.
(individual level) or a good sense of a group’s perspective (team level) or a
good sense of understanding norms and perspectives of diverse cultures or
subcultures (social level). In our global environment, conflict management or
resolution is not easy. Understanding how to frame or reframe conflict in such
an environment becomes a critical aspect for global management or
leadership. Acquiring such a skill would require not just an understanding of
the diversity involved but also immersion in diverse organizational and social
(or national) cultures.

The art of reframing is the ability to position an issue in order to create a win-
win situation.

- Reframing focuses on the positive potential for all parties
- Reframing also takes into account learning and motivation
- Reframing requires deep listening in order to understand hidden
dynamics and needs.

### 7.13 Managing Conflicts with Difficult People

Outside of the workplace, most of us probably keep our interactions with
difficult individuals to a minimum, but this is not always possible on the job.
In his book *Coping with Difficult People*, Robert Bramson identifies the
following seven types of difficult people.

1. **Hostile-aggressives.** These people usually adopt a bullying style
to attack others when they are confronted with an unpleasant
situation. In dealing with them, we should learn to recognize the
behavior and avoid reacting in an aggressive manner ourselves.
2. **Complainers.** Such people are constantly criticizing, yet they
rarely take action to improve things. This is because complainers
usually feel powerless or do not want to take responsibility for their
actions. In dealing with complainers, we should listen attentively to
their problems and try to offer practical solutions to solve the
problem.
3. **Clams.** These individuals remain silent when you ask them for
advice or opinions. They refuse to discuss any unpleasant situation
and tend to flee from conflicts. The best response is to get them to talk
by asking open-ended but direct questions such as "Why are you
avoiding me?"
4. **Superagreeables.** These people appear to be friendly and
helpful, but don’t do what they promised. They make unrealistic
promises in order to avoid a confrontation. One way of responding is
to define realistic demands for them to meet.
5. **Negativists.** Negativists respond to every situation with a
reluctant and unwilling attitude, finding fault with every situation.
Often their attitude is picked up by others. The best approach with
this personality type is a problem-solving attitude. Another method is
to ask the negativist, "What is the worst thing that could happen?" By
appreciating that the worst case is not that bad, the negativist may
learn to handle difficult situations.
6. **Know-it-alls.** These individuals are show-offs who want everyone to know that they know everything that there is to know! When they do know what they are talking about, they are often "bulldozers." Bulldozers run over people and are annoying because they are always sure they are right. The best way of managing these people is to be up-to-date on situations to respond to them.

7. **Indecisive stallers** These people either make no decisions or put them off until the last minute. Because stallers are worried about what others think of them, they hesitate, fearing to disappoint others. The best course of action with stallers is to find out why they are hesitating.

To sum up, the first step to managing a difficult person is to consider *why* the person is difficult. By understanding the reasons for difficult behavior, we are in a better position to manage it. Strategies for dealing with each of Bramson's seven personality types are provided in Table 7-4.

### 7.14 Advantages and Disadvantages of Conflict

Organizational conflict can be either positive or negative. Constructive conflict can be beneficial for organizations, whereas destructive conflict can impair organizational performance and devastate employee morale. The difference between these two types of conflict lie not in their sources but in the manner in which each is expressed.

In the case of constructive conflict, each party resists attacking the other. Instead, both sides participate in thoughtful discussion, listen to each other's point of view, and work toward mutually beneficial solutions. Constructive conflict can benefit organizations by giving members a chance to identify otherwise neglected problems and opportunities. In addition, it can produce new ideas, learning, and growth among individuals. When individuals engage in constructive conflict, they learn more about themselves and others. Finally, it can improve relationships among members, because when two parties work through a disagreement together, they feel that they have mutually accomplished something.

Conversely, when parties participate in destructive conflict, they often resort to threats, deceptions, and verbal abuse. In such situations, we tend to act without thinking. Destructive conflict can significantly raise stress levels in employees and distract them from the work that needs to be done. Managers can turn destructive conflict into constructive conflict by mediation strategies.

<table>
<thead>
<tr>
<th>Hostile-Aggressives:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Stand up for yourself.</td>
</tr>
<tr>
<td>• Give them time to run down.</td>
</tr>
<tr>
<td>• Use self-assertive language.</td>
</tr>
<tr>
<td>• Avoid a direct confrontation.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Complainers:</th>
</tr>
</thead>
</table>
- Listen attentively.
- Acknowledge their feelings.
- Avoid complaining with them.
- State the facts without apology.
- Use a problem-solving mode.

**Clams:**

- Ask open-ended questions.
- Be patient in waiting for a response.
- Ask more open-ended questions.
- If no response occurs, tell clams what you plan to do, because no discussion has taken place.

**Superagreeables:**

- In a nonthreatening, work hard to find out why they will not take action.
- Let them know you value them as people.
- Be ready to compromise and negotiate, and do not allow them to make unrealistic commitments.
- Try to discern the hidden meaning in their humour.

**Negativists:**

- Do not be dragged into their despair.
- Do not try to cajole them out of their negativism.
- Discuss the problem thoroughly, without offering solutions.
- When alternatives are discussed, bring up the negative side yourself.
- Be ready to take action alone, without their agreement.

**Know-it-alls:**

*Bulldozers:*

- Prepare yourself.
- Listen and paraphrase their main points.
- Use the questioning form to raise problems.

*Ballosns:*

- State facts or opinions are your own perceptions of reality.
- Find a way for balloons to save face.
- Confront balloons alone, not in public.

**Indecisive Stallers:**

- Raise the issue of why they are hesitant.
If you are the problem, ask for help.
Keep the action steps in your own hands.
Possibly remove the staller from the situation.

Table 7-4:
Coping Tactics for Dealing with Difficult People.


IOB in Practice

A. Anticipating Conflicts Likely to Arise in the Workplace

Consider your own work environment (or your college life in case you are not working now) for a moment:

- What are some key sources of conflict in your workplace (or your college)?
- When do they tend to occur?
- How do people respond to these conflicts as they arise?
- When we solve problems, do we do so for the moment, or do we put in place systems for addressing these types of concerns in the future?

In reflecting upon your answers to these questions, you may begin to understand what is meant by the proposition that anticipating conflicts likely to arise in the workplace: Normal, healthy organizations will experience their share of conflict, and workplaces experiencing a certain amount of dysfunction will experience it in greater quantities. Anticipating conflicts is useful in either situation for transforming these situations into opportunities for growth and learning.

B. Thoughts, Feelings, and Physical Responses to conflicts

In addition to the behavioral responses summarized by the various conflict styles as proposed in this chapter, people have emotional, cognitive and physical responses to conflict. These are important windows into our experience during conflict, for they frequently tell us more about what is the true source of threat that we perceive; by understanding our thoughts, feelings and physical responses to conflict, we may get better insights into the best potential solutions to the situation.

- **Emotional responses**: These are the feelings we experience in conflict, ranging from anger and fear to despair and confusion. Emotional responses are often misunderstood, as people tend to believe that others feel the same as they do. Thus, differing emotional responses are confusing and, at times, threatening.
- **Cognitive responses**: These are our ideas and thoughts about a conflict, often present as inner voices or internal observers in the midst of a situation. Through sub-vocalization (i.e., self-talk), we come to understand these cognitive responses.

7.15 Summary

Power and conflict are an integral part of organizational culture. In organizational settings, many people try to amass power in order to influence others. Power can be interpersonal or situational/structural.

Organizational conflict falls into six categories. The sources of organizational conflict derive from a combination of structural and personal factors. There are many styles of conflict management and numerous techniques for managing conflict effectively. Constructive, as opposed to destructive, conflict can affect an organization in positive ways.

Conflict is often destructive but it can be constructive as well. A major objective of effective management is to control the one effectively, and to encourage the other. Being able to manage or resolve conflict in an international environment requires a firm understanding of norms and behaviors around communication, power, and perspectives. In other words, it requires one to know the practice and perspectives surrounding individuals, groups, cultures and nationalities. Everything we highlight in this chapter around power, influence and conflict management has to be skillfully juxtaposed with existing cultural practices and perspectives in order to successfully navigate in such an international environment.

7.16 True/False Questions

1. Power is the ability to influence the behavior of others

✓True ✗False

2.

Referent power refers to a person's capacity to influence others owing to specific skills and abilities.

✗True ✓False

3.

Knowledge power is a type of situational and structural power.

✓True ✗False

4.

When used effectively, empowerment strategies can lead to increased employee motivation and job satisfaction.

✓True ✗False
5.
Interpersonal conflict occurs when a person is confronted with several mutually exclusive options and has difficulty making a decision.

**False**

6.
Intraorganizational conflict occurs when there is disagreement in an organization, either within or between levels.

**True**

7.
A role refers to the behaviors and activities expected of an employee.

**True**

8.
Interdependence is an example of a personal factor associated with organizational conflict.

**False**

9.
People who use the accommodating style are cooperative, unassertive, and supportive of the other party’s goals, usually at the expense of their own.

**True**

10.
The art of reframing is the ability to position an issue in order to create a situation in which they will win and the other person loses.

**False**

### 7.17 Multiple Choice Questions

1. Which is not an example of a type of interpersonal power?

- **Expert power**
- **Legitimate power**

230
2. A person’s ability to impose an unpleasant action on another refers to which type of power?

- **Reward power**
- **Knowledge power**
- **Coercive power** (Correct)
- **Decision-making power**
- **Referent power**
- **Network power**

3. Which of these is not listed as type of situational or structural power?

- **Network power** (Correct)
- **Decision-making power** (Correct)
- **Reward power** (Correct)
- **Knowledge power** (Correct)

4. The process by which alliances and contacts are established both inside and outside the organization is known as?

- **Reward power**
- **Networking.** (Correct)
- **Decision-making power** (Correct)
- **Expert power** (Correct)
Which of the following strategic contingencies refers to the extent to which you perform a function that is vital to the organization?

A high degree of centrality
Nonsubstitutability
The ability to cope with uncertainty
None of the above

6.

Which empowerment strategy is defined as being appealing to personal values and ideas?

Inspirational appeal
Rational persuasion
Assertiveness
Ingratiation

7.

Which type of conflict occurs when two or more people perceive goals, attitudes, values, and behavior differently?

Intragroup
Interorganizational
Intrapersonal
Interpersonal

8.

Which is not a structural factor of organizational conflict?

Specialization
Skills and abilities
9. Which conflict management technique focuses on satisfying mutual interests?

- Forcing
- Avoiding
- Collaborating
- Compromising

10. Difficult people who constantly criticize, yet rarely take action to improve things would be in which category?

- Negativists
- Indecisive stallers
- Complainers
- Clams

**Case 7a: Evaluating Evaluations**

"I've been looking over the personnel records for your division, Ahmad," said the regional manager of Allied Industries, an Asian manufacturer of high-tech components for the aerospace industry. "We ordinarily do the formal evaluations of employees once a year. I see here some people in your division haven't been evaluated in over two years. Is there a problem?" Ahmad was taken aback by the question. As far as he was concerned, all of his 25 subordinates generally gave a good day's work for a day's pay. What could he
say? "I wouldn't call it a problem," he replied. "Frankly, evaluations in my experience have proven to be not only a waste of time, but counterproductive as well. Employees who are told about areas in which they could improve just seem to perform even worse in those areas. And employees who receive positive evaluations don't seem to change one way or the other."

The regional manager replied that evaluations were an important part of Ahmad's duties as a foreperson. "Unfortunately, part of my job is to rate you," he concluded, "and frankly, I can't say that I'm entirely satisfied with this aspect of your job performance."

Questions

1. What is your impression of Ahmad?
2. What is your impression of the regional manager?
3. How would you respond to Ahmad if you were the regional manager?

Case 7b: Clash of Job Perspectives: Is getting work done enough?

Jonathan is a new member of the office. He started with the organization one year ago and has proven to be a valuable contributor. He is punctual, efficient, polite and extremely good at his job as the head of the information systems (IT). The focus on IT has increased as the organization continues to expand across borders and in its efforts to establish partnerships around the globe and in diverse local settings.

In your role as the director of the office, Jonathan reports to you. Your overall impression of his work is that he has potential to develop although he may be a bit overly direct at times and more focused on what he refers to as "his job" than in helping other team members with their IT problems. Jonathan sees his job as developing critical IT links to ensure the office operates efficiently and is responsible to those you serve. You know that your organization runs on a limited budget and that IT funding is tenuous. You are also aware, however, of the integral role IT has in the organization's mission and in its daily outreach efforts.

Lately, you have received feedback about Jonathan from a variety of staff members that is not favorable. While they all acknowledge his expertise they feel that he is often unwilling to help them with their IT related projects or with helping them to understand the new system. They have stated that his
attitude is impacting their ability to do their work. You also personally witnessed Jonathan’s gruff, almost rude, behavior toward another staff member during a meeting. You are concerned that the problem with Jonathan and the staff is increasing and escalating toward a higher level of conflict. When you last approached Jonathan about the issue he responded by saying the following, "Look, I may not be the friendliest person around but I get my job done over and above what is expected. My performance reviews are excellent and I continue to develop new ideas and ways to improve our outreach. I am here to work, not to be best friends with everyone I meet."

Questions

1. What would you do to resolve conflict in this situation as director of the office?
2. Can work and friendship coexist in a work environment? How would you frame this coexistence?
3. Is there a way to reframe the concept of work so that Jonathan and the others (including you) can work in harmony? If so how would you reframe it?

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Self-Assessment Exercise:

What is My Power and Influence Strategy?

Complete the Power and Influence Survey, taking your time to respond carefully. Your answers should reflect your behaviors as they are now (not as you would like them to be). Be candid. This instrument is designed to help you discover your level of competency in gaining power and influence so you can tailor your learning to your specific needs.

Use the following rating scale for your answer

<table>
<thead>
<tr>
<th>Rating Scale</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>6 Strongly Agree</td>
<td>3 Slightly Disagree</td>
</tr>
<tr>
<td>5 Agree</td>
<td>2 Disagree</td>
</tr>
<tr>
<td>4 Slightly Agree</td>
<td>1 Strongly Disagree</td>
</tr>
</tbody>
</table>

In a situation where it is important to obtain more power

1. I constantly strive to become highly proficient in my line of work.
2. I always express friendliness, honesty, and sincerity toward those with whom I work.
3. I always put forth more effort and take more initiative than expected in my work.
4. I strongly support organizational ceremonial events and
activities.

5. I form a broad network of relationships with people throughout the organization at all levels.

6. I find something in which I can specialize that helps meet others’ needs.

7. I consistently send personal notes to others when they accomplish something significant or when I pass along important information to them.

8. In my work, I consistently strive to generate new ideas, initiate new activities, and minimize routine tasks.

9. I consistently try to find ways to be an external representative for my unit or organization.

10. I am continually upgrading my skills and knowledge.

11. I strive very hard to enhance my personal appearance.

12. I always work harder than most co-workers.

13. I strongly encourage new members to support important organizational values by both their words and their actions.

14. I work hard to get access to important information by becoming central in communication networks.

15. I constantly strive to maintain some part of my work that is unique to me; others don't duplicate it.

16. I constantly strive to find opportunities to make reports about my work, especially to senior people.

17. I work hard to maintain variety in the tasks that I do.

18. I strive hard to keep my work connected to the central mission of the organization.

When trying to influence someone for a specific purpose

19. I consistently emphasize reason and factual information.

20. I feel comfortable using a variety of different influence techniques, matching them to specific circumstances.

21. I work hard to reward others for agreeing with me, thereby establishing a condition of reciprocity.

22. I always use a direct, straightforward approach rather than an indirect or manipulative one.

23. I always avoid using threats or demands to impose my will on others.

When resisting an inappropriate influence attempt directed at me

24. I use resources and information I control to equalize demands and threats.

25. I refuse to bargain with individuals who use high-pressure negotiation tactics.

26. I explain why I can’t comply with reasonable-sounding requests by pointing out how the consequences would affect my responsibilities and obligations.

When serving in a position of influence, in general

27. I always compliment and reward others in public and always correct others in private.

28. I frequently express confidence in the abilities of those with whom I work.

29. I consistently identify and publicize the successes of work-unit members.

30. I strive to facilitate the involvement and participation of those with whom I work.
**Scoring and Evaluation**

The scoring sheet summarizes your responses. It will help you identify your existing strengths and pinpoint areas that need improvement.

(a) Fill in your score column for each skill area by adding the scores for each item.

(b) Add the 12 category scores to obtain a total score; enter the total score in the space indicated.

<table>
<thead>
<tr>
<th>Skill Area</th>
<th>Items</th>
<th>Assessment Dimension Score</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gaining Power through Personal</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Characteristics:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expertise</td>
<td>1, 10</td>
<td></td>
</tr>
<tr>
<td>Personal Attractions</td>
<td>2, 11</td>
<td></td>
</tr>
<tr>
<td>Effort</td>
<td>3, 12</td>
<td></td>
</tr>
<tr>
<td>Legitimacy</td>
<td>4, 13</td>
<td></td>
</tr>
<tr>
<td><strong>Gaining Power through Position</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Characteristics:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Centrality</td>
<td>5, 14</td>
<td></td>
</tr>
<tr>
<td>Criticality</td>
<td>6, 15</td>
<td></td>
</tr>
<tr>
<td>Visibility</td>
<td>7, 16</td>
<td></td>
</tr>
<tr>
<td>Flexibility</td>
<td>8, 17</td>
<td></td>
</tr>
<tr>
<td>Relevance</td>
<td>9, 18</td>
<td></td>
</tr>
<tr>
<td><strong>Using Influence</strong></td>
<td>19, 20, 21, 22, 23</td>
<td></td>
</tr>
<tr>
<td><strong>Resisting Influence</strong></td>
<td>24, 25, 26</td>
<td></td>
</tr>
<tr>
<td><strong>Empowering Others</strong></td>
<td>27, 28, 29, 30</td>
<td></td>
</tr>
<tr>
<td><strong>Total Score</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Assessment**

To assess how well you scored, compare your score to two different criteria:

(a) Compare your score with the scores of other students in your class

(b) Compare your scores to a norm group consisting of 500 U.S. business students.

In comparison to this reference group, you should know the following:

If you've obtained a score of 147 or above, you are in the top quartile (relatively powerful)
If you've obtained a score between 138 and 146, you are in the second quartile

If you've obtained a score between 126 and 137, you are in the third quartile

If you've obtained a score of 125 or below, you are in the bottom quartile (relatively powerless)


Notes

Chapter 8: Understanding Decision Making Processes in the International Arena

8.1 Learning Objectives

After reading this chapter, you should be able to:

- Understand the difference between programmed decisions and nonprogrammed decisions
- Describe various decision-making models and approaches
- Identify four personal characteristics that influence decision-making
- Discuss the advantages and disadvantages of group decision-making
- Describe techniques for improving group decision-making
- Describe three technical aids used in decision-making
- Understand the ethical concerns involved in decision-making

8.2 Introduction

Making decisions is a complex part of our daily lives. Some decisions, such as which route to take to work or which restaurant to eat at, are relatively easy to make because the situation and circumstances are familiar to us. Other times, decisions are more difficult because the circumstances are complex, as in deciding between two outstanding job applicants. Then we need to find more creative solutions to the art and science of decision-making.

Similarly, the need to make decisions is fundamental to effective organizational functioning. Some decisions are easy to make and involve minimal risks, but others are more complicated and involve some risk-taking. The two categories of organizational decisions are programmed decisions and non-programmed decisions. Leaders and managers make programmed decisions when they are confronted with simple routine matters for which they already have a procedure. For example, an organization may have a policy of written reprimands that are to be issued when company rules are violated. Therefore, if an employee regularly shows up late for work, the decision to issue a written reprimand would be a programmed decision. Most programmed decisions require little analysis of the circumstances and generally are based on following the rules and regulations of the organization.

Nonprogrammed decisions, on the other hand, are required when new and complex situations call for a solution. Although experience may help in these circumstances, the decision must be adapted to the given situation. Obviously, nonprogrammed decisions may involve taking a certain amount of risk and thus hold the potential for loss. For example, in 1993 the CEO of Canadian
National (CN) decided to reduce CN’s labor force by approximately 10,000 people. This cost-cutting measure was not routine, and included risks such as strong opposition from the unions and a decline in profitability due to the layoffs.

In an organizational setting, lower-level managers spend most of their decision-making time making programmed decisions, whereas higher-level leaders are regularly confronted with nonroutine problems and most make nonprogrammed decisions.

8.3 Decision-Making Models and Approaches

Now that we are aware of the two principal types of decisions that organizational members make, we should consider how a person makes a decision. Various decision-making models have been developed to describe how decisions are or should be made. In this section, we'll discuss four models: the rational model, the bounded rationality model, the garbage can approach, and the political approach.

The Rational Model

The rational model (sometimes referred to as classic decision theory) views decision-making as a logical process consisting of seven steps that are illustrated in Figure 8-1 and outlined below.
1. Define the problem. The decision-making process begins with the recognition that a problem exists. For instance, we know that a problem exists if there is a need for improvement in the organization, if we encounter obstacles that prevent us from achieving organizational goals, if there is an increase in voluntary turnover among high-performing employees, or if morale among employees is low. Although we know that a problem exists, we do not know what the problem is. Both turnover and low morale are only symptoms that require further investigation before a decision is made. The first step in a decision-making process, therefore, is to define the real problem and not mistake it for its symptoms.

2. Gather information. Next, the decision-maker gathers information relating to the problem, taking care to separate fact from opinion. By asking the questions who, when, where, how, and why, the decision-maker is likely to collect enough information to be able to determine the cause of the problem and hence possible alternatives.

3. Develop alternatives. A good way to generate alternatives and creative solutions is to engage in a process (discussed later in this
chapter) known as "brainstorming." During brainstorming, members of a group discuss ideas freely and spontaneously.

4. **Evaluate alternatives.** In evaluating the alternatives, the decision-maker should take care to distinguish solutions that address the problem itself from solutions that address only symptoms of the problem. At this stage in the decision-making process, the decision-maker typically lists the advantages and disadvantages of each of the proposed solutions.

5. **Select an alternative.** One way to select the best alternative is to create two separate lists - one that answers the question "What must the solution do?" and one that answers the question "What do we want the solution to do?" The best solution will satisfy the "must" criteria and at least some of the "want" criteria.

6. **Implement the alternative.** Having selected an alternative, the decision-maker must determine the necessary steps in the implementation process and decide who will be involved in that process and what their specific roles will be. This step can be just as complex and time-consuming as all the steps preceding it.

7. **Monitor the implemented alternative.** Observing the effects of an implemented alternative and obtaining employee feedback allow the decision-maker to determine if modifications are required.

The rational model makes several unrealistic assumptions. It assumes that decision-makers can be consistently rational and objective in their problem solving, that all the information needed to solve a problem is readily available, that multiple solutions to a problem will become evident, and that there will be general agreement on the solution that is finally proposed. In sum, this model describes the way in which a decision should be made; it does not reflect the way in which most decisions are made in actual organizational settings.

### 8.4 The Bounded Rationality Model

In response to the rational model's inability to explain how decisions are made in real-life organizations, other models of decision-making processes emerged. One of the most famous of these models was developed by economist Herbert Simon. According to Simon's bounded rationality model (sometimes called the theory of administrative man), there are limits on how rational humans can be and, therefore, on how rational decisions can be.

The bounded rationality model is based on four premises:

1. People's ability to fully comprehend the nature of complex problems is limited (or bounded).
2. It is impossible to generate all possible alternative solutions to a problem.
3. Complete analysis of each alternative cannot be accomplished owing to time constraints and to our limited ability to predict or foresee all possible outcomes.
4. Because of the above limitations, the final decision will therefore not be based on perfect knowledge and analysis, but rather on the results of a modified process known as "satisficing."

Satisficing is the practice of selecting an acceptable solution, which is not necessarily the best solution. An acceptable solution is relatively easy to identify, achieve, and implement, and is generally less controversial than what may be the best available solution. In Simon’s view, most organizational decisions are a consequence of satisficing.

### 8.5 The Garbage Can Approach

According to the garbage can approach, decision-making is a haphazard and unpredictable process. This model envisions the organization as a "garbage can" containing problems, solutions, participants, and opportunities that "float around" aimlessly. When these four factors unite, a decision is made. The quality of the decision depends largely on good timing, that is, the right participants must find the right solution to the right problem at the right moment in order to make a right decision!

The basic theme of the garbage can approach is that not all organizational decisions are made in an orderly, step-by-step fashion. When we are confronted with new situations and circumstances, the decision-making process may become very chaotic. In fact, some of the best decisions come about "accidentally," without methodical planning.

### The Political Approach

The political approach suggests that the primary motivation of decision-makers is to advance their personal preferences, which are usually based on departmental goals. According to this approach, decision-makers perceive each step in the decision-making process as an opportunity to influence the final decision – and hence promote their personal preferences. In this context, the final decision reflects the power structure of the organization and the influence of the tactics used by each of the participants.

The political approach is based on the following principles:

- The *hedonistic principle*, which suggests that a person does whatever is required to satisfy self-interests.
- The *market principle*, which claims that people generally act selfishly and are motivated by personal gains in business dealings.
- The *conventionalist principle*, which suggests that a person bluffs and takes advantage of all opportunities without regard for the legal system or ethical concerns.
- The "*might equals right*" principle, which claims that people take hold of any advantage that they are strong enough to take, without regard for ordinary social conventions and laws.

**Leaders In The Field**
Abraham K. Korman

Abraham K. Korman, PhD, the Wollman Distinguished Professor of Management at Baruch, has earned a global reputation for his career in management and in organizational psychology. He has held academic appointments at the University of Minnesota and New York University before joining the Zicklin School at Baruch. He has also conducted high-level consulting assignments for many Fortune 500 corporations. He is co-editor of Evolving Practices in Human Resource Management: Responses to a Changing World of Work (Jossey-Bass, 1999). Dr. Korman earned his doctorate in organizational psychology from the University of Minnesota.

Individuals increasingly want a sense of personal fulfillment from their work and careers. Moreover, they will work harder and more effectively when they feel they are in a job that enables them to attain this goal. The conditions under which such feelings of personal fulfillment are most likely to occur is a question we have been attempting to answer in our research program for the past decade.

While there is still much to be learned, some interesting patterns are emerging. Studies of both individualistic and group-oriented cultures indicate that organizations can best nurture a sense of personal fulfillment among their members by (1) making their work more meaningful and providing them with greater autonomy in decisionmaking, (2) helping them resolve the conflicts that arise between work and family responsibilities, and (3) giving them the opportunity to increase their income through meeting incentive criteria. In terms of the last strategy, we have found that an increased sense of personal fulfillment is more strongly correlated with how one is paid than what one is paid. Similarly, we found that participating in decisionmaking groups in any culture, individualistic or group-oriented, may be associated with positive values, but increased personal fulfillment is not one of them. Finally, we found that increasing the span of control or decreasing the numbers of levels in an organization's hierarchy does little to enhance the sense of empowerment among employees.

8.6 Personal Characteristics that Influence Decision-Making

Thus far we have examined various models and approaches that attempt to explain the process by which a person makes a decision or solves a problem. A variety of personal characteristics will also influence the decision-making process. These include creativity, intuition, personal values, and risk aversion. Let's examine each of these characteristics.

Risk Aversion

In an organizational setting, risk can be defined as the chance of incurring a loss. The higher the risk, the greater the chance of losing something. For example, if the decision by many competitors of a major telecommunications company to discount long-distance rates doesn’t pay off in the form of new customers, these companies will incur substantial losses.

People vary considerably in the degree of risk they are willing to take. Those who do not like to take any sort of risk are risk averse. Such people gravitate toward safe and predictable options. By contrast, risk takers are able to entertain a far greater degree of uncertainty.
Some organizations encourage risk taking, while others create an environment that is unfavorable to it. Organizations that discourage risk taking may stifle creativity and innovation. Organizations that do encourage risk taking must allow employees to fail without fear of punishment.

Creativity

Organizations in the 21st Century are increasingly finding themselves in environments that are volatile and even unpredictable. Leaders and managers are beginning to focus more on understanding how to work within such an environment and also developing the skills to work with others as team members and also to lead teams. Organizations are no longer bounded within its walls: In fact, more and more, organizations are beginning to work across different nations and cultures, technology and other forms of knowledge. This new organizational landscape has created a marked increase in understanding creativity. Spearheaded by Guildford in 1950 in the field of psychology, today, researchers in most disciplines within the social sciences, natural sciences, and the arts are contributing extensively to research on creativity. Creativity is now heard of everywhere and is even stated as a requirement for successful global leadership and management. The late Stephen Jay Gould mentioned in his last book (published in 2003) that the overall techniques (or methods) between the arts and the sciences can be explained using two particular animals to differentiate the arts and the sciences that have been used as exemplars in the Renaissance: the hedgehog to depict the sciences (as having a good tried and true method or strategy) to escape from danger and the fox to depict the arts as having a multitude of strategies to escape from danger and having the flexibility to enact the most efficient strategy. We tend to encounter people who make decisions based on what is tried and true (hedgehogs) or what is emergent and uncertain (foxes). The increased use of brainstorming techniques help organizations to enable decision making through new and creative ideas. Being able to be flexible both as a hedgehog and a fox based on
the different situations people encounter is causing profound effect on change at the individual, organizational and even paradigmatic levels.

Creativity in decision-making, however, occurs when innovative ideas are developed in response to problems and opportunities. In today's environment of rapid social and technological change, organizations need to learn how to make creative decisions and how to promote and reward creativity among organizational members.

The creative process is influenced by the personal traits of the decision-maker. For example, people who are capable of divergent thinking (the ability to think of many different solutions in a short period of time) are likely to show creativity in their decisions. Creative people tend to have a talent for thinking in abstract terms, to possess intellectual skills, to adhere to artistic values, and to be wide-ranging in their interests. They also tend to be energetic, self-confident, intuitive, and highly tolerant of both ambiguity and risk. Creative thinking is most likely to be found in organizations that display flexibility with respect to rules and procedures, and that support members by allowing them to make mistakes and by encouraging their participation in the decision-making process.

Many organizations offer courses in creative thinking and problem solving. These courses focus on teaching employees how to rid themselves of mental blocks that prevent them from thinking creatively. Following the rules, trying to be logical, rejecting ambiguity, being afraid to fail or to look foolish, and avoiding subjects that we do not know well are all examples of mental blocks that can inhibit creativity.

Creativity can also be increased by developing lateral thinking methods. The rational model discussed earlier in this chapter represents one of many vertical thinking methods that are commonly used to solve problems in organizations. As illustrated in Table 8-1, lateral thinking marks a radical departure from traditional (vertical) patterns of thinking.

<table>
<thead>
<tr>
<th>Lateral Thinking</th>
<th>Vertical Thinking</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Tries to find new ways for looking at things; is concerned with change and movement.</td>
<td>1. Tries to find absolutes for judging relationships; is concerned with stability.</td>
</tr>
<tr>
<td>2. Avoids looking for what is &quot;right&quot; or &quot;wrong.&quot; Tries to find what is different.</td>
<td>2. Seeks a yes or no justification for each step. Tries to find what is &quot;right&quot;.</td>
</tr>
<tr>
<td>3. Analyzes ideas to</td>
<td></td>
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</tbody>
</table>

determine how they might be used to generate new ideas.
4. Attempts to introduce discontinuity by making "illogical" (free association) jumps from one step to another.
5. Welcomes chance intrusions of information to use in generating new ideas; considers the irrelevant.
6. Progresses by avoiding the obvious.

3. Analyzes ideas to determine why they do not work and need to be rejected.
4. Seeks continuity by logically proceeding from one step to another.
5. Selectively chooses what to consider for generating ideas; rejects any information not considered relevant.
6. Progresses using established patterns; consider the obvious.

Table 8-1:

Lateral Thinking versus Vertical Thinking.

**Intuition**

Intuition plays an important role in organizational decision-making, yet it is a concept that is difficult to define and therefore difficult to understand. In the context of decision-making, it is a positive force that causes us to make an instantaneous decision that is not based on reason. You may recall making a quick decision without knowing exactly why you made it, but at the same time feeling strongly that it was the right decision; this would be an example of intuitive decision-making.

In an organizational setting, many decisions are made solely on the basis of intuition. Although many researchers feel that "rational" decisions are safer, intuitive decisions are often high-quality ones. Intuition per se cannot be taught, but organizational members can be trained to be more responsive to their intuitions.

**8.7 Personal Values**

Personal values play an important role in decision-making. For instance, a CEO confronted with a choice between laying off half of the workforce or introducing a four-day workweek for all employees would probably find personal values (e.g., concerning an individual's right to work) entering the decision-making process.

**Risk Aversion**

In an organizational setting, risk can be defined as the chance of incurring a loss. The higher the risk, the greater the chance of losing something. For
example, if the decision by many competitors of a major telecommunications company to discount long-distance rates doesn't pay off in the form of new customers, these companies will incur substantial losses.

People vary considerably in the degree of risk they are willing to take. Those who do not like to take any sort of risk are risk averse. Such people gravitate toward safe and predictable options. By contrast, risk takers are able to entertain a far greater degree of uncertainty.

Some organizations encourage risk taking, while others create an environment that is unfavorable to it. Organizations that discourage risk taking may stifle creativity and innovation. Organizations that do encourage risk taking must allow employees to fail without fear of punishment.

**The ART of Innovation**

Mario Raich, Ph.D. is an international management consultant who has worked in every region of the world. He is fluent in German and Swiss-German, English, French, Italian, Polish and Spanish. Prof. Raich is Chairman of Learnità LTD (www.learnita.com), a London based company; the “The Innovation Enabler” with a worldwide network focusing on strategic innovation. He has academic appointments at ESADE Business School (Spain), HEC (Paris), GSM of the Educatis University in Altdorf.

For ages, the development of the economy was following the development of the society. Today, economy is a major driver of the development of the society. Economy is the particular part of society dealing with wealth creation as well as with the production and distribution of goods. So far we have seen the age of soil and the age of capital. We have just entered the age of knowledge and are already moving into the age of innovation. We went all the way from the material assets to immaterial assets and are moving fast toward the virtual assets.

The "Age of Soil" was dominated by the problem of physical survival: food, shelter, safety and security were the main economic objectives at this age. The "Age of Capital", was characterized by the extensive use of technology. Growth became the main objective of the economy. In the "Age of Knowledge" the main objective was to have access to the relevant knowledge and its application. In the "Age of Innovation" it is all about disruptive changes, which create new value. The overall speed of change is increasing. The changes are more and more disruptive and cover more of the areas of human life. It is no longer only about technology and business changes. The changes in the society will increasingly lead to big disruptions. We are quickly adding the virtual dimension to the material and immaterial one.

We need creative and bold individuals who go beyond the existing and accepted. Innovation itself will be going through a massive change. For the first time in human
history we can access the global innovation capability for innovation. Unexpected changes in technology, business and society will drive the disruptive innovation. We need an innovation framework adapted to this environment.

Everyone involved in an innovation initiative needs to have a common understanding about the endeavor of their joint activities, and they need to have a shared vision of what they are trying to achieve. This is the common ground. We also need open communication securing the flow of all relevant information (objective and subjective; good and bad news). It is vital for the success of the innovation adventure. And finally, people involved in an innovation initiative or an innovation project, need to know what kind of behavior they can expect from the key stakeholders of this initiative or project. They need to know what kind of experiences and competencies are available and what each member of the innovation team is willing and able to bring to the table. This we call mutual trust.

group is an assembly of individuals. The quality of outcomes and decisions below the quality achievable depends on the weakest member.

A team is a group with a high degree of cooperation. The quality of outcomes and decisions can be better than the contribution from the best member.

Partnership is the highest form of "co-operation." Sustainable, excellent results come from mutual complements. Partnership is the highest form of relationship between people. Partnership allows leveraging the best from all engaged partners. It is built on mutual reinforcement and development.

Experience shows that a group does not automatically get transformed into a team or develop partnership over time over time. It needs a lot of work and know-how!

Today we can see five recipes for strategic innovation, based on the concept of the alchemy of innovation:

- Go beyond the existing...
  Beyond your function, your products and services, your processes, your structure and organization, your industry, your corporate framework, your corporate ecosystem, the accessible markets and the existing business paradigm.

- Tap into the global innovation capability.
  The nature of innovation is increasingly: open, multi-disciplinary and global.

- Start a never-ending quest
  Reach-out; enrich your thinking and leverage your networks. Engage all key stakeholders.

- Reinvent and transform whatever you can
  - The corporate value creation
  - The business model
  - The organization
  - The management principles
The R&D and the HR

- Anticipate and create
  - Learn about the ever-changing future.
  - Create the future.
  - Cope with the always faster disruptive changes.

Innovation is any change which creates new value! But only strategic innovation will go beyond the existing. The bridge between the purpose of an organization and the value created is the value creation process. The reinvention of this process can lead to important innovations.

The framework of the innovation we use at Leamita based on the alchemical concept of transformation. It helps to understand the complexity of the strategic innovation. It is also an excellent guide for the innovation journey.

We are moving fast into an age of disruptive innovation and we will see more and more social innovations. The presented innovation framework is particularly apt for social innovation. But following James Utterback’s advice, we need to be aware that little will result from any program or process of innovation, “unless the people of the firm are properly deployed, given sufficient resources and provided with a climate that encourages and rewards new thinking and risk taking (note 1).” And, most important, “for radical innovation to occur, traditional organizational controls must loosen. (note 2)”

We have seen the five recipes for strategic innovation. All five require the ability to find or to create new ideas, to develop them into a consistent and convincing plan and finally to implement this plan creating new value. In addition they need an innovation partnership based on trust, common ground and open communication.

The core values driving the innovation partnership are: entrepreneurship, mutual trust, common ground and open communication. (note 3) At the core of successful strategic innovation we will find cooperation and partnership of the key stakeholders based on mutual trust, common ground and open communication. The experiences in many, often cross-cultural groups and teams around the globe focusing on cooperation and partnership, are very encouraging. Groups have become fully operational teams much quicker than under normal circumstances, and the quality of results usually follows the development of cooperation.

Recent research confirms that we have more cooperation when we punish the egoists, (note 4) and that a minority of fair-minded players can force a big majority of selfish players to cooperate fully in the public game through punishment.

The alchemy of the innovation allows us to view it as a transformation process going from readiness to discovery and development and ending with the implementation which creates new value leading to strategic innovations.

Notes

2. ibid
4. Ernst Fehr and Klaus M. Schmidt A Theory of Fairness, Competition and Cooperation http://netec.ier.hit-u.ac.jp/WoPEc/data/Papers/zuriewwp.html
8.8 Group Decision-Making

Research suggests that decisions made by groups are superior to decisions made by individuals when the groups consist of members who bring different skills and experience to bear on the decision-making process. Such groups can generate synergy, a process whereby the combined contributions of two or more individuals produce an enhanced contribution compared to their separate contributions. To better understand this concept, try to recall a time when one of your friends had an idea that triggered in you another idea.

Group decision-making also tends to increase employee satisfaction and commitment, particularly when the decision is directly related to employees or their work environment. Moreover, employees are more likely to accept a decision in which they have participated. Group decision-making is most effective when there is equal participation by all members and agreement to deliberate until a consensus is reached.

Group decision-making can be undermined by the following factors:

- **Time and cost.** Group decision-making, especially when consensus is required, can be time-consuming and expensive. The greater the number of participants, the longer and the more costly the process.
- **Groupthink.** As defined in Chapter 4, groupthink is conformity with majority opinion at any cost. When members of a group allow other members to pressure them into making decisions that they would not have made individually, groupthink has developed. Other symptoms of this phenomenon, and suggestions on how to avoid groupthink are presented in Figure 8-2.
- **Polarization.** Polarization occurs when group members' opposing views on a particular issue become even more extreme following a group discussion. A common source of intragroup conflict, polarization can prevent a group from ever achieving consensus.

**Symptoms of Groupthink**

- **Illusions of invulnerability.** Group members feel they are above criticism. This symptom leads to excessive optimism and risk taking.
- **Illusions of group morality.** Group members feel they are moral in their actions and therefore above reproach. This symptom leads the group to ignore the ethical implications of their decisions.
- **Illusions of unanimity.** Group members believe there is unanimous agreement on the decision. Silence is misconstrued as consent.
- **Rationalization.** Group members concoct explanations for their decisions to make them appear rational and correct. The results are that other alternatives are not considered, and there is an unwillingness to reconsider the group's assumptions.
- **Stereotyping the enemy.** Competitors are stereotyped as evil or stupid. This leads the group to underestimate its opposition.
- **Self-censorship.** Members do not express their doubts about the course of action. This prevents critical analysis of the decisions.
Peer Pressure. Any members who express doubts or concerns are pressured by other group members, who question their loyalty.

Mindguards. Some members take it upon themselves to protect the group from negative feedback. Group members are thus shielded from information that might lead them to question their actions.

Guidelines for Preventing Groupthink

- Ask each group member to assume the role of the critical evaluator who actively voices objections or doubts.
- Have the leader avoid stating his or her position on the issue prior to the group decision.
- Create several groups that work on the decision simultaneously.
- Bring in outside experts to evaluate the group process.
- Appoint a devil’s advocate to question the group’s course of action consistently.
- Evaluate the competition carefully, posing as many different motivations and intentions as possible.
- Once consensus is reached, encourage the group to rethink its position by re-examining the alternatives.


Figure 8-2: Symptoms of Groupthink and How to Prevent It.

8.9 Techniques for Improving Group Decision-Making

Brainstorming

Have you ever been afraid to speak your mind in a group situation? Brainstorming is a technique that aims to eliminate self-censorship and encourage a free-wheeling generation of ideas, even wild ones. In the initial stages of a brainstorming session, no criticisms or judgments are allowed. Participants call out their ideas as they think of them, and their ideas are listed on a chalkboard or flipchart that everyone can see. Participants are encouraged to build on the ideas of others; the ideas belong to the group, not to the individual. Evaluation of the ideas occurs only after all of the ideas have been recorded.

Delphi Technique

The Delphi technique encourages honesty by allowing participants to give their opinions anonymously. In most applications of this technique, participants are asked to respond to two or more questionnaires. The first questionnaire states the problem, and the participants are asked to provide potential solutions. A coordinator summarizes the responses and sends the summary to the participants. After the participants rate each of the solutions, the coordinator tabulates the results. This process is repeated until a consensus is reached.
The Delphi technique eliminates the problems of groupthink and polarization. Because of its time-consuming nature, it is obviously inappropriate for those situations in which a decision has to be made quickly. Finally, because participants are not able to interact and discuss ideas, creativity may be diminished.

**Nominal Grouping Technique**

Related to the Delphi technique is the nominal grouping technique. Several people sit around a conference table and independently list their ideas on a sheet of paper. After 10 to 20 minutes, they take turns expressing their ideas to the group. As these ideas are presented, they are recorded on larger sheets of paper so that everyone can see all the ideas and refer to them in later parts of the session. The nominal grouping technique is commonly used more for identifying organizational problems and potential solutions.

**Focus Group**

A focus group is a group of six to eight people who are brought together to discuss a particular issue, topic, or problem. Participants’ feelings and reactions are elicited through methodical questioning. The proceedings are often recorded for later analysis.

**8.10 Decision Strategies and Technical Aids**

Global competition is putting increasing pressure on managers to make faster and better business decisions. A manager can contribute to the organization’s competitive advantage by adopting the following three decision strategies:

- **Cost leadership strategy.** This strategy is aimed at reducing costs. Sources of cost advantage include economy of scale, proprietary technology, and favored access to supply sources.
- **Quality/Customer satisfaction strategy.** This strategy is aimed at improving existing work methods, products/services, and customer relations. It is also concerned with cost reductions, but only in areas that do not directly affect customers’ perceptions of quality or value.
- **Innovation strategy.** This strategy emphasizes the creation of new operations and management methods, technology, or products/services.

Managers can facilitate their implementation of the above decision strategies by using the following three technical aids:

- **Transaction Processing/Reporting/Tracking applications** support routine, high-volume human resource decisions with well-defined information needs and outcomes. These applications may include calculation of overtime pay, document reviews, and employee transfers.
- **Expert systems applications** improve decisions for which the "right" outcomes are determined through expert knowledge and
experience. These applications are based on complex rules derived from careful analyses of expert decisions. Examples would include determining the quality of recruits based on historical records, or examining whether the training given to two groups of employees yields the same results.

An expert system is a programmed decision tool that has artificial intelligence. Expert systems follow a series of decision rules to reach conclusions. To build an expert system, a computer programmer interviews experts in various fields of study and translates their knowledge into decision-making rules. The person using the system simply follows the rules. Since expert systems are a source of knowledge and experience, they can have a big impact on managerial decisions. Nonetheless, managers should be aware that the quality of software may vary greatly and that the decisions made by the system should therefore be carefully assessed.

- **Decision support system applications** improve decisions for which the rules are changing or are not well defined, and for which the "right" outcomes are unknown. An example would be determining the level of sales force hiring and training needed to maintain optimal sales. Unlike expert systems, which make decisions for people, group decision support systems help groups make decisions. 7

Although technical aids can greatly benefit organizational decision-making, managers must carefully analyze the decisions they produce to ensure reliability. 8

### 8.11 Learning and Decision-Making

When working in groups or multinational contexts, it is good to practice such decision making behavior – one that is based on learning styles. In our work with groups, most of the time members do not feel included and that the space created by the leader is not a safe environment that allows or promotes participation and contribution of ideas. In creating the right environment for teams to succeed, engaging in the diverging aspects of the conversational space 9 helps create a context conducive for the team, department, or organization to fully participate. Once in place, the converging context would help move toward clarity and action. Focusing on creating the right context for teams can be very useful especially in multicultural or cross-cultural settings.

When viewed from a learning perspective, decision making involves the capacity to fluctuate between diverging and converging learning styles. The **diverging** learning style focuses on the ability to be involved with others’ perspectives, opinions, and use them as information that would help fuel what needs to be known before making decisions. As this would certainly result in a wealth of information (some relevant and others noise), a leader or manager must be able to hold all this information lightly in their heads so that the noise will settle and some clarity is reached. Once clarity is attained, he or she will need to move into the **converging** style that focuses on action or experimentation. Making 100% sound decision is impossible (see bounded rationality) and most leaders and managers soon learn that a 75% confident
A decision is better than trying to work towards a better decision. Most managers and leaders who practice this also would come across as very self-confident and most employees would be comfortable if they are backed by their boss especially when they trust him or her as a very self-confident individual. However, in terms of experiencing decision making, most employees would engage in the converging mode of the decision making process. This is so as a decision is usually associated with some version of action. As such, a leader’s or manager’s ability to decide is fundamentally based on his or her speed at arriving at good decisions. However, the entire decision making process involves both the gathering of information and the decision to take action. This is represented in Figure 8-3.

**Figure 8-3: Learning and the Decision Making Process.**

### 8.12 Ethical Decision-Making

*Ethical* decisions are decisions that are consistent with personal and social values. Organizational leaders are regularly faced with having to make ethical judgments on such issues as discrimination, individual rights, environmental pollution, and tax avoidance.

To determine if a decision is ethical or not, managers can consider the following five questions:
1. **What is the ethical intensity?** Ethical intensity refers to the relative importance of an ethical issue. It can be determined according to the following six criteria: *extent of the consequences* (a decision that causes the death of a human being has greater consequences than a decision that causes a minor injury); *probability of effect* (a store that sells a gun to a bank robber is more likely to cause harm than a store that sells a gun to a licensed hunter); *social consensus* (firing employees because of their physical appearance is less socially acceptable than firing them for poor performance); temporal immediacy (reducing the pensions of current retirees has greater temporal immediacy than reducing the pensions of new hires); *proximity* (managers are physically and psychologically "closer" to layoffs that occur within their own departments); and *concentration of effect* (cheating a small restaurant out of a thousand dollars has a greater effect than cheating a large corporation out of the same amount).

2. **What are the decision principles?** Our legal system has established certain ethical principles that individuals and organizations are expected to comply with when making decisions. One of the most important of these is the distributive justice principle, which maintains that all people should be treated fairly and equally. Applications of this principle are widespread in our society. For example, under most circumstances it is unlawful to dismiss employees without cause.

3. **What are the benefits and costs of the decision?** To determine the benefits and costs of a decision, the manager must be aware of the interests and values of those affected by the decision. Self-respect, security, freedom, accomplishment, and happiness are values shared by most western communities. Of course, sets of values and interests will inevitably vary from person to person. To help them decide whose values and interests should take priority, many managers apply the utilitarian principle, which suggests that the best decisions are those that benefit the greatest number of people. According to this logic, a decision is ethical as long as its positive results outweigh its negative results.

4. **Who is affected by the decision?** In addition to determining the costs and benefits of the decision, we should consider who will be affected by the decision. The more specific we can be about who is affected, the more likely the decision will be ethical, since the concept of ethics relates to the effects of decisions on identifiable individuals and groups. In general, the distributive justice principle should guide our actions when we are considering who is affected by the decision.

5. **Who has rights?** The rights of both the employee and the employer should be respected. Basic employee rights include the right to privacy, equal treatment, freedom from sexual harassment, and reasonable job security. Frequently, the rights of employers and those of employees are in direct conflict. In such cases, a balance that reflects the interests of society at large must be found.

Organizations can help to ensure that decision-makers respect ethical principles and rules by formulating and enforcing a code of ethics, by
providing necessary training, and by keeping track of the decisions that are made.

**A Typical Decision Making Dilemma for the Multinational firm in HR Policies:**

Standardization vs. Differentiation and Centralization vs Decentralization

Managers of global companies make decisions across a range of firm and plant level activities encompassing activities associated with traditional functions such as finance, marketing and production, as well as those associated with less traditional actions such as international business-government relations and international accounting. Although it is difficult to define a homogeneous set of management principles that harmonize the heterogeneous set of activities ongoing in a global organization, it is possible to identify several core and common concerns. In particular, two broad concerns arguably define the main dimensions within which multinational management decisions are made. These two dimensions have been identified and discussed in many HRM textbooks and concern the tradeoffs with respect to two aspects: (1) to what extent should specific actions be standardized or differentiated across the product and geographic markets in which the firm participates? (2) to what extent should responsibility for specific actions be centralized within headquarters, either global or regional, or decentralized to smaller, international affiliates?

While there is no instant answer to these dilemmas, in most areas of human resource management complete standardization ignores the nuances of differences across people and markets. Complete differentiation ignores the efficiencies that learning economies can bring to this management area. A fairly substantial amount of differentiation seems to be the logical generic prescription, always with the caveat that each situation will need to be examined.

Many multinationals also seem to adopt the policy of decentralization of their human resource management activities, but such a decision does not naturally follow. For example, for important management positions in affiliates, headquarters management will need to make the assignments, so a centralized approach at higher levels of management hiring seems called for. At lower levels the differentiation necessary across markets may indeed lead to decentralization of authority in selection and compensation, although some training and development aspects may still be centralized to ensure consistency of approach throughout the organization.


### 8.13 Summary

Effective decision-making is essential to an organization's success. With respect to theory, the rational model describes how decisions should be made. More realistic is the bounded rationality model, which emphasizes the limitations of human rationality and the necessary compromises involved in decision-making. The garbage can approach stresses the haphazard nature of the decision-making process, while the political approach suggests that decision-makers are primarily concerned with advancing their personal preferences.

Group decision-making can be superior to individual decision-making, given certain conditions. However, some groups are vulnerable to time and cost...
restraints, groupthink, and polarization. Managers have at their disposal a variety of techniques, strategies, and technical aids for improving group decision-making.

Organizations are regularly involved in ethical decision-making. There are a number of questions managers can consider to determine if a decision is ethical or not. Enforcing a code of ethics is one measure organizations can take to ensure that decision-makers respect ethical principles and rules.

### 8.14 True/False Questions

1. Nonprogrammed decisions are required when new and complex situations call for a solution, and the decision must be adapted to the given situation.

   ✔️ True ✗ False

2. The third step in the rational model is to evaluate alternatives.

   ✗ True ✔️ False

3. Satisficing is the practice of selecting an acceptable solution, which is not necessarily the best solution.

   ✔️ True ✗ False

4. In the garbage can approach decision making is orderly and predictable.

   ✗ True ✔️ False

5. Progressing using established patterns and considering the obvious is an example of lateral thinking.

   ✗ True ✔️ False

6. Intuition is a positive force that causes us to make an instantaneous decision that is not based on reason.

   ✔️ True ✗ False
Those who do not like to take any sort of risk are risk averse.

True ✗ False

Synergy is a process whereby the combined contributions of the two or more individuals produce an enhanced contribution compared to their separate contributions.

True ✗ False

Brainstorming involves sharing ideas anonymously.

✗True ✓ False

A focus group is a group of six to eight people who are brought together to discuss a particular issue, topic, or problem.

✓True ✗ False

### 8.15 Multiple Choice Questions

1. Which decision-making model views decision-making as a logical process consisting of seven steps?

✓ Rational model

✗ Political approach

✗ Garbage can approach

✗ Bounded rationality model

2. Which decision-making model states that some of the best decisions come about "accidentally," without methodical planning?

✗ Political approach

✓ Garbage can approach
Bounded rationality model

Rational model

3.

Which is not an attribute of lateral thinking?

Progresses by avoiding the obvious

Seeks continuity by logically proceeding from one step to another.

Avoids looking for what is "right" or "wrong." Tries to find what is different.

Analyzes ideas to determine how they might be used to generate new ideas.

4.

Which personal characteristic is a positive force that causes us to make an instantaneous decision that is not based on reason?

Intuition

Risk aversion

Creativity

Personal values

5.

Which personal characteristic describes those who do not like to take any sort of risk?

Creativity

Intuition

Personal Values

Risk aversion
6.
Which of these is not a factor that can undermine group decision-making?

- Time and cost
- Groupthink
- Synergy
- Polarization

7.
Which method for improving group decision-making encourages honesty by allowing participants to give their opinions anonymously.

- Brainstorming
- Nominal grouping technique
- Focus group
- Delphi technique

8.
Which decision strategy emphasizes the creation of new operations and management methods, technology, or products/services?

- Quality/Customer satisfaction strategy
- Cost leadership strategy
- Innovation strategy
- Expert systems applications

9.
Which technical aid improves decisions for which the rules are changing or are not well defined, and for which the "right" outcomes are unknown?

- Decision support system applications
In regards to ethical decision making, firing employees because of their physical appearance is less socially acceptable than firing them for poor performance, is an example of:

- Concentration of effect
- Probability of effect
- Temporal immediacy
- Social consensus

### 8.16 Cases and Exercises

#### Case 8a: What to Do with Hangover Harry

George Yee, the new divisional manager at Pentarecon Corporation, faced a perplexing personnel problem. Harry Norton, a long-time employee of Yee's division (Production Control and Methods Improvement), wasn't performing his job properly. Furthermore, his behavior was a source of acute embarrassment to some in the division.

"Hangover Harry" would arrive late at work each morning and begin the day by attempting to recover from last night's outing with his "Scotch friends." Harry's method of recovery appeared to involve socializing with co-workers and taking a two-hour, three-martini lunch break, followed by an afternoon nap in his office.

Yee, who had expected the employees in his division to resent Norton's behavior and nonperformance, was surprised to learn that Norton was generally liked and considered something of a folk hero among non-supervisory employees. Therefore, Yee decided to thoroughly investigate Norton's case before taking action.

In his seventh year with the firm, Norton was being considered for a supervisory position within the division. Everyone was surprised when the position went to another employee from the Research and Development Group. Norton appeared to take this career setback in stride. He continued to
exhibit the friendly and engaging manner that had won him many friends within the division.

Six months later, a project Norton was assigned to direct failed to achieve its goals, largely because Norton demonstrated an absence of leadership and enthusiasm when dealing with other project analysts. Subsequent job assignments revealed further deterioration in Norton’s performance. His failure to consider a variety of relevant variables in his work assignments resulted in the development of non-useable work methods and production control techniques. Norton’s record of poor performance, tardiness, and alcohol abuse continued to the point where his supervisor was afraid to assign him projects of any real significance.

Questions

1. What were the underlying causes of Norton's poor performance?
2. Who is responsible for Norton’s current performance?
3. If you were Yee, how would you handle the situation?

Case 8b: From Pentium 4 to IBM XT?

In a high profile technology service and support organization in Singapore, massive restructuring resulted in the CEO taking another job that was more suited to his quick thinking and decisive way of working. Before all this happened, Jay Chong, the CEO of two years, was very much regarded at the mover of the organization. He was both well respected and even revered by his organizational members being known as someone who was able to handle many ideas in his head during his top management meetings. He was the kind of CEO who would walk into a meeting, hears what everyone has to say and almost instantly makes decisions based on what he has heard and even delegates his top management staff to handle different aspects of the decision.

Jay was also known as someone who had an open door policy with his staff and would welcome ideas and opinions from everyone in his organization. The board of directors realized that his style of decision making was causing radical shifts in ways that were established over the years. Hoping not to cause too much change, the board offered Jay an opportunity to step down as CEO as they feel he was moving too fast for them. Jay was soon offered a new position as CEO of another organization that aligns with his style.

After Jay left, Jason Tan took over as CEO and his style was very different. In meetings he would still listen to what everyone had to say but he tended to push decisions to a few days after. This style made everyone feel that Jason was a weak decision maker. They felt like the whole organization had slowed down. Word spread around that Jay was like a Pentium 4 whereas Jason was like an old IBM XT model.

When news of this reached the board, they convened a meeting with Jason and asked him what was going on. He said, "You said not to rock the boat. I am doing just that. I am also a great decision maker. Jay and I have different
styles but we are both effective leaders. You will know soon enough. Whenever, I make decisions, I make sure I have clarity – that is anything over 85% confidence – and then I choose which action to take. This is my style and I never had a problem with that!”

The Chairman of the board mentioned that he appreciated Jason's style and that they wanted someone who was not too radical. Jason was well trained, with great experience to back him up and he is confident that Jason will perform well. "Let's give him time," he said.

True enough, within the span of a year, 50% of the top management staff left and rumor has it that some even sought out Jay and wanted to continue to work with him. When this came to the board's ears, they convened a meeting again with Jason and asked: "Can you become a blend of both Jay and you?" Jay had good points and so do you but what will work is to have a combination of both of you." Jason was stumped and said that he would meet with the board in a month to tell them what his strategy was going to be.

Questions:

1. Who was the fox and who the hedgehog?
2. What would you plan to do in that month?
3. What strategy would you present to the board in a month if you were Jason?
4. How can you develop to become flexible enough to embrace both decision making styles?


Instructions

Complete the Problem-Solving Diagnostic Instrument. Take your time to complete the instrument carefully. Your answers should reflect your behaviors as they are now (not as you would like them to be). Be candid. This instrument is designed to help you discover your decision-making style. There is no right or wrong answer. When you have completed the survey, use the scoring key to identify the skill areas that are most important for you to master in order to improve your level of competency in problem solving and creativity.

Use the following rating scale for your answer:

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>Disagree</td>
<td>Slightly Disagree</td>
<td>Slightly Agree</td>
<td>Agree</td>
<td>Strongly Agree</td>
</tr>
</tbody>
</table>

Problem-Solving Diagnostic Instrument

When I approach a typical, routine problem

__________ 1. I always define clearly and explicitly what the problem is.
2. I always generate more than one alternative solution to the problem.

3. I evaluate the alternative solutions based on both long- and short-term consequences.

4. I define the problem before solving it; that is, I avoid imposing my predetermined solutions on problems.

5. I keep problem-solving steps distinct; that is, I make sure to separate formulating definitions, generating alternatives, and finding solutions.

When faced with a complex or difficult problem that does not have a straightforward solution

6. I try to define the problem in several different ways.

7. I try to be flexible in the way I approach the problem; I don’t just rely on conventional wisdom or past practice.

8. I look for patterns or common elements in different aspects of the problem.

9. I try to unfreeze my thinking by asking lots of questions about the nature of the problem.

10. I try to apply both the left (logical) side of my brain and the right (intuitive) side of my brain to the problem.

11. I frequently use metaphors or analogies to help me analyze the problem and discover what else it is like.

12. I strive to look at problems from different perspectives so as to generate multiple definitions.

13. I do not evaluate the merits of an alternative solution to the problem until I have generated other alternatives.

14. I often break the problem down into smaller components and analyze each one separately.

15. I strive to generate multiple creative solutions to problems.

When trying to foster more creativity and innovation among those with whom I work

16. I help arrange opportunities for individuals to work on their ideas outside the constraints of normal procedures.
17. I make sure there are divergent points of view represented in every problem-solving group.

18. I sometimes make outrageous suggestions, even demands, to help stimulate people to find new ways of approaching problems.

19. I try to acquire information from customers regarding their preferences and expectations.

20. I sometimes involve outsiders (for example, customers or recognized experts) in problem-solving discussions.

21. I provide recognition not only to those who are idea champions, but also to those who support others’ ideas and who provide resources to implement them.

22. I encourage informed rule-breaking in pursuit of creative solutions.

Scoring and Evaluation

The scoring sheet in the table below summarizes your responses. It will help you identify your existing strengths and pinpoint areas that need improvement.

(a) Fill in your score column for each skill area by adding the scores for each item.

(b) Add the three category scores to obtain a total score; enter the total score in the space indicated.

<table>
<thead>
<tr>
<th>Skill Area</th>
<th>Items Assessment Dimension</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rational Problem Solving</td>
<td>1-5</td>
<td></td>
</tr>
<tr>
<td>Creative Problem Solving</td>
<td>6-15</td>
<td></td>
</tr>
<tr>
<td>Fostering Innovation</td>
<td>16-22</td>
<td></td>
</tr>
<tr>
<td>Total Score</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Assessment

To assess how well you scored on this instrument, compare your score to two criteria:

(a) Compare your score with the scores of other students in your class

(b) Compare your scores to a norm group consisting of 500 U.S. business students. In comparison to this reference group,

If you obtained a score of 105 or above, you are in the top quartile

If you obtained a score between 94 to 104, you are in the second quartile
If you obtained a score between 83 to 93, you are in the third quartile.

If you obtained a score of 82 or below, you are in the bottom quartile.


Notes

Chapter 9: Managing Stress and Enhancing Well-Being at Work

9.1 Learning Objectives

After reading this chapter, you should be able to:

- Describe the concepts of stress, the stress response, stressors, and strain
- Identify extrinsic and intrinsic sources of stress
- Describe the consequences of stress for health and work performance
- Identify the main characteristics of burnout
- Explain why different people have different responses to stress
- Explain how social support can function as a buffer against stress
- Outline several individual and organizational stress management techniques

9.2 Introduction

The word "stress" is familiar to most of us. Almost everyone has felt "stressed out" at times or knows family and friends who complain of stress. Many people believe that we live in a particularly stressful age. But what exactly is stress? What causes it? How do we know it’s affecting us? What are its consequences, both for individuals and for organizations? Given the seeming inevitability that everyone will face stress in varying amounts throughout their lives, it is important that we learn about it and learn how to manage it.

The management of stress has been given a high priority in organizations in recent years. This is seen in the proliferation of stress management workshops and employee assistance programs designed to help employees cope with stressful events on and off the job. The growth in these services has been accompanied by a corresponding interest in evaluating their individual and organizational benefits. Proponents of stress management programs say that effective intervention will increase organizational effectiveness by contributing to higher employee performance and reducing employee withdrawal behavior such as absenteeism, tardiness, and turnover, all potential consequences of stress at work. Similarly, it is argued that employees who are subjected to prolonged periods of stress will likely be suffering from disorders such as ulcers and high blood pressure, as well as psychological problems such as burnout and depression. In a recent book, Dolan mention the great paradox of the 21st century: "better physical conditions in the workplace, but worse psychological conditions and more work-related stress" (p. 12)."
However, there is an underlying assumption that an effective stress management program can create a win–win situation in which both employee health and organizational well-being are enhanced.

9.3 The Meaning of Stress

Although thousands of articles on stress appear in professional journals and popular magazines, the concept is still poorly understood by the public. Because stress has attracted the attention of researchers in various disciplines from medicine to management, each using its own jargon, models, and viewpoints, there are various definitions of stress. We will provide a general definition, but stress has meant different things to different people, and this confusion will likely continue in the future.

Some regard stress as a set of stimuli, that is, a broad range of environmental conditions thought to be stressful. Others, notably the late Hans Selye of the University of Montreal, defined stress as a response. Selye, often referred to as the "father of stress," noted that the body reacts to various stressors in the same physiological manner, ultimately leading to "wear and tear" on the body. His findings supported those of Walter Cannon, who had observed biochemical responses to environmental stressors in the form of the "fight or flight" syndrome. Both noted that bodily responses to stress are instantaneous.

Over the years, the concept of workplace stress has evolved in its definition and scope to comprise a far more complex phenomenon. Today, workplace stress, also known as occupational stress, is seen as the entire process in which people perceive and interpret their work environment in relation to their capability to cope with it. Under this definition, stress is present when the environment poses (or is perceived to pose) a threat to you, either in the form of excessive demands or in the form of insufficient resources to meet your needs.

What people say...

- I lead a very hectic lifestyle. I work with my husband who is a lawyer and I am also a housewife. I don't know how to cope with every-day stress, and, in addition, I suffer from kidney problems. I need help.
- I'm a sales director and manage a team of 11 sales executives. In our jobs, we have to deal with a lot of pressure as part of meeting our daily targets. I'd like to discover some sort of simple methodology to apply to my work team.
- I'm in charge of the Quality Control Department in a Clinic and, in some areas, mistakes get made resulting from a lack of concentration, for instance in dispensing medicines, surgical-medical material, etc.
- I'm the manager of a Customs Agency, and last week I had a problem with a client. I went home, lay down to rest for a while and started feeling a very strong pain in the chest. I lay back down and when I got up, I felt dizzy again and the pain came back.

Source: http://www.euskalnet.net/psicosalud/respuestaestres.htm
There are many types of situations that can be physically or psychologically demanding, such as a fast-paced job, getting married or divorced, having children, being fired, or even receiving a promotion or winning the lottery. Any event or situation that puts a demand on a person is called a stressor. You can probably think of many people and events that are stressors in your own life.

**Responding to Stress**

How do you react to stressors? Probably it’s in a physical way; for instance, your heart beats faster, or your palms get damp. When we are exposed to a situation that puts demands on us, our body responds physically. This is known as the stress response, and also as the fight or flight response, because the physical changes that occur when we are confronted with a stressor prepare us to either stay and fight the stressor or flee from the situation. The physiological changes that characterize the fight or flight response are:

- An increased blood flow to the brain and large muscle groups. This increased blood flow makes us more alert and provides us with extra strength to deal with danger.
- Vision, hearing, and other sensory processes are sharpened, so that we have heightened awareness of the stressor.
- Glucose and other fatty acids are released into the bloodstream to provide extra energy during the stressful event.
- The pupils of the eye enlarge, to improve vision in a dark hiding place.
- The palms of the hands and feet sweat, giving a better grip for running, climbing, and holding onto things.
- Digestive processes are reduced; for instance, the mouth gets dry.

These changes shift us from a physically neutral state to a state of preparedness, so the stress response helps us to perform better when confronted with stressors. You may have heard stories in the news of people performing nearly impossible physical acts when confronted with a crisis. For instance, in December 1996 four Denver children, aged 8 to 13, lifted a car that had fallen on a neighbor who was working under it. This is a powerful illustration of how the fight or flight response enables us to transcend our limitations in the face of stress.

If the stress response helps us to deal with stress so effectively, you might wonder why stress is considered to be a negative thing. The answer is simple. Although most of us are able to adequately respond to stressful situations most of the time, our bodies and minds have a limited capacity to respond to stressors. When you are exposed to too many stressors over a long period of time, your ability to cope with these stressors may diminish.

**Work-related Stress and Health: An American perspective**

(Source: Encyclopaedia of Occupational Health and Safety)
Cardiovascular disease

Many studies suggest that jobs that are psychologically demanding and which give employees little control over the work process result in increased risk of cardiovascular disease.

Muscular-skeletal conditions

On the basis of research done by the National Institute for Occupational Health and Safety (NIOSH) and other organisations, it is believed that work-related stress increases the risk of developing muscular-skeletal conditions affecting the back and lower extremities.

Psychological conditions

Several studies suggest that the differences between the instances of mental health problems (such as depression and exhaustion) for several occupations are partly due to the differences between the levels of work-related stress. (The economic and lifestyle differences between occupations can also contribute toward some of these problems).

Accidents in the workplace

Although more in-depth studies are needed, concern is increasing that stressful working conditions impede work from being carried out safely and that they cultivate conditions for industrial accidents.

Suicide, cancer, ulcers and affected immune disorders

Some studies suggest a relationship between stressful working conditions and these health problems. Nevertheless, more research is needed before firm conclusions can be drawn.

Encyclopaedia of Occupational Health and Safety

Work-related Stress and Health: A European Perspective

(Source: European Agency for Occupational Health and Safety, 2004
http://agency.osha.eu.int/publications/magazine/5/es/index_5.htm

- Work-related stress, its causes and its consequences are frequent in the former fifteen member states of the European Union. More than half of the 160 million European workers state that they work very fast (56%) and to tight schedules (60%). More than a third of those interviewed have no say in how their work tasks are organized; 40% point out that they perform monotonous tasks.
- It is probable that these work-related stress generators have contributed to the present manifestations of disease and illness: 15% of workers complain of headaches, 23% complain of neck and shoulder pains, 23% of fatigue, 28% of "stress" and 33% of backache. They also contribute toward many other diseases, including life-threatening diseases (European Foundation, 2001).

Stress related to prolonged work is a significant determining factor in depressive disorders. These disorders represent the fourth main cause in terms of volume of disease for the entire world. It is anticipated that by the year 2020 this will become the second
cause, behind ischemic cardiopathy, but ahead of all the other diseases (World Health Organisation, 2001).

In the fifteen member EU countries, the average cost of these mental health problems and other associated problems totals between 3% and 4% of the GDP (ILO, 2000) which totals around 7256,000 million per year (1998).

It is quite probable that work-related stress is a significant determining factor of the metabolic syndrome (Folkow, 2001; Björntorp, 2001). This syndrome contributes toward heightening ischemic cardiopathic morbidity and type 2 diabetes.

In the EU guideline, examples of ischemic cardiopathy, strokes, cancer, muscular-skeletal and gastrointestinal diseases, anxiety and depressive disorders, accidents and suicides are commented on in detail.

### A General Model of Workplace Stress

Thus far we have provided a general definition of stress, and we indicated the costs to organizations and their members. However, we are especially interested in stress in the workplace, or occupational stress.

Occupational stress deals with employees' ability to meet the demands of the job. An employee may be suffering from occupational stress when either or both of two conditions occur: (a) the employee is unable to adequately respond to the demands of the job, or (b) the employee's expectations about the job markedly differ from the reality. The occupational/job stress model presented in Figure 9-1 identifies three principal components involved in the causes of stress at work:

- **Perception of job demands.** Employees' perception of a situation can influence how (and whether) they will experience stress. For example, a manager's request that two subordinates stay an extra hour to finish important work can be perceived as stressful by one employee and have no effect on the other. Stress can originate from a single stressor or from a combination of environmental job demands.

- **Individual differences.** There are a number of individual differences that play an important role in the ways in which employees experience and respond to stress. Individual differences in needs, values, attitudes, abilities, and, of course, personality traits are important in that they may increase or reduce the perception of the harmfulness of work demands. Thus, to understand whether job incumbents will be stressed, it is critical to understand their perception about their work and their organization; what one person may consider to be a major source of stress, another may hardly notice.

- **Social support.** Compensatory mechanisms (commonly referred to as "buffers" or "moderators") that may be present or absent during stressful periods are important mediators of responses to stress. One such buffer is social support. The support of others in one's social environment includes co-workers, superiors, family, and friends. The availability of such support increases confidence and strengthens the ability to cope.
The essence of the model in Figure 9-1 has been validated in different organizations, and for a variety of occupations – including hospital employees, teachers, police officers, prosecutors, executives, middle-level managers, first line supervisors, programmers, secretaries and others by researchers throughout the world.

An even simpler model of work stress has been elaborated by the U.S. based NIOSH (National Institute for Occupational Health and Safety). On the basis of experience and research, NIOSH favors the view that working conditions play a primary role in causing job stress. However, the role of individual factors is not ignored. According to the NIOSH view, exposure to stressful working conditions (called job stressors) can have a direct influence on worker safety and health. But as shown in Figure 9-2, individual and other situational factors can intervene to strengthen or weaken this influence.

![Figure 9-1: A Prototype Model of Workplace Stress.](image)

Note: This is a reduced model based on a more elaborated one that can be found at Dolan & Arsenault (1980) and Dolan (2006) A Prototype Model of Workplace Stress.
9.4 Sources of Occupational Stress

Occupational stress models have focused on several categories of job stressors. Among them are Individual job stressors, Physical stressors, and organizational stressors. Role problems (conflicts and ambiguities), job content demands (workload and responsibility), work organization (lack of participation, number of hours worked), reduced professional perspectives (career ambiguities, skill underutilization), and physical environment (noise, temperature, safety) are all examples of potential stressors.

One interesting way to classify individual sources of stress is according to their origin: job context (extrinsic) or job content (intrinsic). As shown in Figure 9-1, many extrinsic stressors have linear relationships with adverse consequences, whereas intrinsic stressors have curvilinear relationships. The implications are important. Extrinsic stressors may have an additive and cumulative effect; for instance, role conflict, in addition to poor working conditions and added to a strong feeling of pay inequity, may cause stress, which would be nonexistent if only one of the stressors were present. Similarly, a low level of extrinsic stressors may have no negative effect. The consequences of intrinsic stressors are more complex. In the case of either over-stimulation (e.g., too much responsibility) or under-stimulation (not enough responsibility), adverse consequences may manifest. Thus, the extrinsic sources of stress are linearly related to strains, while the intrinsic sources of stress have a curvilinear relationship to strain. Figure 9-3 illustrates the difference. The severity of the stress consequence is, of course, moderated by the degree of social support and by the personality of the job incumbent.
Extrinsic Sources of Stress

Role Conflict and Role Ambiguity You have probably experienced role conflict at some point. If your mother asks you to make dinner and five minutes later asks why you’re not doing your schoolwork, you’d become frustrated because of the difficulty in fulfilling the roles of chef and student at the same time. When you feel that conflicting demands are being placed upon you, you experience role conflict.

Role conflicts occur in the workplace when a person is expected to fulfill incompatible roles at the same time. For example, managers today are often required to play the role of team member and leader. Playing these two roles simultaneously can be difficult, since managers are usually responsible for evaluation and discipline of other team members. A manager who is working on team projects may find it difficult to put aside the leadership role and participate on an equal level with other team members.

Other times, employees are asked by their supervisor to stay after work to complete an assignment. The employee may feel frustrated if not paid for the overtime. When the performance expectations of an employee are incompatible or confusing (as the last example illustrates), the employee may experience role ambiguity.
Both role ambiguity and role conflict occur in many different types of jobs. However, these types of stressors are particularly common among managers and professionals whose job description is unclear.

**Poor Employee Appraisal and Feedback** Another common source of stress in organizations is lack of feedback or erroneous feedback that is based on a poor system of performance appraisal. Imagine that you studied hard and regularly turned in assignments that you didn’t ever receive back. How would you know how you were doing in the course and whether you were on the right track preparing for exams? How would you react to this information vacuum? Feedback is essential for informing people about how they’re doing, and, if they’re making mistakes, how to correct them. Frequently, employees don’t receive much feedback, contributing to feelings of stress. Managers are usually overworked, and performance evaluation takes time. In addition, many managers find it difficult to give negative feedback and tend to avoid it if possible. However, we all need feedback in order to learn and progress. And, of course, positive feedback reduces stress and improves motivation and satisfaction.

**Lack of Career Progress** As the workforce ages and many organizations today face downsizing, the result is a number of career-related problems such as fewer promotion opportunities and more competition. If you do not advance as rapidly as you wish, stress may result. Conversely, if you are promoted into a job that exceeds your abilities, you may suffer from the fear of being out of your depth and hence failing. Let’s elaborate a bit on these two issues.

A person who reaches a point beyond which the probability of advancement is low is said to have arrived at career plateau. Employees who reach this stage can be divided into two categories: solid citizens, who continue to perform well in spite of limited promotion opportunities; and deadwood, employees whose performance levels have deteriorated below acceptable levels. Labeling employees as "not promotable" could be risky, since they will be excluded from any career development opportunities and thus will fall into a cycle of skill deterioration and career stagnation. Even solid citizens can be turned into corporate deadwood.

Mid-career and senior employees are vulnerable to skill obsolescence, which can increase stress. Skill obsolescence results from a combination of job changes as well as personal changes. Obsolescence can occur when opportunities for training fail to keep pace with changing job requirements. Similarly, it may be the result of employees falling behind in their abilities to use new techniques. Older workers are particularly vulnerable to skill obsolescence because they have longer work histories, during which skills and knowledge can erode.

**Rapid Changes in Pace and Content of Work** In their struggle to become competitive, organizations are trying new methods for processing work. Often, they implement one program, and before it is over another new program takes over. Organizations that are desperate to grasp any new management "technique" or "philosophy" but do not have the patience to stick
to it are stressful environments for employees who are expected to be able to constantly adapt to the changes. Buzzwords such as TQM (total quality management) are being rapidly replaced with "Flatter Organizations," "Continuous Improvement," or "Re-engineering" (concepts that will be explained in Chapter 13). The changes in organizations and individual jobs are a major cause of stress.

A related subject that is also a common source of stress for employees is the implementation of new and advanced technology. Although you have likely been using computers for some time, many older workers did not grow up using computers and the other advanced technologies that are now available to organizations. They often find the new technology intimidating and fear that they won’t learn how to use it properly. Computerization has caused problems and stress for both managers and employees over the last decade.

**Poor Working Conditions** Many organizations have problems with their physical environment. For instance, some offices have poor lighting and poor air circulation; factories are often noisy and may be too hot or cold. Such job conditions can be a source of discomfort and stress for an employee and often lead to deterioration in work performance. Finally, environmental stressors interact and intensify other sources of stress. Thus, managers should be aware of poor job conditions and try to correct them.

A couple of years back, an article in *Newsweek* magazine entitled "Stress on the Job" identified these occupations as high stress ones: air traffic controller, customer service or complaint department worker, inner-city high-school teacher, journalist, medical intern, miner, police officer, secretary, stockbroker, and waitress. These jobs are stressful owing to danger, pressure, or having responsibility without control. Other studies add the following occupations: crown attorneys, nurses in emergency rooms and intensive care units, social workers assigned to youth protection, and needle workers (sewers) who work on performance-based pay systems.

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**Leaders In The Field**

**Cary L. Cooper**

*Cary L. Cooper is presently* a Professor of Organisational Psychology and Health, Pro Vice Chancellor for External Relations at the University of Lancaster in the U.K. He was the *editor-in-chief of The Journal of Organizational Behavior* and *co-editor of the journal*
Many people experience enormous pressure and dissatisfaction from their jobs. This has driven me over the last few decades to identify the major sources of stress on people at work, in an effort to encourage managers, employers, and governments to begin to create healthier work environments. We have collected data on over 80 occupational groups—{} from pilots to offshore oil and gas workers, from teachers to steelworkers—in countries across the globe.

Having also explored the dual-career family, I’ve concluded that the changing role of the family in Western culture has caused considerable stress, as we come to terms with the new roles at work, in the home, and in society. Until recently, most of the industry in the West has been controlled by men, with male career patterns imprinted upon all organizational members. The new dual-career family will require more flexible working arrangements, not just in terms of time but in terms of place, years worked, and other arrangements consistent with the new technologies and changing nature of work.

We are facing a major challenge as work moves from permanent full-time employment to contract or contingency employment. Many blue-collar, white-collar, and managerial employees will be pursuing a portfolio of jobs. Whereas workplace stress has focused on work overload, job insecurity, and long working hours, tomorrow it will have to deal with homework, individual career planning, coping with “contract work cultures,” and similar issues. The challenge for the new generation of organizational behavior students is to understand what Studs Terkel means in his book *Working* when he says, “[Work] is about a search for daily meaning as well as daily bread, for recognition as well as cash, for astonishment rather than torpor; in short, for a sort of life rather than a Monday through Friday sort of dying.” The future requires from organizational behaviorists, managers, and trade unionists the inventiveness necessary to create healthier and more livable work environments.

### 9.5 Intrinsic Sources of Stress

**Work Overload/Underload** Most people in organizations today complain about being assigned too much work without adequate resources (materials, assistance, time) to complete the work satisfactorily; this is the essence of work overload. When work overload is an ongoing state of affairs, feelings of stress result. Unfortunately, it seems that stress due to overload is increasing. Since the recession of the early 1990s, organizations have been reducing their workforce (“downsizing” or “rightsizing”) while paying for fewer resources. As a result, the employees who remain (the “survivors”) have seen their workloads increase as they have taken on some of the work of those who left. When the new job responsibilities are unfamiliar ones, the extra burden is made even more stressful.  

Although having *too much* work can be stressful, so can be having *too little*. People with too little to do can become bored and irritable. One senior executive, stressed by the fact that he was becoming overshadowed by his bright, high-performing assistant, reduced the assistant’s workload to
nothing. The assistant, who continued to be paid, could not tolerate the stress of sitting for hours in the office with nothing to do, and eventually resigned.

**Job Control and Responsibility** Your level of control is the extent to which you may determine how, where, why, and when to act; your access to information necessary to make informed decisions; availability of resources for implementing choices; and the power to bring about desired choices. Low job control is particularly stressful when combined with high job responsibility. In contrast, jobs characterized by high responsibility and sufficient resources can be stimulating and health promoting.

**Typical Organisational Stressors:**

- **Climate within the organisation** – Every organisation has its own personality, its own climate. This climate conditions the behaviour of the individuals who make up the organisation, though it is difficult to appraise since there are no scientifically valid tools available to measure it. The climate may, or may not be, be tense, relaxed, cordial, etc. All this produces different levels of stress in the individuals depending on their susceptibility or vulnerability.

- **Size and management style** – The most common source of stress arises from the combination of the organisation's size and how formal its functioning is, in other words, bureaucracy. Many studies have shown that highly bureaucratic organisations try to mould individuals to conform to a stereotype.

- **Hierarchical structure** – In all hierarchies where there is an unequal distribution of power, the higher the level, the greater the tendency of autocratic control of a few at the expense of others. Managers are in a good position to demand behaviours which exceed the ability of the individuals to tolerate such demands.

- **Technology** – The incorporation of new technologies has important implications for numerous work-related and organisational aspects. Changes develop in the tasks and job roles, in the supervision, in the structures and in the organisational style. These can make way for new stressors in the workplace, while eliminating others.

- **Irrational deadlines** – Everyone knows the impact produced by the establishment of unreachable goals given the time allotted to complete them.

**9.6 The Relationship Between Work and Nonwork Stress**

In addition to their various work roles, employees have roles outside the workplace. Many employees have the role of parent; others may have roles such as secretary of a community organization or member of a sports team. Sometimes work roles and other roles conflict with one another. For instance, a business executive might be required to work long hours to get a promotion,
leaving little or no time to fulfill other roles. Such conflicts can cause frustration and stress.

Another major source of stress is what we may call life events. According to the Social Readjustment Rating Scale, developed by researchers T.H. Holmes and R.H. Rahe, (1967) the most stressful events are death of a spouse, divorce, marital separation, and serving a jail term. Further down on the list are various life changes such as moving or attending a new school. Eating and sleeping habits also have a place on the list. The scale’s developers suggest that it can be used to predict negative health outcomes. Although not directly related to one’s job, life stressors can impair work performance or intensify existing work stress to the point that it becomes a serious problem.

## 9.7 Consequences of Stress

Stress can affect our health at four levels: physically, somatically, psychologically (emotionally), and behaviorally. The main effects are listed in Figure 9-4. The figure shows that stress may affect our health on many levels. Stress may also damage the health of the organization; stressed employees may be more absent, have low moral, or be more prone to be involved in accidents. In this sense, we can diagnose organizations that are "sick" in a similar manner to diagnosing sick individuals, although the symptoms are a bit different. Within the same organization there may be some units that suffer from more stress than others. We can conclude that the more frequent and the more severe the indicators of strains (as listed in Figure 9-4), the more stressed and the less healthy is the individual or the organization.

### The Holmes-Rahe Life Stress Inventory - The Social Readjustment Rating Scale


**INSTRUCTIONS:** Mark down the point value of each of these life events that has happened to you during the previous year. Total these associated points.

<table>
<thead>
<tr>
<th>Life Event</th>
<th>Mean Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Death of spouse</td>
<td>100</td>
</tr>
<tr>
<td>2. Divorce</td>
<td>73</td>
</tr>
<tr>
<td>3. Marital Separation from mate</td>
<td>65</td>
</tr>
<tr>
<td>4. Detention in jail or other institution</td>
<td>63</td>
</tr>
<tr>
<td>5. Death of a close family member</td>
<td>63</td>
</tr>
<tr>
<td>6. Major personal injury or illness</td>
<td>53</td>
</tr>
<tr>
<td>7. Marriage</td>
<td>50</td>
</tr>
<tr>
<td>8. Being fired at work</td>
<td>47</td>
</tr>
<tr>
<td>9. Marital reconciliation with mate</td>
<td>45</td>
</tr>
<tr>
<td>10. Retirement from work</td>
<td>45</td>
</tr>
<tr>
<td>11. Major change in the health or behavior of a family member</td>
<td>44</td>
</tr>
<tr>
<td>12. Pregnancy</td>
<td>40</td>
</tr>
<tr>
<td>13. Sexual Difficulties</td>
<td>39</td>
</tr>
</tbody>
</table>
14. Gaining a new family member (i.e., birth, adoption, older adult moving in, etc) 39
15. Major business readjustment 39
16. Major change in financial state (i.e., a lot worse or better off than usual) 38
17. Death of a close friend 37
18. Changing to a different line of work 36
19. Major change in the number of arguments w/spouse (i.e., either a lot more or a lot less than usual regarding child rearing, personal habits, etc.) 35
20. Taking on a mortgage (for home, business, etc.) 31
21. Foreclosure on a mortgage or loan 30
22. Major change in responsibilities at work (i.e. promotion, demotion, etc.) 29
23. Son or daughter leaving home (marriage, attending college, joined mil.) 29
24. In-law troubles 29
25. Outstanding personal achievement 28
26. Spouse beginning or ceasing work outside the home 26
27. Beginning or ceasing formal schooling 26
28. Major change in living condition (new home, remodeling, deterioration of neighborhood or home etc.) 25
29. Revision of personal habits (dress manners, associations, quitting smoking) 24
30. Troubles with the boss 23
31. Major changes in working hours or conditions 20
32. Changes in residence 20
33. Changing to a new school 20
34. Major change in usual type and/or amount of recreation 19
35. Major change in church activity (i.e., a lot more or less than usual) 19
36. Major change in social activities (clubs, movies, visiting, etc.) 18
37. Taking on a loan (car, tv, freezer, etc) 17
38. Major change in sleeping habits (a lot more or a lot less than usual) 16
39. Major change in number of family get-togethers (““) 15
40. Major change in eating habits (a lot more or less food intake, or very different meal hours or surroundings) 15
41. Vacation 13
42. Major Holidays 12
43. Minor violations of the law (traffic tickets, jaywalking, disturbing the peace, etc) 11

Now, add up all the points you have to find you score.

**150pts or less** means a relatively low amount of life change and a low susceptibility to stress induced health breakdown.

**150 to 300 pts** implies about a 50% chance of a major health breakdown in the next 2 years.
300pts or more raises the odds to about 80%, according to the Holmes-Rahe statistical prediction model.

<table>
<thead>
<tr>
<th>Physiological</th>
<th>Somatic</th>
<th>Psychological</th>
<th>Behavioural</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elevated blood pressure</td>
<td>Muscular complaints</td>
<td>Anger and hostility</td>
<td>Escapist drinking</td>
</tr>
<tr>
<td>Increased heart rate</td>
<td>Breathing difficulties</td>
<td>Anxiety</td>
<td>Escapist smoking</td>
</tr>
<tr>
<td>Increased cholesterol</td>
<td>Digestive complaints</td>
<td>Irritability</td>
<td>Impulsive behaviour</td>
</tr>
<tr>
<td>Sweating</td>
<td>Cardiovascular problems</td>
<td>Depression</td>
<td>Weight change</td>
</tr>
<tr>
<td>Hot and cold spells</td>
<td>Neurological complaints and headaches</td>
<td>Emotional distress</td>
<td>Interpersonal conflicts</td>
</tr>
<tr>
<td>Heart attacks</td>
<td></td>
<td>Exhaustion/Burnout</td>
<td>Tardiness, absenteeism</td>
</tr>
<tr>
<td>Strokes</td>
<td></td>
<td></td>
<td>Quitting</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Accident proneness</td>
</tr>
</tbody>
</table>

*Figure 9-4: Typical Strain Indicators.*

Source: [http://www.cdc.gov/niosh/stresswk.html](http://www.cdc.gov/niosh/stresswk.html)

**Burnout**

You may have heard the expression "job burnout," since it is increasingly used in the media. Burnout refers to the "syndrome of physical and emotional exhaustion involving the development of negative self-concept, negative job attitudes and loss of concern and feeling for clients." In the past two decades, research on various aspects of occupational demands and their harmful consequences on the psychological well-being of employees has flourished. The burnout literature originally concentrated on the helping/caring professions such as nursing, medicine, and social work, but it is discussed today in broader contexts. Although psychological indications of inability to cope with organizational life vary, typical measures used in organizational research include assessments of emotional state such as anxiety, depression, irritation, and job dissatisfaction.

Thus, job burnout is a special type of psychological strain that occurs when people work in situations in which they have little control over the quality of their performance but feel personally responsible for their success or lack of it. Others view burnout as the culmination of long-term stress and the tedium of prolonged mental and emotional stress. Its main characteristics, however, are physical, mental, and emotional exhaustion that makes the employee unable to cope with work demands. Burnout is a progressive state that starts with
feelings of inadequacy and develops to a condition in which physical and mental function deteriorates. People most susceptible to burnout are those who are highly committed to their jobs, work long and intensely, and have little control over their work lives. It has been found in all professions, in all walks of life, and at all job levels. However, the high-risk categories include police officers, prison guards, nurses, social workers, and teachers. One example is that of a 32-year-old lawyer who "freaked out" and plunged a sharp pencil into the back of his own hand several times. He was taken to the hospital and is now being treated for stress-related illness.

Although burnout has not been recognized as a defined "mental disorder" in the Diagnostic and Statistical Manual of Mental Disorders (DSM-IV) of the American Psychiatric Association, it has been recently recognized as a compensable occupational disease by numerous workers' compensation boards and tribunals in many countries throughout the world.

If you want to know if you are (or have been in a burnout situation, look at the following symptoms:

- Do you no longer laugh or have fun at work/college?
- Are you more irritable toward coworkers, school mates or customers?
- Do you always see work/studies as a chore?
- Have you developed chronic worry about your job/studies?
- Do you feel lethargic and empty in your work/college?

9.8 Stress and Performance

As pointed out earlier in the chapter, some level of stress can help performance and well-being. It is only when a person is receiving too much or too little stimulation that adverse effects become apparent. The relationship between stress and performance can be summarized in an inverted U shape, as depicted in Figure 9-5. This figure illustrates that there is an optimal zone of performance reflecting moderate level of stimulation; to work most effectively, people should be at optimal stress level. Determining this optimal level is difficult because different types of people respond to stressors differently; one person's optimal stress level is another's breaking point. Our personalities can play an important role in how we respond to a situation, as will be explained in the next section.

9.9 Personality and Stress

Occupational stressors may have either stimulating or debilitating consequences on an individual's behavior at work, depending on a variety of individual differences, as shown in the general model of stress (Figure 9-1). The paradox of stress at work is that the consequence is an individual phenomenon; a given stressor to one employee is a satisfier to another. Only you can define your work stressors as a result of your own experience and apprehensions.
Therefore, the second group of factors listed in the model (Figure 9-1) are the individual differences. In this section, we will examine the individual differences that pertain to stress, health, and performance, namely the individual's personality.

![Figure 9-5: Typical Relationship Between Stress and Performance.](https://example.com/fig9-5.jpg)

**Type A Personality**

A number of years ago, medical researchers noticed personality similarities among people who suffer from premature heart disease. These people seemed to share the following characteristics:

- A constant feeling of time urgency, and an obsession with time limitations
- Handling pressure by exhibiting high levels of activity and high levels of competitiveness, to the point of being hostile to people who challenge their ideas
- Workaholic tendencies (i.e., working endlessly, leading to the exclusion of relationships and leisure activities)
- Impatience with anyone or anything that interferes with goal attainment.

This cluster of behaviors became known as the Type A personality and gave rise to a large body of research that attempts to identify and understand the
determinants and consequences of Type A behavior. For instance, it was found that people with these personality traits tend to create stress for themselves or make stressful situations worse than they otherwise might be. Furthermore, particular aspects of the Type A personality (anger, hostility, and aggression) not only are associated with increased stress, they also may lead to heart attacks.

Consider these comments made by a stressed-out executive: "I have to be in the office first ... I don't know why they invented these stupid traffic lights, they make a bad traffic situation worse ... I don't know why they give driving licenses to seniors; they drive slow and hold everybody up ..." For this Type A personality, the stress begins before he steps foot in the office.

Opposite to the Type A personality is the Type B personality. This type of person is easygoing, relaxed, and less likely to react to various situations in a hostile or aggressive manner. Type B personalities are less apt to suffer from the adverse symptoms of stress, and are also less likely to contract premature heart disease.

You might be interested in discovering whether you lean more toward a Type A or a Type B personality, so we provided a way for you to find out. The questionnaire in Figure 9-6 is based on the work of San Francisco cardiologists Friedman and Rosenman, who were the first to discover and label this phenomenon. In answering the questionnaire, use your first impression of how you know you behave most of the time. Try not to edit your answers, and try not to answer based on what you know a Type A should or should not be.

If you answered yes to most of these questions, you are likely a Type A person. If you answered yes to over half of them, you might still be leaning to Type A, but are not an extreme Type A.

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Do you overemphasize some words in speech and hurry the last words in your sentences?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Do you always move, eat, and walk rapidly? Are you generally impatient and get irritated when things do not move fast enough for you?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Do you frequently try to do more than one thing at a time?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Do you generally try to move the topic of conversation to your own interests?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Do you feel some sense of guilt when you are relaxing?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Do you frequently fail to take note of new things in your environment?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Are you more concerned with getting than becoming?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Do you constantly try to schedule more activities in less time?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
10. Do you find yourself competing with other people who are also time-driven? (Yes______No______)

11. Do you engage in expressive gestures, clenching a fist or pounding the table to emphasize a point, while engaged in conversation? (Yes______No______)

12. Do you believe that your fast pace is essential to your success? (Yes______No______)

13. Do you score success in life in terms of numbers, numbers of sales, cars, and so on? (Yes______No______)

---

**Figure 9-6: Identification of Type A Personality Pattern.**


---

**Locus of Control**

The word "locus" means place or location. As noted in previous chapters, locus of control refers to the expectation that personal actions will be effective in controlling or mastering the environment. *External* control is the perception that events are not related to one’s own behavior and thus are beyond personal control. An externally controlled person feels that whatever happens is dependent on chance or controlled by external powers. The *internal* person feels that events are the result of personal actions and thus may be potentially under personal control. Most people attribute some events to luck, fate, and sometimes their own behavior. The extreme people, however, attribute all events to external forces (*external locus of control*) or to themselves (*internal locus of control*). For instance, think about the last time you received the results of an exam. Perhaps you attributed the results to *yourself* ("I am smart, I knew how to study," or "I didn’t study enough") or maybe you attributed it to *outside* forces ("the professor was unfair," "the questions were too difficult," or "I was lucky to guess the right answers").

Internally controlled people seem to have more efficient cognitive systems; they have the perception that they control things in their life and work, and they expend a substantial amount of mental energy obtaining information that will enable them to influence events of personal importance. In this way, a sense of mastery may develop that enables them to cope more successfully with stressful events.

**9.10 Dolan and Arsenault Combined Personality Measure**

In the previous sections I have described the commonly used measures of personality in stress research. In Canada, a team of us working with a huge sample of employees in different sectors, discovered that combining the type A/B personality description with the locus of control adds significant value in explaining how people perceive their work environment and how they respond...
to it. Using a median-split method, each personality scale was split at the 50 percent percentile point to yield four categories of personality. Labels were also attributed to personality types using the following arguments. The type-A personality was labelled (HOT – comes from "hot temper" or "hot reactors"), while the type-B personality was labelled COOL (named after Fonzy from the Happy Days TV series in the 1980s – a "cool dood", takes things easy). Animal labels were used to describe the locus of control, where the internal locus of control was called CAT (if you own or know a cat you know that cats are very independent); external personalities were labelled DOG (if you own a dog you know that dogs are very dependent on external stimuli). Figure 9-7 shows this typology.

In combining the two dimensions, we get the following four categories of personalities described by Dolan and his colleagues:11

- The HOT-CATs are competitive, preoccupied with control of their territory, must engage in immediate action and exert control over their emotional reactions. They see themselves as formal and authoritative leaders, the so-called dominants of the social structure. They strive in order to maintain control.
- The HOT-DOGs are hyperactive optimistic individuals who feel guided by external events. They are restless individuals who find satisfaction in the demonstration that they have kept themselves busy doing whatever has to be done. They are more devoted than faithful; and formal roles in an organized social structure do not interest them. They strive and don't always believe in control.
- The COOL-CATs have a tendency to be overwhelmed by their analytical mind. Being extremely critical, they have a tendency towards pessimism. It is difficult to determine if they are solitary by choice or if others avoid them because of their retreating behavior. They like to feel unpredictable and do not like to be controlled or directed. They don't strive or compete but believe in control.
- COOL-DOGs never act hastily. Their domain is more of quiet reflection and slow paced jobs. They are quite sensitive to all sorts of joys and mishaps, yet do not search and even prefer not to have control of such happenings. They appear more faithful than devoted. They neither strive nor believe in control.
Thus, we learned that people with personality characteristics such as competitiveness, anger, hostility, and external locus of control are more likely to suffer from the adverse consequences of stress. Conversely, it seems that some mechanisms can protect individuals from excess stress. These are known as stress buffers. Researchers and managers have long been interested in identifying these mechanisms, the most important of which is social support.

Social support is of growing interest as a potential approach to alleviate job stress and burnout. Although it might seem evident that better support improves coping, the study of social support has been a complex undertaking. There is disagreement on how to define and measure social support. For example, some define social support as the number and frequency of relationships with others; others refer to your perceptions of the supportive quality of your social environment. The simplest definition of social support is the help given by colleagues, supervisors, family, and friends. Nonetheless, researchers have noted that the many types of social support include emotional support, empathy and understanding, instrumental assistance, and the providing of information. Consequently, social support may operate in two ways. First, it can enhance employee responses on the job because it meets important needs (such as security, approval, belonging, and affection); that is, the positive effects of social support can offset the negative effects of job
demands, or strain. Second, social support can buffer the impact of stress on employee responses.

One of the most systematic statements on social support is provided by Sidney Cobb. According to Cobb's analysis, social support gives people a sense of being cared for and loved, of being esteemed and valued, and of belonging to a communication network with mutual obligations. Thus, many different social groups can provide support to moderate the effects of stress.

9.12 Individual Stress Management Techniques

Because stress is both costly and painful to individuals and organizations, it is important that we know how to prevent and manage it. Since in most circumstances we cannot avoid stressors, emphasis should be on stress management. There is no universal formula or single recipe for managing stress. This section therefore covers a variety of methods used in individual stress management. In the section that follows this one, we will suggest a number of organizational stress management techniques.

Cognitive Restructuring

Optimism and pessimism are two different ways of looking at life events. People who are optimistic tend to expect a positive outcome in most situations, typically see bad events as temporary and caused by something else other than themselves, face difficult times with hope, and believe that life is filled with more good events than bad ones. To the question, "Is the glass half full or half empty?" an optimist always answers "half full." By contrast, pessimism is the tendency to expect the worst possible outcome in every situation. People who are pessimistic tend to create unnecessary stress for themselves by anticipating negative consequences.

One method that can help people learn to become more optimistic is cognitive restructuring. This technique is based on the understanding that we can modify our responses to stresses by changing our patterns of thinking. Interpreting events in a more positive fashion can moderate the effects of stress.

Time Management

One way in which employees can reduce the stresses associated with a heavy workload is to learn how to manage their time effectively. Effective time management involves deciding which tasks are most important, knowing what your limits are in terms of workload, and scheduling time for leisure activities.

Leisure Activities

Leisure activities can provide an important break from the demands of work and family life. A leisure activity can be defined as any activity from which a person derives enjoyment. For some people, house cleaning and grocery
shopping can be considered leisure activities because they give pleasure and, in so doing, reduce stress.

**Physical Exercise and Diet**

*Aerobic exercise* (exercise involving cardiovascular exertion) improves a person's ability to cope with stressful events; people who are aerobically fit recover from stressful events more quickly. Examples of aerobic exercise are swimming, jogging, and playing squash or tennis.

There is a second type of exercise associated with stress prevention. One of the physiological reactions to stress is the tensing of muscles. *Flexibility training*, which involves stretching various muscles, helps to prevent a build-up of muscular tension.

Diet may play an indirect role in stress management. Research suggests that foods high in sugar may provoke the stress response. Furthermore, people on low-fat, high-fibre diets tend to experience improved overall health, which makes them less vulnerable to stress.

**Relaxation Training**

The relaxation response is a natural counter response to the stress response. People claim that by drawing out the relaxation response, they can reduce stress levels. Generally elicited through prayer or meditation, the relaxation response can help people learn to remain calm when confronted with demanding situations.

---

**9.13 Humor and Laughter Therapy**

Is there a correlation between stress, particularly negative perceptions and emotions, and disease? The premise of humor therapy is that if negative thoughts can result in illness and disease, positive thoughts should do the opposite and enhance health. As the famous Scandinavian pianist and humorist Victor Borge says: "A smile is the shortest distance between two people".

Laughing is aerobic, providing a workout for the diaphragm and increasing the body's ability to use oxygen. Experts believe that, when used as an adjunct to conventional care, laughter can reduce pain and aid the healing process. For one thing, laughter offers a powerful distraction from pain. For example, in a study published in the *Journal of Holistic Nursing*, patients were told one-liners after surgery and before painful medication was administered. Those exposed to humor perceived less pain when compared to patients who didn't get a dose of humor as part of their therapy. Steps to initiate humor therapy may include the following elements:

- learn not to take yourself too seriously;
- find one humorous thing a day;
- work to improve your imagination and creativity;
- learn to hyperexaggerate when telling a story;
- build a humor library;
- find a host of varied humor venues;
- access your humor network; and
- boost your self-esteem daily.

Figure 9-8: Man Evolution: Man continues his struggle in life – always stressed – in and out of the office.

9.14 Organizational Stress Management Techniques

Role and Performance Clarification

Ensuring that employees' job descriptions are clear and specific is one way to reduce the stress associated with role conflict and role ambiguity (discussed earlier in this chapter). Another is to clearly articulate performance standards. Regular feedback and performance evaluations should also be provided.

Preparation for Change

As discussed earlier in the chapter, the rapid pace of change in the workplace is a source of stress. Management can help employees cope with organizational changes by clearly explaining the benefits to be derived from the change, by implementing the change slowly, and by providing necessary training. Keeping the channels of communication open is especially important during periods of intensive change.

Job Redesign

Many stress-inducing aspects of an employee's job can be relieved through job design. Employees with low job control can be given more decision-making authority. Those suffering from work overload can be provided with time management training and more realistic schedules. Employees with heavy family responsibilities may benefit from flexible work hours (flextime) or opportunities to work at home. Job rotation, or movement from one position to another on the same level, can reduce the stress associated with boredom and under-promotion.

British companies are required to protect their employees from work-related stress or assume the legal consequences.
The Head of the UK Health and Safety Executive, Bill Callaghan, has defined six stress indicators that companies are required to measure. Companies have to support their employees and ensure that they do not feel stressed at work. Companies will be evaluated on these indicators to make sure that they are complying with the acceptable stress levels as defined by the following scale:

**The Six Stress Indicators**

1. **Demands:** 85% of employees should be able to meet the demands of their jobs.
2. **Control:** 5% of employees should have an adequate opinion of their jobs.
3. **Support:** 85% of employees should have the necessary support to meet their obligations.
4. **Relationships:** 65% of employees should not have to cope with unacceptable behavior.
5. **Role:** 65% of employees should have a clear idea of and understand their roles and responsibilities.
6. **Change:** 65% of employees should be involved in the company’s organizational changes.

Source: [http://news.bbc.co.uk/1/hi/health/2993116.stm](http://news.bbc.co.uk/1/hi/health/2993116.stm)

**Monitoring of Physical Environment**

We noted earlier that poor working conditions can be a source of stress or can increase an employee's existing stress. Correcting these conditions can mean substantial savings for the organization. For instance, workplace lighting or ventilation can be improved at a fraction of the costs associated with absenteeism, sick leave, and turnover.

**Improvement of Selection and Placement Policies**

If a person does not "fit" the job being done, employer and employee stress will likely increase. One way to avoid this problem is to improve selection and placement policies. This can be accomplished by thoroughly analyzing the job and identifying the abilities and personal characteristics required to perform the functions of the job. The clearer the hiring criteria, the more likely it is that the best person will be chosen for the job.

**Wellness and Physical Fitness Programs**

Growing interest in illness prevention is being reflected in the wellness programs being offered by an increasing number of organizations. Employee wellness programs seek to improve the physical, psychological, and spiritual health of employees. Also on the rise are employee physical fitness programs.

**9.15 Summary**

Occupational stress can be defined as the entire process in which people perceive and interpret their work environment in relation to their capacity to cope with it. The sources of occupational stress can be extrinsic (e.g., role
ambiguity) or intrinsic (e.g., work overload). Stress can damage the health of both individuals and organizations. Personality characteristics play a significant role in determining the extent to which someone will suffer from the adverse effects of stress. Social support has been identified as a potential means of alleviating job stress and burnout. A variety of stress prevention and management techniques can be applied at both the individual and organizational levels.

9.16 True/False Questions

1. Workplace stress is seen as the entire process in which people perceive and interpret their work environment in relation to their capability to cope with it.
   
   ✔ True  ✗ False

2. As related to sources of stress, job context is intrinsic in nature, whereas job content is extrinsic.
   
   ✗ True  ✔ False

3. When the performance expectations of an employee are incompatible or confusing the employee may experience role ambiguity.
   
   ✔ True  ✗ False

4. A career plateau results from a combination of job changes as well as personal changes.
   
   ✗ True  ✔ False

5. Your level of control is the extent to which you may determine how, where, why, and when to act; your access to information necessary to make informed decisions; availability of resources for implementing choices; and the power to bring about desired choices.
   
   ✔ True  ✗ False

6.
Burnout refers to the “syndrome of physical and emotional exhaustion involving the development of negative self-concept, negative job attitudes and loss of concern and feeling for clients.”

✔️ True ✗ False

7.

Someone with Type A personality is easygoing, relaxed, and less likely to react to various situations in a hostile or aggressive manner.

✗ True ✔️ False

8.

Locus of control refers to the expectation that personal actions will be effective in controlling or mastering the environment.

✔️ True ✗ False

9.

Cognitive restructuring is based on the understanding that we can modify our responses to stresses by changing our patterns of thinking.

✔️ True ✗ False

10.

Job rotation is defined as movement from one position to another on the same level and can reduce the stress associated with boredom and under-promotion.

✔️ True ✗ False

9.17 Multiple Choice Questions

1. Fight or flight response included which of the following physiological changes?

✗ Vision, hearing, and other sensory processes are sharpened

✗ Pupils of the eye enlarge

✗ Palms of the hands and feet sweat

✗ Increased blood flow to brain and large muscle groups

✔️
2. Which principal component in the general model of workplace stress relates to the employees' perception of a situation?

- Social support
- Individual differences
- Perception of job demands
- None of the above

3. Which extrinsic source of stress relates to a lack of feedback or erroneous feedback that is based on a poor system of performance appraisal?

- Role conflict and role ambiguity
- Lack of career progress
- Poor employee appraisal and feedback
- Rapid changes in pace and content of work

4. Which extrinsic source of stress relates to an organization constantly trying new methods for processing work?

- Job control and responsibility
- Rapid changes in pace and content of work
- Poor working conditions
- Work overload or work underload

5. All of the above
Which organizational stressor relates to the impact produced by the establishment of unreachable goals given the time allotted to complete them?

- Technology
- Hierarchical structure
- Size and management style
- Irrational deadlines

6.

Which strain indicator describes the affects of stress on our behavioural health?

- Weight change
- Anxiety
- Muscular complaints
- Sweating

7.

Which of these strain indicators is not related to our physiological health?

- Elevated blood pressure
- Strokes
- Hot and cold spells
- Breathing difficulties

8.

Which does not describe someone with a Type A personality?

- Workaholic tendencies
- Less likely to react in a hostile or aggressive manner
8. Constant feeling of time urgency

9. Impatience with anything that interferes with goal attainment

Someone who is a hyperactive optimistic individual who feels guided by external events is considered a:

- COOL-CAT
- HOT-DOG
- HOT-CAT
- COOL-DOG

10. Which individual stress management technique refers to an activity from which a person derives enjoyment?

- Time management
- Relaxation training
- Cognitive restructuring
- Leisure activities

Case 9: Stressed to the Limit in Metro-Hospital

"My staff is stressed to the limit – they feel overworked, lonely, and subject to unexpected changes in policies and procedures. If you don't do something, either they or the patients may lose their lives." This was the startling complaint that the director of nursing brought to the CEO of a large Metropolitan hospital. Top administrators sought help from Spirit Consulting group, a European management consulting firm that had previously helped another hospital. SPIRIT supervised a one-year stress management program.
The initial stage consisted of diagnosing the causes and consequences of stress experienced at the hospital. An online questionnaire collected data from a sample of 300 nurses representing different wards. The questions covered various organizational stressors, including both ongoing, recurrent stressors and those associated with recent changes. It also included questions about the nurses’ use of stress management techniques, such as exercise, nutritional planning, and the available support systems. The questionnaire ended with items about experienced strain symptoms (e.g., health problems, dissatisfaction, and decreased work effectiveness). In addition, the consultants wanted to see the personnel files of the nurses who participated in the study. Absenteeism records for the previous 12 months were recorded.

Analysis showed that among the most stressful organizational events were major and frequent changes in instructions, policies, and procedures; numerous unexpected crises and deadlines; and sudden increases in the activity level or pace of work. The ongoing working conditions contributing most to stress included quantitative work overload, feedback only when performance was unsatisfactory, lack of confidence in administration, and role conflict and ambiguity. The nurses reported little use of stress management techniques. Only two in ten engaged in regular physical exercise, while six in ten had marginally or poorly balanced diets. The most commonly reported health problems were tension headaches, diarrhea or constipation, common colds, backaches, and depression.

Based on the diagnostic data, the administrators implemented several organizational improvements.

To reduce work overload and role ambiguity, positions were analyzed in terms of work distribution, job requirements, and performance standards. This resulted in more balanced workloads and clearer job descriptions. The administrators also began working with wards to define job expectations and to provide ongoing performance feedback. The nurses were given training in how to better organize their workload and time and in how to more effectively seek social support on a continuing basis.

To reduce the stress caused by organizational changes, administrators informed the nurses about forthcoming changes. Management also held information meetings with ward head nurses on a quarterly basis to clear up misunderstandings, misinterpretations, and rumors. While the above changes were aimed at reducing organizational stressors, additional measures helped individual nurses identify and cope with stress more effectively. The hospital instituted yearly physical examinations to detect stress-related problems, trained nurses to identify stress symptoms and problems (both in themselves and their peers), and established an exercise club that offered various sports activities and weekly yoga classes. It also developed a training program that combined nutritional awareness with techniques for coping with tension headaches and backaches. And as an alternative to doughnuts, fresh fruit was provided at all meetings and training sessions.
Initial reactions to the stress management program were positive, and Metrohospital is currently assessing the longer-term effects of the intervention. The total cost for the one-year trial period was estimated at $150 000.

Questions

1. Whose fault was it that $150 000 had to be spent?
2. Was this money well spent? How can one tell?
3. What would you do if you were the chief administrator of this hospital?
4. What would you do if you were the director of nursing services?

Self-Awareness Exercise: Estimating my stress level

The following questionnaire is designed to help you estimate your stress level. This is a "quick and dirty" test. In order to improve the accuracy, please answer each question from the list below.

Rate your stress level from 0 to 10 for the following questions with 0 corresponding to "Never" and 10 corresponding to "Always" (so around 5 would be "Sometimes").

<table>
<thead>
<tr>
<th>Question</th>
<th>Stress Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Are you known for seeing the positive side of life?</td>
<td></td>
</tr>
<tr>
<td>2. Do you feel that, in your case, you keep all your feelings locked up</td>
<td></td>
</tr>
<tr>
<td>3. Do you ever get overwhelmed by the lack of time available to</td>
<td></td>
</tr>
<tr>
<td>4. Do you ever have nothing to do?</td>
<td></td>
</tr>
<tr>
<td>5. Do you know how to use humour in difficult situations?</td>
<td></td>
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<tr>
<td>6. Do you believe your job affects your relationship with the people</td>
<td></td>
</tr>
<tr>
<td>7. Do you need an increasingly frequent &quot;dose&quot; of work to feel</td>
<td></td>
</tr>
<tr>
<td>8. Does it take you a while to get your day started?</td>
<td></td>
</tr>
<tr>
<td>9. Do you feel you have real friends?</td>
<td></td>
</tr>
<tr>
<td>10. Do you ever feel &quot;I can't take it anymore&quot;?</td>
<td></td>
</tr>
<tr>
<td>11. Is it hard for you to find someone to talk to about your problems?</td>
<td></td>
</tr>
<tr>
<td>12. Do you want to be left alone?</td>
<td></td>
</tr>
<tr>
<td>13. Do you feel life is flying by?</td>
<td></td>
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<tr>
<td>14. Do you think you're thought of as a friendly person?</td>
<td></td>
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<tr>
<td>15. Do you know fun people?</td>
<td></td>
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<tr>
<td>16. Is it hard for you to disconnect from what's troubling you?</td>
<td></td>
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<tr>
<td>17. Do you have a difficult time falling asleep?</td>
<td></td>
</tr>
<tr>
<td>18. Do you know how to encourage yourself?</td>
<td></td>
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<tr>
<td>19. Is it hard for you to disconnect after a long day at work?</td>
<td></td>
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<tr>
<td>20. Do you know how to relax when you want to?</td>
<td></td>
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<tr>
<td>21. Do you have time for yourself?</td>
<td></td>
</tr>
<tr>
<td>22. Do you think you're &quot;addicted&quot; to your work?</td>
<td></td>
</tr>
<tr>
<td>23. Do you need to take substances (coffee, nicotine, alcohol or others) to &quot;keep going&quot;?</td>
<td></td>
</tr>
</tbody>
</table>
24. Do you think "if I spoke up it would only make things worse"?
25. Are you irritable or bad tempered when faced with insignificant problems?
26. Do you think you demand too much of yourself?
27. Do you have backaches, headaches, or pains in your jaws?
28. Do you laugh easily?

Results and interpretation

<table>
<thead>
<tr>
<th>Score</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-90</td>
<td>Not at all stressed</td>
</tr>
<tr>
<td>91-180</td>
<td>A little stressed</td>
</tr>
<tr>
<td>181-280</td>
<td>Very stressed:</td>
</tr>
<tr>
<td></td>
<td>1. You want to take on more than you really can.</td>
</tr>
<tr>
<td></td>
<td>2. You don't express your feelings or demand your rights.</td>
</tr>
<tr>
<td></td>
<td>3. You don't manage your time well.</td>
</tr>
<tr>
<td></td>
<td>4. You're abandoning your friends.</td>
</tr>
<tr>
<td></td>
<td>5. You're hurting yourself by thinking negatively.</td>
</tr>
<tr>
<td></td>
<td>6. You're not aware of what is going on around you and inside you.</td>
</tr>
<tr>
<td></td>
<td>7. You're a workaholic</td>
</tr>
<tr>
<td></td>
<td>8. Your situation is very troubling. You are extremely &quot;burnt out&quot; and &quot;exhausted&quot;.</td>
</tr>
</tbody>
</table>

Self-Awareness Exercise: What Am I Going to Do About the Stress in My Life?

Introduction

After reading this chapter, you may ask yourself, "What is keeping me from effectively managing the stress in my life/work/studies?" The goal of this exercise is not necessarily to place yourself in a special category for either risk group or special treatment group, but to devise a plan for overcoming problematic situations and improving the quality of your life. In completing the exercise, you should be thorough and candid. Include your strengths and resources as well as your deficits, and take into account both the stressors and the support available in your environment.

The assessment should naturally lead you into a planning process, so that each difficulty identified is addressed in a plan of action through which you will gain mastery over your life, increase your self-efficacy, and become more able to withstand stress. The chapter presented various methods (simple and more sophisticated) in which an assessment could be made. The idea is to commit yourself to periodical assessment before you are forced to do so because of severe crisis and very acute stress.

Contract with Myself

Instructions: Complete and sign the following contract.
I (Name) ______________________________ read Chapter 9 of Introduction to International Organizational Behavior on (date)________________. After having understood the various concepts discussed in the chapter, and after assessing my personal situation, I am planning to do the following in the next (specify period):
______________________.

A. Regarding my sources of stress, I am planning to:

B. Regarding my physical vulnerability, I am planning to:

C. Regarding my psychological vulnerability, I am planning to:

D. Regarding my social support networks, I am planning to:

E. Regarding my personality patterns of behavior, I am planning to:

F. Regarding my coping skills and relaxation methods, I am planning to:

G. In addition, I am planning to introduce the following changes in my life:

H. I am also planning to monitor progress, and readjust my plans in the following manner:

Signed on this date of: ______________________

Signature: _____________________________

9.21 Notes


9. The most celebrated Burnout concept and measure is the MBI. The *MBI-Human Services Survey* measures burnout as it manifests itself in staff members in human services institutions and health care occupations such as nursing, social work, psychology, and ministry. For more information, click on: http://www.cpp-db.com/detail/detailprod.asp?pc=35.


Chapter 10: Managing Change and Culture Reengineering: The ABC of Managing by Values

10.1 Learning Objectives

After reading this chapter, you should be able to:

- Understand what is organizational culture, basic paradigms and models of culture
- Understand why organizations search for new culture in order to remain competitive in the 21st century?
- Understand the differences between the culture of Management by instructions (MBI), management by objectives (MBO) and Management by values (MBV)
- Understand the essentials of the triaxial model of MBV
- Understand the principal steps of culture change and culture reengineering
- Get to know tools and instruments in conducting culture diagnosis and value audit
- Get to know the essential steps in implementing MBV-how to reengineer the culture


10.2 What is Organizational Culture?

Basically, organizational culture is the personality of the organization.¹ Culture is comprised of the assumptions, values, norms and tangible signs (artifacts) of organization members and their respective behaviors. Members of an organization soon come to sense the particular culture of an organization. Culture is one of those terms that is difficult to express distinctly, but everyone knows it when they sense it. For example, the culture of a large, for-profit corporation is quite different than that of a hospital which is quite different that that of a university. You can tell the culture of an organization by looking at the arrangement of furniture, what they brag about,
what members wear, etc.-similar to what you can use to get a feeling about someone's personality.

Corporate culture can be looked at as a system. Inputs include feedback from, e.g., society, professions, laws, stories, heroes, values on competition or service, etc. The process is based on our assumptions, values and norms, e.g., our values on money, time, facilities, space and people. Outputs or effects of our culture are, e.g., organizational behaviors, technologies, strategies, image, products, services, appearance, etc.

The concept of culture is particularly important when attempting to manage organization-wide change. Practitioners are coming to realize that, despite the best-laid plans, organizational change must include not only changing structures and processes, but also changing the corporate culture as well.

There's been a great deal of literature generated over the past decade about the concept of organizational culture-particularly in regard to learning how to change organizational culture. Organizational change efforts are rumored to fail the vast majority of the time. Usually, this failure is credited to lack of understanding about the strong role of culture and the role it plays in organizations. That's one of the reasons that many strategic planners now place as much emphasis on identifying strategic values as they do mission and vision.

**Strong vs. Weak Cultures**

Strong culture is said to exist where staff respond to stimulus because of their alignment to organizational values. Conversely, there is Weak Culture where there is little alignment with organizational values and control must be exercised through extensive procedures and bureaucracy.

Where culture is strong-people do things because they believe it is the right thing to do. This can happen, for example, where there is heavy reliance on a central charismatic figure in the organization, or where there is an evangelical belief in the organization's values, or also where a friendly climate is at the base of the company. In cultural studies, culture is seen as ethnocentric or culturocentric, meaning that we tend to think that our culture/subculture is the best. However, remember that the stronger the culture, the greater the risks of groupthink as we have discussed in chapter 4. By contrast, bureaucratic organizations may miss opportunities for innovation, through reliance on established procedures. Innovative organizations need individuals who are prepared to challenge the status quo-be it groupthink or bureaucracy, and also need procedures to implement new ideas effectively.

**10.3 An Overview of the Dominating Concepts, Models and Paradigms in Organizational Culture**

**Hofstede Model**
Geert Hofstede demonstrated that there are national and regional cultural groupings that affect the behavior of organizations. He identified five characteristics of culture in his study of national influences: (a) **Power distance** - The degree to which a society expects there to be differences in the levels of power. A high score suggests that there is an expectation that some individuals wield larger amounts of power than others. A low score reflects the view that all people should have equal rights. (b) **Uncertainty avoidance** reflects the extent to which a society accepts uncertainty and risk. (c) **Individualism vs. collectivism** - Individualism is contrasted with collectivism, and refers to the extent to which people are expected to stand up for themselves, or alternatively act predominantly as a member of the group or organization. (d) **Masculinity vs. femininity** - Refers to the value placed on traditionally male or female values. Male values for example include competitiveness, assertiveness, ambition, and the accumulation of wealth and material possessions. (e) **Long vs. short term orientation** - Describes a society's "time horizon," or the importance attached to the future versus the past and present. In long term oriented societies, thrift and perseverance are valued more; in short term oriented societies, respect for tradition and reciprocation of gifts and favors are valued more. Eastern nations tend to score especially high here, with Western nations scoring low and the less developed nations very low; China scored highest and Pakistan lowest. More on this model will be discussed in the chapter on diversity (Chapter 12).

**Deal and Kennedy Model**

Deal and Kennedy defined organizational culture as *the way things get done around here*. They measured organizations in respect of:

Feedback - quick feedback means an instant response. This could be in monetary terms, but could also be seen in other ways, such as the impact of a great save in a soccer match.

Risk - represents the degree of uncertainty in the organization's activities.

Using these parameters, they were able to suggest four classifications of organizational culture:

**The Tough-Guy Macho Culture**. Feedback is quick and the rewards are high. This often applies to fast moving financial activities such as brokerage, but could also apply to a police force, or athletes competing in team sports. This can be a very stressful culture in which to operate.

**The Work Hard/Play Hard Culture** is characterized by few risks being taken, all with rapid feedback. This is typical in large organizations, which strive for high quality customer service. It is often characterized by team meetings, jargon and buzzwords.

**The Bet your Company Culture**, where big stakes decisions are taken, but it may be years before the results are known. Typically, these might involve
development or exploration projects, which take years to come to fruition, such as oil prospecting or military aviation.

The Process Culture occurs in organizations where there is little or no feedback. People become bogged down with how things are done not with what is to be achieved. This is often associated with bureaucracies. While it is easy to criticize these cultures for being overly cautious or bogged down in red tape, they do produce consistent results, which is ideal in, for example, public services.

Charles Handy Concept

Charles Handy (1985) popularized a method of looking at culture which some scholars have used to link organizational structure to Organizational Culture. He describes:

- a Power Culture which concentrates power among a few. Control radiates from the center like a web. Power Cultures have few rules and little bureaucracy; swift decisions can ensue.
- a Role Culture, people have clearly delegated authorities within a highly defined structure. Typically, these organizations form hierarchical bureaucracies. Power derives from a person’s position and little scope exists for expert power.
- a Task Culture, teams are formed to solve particular problems. Power derives from expertise as long as a team requires expertise. These cultures often feature the multiple reporting lines of a matrix structure.
- a Person Culture exists where all individuals believe themselves superior to the organization. Survival can become difficult for such organizations, since the concept of an organization suggests that a group of like-minded individuals pursue the organizational goals. Some professional partnerships can operate as person cultures, because each partner brings a particular expertise and clientele to the firm.

Edgar Schein Model

Edgar Schein is an MIT Sloan School of Management professor that has written extensively about organizational culture. He defines organizational culture as "the residue of success" within an organization. According to Schein, culture is the most difficult organizational attribute to change, outlasting organizational products, services, founders and leadership and all other physical attributes of the organization. His organizational model illuminates culture from the standpoint of the observer, described by three cognitive levels of organizational culture.

- At the first and most cursory level of Schein's model is organizational attributes that can be seen, felt and heard by the uninitiated observer. Included are the facilities, offices, furnishings, visible awards and recognition, the way that its members dress, and
how each person visibly interacts with each other and with
organizational outsiders.

- The next level deals with the professed culture of an
organization’s members. At this level, company slogans, mission
statements and other operational creeds are often expressed, and
local and personal values are widely expressed within the
organization. Organizational behavior at this level usually can be
studied by interviewing the organization’s membership and using
questionnaires to gather attitudes about organizational membership.

- At the third and deepest level, the organization’s tacit
assumptions are found. These are the elements of culture that are
unseen and not cognitively identified in everyday interactions
between organizational members. Additionally, these are the elements
of culture which are often taboo to discuss inside the organization.
Many of these ‘unspoken rules’ exist without the conscious knowledge
of the membership. Those with sufficient experience to understand
this deepest level of organizational culture usually become
acclimatized to its attributes over time, thus reinforcing the
invisibility of their existence. Surveys and casual interviews with
organizational members cannot draw out these attributes—rather
much more in-depth means is required to first identify then
understand organizational culture at this level. Notably, culture at this
level is the underlying and driving element often missed by
organizational behaviorists.

Using Schein’s model, understanding paradoxical organizational behaviors
becomes more apparent. For instance, an organization can profess highly
aesthetic and moral standards at the second level of Schein’s model while
simultaneously displaying curiously opposing behavior at the third and
deepest level of culture. Superficially, organizational rewards can imply one
organizational norm but at the deepest level imply something completely
different. This insight offers an understanding of the difficulty that
organizational newcomers have in assimilating organizational culture and why
it takes time to become acclimatized. It also explains why organizational
change agents usually fail to achieve their goals: underlying tacit cultural
norms are generally not understood before would-be change agents begin
their actions. Merely understanding culture at the deepest level may be
insufficient to institute cultural change because the dynamics of interpersonal
relationships (often under threatening conditions) are added to the dynamics
of organizational culture while attempts are made to institute desired change.

Values and Value Congruency as a Core Model of Culture

The individual and collective value of employees to the success of any
corporation, has graduated from option to obligation. Seldom have the risks
been higher for executives misguided enough to neglect the influence of both
people and the corporate culture in which they work. Emerging labor
shortages and changes in workforce demographics have created a seller’s
market in most advanced economies. A growing trend toward knowledge
workers and more highly educated employees has made effective management a key metric separating the corporate wheat from the chaff.

Studies confirm that the way people are managed and developed delivers a higher return on investment than new technology, R&D, competitive strategy or quality initiatives. In addition, culture that emphasizes employee effectiveness is linked to shareholder returns. Thus, it is no wonder to see many CEOs using the phrase that became a cliché: "the most important assets of our organization is our people".

The broader implications of this reality are obvious for corporate contenders striving to enhance value through quality and customer-centricity in an increasingly complex, professionally demanding, and continuously changing global market. The system of beliefs and values that shaped the North American management and organizational model at the beginning of the 20th century is impotent in the new business paradigm. Traditional command and control management practices stifle the sparks of creativity critical to innovation and adaptation to a diverse environment and the ability to successfully compete. The changes of the 21st century have fueled the drive for a fundamental rethinking of organizational structure and operating philosophy, toward a renewal of corporate culture.

Rigid management models based on hierarchical control of employees under conditions of relative stability externally and internally, are providing a shaky foundation for today's organizations existing amidst the turmoil of global and technological change. Stability must be created from within an organization and be embedded in a culture that preserves the best of its past and simultaneously fosters new ways of thinking and doing.

The challenge is to retain effective mechanisms for monitoring results while stimulating the potential of each and every organizational member. While just about everyone agrees with this proposition in theory, putting it into practice is another matter. Determining which values and beliefs to change, how and when to initiate the change process, how far to take it, and, most importantly, how to lead and steer cultural re-engineering without complete collapse, presents at the very least, major stumbling blocks.

How can leaders and managers of change ensure that the opportunity for revitalizing a stagnant culture is both understood and leveraged? Failing to fully grasp what is involved with instilling and nurturing new beliefs and values among employees at all levels destines to failure the successive fashions of such initiatives as Total Quality Management, Continuous Improvement, Just-In-Time Scheduling, Lean Management, and Business Process Re-Engineering. By neglecting an organization's foundation, namely its culture, all are fated to become mere management fads.

Countless analyses confirm the fallibility of such an approach. For instance, a recent study of the unremarkable performance reported by almost half of the companies that had implemented formal Value-Based Management (VBM) systems found that success was contingent on changes in corporate culture. Under VBM, companies use an economic profit measure to gauge
performance and tie compensation to agreed-upon objectives in that metric. Survey results from 117 large VBM practitioners in North America, Europe and Asia led INSEAD researchers to conclude: "VBM is about cultural, rather than financial, change..." Therein lies the reason for most of the failures: Transforming beliefs in a large organization is, arguably, the most difficult of all managerial challenges... seduced by the theoretical simplicity of VBM, companies may expect too much too soon and give up too early in the process."8.

The concept of values in an organizational context shows its broad employment across all social sciences, but at the same time a lack of consensus on its nature is troublesome to scholars and practitioners alike. Rokeach (1973)9 for example, divides individual values into terminal/final values, which are desirable end-states of existence (e.g. happiness, wisdom), and instrumental values, which are desirable modes of behaviour (e.g. acting honestly, earning lots of money). A functional relationship exists between these two as instrumental values describe behaviors that facilitate the attainment of terminal values. The former have received more attention in literature than the latter and are more widely used by researchers and practitioners to describe an organization's culture. Other scholars have treated work values and life values and claim that work values are situation specific in contrast to life values which are linked to the more constant personal sphere.

The importance of shared values in an organizational context is not new. The sharing of values reduces uncertainty in relation to "the correct way to perceive, think and feel" and thus permits organization members to perceive and process external stimuli in a similar way, and consequently behave in a similar way. Value congruency leads to increased normative commitment and satisfaction, a lower intend to leave the company as well as a lower turnover rate. It also facilitates organizational change, influences power and lowers incidences of burnout10.

Value congruency occurs when individuals are attracted to, selected by, and remain with organizations in which their personality, attitudes and values match. By contrast, a lack of fit occurs when individual's perceptions of organization values are not met by organization's intentions, leading to work-life conflicts and employee indifference. One of the reasons for this misfit is the possible difference between espoused values and internally held values, because the latter have more influence on actual behavior than the former11.

**The Foundation and (R)evolution of Managing by Values**

The world is seeing a marked shift in management focus. Managers are being held to higher standards of performance as a result of society's increased demands concerning professional responsibility, quality and customer service. Managers must be able to lead and to facilitate necessary change in order to respond to these expectations. The world has also become a more uncertain and complex place. Managers must also possess the abilities needed to
confront continuous and increasing levels of complexity both internal and external to the organization.

Harmonizing the beliefs and values of the owners of a company and employees is a vital source of competitive advantage. What can better motivate performance, or strengthen an organization, even a small team, than genuinely shared-and lived-values? Yet, as widely accepted as this truth is, how many companies can actually articulate the principles of action or essential values that guide day-to-day working activity and behavior? The most important information for organisational leaders and managers of the 21st century may well be to learn how to put values into practice.

It is no surprise then that Management by Values (MBV) is fast becoming the principal driver for the ‘how to’ toward developing a sustainable, competitive and more humane culture. MBV can be defined as both a managerial philosophy and practice whereby focus is concurrently maintained on an organisation’s core values and aligned with its strategic objectives. This approach focuses on three value-based domains: (1) Economical-Pragmatic; (2) Ethical-Social; and (3) Emotional-Energetic.

The concept of MBV was first introduced by Simon L. Dolan and Salvador Garcia in 1997, in a book published in Spanish by McGraw Hill. The book became an instant best seller. By pure coincidence, at the same year, two American authors, Ken Blanchard and Michael O’Connor published a book bearing the same title. While the two books address the importance of core values, the message and content was different.

Whereas values were once considered by managers as "too soft" to be included in any serious approach to management, they have now become a central part of organizational strategy. Why? Experience has shown that when individual (or organizational member) values clashes, or are incongruent with the core values of the organizations, it generates unhappiness, stress and alienation and affects among other things the performance and the general well being of both the person and the organization. Thus, according to Dolan and colleagues, MBV can be used, for individual reflection and personal strategy formulation as well as a managerial philosophy and practice. Values, taken and analyzed in a certain form, can and should be used as a management tool. Nowadays, a company that does not align the values of its employees with its corporate mission and objectives will most likely not survive in the long run.

MBV acknowledges that the essence of true leadership has always been marked by human values. A leader’s job is to compel the organization to move in alignment with its strategic direction and its core values. This is done by creating a shared culture of value creation that implicitly and explicitly guides the daily activities of employees at all levels and in all functions. By ‘humanizing’ its basic strategic vision, a firm can nurture its own survival and growth, maximizing economic returns by establishing buy-in among both internal and external stakeholders.

In the past, the progress of any entity (i.e., person, organization, society), was primarily determined by its ability to become bigger, richer, or faster. In the
21st century's global arena, and in the wake of corporate scandals, wars and natural disasters, progress and success is moving toward being measured not only by the capacity to manage increased complexity but also by that which is core to our humanness: OUR VALUES. Leaders and managers have to develop the ability to manage complexity that also includes managing the core values both at the organizational and individual levels. This evolution is a consequence of the emergence in recent decades of four organizational trends that have forced organizations to adapt to remain competitive in increasingly demanding and unpredictable markets. These four interconnected trends, in turn, heighten organizational complexity and uncertainty (See Figure 10-1). They are:

- Trend towards more customer oriented cultures and, as a consequence, a better quality in product and services;
- Trend towards a more work job autonomy (delegation, empowerment, professional development...);
- Trend towards a more demanding context for managers to become not only bosses but also team enablers and great leaders;
- General trend towards more flat organizational structures and a major height of team work.

![Figure 10-1: Management Philosophies and Organizational Complexity.](image)
Because the environment has changed so dramatically, managers have found it necessary to alter their practice to meet the needs of the times. In the early 20th century, management by instruction (MBI) was considered to be an appropriate and adequate way to run an organization. Change happened at a slower pace and therefore the way things were done in the past worked well enough to pass on to others. By the 1960s, change was accelerating to the point where more flexibility of action was required from managers.

Thus, the introduction of management by objectives (MBO) enabled managers to agree on a direction and to choose their own strategy. As changes in the environment began to intensify (e.g., global competition, impact of technology), however, MBO proved to be an insufficient strategy for managing in an interconnected and fast-paced world. In fact, organizations are still relying on MBO often discover that their managers fail to meet their objectives. Frustration also increases when, in spite of their best efforts, they are unable to determine what went wrong. Many times it is not that the goals were lofty or unrealistic, simply, many unforeseen changes occurred that were not and could not be predicted. As a result of this growing complexity, scholars began to draw upon chaos and systems theories as a way to better understand organizational behavior. During this period organizations came to be seen as complex and dynamic systems existing in a state of flux and interaction with their environment. Years of research has confirmed that the key to understanding the behaviour of such systems is to understand the corresponding values of these living systems. That’s why today we can say that values systems are the motivators that drive the behaviour of individuals, organizations and even society, leading today to the emergence of management by values (MBV) as a management system.

The primary characteristics (similarities and differences between the Management by Instructions (MBI), Management by Objectives (MBO) and management by Objectives is presented in Table 10-1.

<table>
<thead>
<tr>
<th>Preferred Situation for Application</th>
<th>MBI</th>
<th>MBO</th>
<th>MBV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Routine Work or Emergencies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Image of Customer</td>
<td>User/Buyer</td>
<td>User/Customer</td>
<td>Discriminating Customer with High Degree of Choice</td>
</tr>
<tr>
<td>Type of Market</td>
<td>Stable</td>
<td>Moderately Variable</td>
<td>Unpredictable/Dynamic</td>
</tr>
<tr>
<td>Type of Organizational Structure</td>
<td>Multi-tiered/Pyramid</td>
<td>Pyramid with few Levels</td>
<td>Networks/Functional Alliances/Project Teams</td>
</tr>
<tr>
<td>Philosophy of Control</td>
<td>Top-Down Control/Supervision</td>
<td>Control and Stimulation of Professional Performance</td>
<td>Self-Supervision/Encouraged</td>
</tr>
<tr>
<td>Leadership Type</td>
<td>Traditional</td>
<td>Focused on Resource Allocation</td>
<td>Transformational (Legitimizes)</td>
</tr>
</tbody>
</table>
In simple non-living, human-made entities (e.g., machines, bridges, buildings, etc.) their motion (behavior) can be understood through forces and simple attractors such as gravity. One can, through using a few mathematical equations, predict with a fair degree of accuracy the behavior of these entities in a wide range of environments. Organizations are no longer treated as mechanistic systems—they are now understood as complex living systems. With the science of chaos theory, such living systems contain strange attractors that create dynamical systems to emerge. With this in mind, leaders and managers have to understand the inherent strange attractors within organizations to help steer them safely over such unpredictable environments. This is why MBI and MBO are no longer sufficient. We need to manage organizations by what is a core and critical attractor-values.

Values represent the skeleton of an organization. Everything gravitates around it. If an organization wishes to use people only as an extension of its machines and technologies that people are considered only for their physical presence, their bodies. By contrast, we do not expect organizations to develop culture where individuals will only be spending and having good time—this is a fantasy that no firms can afford. By contrast, if a culture can be designed where body and spirit be united, than alignment with the vision and mission of the organization is possible. MBV is a philosophy that complements traditional management philosophies and does not necessarily replaces them. Figure 10-8 summarizes this idea.
The Essence: The "Triaxial" Model of Managing by Values

What are the "corporate core" values? Which values should be selected by the members of the organization in order to ensure alliance with the firm objectives? Why would employees be prepared to adjust their values to corporate culture? These are some of the key questions that the MBV triaxial model is attempting to address.

The underlying assumption in the triaxial model of MBV is that values can be detected in all organizations, regardless of their nature, mission or vision. Once detected, they can be classified according to three core dimensions or axis where all personal and organizational values are situated:

- Economic-Pragmatic axis
- Ethical-Social axis
- Emotional-Energetic axis.

The ultimate objective in the culture reengineering is to strike a certain balance between three axes and via a process of dialogue and consensus to get to the point of sharing these values. The logic for the identification of these axes was based on both classical research and on observation of the simplest
and most fundamental organization that we all know—the family. Think about your family or others that you know. Intuitively we know that in order for the family to be successful as a unit, some balance between these axes shared by the couple (husband and wife) is needed. Everybody knows that the “family” (and the marriages, more specifically) in the 21st century modern world is in crisis; rates of divorce and separation is alarming, violence in the family is growing and general sense of uneasiness and marital dissatisfaction is on the rise. Why does it happen? Family like any other organization, has objectives, and if the objectives among the couple and their corresponding values are not aligned and shared, the family is doom to fail. The latter may fail because:

(a) there is discordance about economic-pragmatic values, or,

(b) about ethical-social values for the couple to adhere, or

(c) when one or both parties, looses the passion (the most critical emotional value binding the couple).

If we think about family and friends as a living organization that struggle to survive and be happy in a complex world, we understand intuitively that the complexity for organizations is by far greater. Nonetheless, the same shared values that are important to create a positive sustainable relationships for your family and friends, also apply to your workplace. Thus assessing the organizational culture by identifying core values, the level of which they are shared and the extent to which they are congruent with organizational members personal values is very important. The MBV methodology, that will be presented later, enables to measure the values around those three axes. Than it display an analysis showing the extent to which congruency and in-congruency are Figure 10-8. Financial Internal and external image Physical structure & organization Processes Technologies Products/services Results VALUES VISION MISSION ‘SPIRIT’ ‘A spirit without a body is a phantom but A body without a spirit is a corpse’ ‘BODY’ evident between members of the organization and the dominant culture of the organization. The larger the gap the larger the need to reengineer the culture.

Figure 10-3 shows the triaxial model and certain values associated with each axis. It also shows the relationships between the axes and proposes that:
Figure 10-3: The Basics of the Triaxial Model of MBV.

- Congruency between Emotional-Energetic axis and Economic-Pragmatic axis leads to foster innovation in the organization
- Congruency between the Economic-Pragmatic axis and the Ethical-Social axis leads to survival, and
- Congruency between Social-Ethical axis and emotional-Energetic Axis increases members sensitivity and makes the organization more proactive socially responsible.

Culture reengineering: Managing the process Step by step

Changing the organizational culture is the toughest task managers may face. The organizational culture was formed over years of interaction between the participants in the organization. Changing the culture may be a problem either because the leaders of the organization do not see the need to change it, or because they do not have the competences to manage the change.

In a most interesting article published in the European Business Forum, Sheth and Sisodia (2005) attribute the increasing number of organizations who disappear, and even those who have had a history of success and then
fail, to two principal causes: their leadership's incapacity to change, or their unwillingness to do so. Leaders who develop a myopia, or who do not have the courage to engage in changing their organizations and adapting to an ever increasing environment, are doomed to create the most stressful situations for their stakeholders: extinction. Figure 10-4 presents the leadership options and the organizational state resulting from their respective attitudes. As Figure 10-4 suggests, corporate leaders can be classified as:

- **Frustrated companies** (and their respective employees) occur when their leadership is willing to change but does not have the ability to do so. Normally, these leaders do not have the skills and competencies in managing large-scale changes, they do not know how to forge alliances, and how to overcome resistance to change.

- **Arrogant companies** have the leadership ability to change, but are unwilling to do so because of myopia, certain orthodoxies based on their past success and the belief that they, and only they know what is best for the company. When executives or organizations succeed by accident, they often become very rigid about their belief system, much more than before they became successful. In a way, they become superstitious. They end up believing what they will succeed forever, and then they become resistant to change. Employees in these types of corporations are highly stressed. Leaders falling into this category must continually identify and battle their own
orthodoxies, which are often disguised as strengths but are, in fact, vulnerabilities.

- **Impotent companies** are such that their leaders are neither willing nor able to change, and are therefore doomed to obsolescence.
- **Adaptive companies** are those which their leaders are willing and able to change as needed. These are the companies that will survive and thrive in the long run. These are the type of leaders that may understand the benefits of constantly evaluating their mission, vision and respective culture and assure an alliance amongst them.

So, the first step in the culture reengineering (this is referred to in Figure 10-5 as a prophase) is to ensure that the organization have transformational leaders, and that a good culture audit had been carried out so that the current situation is clear. When leaders in an organization realize and recognize that their current organizational culture needs to transform to support the organization’s success and progress, change can occur. But change is not pretty and change is not easy. The good news however, is that organizational culture change is possible. Culture change requires understanding, commitment, and tools. Figure 10-5 shows the remainder and the basic steps of the cultural change process.

![Figure 10-5: The Principal Steps in the Implementation of MBV as Part of the Culture Reengineering Change Process](image-url)
Pre Phase-setting the conditions for change and conducting value/culture audit—Dolan et al (2006) call this phase o because it really is an essential prerequisite, a *sine qua non* for the whole process. Many projects of strategic revitalization of the ways of thinking and doing things in an organization turn out to be mere intentions-sometimes even pseudo-intentions-not founded on solid arguments or rationale, nor funded with adequate resources. In other words, *good intentions are not enough for the management of change*. The fate of the initial phase of implementing MBV resides with the answers to the following questions:

- Is the organization serious about a culture change?
- Is the organization ready to engage in a long term action? How do long-term is defined?
- Does the organization have the right type of leadership to initiate and sustain the process?
- Does the organization have the necessary resources? What resources will they need?

A negative or even tentative response to the questions indicates that more thought, time and discussion should happen before attempting to implement MBV. The key to a successful change process is dependent on (more than any other factor) the presence of one or more true leaders who can legitimize MBV by demonstrating the will, commitment and capability to deploy all the necessary resources. Regrettably experience shows that this 'make-or-break' condition is not all that frequently met and is the reason for many failures related to cultural change.

Another component of the pre change conditions is the conduct of an organization wide culture audit. While different culture audit exist (depending on the conceptual model to be used in measuring the culture), the MBV Audit is a concept and a tool to measure the values of the core stakeholders (employees) and compare them with the values of the organization. Concretely, when analysis reveals differences between personal values/needs and those of the organization, the more the need to reengineer the culture becomes necessary. There are various validated instruments for conducting the audit. A most recent one called "MBVsuite" enables to conduct the Audit using the latest web technologies and is called the MBV audit `18`. An example of the MBV audit and the description of the software is provided in Figure 10-6
Step 1
Collect demographic data to be used at a later stage for benchmarking.

Steps 2 & 3
Collect data about dominant personal and organizational values.

Step 4
Generate an instant and complete personal diagnosis. The PDF-report includes colored graphics and text and important personal gaps between personal values and organizational values are identified. Implications and a generic guide for interpreting the findings is provided.

Step 5
Benchmarks at aggregate levels are generated. Findings are discussed with top management, and normally represent the initiation of a change management process.

Figure 10-6: The MBV Audit – The software.

Phase I-Distilling the essential values - Once the political will to change is confirmed as a serious intention, and resources are ready to allocate the resources required, the first phase of work on MBV consists of reformulating values, with the maximum participation at all levels.

There are three basic sequential activities for this first phase of an MBV project:

1. Collective visualization of the kind of future desired, described and expressed as the final values to be incorporated in the organization’s vision and mission.
2. Participation in the diagnosis of the strengths and weaknesses of the organization’s current set of values, and how these measure up against the opportunities and threats of the organization’s environment
3. Building a consensus on the lines to be followed in the path to change (new operating values to constitute the ruling culture of the organization).

This distillation of propositions, situational analyses and ‘rules of the game’ that command common and enthusiastic support, may be seen as the generation of a massive dialogue on the basis of the values and shared
perspectives of as many as possible of the committed members of the organization, including the associated interest groups such as the main suppliers and customers, trades unions and professional associations. In essence, involve as many stakeholders as possible. The guidelines to the distillation process will be the framework of the agreed proportion of values devoted to Economic-Pragmatic, to Ethical-Social and to emotional energetic, and ensuring alliance with the company vision and mission as depicted in Figure 10-7.

![Figure 10-7: Refining a Set of Core Values Along the Triaxiale Model of MBV that are Linked with the Organization Mission and Vision.](image)

The idea of involving as many stakeholders as possible in the design of a new culture may seem totally utopian but it is logically inescapable if you hope to create an environment based on MBV. MBV espouses values that recognize the potential of everyone to make a contribution based on their knowledge and experience, and that mutual learning is not constrained by notions of up, down or sideways, in a dynamic and open organization.

At the end of the 20th century, some business leaders are timidly beginning to consider a new organizational configuration for thinking and behaving at work: a new culture that breaks with the old arrogant supposition that only those at the top have ‘the answers’, have the knowledge, experience and energy to design and implement the strategies for survival and prosperity in the future. It is gradually being accepted that predictions and prescriptions by experts—even internal ones—are not as valid or effective as the creative visions shared by all. The stimulation of entrepreneurial initiative and behavior propounded by writers on ‘excellent companies’ is increasingly recognized as
A process of internal dialogue should begin at the organization at all levels. A task force needs to be created in managing this dialogue. At the end of the process limited (or distilled) values should be chosen. As a general guide, the limited set of operating values that a company needs to define should be taken from three orientations or viewpoints as stated previously in the MBV model: (1) economic-pragmatic values; (2) ethical-social values; and (3) emotional-energetic (see Table 10-2). In this figure a couple of suggestions is made based on the authors experience. Some concrete examples of possible values a company may wish to adopt in each of these three areas, is given for illustrative purposes.

| Economic-pragmatic | Values necessary to maintain and bring together various organizational sub-systems. They include values relating to efficiency, performance standards and discipline. These values guide such activities as planning, quality assurance and accounting. These are the values shared by the group members and those values that guide the way people behave in a group setting. Ethical values emerge from beliefs held about how people should conduct themselves in public, at work and in relationships. They are associated with social values such as honesty, congruence, respect, and loyalty. A person’s ethical values will influence how they behave when living their personal economic-pragmatic values and their emotional energetic values. |
| Ethical-social | Values essential to create new opportunities for action. They are values related to freedom and happiness. Examples of such values are creativity/ideation, life/self-actualization, self-assertion/directness, adaptability/flexibility and simply passion. |
| Emotional-energetic | |

Table 10-2: Examples of Possible Values.

Only a process of high-quality debate, with mutual respect instead of conflict, will produce the required ‘unlearning’ of old attitudes and behavior, and the construction of new shared ideas. A suitable scheme for organized dialogue to distil the operating values for the future consists of the following four steps:

1. Internal dialogue of the leader (e.g., what do I hope to achieve, what are my values, etc.).
2. Dialogue on the level of the management team.
3. Dialogue between all the stakeholders.
4. Distillation and communication of the ‘core’ set of agreed operating values.

**Phase II: We are actually changing! It’s time to put the project teams to work**

Whereas the activities of Phase I began changes in the way of thinking and doing things by the participative process of reformulating the essential
operating values of the organization, this is the stage when changes of culture are translated into changes of working attitudes, work processes and work tasks. When an organization has an inspiring vision, a meaningful mission and a workable culture ‘enshrined’ in a good set of agreed operating values, then it is ready to define its principal lines of action in terms of a properly-thought out structure of long, medium and short term objectives. This activity is best organized through project teams.

**Phase III: Designing human resource policies based on values**

The internal policies related to human resource policies (for example selection, training, promotion, incentives, evaluation, etc.) in most companies normally suffer from two basic characteristics:

1. They are not sufficiently coherent in their relationship to the strategy formally followed by the senior management.
2. They are not appropriately articulated nor integrated as a function of any type of model or strong ruling idea. As a result, they are developed in a fragmented way and thus lose their capacity to reinforce each other.

All the values formulated by the company as essential for its success should be strengthened by means of training interventions. How is it possible, for example, for any company to adopt a strategy of innovation without establishing a basic training program in techniques of creativity throughout all the functional areas of the organization? Probably, leaders of more than half the companies in any industry in any country would claim to be following a strategy of innovation, so this is by no means an unusual situation.

To be effective in modifying and strengthening personal values is one of the most interesting and rewarding training objectives one could aspire to. It is challenging on a professional level because it must be approached with exquisite respect for individual integrity and liberty of thought and expression.

**Phase IV: Monitoring operational values via culture audits**

The most frequent and regrettable error made is when company leaders think they have successfully reformulated the vision, mission and operating values of their company, is to publish them in an attractive format-and then do absolutely nothing to evaluate and reward employees' assimilation and compliance with the new culture. We have already discussed the importance of converting the shared values into action objectives that are directly relevant to everyday work processes and that, equally, are capable of measurement.

This phase of auditing represents that function of measurement. But beyond the successful adoption of a new culture, MBV also postulates the desirability of making that culture dynamic, with commitments by all employees to
continuous learning, continuous improvement, periodical reviews of values, and the induction of new employees into the culture.

This dynamic requires a process of auditing to monitor progress, and to ensure that everyone is actually doing what they have said they will do. This auditing process must be subject to the same conditions as the change process that generated the new culture that is being monitored. For one thing, it must be all-inclusive, with no levels and no areas excepted from scrutiny; it must be open; it must be undertaken professionally and sympathetically, not as a threat if deficiencies are revealed but as an opportunity for resolving misunderstandings, compensating for unexpected problems, for allocating more resources if underestimations were made.

### 10.4 Summary

In order to survive in the 21st century, companies will have to develop a new way to operate—a new culture. There are different ways to define culture in organizations and the chapter had briefly summarized some of the principal models. Common to all model of culture and the linkages to organizational success lies the notion that the values of the employees need to be aligned with the the vision and the mission of the company. The chapter details a recent approach to diagnose culture through a perspective of values; the latter was labelled MBV. The triaxial model of MBV was presented and instruments to audit it were described. MBV in three words means: alignment between **shared core values**, the organization **mission** and its future **vision** as illustrated in Figure 10-8.
The essential architecture of a planned culture change rests on two pillars: one is the implementation of the change process (i.e., putting it into practice), and the other involves aspects of maintenance and sustainability through ongoing evaluation. The implementation of MBV requires five principal phases in the following sequence: Phase 0—finding a legitimizing leader; Phase I—distilling the shared essential values; Phase II—the work of project teams; Phase III—developing new practices and policies, and Phase IV—auditing the organization’s commitment to its new values.

10.5 True/False Questions

1. There is strong culture where there is little alignment with organizational values and control must be exercised through extensive procedures and bureaucracy.

   ✗ True ✔ False

2. In the tough-guy macho culture, within the Deal and Kennedy model, feedback is quick and the rewards high.

   ✔ True ✗ False
3.

Management by values can be defined as both a managerial philosophy and practice whereby focus is concurrently maintained on an organisation’s core value and aligned with its strategic objectives.

✔ True ❌ False

4.

Management by objectives is best in an unpredictable and dynamic market.

❌ True ✔ False

5.

Congruency between Emotional-Energetic axis and Economic-Pragmatic axis leads to foster innovation in the organization.

✔ True ❌ False

6.

Arrogant companies have the leadership ability to change, but are unwilling to do so because of myopia.

✔ True ❌ False

7.

A long term strategic vision is a characteristic for successful MBV.

✔ True ❌ False

8.

Examples of economic-pragmatic values are those relating to efficiency, performance standards and discipline.

✔ True ☒ False

9.

Phase one of the implementation of MBV is to identify transformational leader(s) and conduct an initial values audit.

❌ True ✔ False

10.
In a power culture people have clearly delegate authorities within a highly defined structure.

- True  - False

### 10.6 Multiple Choice Questions

1. Culture is comprised of which of the following characteristics?

- Assumptions
- Tangible signs (artifacts)
- Norms
- Values
- All of the above

2. Which does not describe a strong culture?

- Opportunities for innovation may be missed due to groupthink.
- There is a greater risk of groupthink.
- People do things because they believe it is the right thing to do.
- Control must be exercised through extensive procedures and bureaucracy.

3. In the Hofstede model, the extent to which people are expected to stand up for themselves, or alternatively act predominantly as a member of the group or organization is called?

- Individualism vs. collectivism
- Power distance
- Long vs. short term orientation
- Uncertainty avoidance
4.
In the Deal and Kennedy model, which culture is characterized by few risks being taken, all with rapid feedback?

- Tough-Guy Macho Culture
- Process Culture
- Work Hard/Play Hard Culture
- Bet your Company Culture

5.
In the Charles Handy concept, _______ culture is characterized by teams that are formed to solve particular problems.

- Role Culture
- Task Culture
- Person Culture
- Power Culture

6.
Which trend has heightened organizational complexity and uncertainty?

- Trends towards product quality and client orientation
- Trends for managers to become leaders and facilitators
- Trends towards team networks and flat structure
- Trends towards autonomy and empowerment
- All of the above

7.
Which type of management was used during the early 20th century?
Which does not describe management by values?

- Unpredictable or dynamic market
- Philosophy of control is self-supervision
- Long term strategic vision
- Stable market

In which principle step in the implementation of MBV are transformational plans developed and objectives defined?

- Phase II
- Pre Phase
- Phase IV
- Phase I

Values relating to efficiency, performance standards and discipline are in which category of values?

- Emotional-energetic
- Economic-pragmatic
- Ethical-social
- None of the above
February, 2007. Nuno Costa, CEO of Grupo Luso de Aerolíneas, was sitting in his downtown office worried, staring absently into the Lisbon sky. He was worried about the future of his company and his own future. Over the last few years, severe problems had arisen in Portugal Wings, the Group’s principal company. The company thought that the solution to these problems would be the launch of a new, low cost airline, Lisbon Air, but after a year of operation and heavy investments, the new company was not working.

In addition, and after a day-long meeting organized by the company in a retreat at “Alentejo” to reflect on the company’s situation, Nuno was beginning to think that perhaps not all of the company’s problems had to do with its business strategy, operations, or positioning within the market. Perhaps these tangible matters which had been given so much attention in the Management arena were not so relevant. Alternatively, he began to question whether the new company’s business culture, values, and employees behaviors (all non-tangible assets) should be completely different from those in the rest of the Group.

What should the company do to solve the problems? Nuno was considering various options, but none of these were clear to him. He began a retrospective journey into the history of Portugal Wings and Lisbon Air to try to identify its differential characteristics. Here are some of the facts that come to his mind:

1. **The World-Wide Transformation of The Airline Industry**

The airline industry is one of the most competitive in the world and, over the last few years, one in which the most transformations have taken place. After the industry’s liberalisation both in the US and Europe and the appearance of new, “low cost” operators, the airline business changed radically and the profitability of national airlines dropped sharply. All this occurred due to the disappearance and/or progressive change among many of the traditional intermediaries along the industry chain, especially in the commercial sector (travel agencies, tour operators, airport operators, etc.) and whose functions, to a large degree, were now being carried out by the airlines themselves.
Examples of these changes include the following: (a) the traditionally large structures and fleets no longer made sense; airlines began to work with smaller crews and a reduced fleet of leased and/or rented planes (b) interconnecting flights via hubs were no longer as important since the new low-cost players flew to secondary airports (the so-called “point to point” flights) without worrying about interconnecting flights. If this were not enough, the increasing price of fuel over the last few years and the security issues raised after September 11 implied new threats and greater losses in terms of competitiveness for many of the traditional players in the market.

2. **From Portugal Wings To Lisbon Air**

2005. Nuno Costa, General Manager of one of Portugal’s national airlines (Portugal Wings), was very worried about the company. After several years of crisis, that is, negative results, labour conflicts with both operators and flight crews, an attempt to privatise the company, and a high degree of conflict within company management, he felt that it was important to completely change the situation and launch a new airline that would complement Portugal Wings but with a completely different and autonomous strategy, operating structure, and personnel (see the data regarding Portugal Wings in Exhibit 1).

Nuno’s idea was to transfer some of Portugal Wings’ most profitable flights to the new company and launch new routes at more competitive prices, justified by a much liner structure and more modern culture, all with the clear objective of privatising the new company as soon as possible.

This idea was well-received by the some of the management team, but not by others. After a heated debate within the Management Board (with sharp disagreement about the company’s future) and during which Nuno Costa announced the creation of the new start-up, Lisbon Air, it was decided that a General Manager would be hired for the new company. Nuno Costa, who is highly respected and has great influence within Portuguese society, had found support from a large capital risk fund for significant part of the investment required by the new company; this would prove to be an important argument for Portugal Wing’s Management Board and Executive Committee.

3. **Launching The New Company, Lisbon Air**

After hiring Joao Pires, the new General Manager for Lisbon Air, Nuno met with Portugal Wing’s Management Board and Pires to begin the preparation of the new company’s strategy. After some internal meetings, they began to devise the general brushstrokes of what would eventually become Lisbon Air’s definitive strategies in terms of Vision, Mission, and Values (see Exhibit 2).
This new strategy was based on differentiating the company within the market by its very competitive prices due to a reduced and flexible fleet and crew, high flight turnaround, and productivity. In addition, they considered the possibility of offering a totally differentiated service on board, not in terms of punctuality or traditional services, but rather, in terms of establishing a relationship based on empathy towards the passenger and making the experience fun and highly emotional. It was agreed that for this to occur, the company needed a team of young and very dynamic employees and that it needed to create a very differentiated culture.

This was considered the strategic basis for the company’s operation and, logically, for the 400 employees who would be recruited during the first year of operation in line with the Business Plan (see Exhibit 3).

4. **Initiating Lisbon Air’s Operations**

The company was launched in early 2006. It began operating flights between Lisbon and the Azores and Madeira and later offered flights between Lisbon and Porto, becoming a highly competitive alternative to the train for this route. In the fourth quarter of 2006, the airline was already flying to several European cities (Paris, Rome, Madrid, Frankfurt, and Prague, among others) and planning on new routes for the following year.

In accordance with the company’s Business Plan, it began to hire new employees for its initial routes, though due to the conflicts with Portugal Wings personnel, the company decided to transfer 250 employees from the latter to the new company and thereby resolve the problems with the unions and the Executive Board. Along with these employees, a series of experienced managers in the business were also transferred while plans to privatise the new company were postponed for the time being.

Meanwhile, Nuno Costa was named Group CEO. This was interpreted as recognition for all the services rendered to the Group after years of work and as support for his decision to create a new airline which had been very well-received by the market.

5. **Operational Or Strategic Problems**

During Lisbon Air’s second semester of activity, however, it began to function irregularly. In addition to problems with punctuality on some routes, flights were not operating well, both in terms of fleet assignment and in terms of crews’ behavior. All this added to the company’s operating costs and, as a result, led to more difficulties in their ability to offer low prices. Rather, it required reducing the minimum profitability per flight. On the other hand, the working conditions (schedules, shifts, flight times, etc.) for the flight and
ground crews were different from those in Portugal Wings and this situation was leading to certain conflicts which, although they had not led to strikes yet, were having an impact on the nonfulfilment of programmed flight schedules.

Additionally, the surveys carried out among passengers did not reveal a positive perception on their part with respect to the new entertainment services and games or “shows” on board the longer trips. Passengers signalled that they liked the concept of the new services (an average score of 7.5 out of 10), but that the employees didn’t seem well trained for these performances or that they didn’t have the right spirit.

All of these problems led to the company publishing two communiqués to both lower the company’s growth expectations as well as business margins and **EBITDA**, thereby damaging Portugal Wings’ stock value after a period of important recovery the previous year.

After its first year of operation, the company also carried out an internal climate and satisfaction survey amongst its employees. The results of this survey, based on a series of qualitative questions on the business culture, were very surprising and highly commented on among the company’s management team (see **Exhibit 4**).

6. **A Stop Along The Road To Reflect**

At the beginning of 2007 and after the company’s bad results, Nuno and Lisbon Air’s management team met for a weekend-long debate in a luxurious palace on the Alentejo coast. In addition to looking for solutions and changes within the airline’s strategy, executives attended a series of presentations, all in a relaxed setting after months of great stress.

The presentation which had the greatest impact on Nuno and the rest of the executives was offered by Professor Dolan of ESADE, regarding the concept of “Managing by Values and business culture”. After the lively discussion on the Triaxial Value Model, Nuno and two other executives exchanged their impressions during the later dinner about the items included in Professor Dolan’s “speech”: “if company employees have very different values from those the organisation needs at the strategic level, the company will face serious problems in the future,” but also: “a strong alignment between those values and company culture and the people who make it up can generate a great competitive and differential advantage.”

After dinner, Nuno went to bed with the impression that something has to change within the new company in terms of its people and culture. But the risks that had to be faced were significant because, as Professor Dolan had commented, “if we finally want to set on
changing the organisation’s culture, we’ll be opening up a Pandora’s Box which always implies hard-to-manage risks and situations…”

EXHIBIT 1: The Portugal Wings Group--History And Important Facts

Portugal Wings was created in 1960 by the Portuguese Government and the Ministry of Communications and Promotions. Two national airline companies were created, one for domestic flights and with the Portuguese colonies, and the other for flights to the rest of the world, Portugal Wings. The company’s original structure was small, but over time and with the creation of many new airlines, it became a significantly large company in which nearly 2,000 people worked (in 1985). Some data which illustrate the Group’s size at that time:

- A fleet of 50 airplanes owned outright by the company,
- More than 1,500,000 passengers annually,
- More than 2,000 employees,
- Billing nearly 150 million euros, and
- EBITDA set at around 15 million euros, with nearly 15% growth over the last few fiscal years.

Nevertheless, the company only had positive results for 5 years, after which it began to register losses once more. The large structure with which it began and its increasingly reduced flexibility and variability in terms of resources and operations began to take their toll and didn’t permit the company to turn around its generation of income account for several years. As such, during the 90s and the first years of the new century, there were many lay-offs and problems internally with somewhat conflictive labour-relationships. Additionally, the Portuguese Government, unlike trends seen in other EU countries, did not seem willing to privatise the company.

EXHIBIT 2: Lisbon Air’s Mission, Vision, And Values

Mission: Make traveling by plane a fun and pleasant experience.

Vision: Be the preferred "low cost" airline among the Portuguese.

Values:

Empathy
- A positive attitude towards all relevant players
- Comfortable with and enjoying social and interpersonal relationships

Dynamism
- Quickly and agilely respond to needs
- Flexibility with others
- Highly open to and oriented to customer
Commitment

- Integrity in everything we do
- Teamwork
- Proud to belong

Passion

- To work is to play!
- Enthusiasm and passion in everything we do

Exhibit 3: Summary of Key Data in Lisbon Air’s Business Plan
### LISBON AIR: Forecast Statement of Results (*)

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Incomes</td>
<td>62,0</td>
<td>90,0</td>
<td>150,0</td>
<td>225,0</td>
</tr>
<tr>
<td>Direct Management Costs</td>
<td>43,4</td>
<td>54,0</td>
<td>86,3</td>
<td>126,0</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Operating Costs</td>
<td>8,9</td>
<td>19,8</td>
<td>33,8</td>
<td>54,0</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>9,6</td>
<td>16,2</td>
<td>30,0</td>
<td>45,0</td>
</tr>
<tr>
<td>Depreciation</td>
<td>4,2</td>
<td>3,5</td>
<td>0,5</td>
<td>0,1</td>
</tr>
<tr>
<td>Regulated Provisions</td>
<td>0,2</td>
<td>0,1</td>
<td>0,0</td>
<td>0,0</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>5,4</td>
<td>12,5</td>
<td>29,5</td>
<td>44,8</td>
</tr>
<tr>
<td>Financial Statement</td>
<td>-2,6</td>
<td>-2,3</td>
<td>-0,2</td>
<td>-0,1</td>
</tr>
<tr>
<td>Extraordinary Gains</td>
<td>2,5</td>
<td>1,9</td>
<td>0,5</td>
<td>0,1</td>
</tr>
<tr>
<td><strong>EBT</strong></td>
<td>5,3</td>
<td>12,1</td>
<td>29,8</td>
<td>44,8</td>
</tr>
<tr>
<td>Corporate Tax</td>
<td>4,2</td>
<td>6,0</td>
<td>10,1</td>
<td>15,1</td>
</tr>
<tr>
<td><strong>Income after Tax</strong></td>
<td>1,1</td>
<td>6,1</td>
<td>19,8</td>
<td>29,8</td>
</tr>
</tbody>
</table>

(*) in million euros

### LISBON AIR: Key Performance Indicators

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of Passengers</strong></td>
<td>850,000</td>
<td>1,200,000</td>
<td>1,900,000</td>
<td>2,700,000</td>
</tr>
<tr>
<td><strong>Income per Passenger (*)</strong></td>
<td>72,9</td>
<td>75,0</td>
<td>78,9</td>
<td>83,3</td>
</tr>
<tr>
<td><strong>Flights/day</strong></td>
<td>25,0</td>
<td>32,0</td>
<td>45,0</td>
<td>62,0</td>
</tr>
<tr>
<td><strong>Average Occupancy/Flight</strong></td>
<td>62%</td>
<td>68%</td>
<td>77%</td>
<td>80%</td>
</tr>
</tbody>
</table>

(*) Figures in euros

*Figure 10-9*
<table>
<thead>
<tr>
<th>SUBJECT EVALUATED</th>
<th>Agree</th>
<th>Indifferent</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a feeling of cohesion and pride in belonging to our organization.</td>
<td>10%</td>
<td>23%</td>
<td>66%</td>
</tr>
<tr>
<td>There is a good understanding of the company's strategy.</td>
<td>30%</td>
<td>30%</td>
<td>40%</td>
</tr>
<tr>
<td>My immediate supervisor is highly aware of all my activities. The same seems</td>
<td>65%</td>
<td>25%</td>
<td>10%</td>
</tr>
<tr>
<td>to be the case with respect to all of my colleagues.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oftentimes, the members of my team do not have enough information about what</td>
<td>62%</td>
<td>10%</td>
<td>28%</td>
</tr>
<tr>
<td>is expected of them.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Many people within the organization do not work passionately while carrying</td>
<td>60%</td>
<td>19%</td>
<td>20%</td>
</tr>
<tr>
<td>out their tasks and activities.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Some employees often look for excuses to avoid working or to do the least</td>
<td>45%</td>
<td>10%</td>
<td>40%</td>
</tr>
<tr>
<td>possible.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The atmosphere in our organization can be compared to the spirit found within</td>
<td>10%</td>
<td>40%</td>
<td>50%</td>
</tr>
<tr>
<td>a great family.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managers make their expectations and objectives clear.</td>
<td>20%</td>
<td>30%</td>
<td>50%</td>
</tr>
<tr>
<td>Trust is fomented and reinforced regularly as a central value within our culture.</td>
<td>25%</td>
<td>30%</td>
<td>45%</td>
</tr>
</tbody>
</table>
Below is a sample of the five most mentioned responses to the question: “Which are the values you identify with most and feel are the most important in your personal life?” or, in other words:

“Which values would you like to pass on to your children?”

<table>
<thead>
<tr>
<th>VALUE</th>
<th>% of responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fulfilling objectives</td>
<td>52%</td>
</tr>
<tr>
<td>Honesty</td>
<td>40%</td>
</tr>
<tr>
<td>Oriented toward results</td>
<td>35%</td>
</tr>
<tr>
<td>Economic success</td>
<td>29%</td>
</tr>
<tr>
<td>Integrity</td>
<td>23%</td>
</tr>
</tbody>
</table>

**Self-Awareness Exercise--Assessing your personal values**

In answering this short questionnaire, make reference to your personal life (family, friends, hobbies, etc). To what extent do you believe each of the fifteen (15) values listed are important in governing your attitudes and behaviour? There are of course no right or wrong answers: simply mark one digit between 1 and 4 to reflect your beliefs.

<table>
<thead>
<tr>
<th>Not Important</th>
<th>Fairly Important</th>
<th>More Important</th>
<th>Extremely Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

1. Love and sensitivity
2. Competitiveness, being the best
3. Cooperation,
4. Passion
5. Money, the power to buy material goods
6. Care for immediate family
7. Emotional satisfaction, fulfilment
8. Achieving results effectively
9. Professional ethics
10. Emotional empathy
11. Order, organization
12. Social justice & social responsibility
13. Pursuit of individual happiness
14. Focus on tasks more than people
15. Integrity; sticking to promises

Calculate your triaxial score:

Add the answers to the following 5 questions: # 1, 4, 7, 10, 13
Add the answers to the following 5 questions: # 2, 5, 8, 11, 14
Add the answers to the following 5 questions: # 3, 6, 9, 12, 15

Your answers on each dimension should vary between 5-25 points. Please identify your value zone by marking the points obtained on each dimension (EMO=Emotional – Energetic values; ECO = Economic Pragmatic values; ETH=Ethical-Social values).

Figure 10-11

After placing your score on each dimension, connect the 3 points on the triangle above and shade the area.

1. Discuss with your team mates (in groups) the relative importance of Economic, vs. Ethical, vs. Emotional values in your life.
2. To what extent will you be looking to work in organizations that their culture emphasizes: (a) similar, (b) different value structure that yourself?

What would be the implications of the above on your job satisfaction and performance?

Note: this exercise is a short excerpt (for demonstration only) of an online MBV Value Audit assessment that can be found at: www.mbvsuite.com.
Notes

11. Management by Values (MBV) is a registered Trade mark of Dr. Simon L. Dolan C/O Gestion MDS Inc. Montreal Canada.
17. The MBV audit. Is available online on: www.mbvsuite.com Currently it is available in several languages.
Chapter 11: Managing Careers in Global Contexts

11.1 Learning Objectives

After reading this chapter, you should be able to:

- Define "career" and "career management"
- Describe how an individual prepares for the world of work
- Understand some of the factors that influence organizational and occupational choice
- Describe the four career stages along with the principal issues and challenges that confront employees at each stage
- Describe some individual-centered and organization-centered career-planning activities
- Explain why organizations are involved in career management activities
- Provide some examples of human resource strategies that support career development
- Suggest some guidelines for managing your career in today's work environment

11.2 Introduction

Not only is a large portion of our lives spent at work, but in a sense our lives are built around our work. From shortly after birth until our first job, much of our time is spent preparing for the world of work, and once we have obtained that first job, most of us will spend between 35 and 45 years in the workplace. Seen from this perspective, the importance to the quality of our lives of finding the "right" work cannot be overestimated. Despite this, few people put the necessary time and thought into ensuring that they pursue the sort of work that matches their interest and abilities. Too many people end up in jobs or careers that leave them feeling numb inside, just waiting for the day of their retirement.

In this chapter, we will discuss the issue of careers and career management. We start by describing the meaning of "career" and "career management." Next, we'll describe the various stages of a career. Lastly, we'll look at some of the ways in which organizations are participating in career management. The chapter will close by offering tips on the management of your career.

11.3 What Does "Career" Mean?

One important decision you may be increasingly preoccupied with at this point in your life is what you want to be in the future. You are likely thinking about what career to pursue, but what exactly are you thinking about
regarding the word "career"? The meaning of this word has changed so much in the past few years that it's important to clarify how we think about it now.

In the past, career signified a professional job with a defined series of promotions or job transfers that eventually led to a senior position. Today, however, career refers to a much broader range of possibilities. A more current definition describes career as all the work-related experiences, including the attitudes and perceptions of these experiences, which span a lifetime.

This definition contains three important ideas. First, it says that a career includes all of your work-related experiences. This encompasses the conventional idea of a career being composed of various jobs, including promotions and job transfers. But work-related experiences can also include activities that are related to the job, such as acquiring new skills and training activities. Further, a work-related experience does not mean that you are always working for pay. Volunteer work, homemaking, or participating in various community clubs and organizations are also considered to be elements of your career. Finally, the concept of work-related experiences implies neither success nor failure, as does the traditional understanding of a career with a series of promotions. You can remain in the same job, acquiring and developing new skills, and still have what is considered a successful career. Hence, our definition of career implies that there are no absolute standards for evaluating a career.

The definition includes your attitudes and perceptions of work-related experiences. Thus, our definition of career includes objective and subjective aspects. To understand your career, both of these elements need to be examined. Third, the theme of time is present in this definition. A career can be seen as a process that unfolds over your lifetime; a career is made up of a series of events, rather than one event that is static and unchanging. Your career is an ongoing process.

John Cleghorn, former chairman and chief executive officer of the Royal Bank of Canada, offers these thoughts on career management:

*Businesses are much different than they were even twenty years ago. Royal Bank has dramatically shifted from the way we used to be when I joined in 1974. We've flattened our hierarchy, decentralized authority, and are seeking nontraditional business opportunities.*

*Today's marketplace is tougher than ever. Customers have increasingly sophisticated needs and expect more from us. To set ourselves apart, we know that our biggest advantages stem from our people. We need them to be innovative and creative, and to thrive on challenges. But this doesn't happen by saying so. They must be supported with specialized training at every stage of their career, from orientation programs for new employees to advanced professional development for more senior staff.*

*Every Royal Bank employee has a right to be informed about our policies and commitment to career development. They also have a right to know where we are going as an organization, and what careers are available to them. The bank is meeting these obligations through an employee communication initiative that is being implemented.*
throughout our organization, known as Workplace 2000. Workplace 2000 is preparing Royal Bank for a new employee/employer partnership. It explains how employees must change to help the company succeed, and, just as important, how the corporation must change to help the employee succeed.

In addition, we provide our staff with many planning resources to help them map out personal career strategies as well as many informative self-help tools. These include a planning workbook for individuals to assess their strengths, weaknesses, and interests; learning maps; detailed guides with background information on jobs; and an on-line catalogue that outlines the learning resources available to enhance professionalism. Our newest initiative is the Personal Learning Network, which offers competency and other self-assessment tools and learning interventions on a multimedia personal computer.

Jobline, the bank’s telephone-based job listing service and career management tool, is now being used extensively in the bank with the help of telephone technology. Our fax-back service has recently been expanded to offer other career management information, including preparing for an interview, preparing a résumé, completing a Jobline application, and giving/receiving feedback.

Another key to career management is performance feedback and coaching. Once a year, managers meet with each employee to formally review performance. But this can't be the sole source or opportunity for feedback and coaching: employees should seek out feedback from their manager, colleagues, and even clients on an ongoing basis throughout the year.

Career management is no longer a one-way process. All this support is designed to encourage our people to take the initiative and responsibility for their career development; to understand our business strategies, the work involved in implementing them, and how their skills can be best applied and developed to support the bank’s goals and achieve their own. Reprinted by permission of Royal Bank

Mr. Cleghorn’s observations show how important some organizations consider career planning and development to be. Until recently, few organizations paid serious attention to career management, but now there’s a growing recognition among individuals and organizations that developing careers and providing opportunities for such development is a joint responsibility.

11.4 Career Preparation

Just as we progress through various stages in life, we also move through career stages during our working lives. Prior to entering the workplace, however, people spend many years preparing for work. Before turning our attention to career stages, we will examine how people go about choosing a career and selecting an organization that is right for them.

Choosing a Career

Preparing for the world of work is a process that begins in early childhood and continues through adolescence. How do you go about choosing a career? Although some of us may wind up in a particular occupation by chance, others go through the process of evaluating their needs, values, abilities, and preferences and then attempting to match these characteristics with the occupation that best suits them.
How do people go about matching personal characteristics with a particular career? This is a question that has been investigated by many researchers, but the most complete explanation was offered in the early 1970s by social scientist John Holland.¹

**Holland's Theory of Career Types**

According to Holland, people gravitate toward occupations that match their own personalities. He suggests that there are six personality types, and that each of these "fits" with a particular type of work environment. Holland believes that if we determine the personality type of an individual, we can then predict his or her subsequent career choices. These are Holland's personality types:

**The Conventional Personality**

A person with a conventional personality tends to be well organized, preferring a stable work environment with clear organizational objectives. This type is described as conforming, orderly, efficient, and practical. Some undesirable aspects of this personality may include inhibition, a lack of imagination, and inflexible thought patterns. The conventional personality is the most widespread personality type in the business world.

**The Artistic Personality**

This type is the opposite of the conventional personality, being imaginative and impulsive. Such people tend to be introspective and independent, and may possess a well-developed sense of intuition. They usually have good verbal skills but often lack mathematical and deductive abilities. Their negative qualities may include a tendency to be overemotional and disorganized.

**The Realistic Personality**

These individuals are described as genuine, stable, and practical. They are often shy and willing to conform to the demands and wishes of others. They often have mechanical abilities and are likely to feel comfortable in semiskilled or craft positions because these jobs usually have consistent task requirements with few social demands.

**The Social Personality**

The social personality type is the near opposite of the realist. This person prefers activities that include teaching, helping, or developing others. In addition to being sociable, this person is tactful, helpful, friendly, and understanding. The less positive descriptions of this type include a tendency to dominate and manipulate others. The social personality usually selects well-ordered and systematic work environments.

**The Enterprising Personality**
These people are similar to the social personality type in that they also like to work with people. What distinguishes them from the social personality is that they prefer to lead and control others, whereas the social personality prefers to help or understand others in order to achieve organizational goals. The entrepreneur is usually self-confident, ambitious, energetic, and talkative. Less positive traits include the tendency to be domineering, power hungry, and impulsive.

**The Investigative Personality**

These individuals are unlike the entrepreneur in that they prefer activities involving observation and analyzing phenomena in order to develop knowledge and understanding. They are often described as complicated, original, and independent as well as being somewhat disorderly, impractical, and impulsive. Within business organizations, they thrive in research and development positions and other jobs that require complex analysis of data with little pressure to persuade and convince others. According to Holland, those who are in a job environment that does not correspond to their basic personality type are less satisfied with their job, perform less well, and are more likely to quit. For instance, a person with a social personality is likely to choose a job that involves interacting with others, such as teaching or counseling. A person who somehow ended up in a research position involving little interaction with others could be less satisfied with the job. Finally, an individual may display personality traits of more than one type. Such people may be more prone to situational influences when choosing a job. The job may choose them instead of them choosing the job! Table 11-1 lists some of the career possibilities for each of Holland’s personality types. Holland’s theory was used to develop the Strong Vocational Interest Inventory and the Kuder Preference Records, which remain widely used by vocational advisers. Many students take these tests in high school to find out what jobs or occupations might match their interests. The tests should be used with caution because neither predicts performance on the job; they simply match your interest patterns with those of established professionals in various fields.

Additionally, there is growing software available for helping people navigate through career choice assessment. The two most popular programs are *Career Point*, which guides individuals through a comprehensive career development process that includes assessment of career interests, skills, and work values; and *Matching*, which is based on the Work Style Preference Inventory and measures individual work interests as well as the requirements of jobs.²
Table 11-1: Holland’s Personality Type Descriptions.

<table>
<thead>
<tr>
<th>Artistic</th>
<th>Intuitive feeler</th>
<th>intellectual, rational</th>
<th>chemist, mathematician, biologist</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Emotional, idealistic, imaginative, impulsive</td>
<td>Poet, novelist, musician, sculptor, playwright, composer, stage director</td>
</tr>
<tr>
<td>Social</td>
<td>Sensation feeler</td>
<td>Cooperative, friendly, sociable, understanding</td>
<td>Professor, psychologist, counsellor, missionary, teacher</td>
</tr>
<tr>
<td>Enterprising</td>
<td>Sensation thinker</td>
<td>Adventurous, ambitious, energetic, optimistic, self-confident, talkative</td>
<td>Manager, salesperson, politician, lawyer, buyer</td>
</tr>
<tr>
<td>Conventional</td>
<td>Sensation thinker</td>
<td>Conscientious, obedient, orderly, self-controlled</td>
<td>Chartered accountant, statistician, bookkeeper, administrative, assistant, postal clerk</td>
</tr>
</tbody>
</table>

Choosing an Organization

Once you have made a career choice, you must choose an organization in which to work. The process by which someone selects an organization varies greatly from person to person. Some researchers suggest that people choose to work in an organization that will maximize positive outcomes, while avoiding negative consequences (in line with expectancy theory as described in Chapter 3). Others suggest that job seekers will satisfice; that is, they will select the first organization that fulfils one or two of their most important needs and then intentionally distort their perceptions of the organization so that it is perceived as being the best place to work. Of course, people select organizations on the basis of many factors, such as suggestions from others, the reputation of the organization, the need to get a job, and the availability of openings.

The choice is complicated by the fact that while the job hunter needs complete and accurate information to make the best choice, the organization will likely present only its best points in order to attract many job candidates. That’s why, if you think you may command more than one job offer, it’s a good idea to prepare a list of questions about the organization and the job itself. Such a list will be helpful in choosing the organization and job that is most likely to match your career goals and plans. Many job applicants can think of no questions other than about salary and benefits. 11-2 provides questions to consider when choosing a potential employer. The first four deal with the
industry that the organization is part of; the rest relate to the organization itself. 11-2

**Sample Questions to Ask When Assessing an Organization.**

- What is the size of the industry and its growth potential?
- What is the competition picture?
- What major changes are foreseen?
- How do organizations compete with each other?
- What is the organizational climate?
- What are the prospects for survival and growth?
- What is the turnover rate of employees and top management?
- What kind of employees does it attract?
- Who owns the organization?
- What are the locations of present or future branches?
- What do employees like and dislike about their work?
- How did the organization behave during periods of crisis?
- What do its mission statement and code of ethics say?
- Is it unionized, about to be unionized, or nonunionized?
- What is its reputation in terms of loyalty to employees?
- What is the budget for research and development?
- What is the budget for employee training and development?
- What is the background of the top executives?
- What are the opportunities for advancement?

11.5 Career Stages

Career stages are predictable sequences of events that apply to most people independent of the specific job they have. In this section, we will explore the issues and challenges that are unique to each of the four career stages that researchers have identified: establishment, advancement, maintenance, and withdrawal.4
Leaders In The Field

Edgar H. Schein

Ed Schein was educated at the University of Chicago, at Stanford University where he received a Masters Degree in Psychology in 1949, and at Harvard University where he received his Ph.D. in social psychology in 1952. He was Chief of the Social Psychology Section of the Walter Reed Army Institute of Research while serving in the U.S. Army as Captain from 1952 to 1956. He joined MIT’s Sloan School of Management in 1956 and was made a Professor of Organizational Psychology and Management in 1964.


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Suppose you are asked for your views on management. This is a hard question because the principles of management that have guided us for the past 100 years appear to cycle back and forth between scientific management, which disregards human diversity and potential, and human relations management, which emphasizes the role of people at the expense of technology. Clearly, organizations are made up of people, so people have to be taken seriously. But organizations exist to do a particular job, and that job often involves complex technologies such as those involved in the manufacturing of products.

To truly understand and manage organizations effectively requires us to take a socio-technical perspective, that is, to take both people and technology seriously, and to look for concepts and models that allow us to think systematically and integratively about both sets of factors. Instead of continuing to go through cycles of fads, we need to develop integrative models, especially as we enter a more complex and rapidly changing world.

Stage 1: Establishment

The establishment stage begins when a person enters an organization, usually during early adulthood. At this time, most people are confronted with a number of personal and work-related challenges in their lives. On the
personal level, many employees leave home for the first time or get married during these years. The transition from school to work is also an important event during this period. At work, the principal task facing the new employee is to "fit in" and learn the ropes. The process by which a person learns this is called organizational socialization, which is described below.

**Organizational Socialization**

One expert views organizational socialization as occurring in these three stages: getting in, breaking in, and settling in. The *getting in* stage is characterized by efforts on the part of the potential employee to learn as much as possible about a desired organization (e.g., its culture, structure, and values) in order to increase the prospects of being hired. An organization seeking recruits is likely to be attracted to applicants who seem to know the organization and identify with its values and products. Some organizations provide realistic job previews, in which the organization and the job are described accurately, the bad with the good. When employees receive such information, they tend to be more satisfied with their jobs, more committed to the organization, and less likely to quit.

*Breaking in* begins as soon as the individual starts the new job. At this stage, the new employee is confronted with challenges. The skills and the roles required in the new job must be learned, and the novice must adjust to the practices, procedures, and culture of the organization. To help an employee with these tasks, many organizations have developed orientation programs. These programs provide employees with information concerning benefits, policies, and procedures of the organization, and they expose employees to job-related experiences and to events that teach about the organization’s culture. Orientation can reduce the time required to train new employees, and will ensure that nothing of importance is omitted.

*Settling in* begins after the person joins the organization and has learned the expected attitudes and behaviors. In this stage, the individual develops an approach to work that is consistent with the cultural norms of the organization. After accomplishing these tasks, the novice receives full member status, either formally or informally. Organizations that recognize this achievement will sometimes have a dinner or a ceremony in the employee’s honor, or the job title may change from trainee or apprentice to full-fledged member of the organization.

**Mentoring**

It is usually during the establishment stage of a career that an employee may seek out a mentor, typically an older and more experienced employee who provides guidance, coaching, counseling, and friendship to the novice. A mentor may also offer other types of support to the employee, such as informing organizational leaders of the new employee’s accomplishments or offering work-related advice that cannot be found in company literature. Finally, a mentor acts as a role model by demonstrating acceptable behavior, thereby helping the new employee gain visibility in the organization so that a
promotion is more likely. Studies indicate that if a woman wishes to advance to senior management, it is more important that she have a mentor than it is for a man.\(^7\) (We’ll explore this idea in the next chapter.)

Mentored employees have a number of advantages over those without mentors. They are more likely to achieve their career goals (most successful managers have had mentors in their careers) and to have higher promotion rates and higher salaries.\(^8\) They also tend to be better decision-makers.

How does the new employee find a mentor? This matching process occurs in one of three ways: (a) the organization has a formal mentoring program in which junior employees are matched with a senior employee, (b) the organization encourages younger employees to approach senior members by providing opportunities for younger members to socialize with older members, or (c) a senior organizational member will instigate the relationship by taking a junior employee under his or her wing, thereby making a commitment to offer guidance, friendship, and support.

It is sometimes difficult for an employee to find a mentor in organizations that do not have formal mentoring programs. This is because many junior employees have difficulty approaching seniors for support and guidance. Why does this happen? In a recent study, the following barriers were reported:

- **Lack of access.** Potential mentors are inaccessible, or some employees lack the opportunity to meet mentors.
- **Fear of initiating the relationship.** Many people are uncomfortable about initiating contacts with mentors.
- **Unwillingness of the mentor.** Potential mentors are unwilling to develop a relationship because their gender differs from that of the protégé, or because they lack the time.
- **Opinion of others.** Employees feel that supervisors or co-workers would not approve of mentoring relationships.
- **Misinterpretation of approach.** Individuals are afraid that initiating a mentor relationship might be construed as a sexual advance by a potential mentor or by others.\(^9\)

It is not unusual for the novice–mentor relationship to change. The employee who becomes more senior may find a new mentor or look to peers for direction and advice, especially when his or her professional concerns begin to focus on a specific area of expertise.
Stage 2: Advancement

By the time employees reach the advancement stage, they are well settled into the organization. Their work efforts have demonstrated that they have successfully adapted to the organizational values and culture. Most employees at this stage have mastered their job responsibilities and may start to look for other opportunities to achieve career goals. This may involve moving within the organization, acquiring new skills in the same job, or transferring to another organization. Before we discuss this stage further, let’s look at the types of professional movement an employee is likely to make during this phase.

You likely assume that career movement means a series of promotions up the ladder. In reality, "promotion" is only one type of move that an employee makes over the course of a career. Indeed, as a result of cutbacks and downsizing, most employees in today’s organizations do not receive one promotion after the other. Although most will receive some promotions, it is likely that their careers will also include other types of movement both inside and outside the organization. The three types of career moves an employee can make are vertical moves, horizontal moves, and moves toward the core of the organization (commonly referred to as inclusion). Let’s look at these types of career movement.

Vertical Movement

As the name suggests, vertical movement is a job change to a higher (or lower) hierarchical level in the organization. Although most employees will receive one or more promotions during their career, most will stop receiving promotions well before reaching senior positions simply because there are so few top management positions available. In addition, current employees are receiving fewer promotions owing to flatter organizational structures with fewer hierarchical levels. Many employees now reach their final hierarchical level within the first ten years of their career.

As mentioned, vertical movement does not always mean moving up. Moving down the hierarchical ladder is less common and usually less desirable. An employee may switch to a lower-level job for a number of reasons. Sometimes an organization moves a poor-performing employee to a lower position to
pressure the person to quit. Other times, an employee may have been over-promoted. And sometimes employees choose to move downward if the lower-level job increases their visibility or provides valuable learning experiences; in such cases, employees are making a short-term sacrifice in order to increase their value to the organization and subsequently receive a more important promotion.

**Horizontal Movement**

Horizontal movement occurs when a person changes jobs but stays at the same hierarchical level. For instance, an employee in human resources may move to a marketing, finance, or engineering position at the same level. In larger organizations, employees often make many lateral moves.

Employees make lateral moves for three reasons. They (or the organization) may wish their skills and knowledge to be increased in order to yield a more global understanding of the organization’s operations. Employees who do this are more likely to be promoted to a management position. A second reason is to increase one’s visibility in the organization. Finally, employees who have reached their final hierarchical level may make a lateral transfer to avoid stagnation and boredom.

**Inclusion**

Inclusion is movement toward the inner circle or inner core of the organization. This usually occurs after a person has developed a thorough understanding of the organization and has gained the trust of its leaders. A person who moves toward the centre of the organization is given increased responsibility and is consulted regularly on important matters.

Often, an employee experiences inclusion and a promotion at the same time. For instance, a person can become central to the organization, without being promoted, after gaining the confidence of senior management. Other times, a person may receive a promotion but not be included in important corporate decisions. Thus, inclusion is a subtle form of career movement. Many employees go through their entire careers unaware of their status in terms of inclusion, or unaware that inclusion even exists.

**11.6 Stage 3: Maintenance**

The maintenance stage typically runs from age 40 to 60, a period marked by physical and psychological changes. At this stage of their career, most employees have developed a relatively stable set of attitudes and expectations, and have adopted one of three roles: star, solid citizen, or decliner. These roles are outlined below.

**Stars**
Stars are the few employees whom top management have picked to occupy senior management positions in the future. These employees continue to receive promotions, new job assignments, and increased status throughout the maintenance stage. Stars typically feel that they have almost made it to the top. Once they have achieved star status, they have likely served as a mentor for other employees. Nonetheless, the star may seek expanded mentoring roles during the maintenance stage. Other jobs that may be delegated to a star are dealing with outside organizations such as governmental agencies and large customers.

**Solid Citizens**

The majority of employees become solid citizens. They are very reliable and competent, but have little chance for promotion. They may lack either the abilities necessary for a promotion or the desire to move up. Often, the solid citizen lacks the interpersonal skills necessary to play the organization’s political game. Sometimes solid citizens are considered to be perfect for their present position, so the organization chooses not to promote them. Solid citizens constitute the largest group of managers in most organizations, and they accomplish many of the organization’s administrative functions.

Solid citizens usually reach a career plateau during the advancement stage. As noted in Chapter 9, a career plateau occurs when someone has attained a hierarchical level at which the chance of receiving further promotions is unlikely. An employee who has reached a plateau must face the prospect of occupying the same job for many years. This can lead to boredom and a decrease in performance. Organizations can help avoid these consequences by offering new and challenging job tasks, encouraging job transfers, and encouraging people to become mentors for newcomers.

**Decliners**

Decliners are employees who have virtually no chance of being promoted. As a result, the organization often gives them dead-end positions. Typically, decliners have little motivation, and their performance decreases over time. They are apathetic toward their job, and their effort level can be described as trying not to make so many mistakes that they are fired.

Decliners have few close relationships within the organization because they are not respected by their colleagues. Since their performance is marginal, any attempts at mentoring are unsuccessful. Organizational leaders manage decliners by giving them routine assignments and minimal salary increases. The job responsibilities of a decliner are usually out of the mainstream of decision-making, and their career goal is simply to hang on to their job until retirement.

### 11.7 Stage 4: Withdrawal
The withdrawal stage centers on the reality that the employee's career is drawing to a close. Before covering this life change, we should touch on some other important issues that face the employee at this stage.

On a personal level, the withdrawal stage coincides with the beginning of the late adulthood life stage. During this phase, you become more aware of your own mortality as the loss of friends and family members increases. In terms of psychological development, you strive to find meaning and value in life.

The employee may face discrimination and stereotyping from other employees because of age. Younger employees may believe that older workers are less productive, more resistant to change, and less motivated. This is unfortunate, because many older workers have vast amounts of experience and a strong work ethic. In many organizations, older workers provide a feeling of continuity in the context of organizational change. They may also offer valuable assistance as mentors to younger employees. Furthermore, older workers have lower rates of absenteeism and tend to be more safety-conscious and more satisfied with their jobs than younger workers. With our increasingly aging population, a key challenge now facing managers is to create a work culture that values older employees.

The most important issue that faces employees at the withdrawal stage is their retirement and the corresponding professional and personal changes. Retirement is one of the most significant changes in life, and employees have different ways of dealing with it. Some take a traditional approach to retirement by leaving the organization at age 65, whereas others may continue to work part-time after age 65 to ease the transition. Finally, many employees now have the option to take early retirement, sometimes to start a new career.

A number of factors influence when and how a person retires. These include company policy, financial status, family support, health, and opportunities for other productive activities. More and more employees are being pressured to retire so that the organization can reduce payroll expenses. Regardless of the way in which the retiring process occurs, careful planning is required during both the transition phase and the postretirement phase. Financial planning is an important part of this process, as is preparing for the psychological effects of retiring. Many recent retirees cope with the sense of loss they experience upon retirement by developing hobbies, traveling, or doing volunteer work.

### 11.8 Career Management in Organizations

Thus far in this chapter we have defined the concept of career and described four career stages, including the issues that confront an individual at each stage. Career management is the ongoing process of matching one's interests, abilities, and skills with work that allows their expression and development. To be able to do this effectively, people first need to be aware of their interests, strengths, and weaknesses. Sound career management includes a self-assessment component in which a person engages in activities (such as taking various interest and personality inventories, and participating in interactive exercises) that will provide self-knowledge. Matching one's interests with an
appropriate choice of career is another important component of career management. To do this requires learning about the range of work possibilities and how to assess them relative to one's goals. It also requires learning how to assess the organizations in which the desired work is offered, to ensure that the work environment will match one's values and temperament. People who engage in such activities are more likely to feel happy with their chosen work and hence to be successful at it.

Until recently, career management activities were available only to students in high schools and postsecondary institutions. These programs helped students make occupational choices and sometimes provided suggestions on how to find a first job. Activities typically included preparing a résumé and developing skills needed to succeed in interviews. Although these activities are useful for students, they are not sufficient for the management of one's career after the initial job is secured. Indeed, many people cease to engage in career management activities once employed. These employees often pass through the stages of their working lives without pausing to reflect on their goals and needs.

This situation has disadvantages for both the employee and the organization. Individuals who do not take charge of their career often end up dissatisfied. As mentioned, when employees are not satisfied with their job, motivation tends to dwindle and performance may suffer. Additionally, in these times of high competition for qualified human resources, organizations that do not offer sufficient career opportunities risk losing valuable employees who will seek career challenges elsewhere.

As a result, many organizations are acting as a catalyst to employee career management by implementing a career management program and a variety of related human resource activities. We can divide these career activities into two broad categories: individual-centered career planning activities and organization-centered career planning activities. Not only do these activities help employees achieve their goals, but they also assist the organization in achieving its objectives.

11.9 Individual Career Planning Activities

Individual career planning activities are aimed at helping employees determine their skills and aptitudes, along with their professional and personal interests, needs, and goals. Having acquired this information, employees are in a better position to make informed career choices. Activities that organizations undertake to help employees make career choices include career counseling, seminars and workshops, and self-assessment.

Career Counseling

In larger organizations, career counseling is generally offered by human resource department members who may hold the job title of “career counselor.” Often these counselors administer a variety of paper and pencil tests that measure the employee's skills and aptitudes, interests, and needs.
The results of these tests are presented to the employee, and together the employee and the consultant set career goals and discuss career options. Although options in and outside the organization are considered, the emphasis is usually on finding an internal position or development activity. This way, both the organization and the employee will benefit.

**Seminars and Workshops**

Many organizations do not have the time or the financial resources to engage in individual career consultations with every employee. Instead, they offer group workshops and seminars. Although the content of these workshops varies from company to company, they are usually aimed at helping employees take stock of their skills, abilities, interests, and goals in order to make career development plans that are consistent with this information. Organizations may also offer seminars that help employees better present themselves to future employers. These seminars cover such topics as résumé preparation and job interviews. Some organizations offer seminars aimed at preparing the senior employee for retirement, addressing psychological and financial issues.

**Self-Assessment**

Organizations that cannot afford counseling or workshops may provide information on how to make career plans through self-assessment. For example, some organizations provide literature on a variety of self-directed career management programs and have resource personnel available to answer questions and assist employees.

**Self-Awareness**

Many organization members are turning to executive coaches to help them be more self-aware and also to identify and develop the necessary skills so as to move up the corporate ladder. This need has triggered the relevance and importance of executive coaching in today’s work environment. In some organizations, it has become part of the human resources function. To show the growth of executive coaching, in 2002 a Google search produced over 99,400 results and in 2006 this figure has jumped to over 10,800,000! Clearly executive coaching is a strong ever-growing business. A good executive coaching process focuses on developing an individual’s self-awareness by working one-on-one to define the client’s personal vision and identifying critical competencies relevant to their job and methods to develop these competencies.

**11.10 Organizational Career Planning Activities**

Organizational career planning activities differ from individual activities in that their focus is on meeting human resource goals, such as planning who will fill top organizational positions in the future and making the most of employees' skills and aptitudes. Although aimed at benefiting the
organization, organizational career planning activities also help employees achieve their individual career objectives. Two such activities are succession planning and career ladders.

**Succession Planning**

Succession planning, or the process of planning who will fill key leadership positions in the future, involves five steps: (1) identifying the key positions and the criteria with which to evaluate potential candidates, (2) identifying high-potential employees to fill these positions, (3) developing career paths for them to follow, (4) grooming them (e.g., through mentoring) so that they are capable of assuming leadership positions, and (5) developing a list of back-up candidates.

Succession planning is one of the key components in organizational planning for the future. Often, organizational goals are formulated in terms of who will be leading the organization in the next generation. Succession planning also clarifies the degree to which organizations can help employees achieve career goals. Once an organization has chosen its future leaders, the career paths of those who have been chosen are more firmly established, while the options for employees who are not chosen are narrowed.

**Career Ladders**

A number of organizations have developed career ladders, a structured series of job positions through which an individual progresses within the organization in order to achieve a specific organizational position. Career ladders have advantages for both the organization and the employee. For the organization, implementing career ladders ensures that employees occupying the top positions in the future will possess the skills necessary to accomplishing their job tasks. Career ladders also provide some incentive for employees because they provide them with a goal toward which they will strive. Further, career ladders give employees a relatively stable career plan to follow. Once employees have determined their career goals, the career ladder lays out what jobs and skills are required to achieve that goal. Career ladders may or may not be rigid, depending on the organization. Organizations with rigid career ladders expect employees to adhere strictly to the job sequence if they wish to attain the top positions. Those with flexible structures implement career ladders to guide the employee in the job selection process.

**Coaching**

Organizations can use coaching as part of its systematic and systemic processes. As a systematic process, organizations can reward and recognize coaching; promote it as an investment in excellence; and have top management function as coaching role models. As part of its systemic process, it assumes that people are competent; it is an organic process; initiatives can be decentralized; and promote constructive confrontation. Coaching is becoming more critical as managers learn to adapt to multi-cultural and even global environments.
Career development is the process of making decisions and engaging in activities to attain career goals. It is an essential part of career management because people who fail to acquire the necessary skills and abilities are unlikely to meet their career goals. Many employees are now able to develop within an organization thanks to the implementation of human resource strategies aimed at increasing employee abilities and satisfaction while reducing the expenses associated with hiring new members. Below is a list of some of the human resource strategies that provide opportunities for employees to achieve career goals:

**Mentoring**

Mentoring, as previously discussed, can help junior employees "learn the ropes" of the organization so that they can advance to senior positions. This activity also helps relieve the monotony for "plateaued" employees (i.e., employees who face the prospect of staying in the same job for many years).

**Job Rotation**

Job rotation programs vary in structure from organization to organization, but in general they allow employees to temporarily or permanently switch jobs with another employee at the same hierarchical level. Job rotation programs can give employees the opportunity to develop new skills and to prepare for management positions. From an organizational standpoint, employees become more flexible and thus can adapt more easily to changes.

**Job Posting**

As the name suggests, job posting refers to the announcing of job openings to organizational members before looking for candidates from outside. A description of the job is posted on a bulletin board in the organization or announced in a newsletter.

**Job Enrichment**

Job enrichment refers to the activity of redesigning a job so that the employee has increased decision-making authority, responsibility, and accountability. In addition, the job will usually include a wider range of work activities. Job enrichment programs help the employee to develop new skills, as well as reducing the boredom associated with repetitive jobs. From an organizational standpoint, such programs allow employers to reduce the number of managers, since employees are able to work more independently. As a result, job enrichment programs should result in increased organizational efficiency.

**Training and Development**
Training and education are important aspects of career development. Many organizations offer training to improve performance in the employee’s current job or to prepare the employee for a new job. Although training is aimed at improving organizational performance, these opportunities may help employees to achieve their personal career goals as well.

11.12 Adapting to Today's Environment

In these times of cost cutting and rationalization of managerial positions, the opportunity for a steady climb up the corporate ladder no longer exists. Hence, many employees are asking themselves, "How do I shape my career so that I can advance?" Employees must acquire new skills as a function of the changing structure of the workplace if they wish to get ahead. Following are some guidelines for employees in today’s environment:

- Acquire teamwork skills.
- Try to earn as much responsibility as possible.
- Think of yourself as an independent contractor with valuable services to offer.
- Become conscious of your value to the organization, and make your contributions visible to management.
- Improve your ability to learn new skills, and take any opportunity to do so.

Although many organizations will help an employee develop the ability to manage a career, it is really up to the individual to develop the behaviors and attitudes necessary to succeed in the contemporary organization. Figure 11-1 lists some attitudes and behaviors employees should develop to ensure their marketability in today's workplace.

Career management is largely your own responsibility. Here’s what to do to ensure your employability:

- Broaden your skills; never stop doing so.
- Communicate with your boss. Keep him or her informed. Talk about your work. Ask for feedback on your performance. Don’t assume that your boss knows of your accomplishments.
- Take the initiative. Seek out opportunities. Don’t wait for them to come to you. Market yourself and your abilities.
- Be a team player. Cooperate. Show your concern for the company’s goals, as well as your own.
- Be flexible and adaptable. Become known as someone able to shift readily to new initiatives and programs.
- Look at the big picture. Build an objective overview of the complexities of your company’s role in regional, national, and global markets. Be equally objective about your own role in the organization.
- Re-evaluate your career expectations. Moving "up" in an organization is not the only way to define career success. In flattened corporations, lateral moves and assignments to special projects are more likely career advances.
- Work to maintain a positive attitude despite uncertainty.

Some predictors of international assignment success

The staffing strategy for international assignment of managers is in puzzle. Companies do not know how to select their assigned managers with the probability that the later will succeed in a different country and culture. The international assignment requires a significant investment by their organizations and much of their organization's growth hinges on their success. However, there is ample evidence that International assignees experience difficulties in terms of effectiveness and meeting organizational and personal expectations that result in significant direct and indirect costs for the organization and for the individual.

Research has brought to the discussion new, diverse perspectives together with considerable factors and criteria at individual, organizational and cultural levels of international assignments success. Recently new trends in personnel selection processes take into consideration 'soft' competencies that go beyond technical skills to be used as predictors of success. For example, the cognitive skills of the assignee. Recent research proposed, for example, that emotional intelligence (EI) as an individual's 'soft' skill may be considered as a determining criterion in personnel selection processes - a factor often overlooked in international assignment literature.

Selection practices have frequently been criticized for emphasizing "hard" technical skills and neglecting critical "soft" and tactical success factors, such as relational skills and cross-cultural competencies that are derived from the specific social skills required to be effectively competitive. In general terms, it is considered that the competencies to take into account for international assignments (i.e., expatriates, transpatriates and inpatriates) as future global managers can be regarded as the consequence of (1) cognitive skills; (2) personality traits; and (3) environmental variables.

Cross-cultural encounters in International assignment experience are essentially social encounters where culture shapes an individual's emotional expressions, experience and management in different social settings. This means that emotions are a crucial factor in an international assignment context. Global manager competence means seeing, thinking, acting, and mobilizing in culturally mindful ways. Consistently, experts in global assignment strongly recommended to integrate emotional Intelligence in the selection processes for international assignment, underscoring the link between expatriates' emotional intelligence score and success in handling workplace conflict overseas.


11.13 Summary

Career management is becoming an important topic in organizational behavior. This chapter examined career management from the perspectives of the individual and the organization. From an individual point of view, "career" means making the right decision about vocational choice, deciding about vocational development, and "making it" in the workplace through advancement, promotions, and the ability to satisfy personal goals and objectives. The chapter discussed the main steps in assessing career choices, in setting objectives, and in charting a plan to manage them. From an
organizational point of view, information was provided about programs designed to create opportunities for career advancement. The programs were described in terms of those that are individually centered and those that are organizationally centered. The chapter ended with some guidelines for adapting one's career management plan to current organizational realities and the challenges facing the selection of people (especially managers) for international assignments.

11.14 True/False Questions

1. A Career is defined as all the work-related experiences, including the attitudes and perceptions of these experiences, which span a lifetime.

✔ True ✗ False

2. According to Holland, people gravitate toward occupations that match their own personalities.

✔ True ✗ False

3. Those with an artistic personality type are represented well in occupations such as professor, psychologist, counsellor, missionary, teacher.

✗ True ✔ False

4. Unmentored employees are just as likely to achieve career goals and to have higher promotion rates and higher salaries.

✗ True ✔ False

5. Horizontal movement occurs when a person changes jobs but stays at the same hierarchical level.

✔ True ✗ False

6. Stars are considered very reliable and competent, but have little chance for promotion.
Decliners are employees who have virtually no chance of being promoted.

Career management is the ongoing process of matching one’s interests, abilities, and skills with work that allows their expression and development.

Succession planning is a structured series of job positions through which an individual progresses within the organization in order to achieve a specific organizational position.

Job enrichment refers to the activity of redesigning a job so that the employee has increased decision-making authority, responsibility, and accountability.

11.15 Multiple Choice Questions

1. Of Holland’s personality types, which is cooperative, friendly, sociable, and understanding?
   
   - Conventional
   - Social
   - Realistic
   - Artistic

2.
Of Holland's personality types, which is represented in occupations such as physicist, anthropologist, chemist, mathematician, biologist?

- Enterprising
- Conventional
- Investigative
- Realistic

3.

In which career stage has an employee adopted one of three roles: star, solid citizen, or decliner?

- Withdrawal
- Establishment
- Maintenance
- Advancement

4.

Which is not a reason employees have difficulty finding mentors in organisations without formal mentoring programs?

- Fear of initiating the relationship
- Lack of access
- Unwillingness of the mentor
- Misinterpretation of approach
- None of the above

5.

In which type of employee movement does an employee move toward the inner circle or inner core of the organisation?

- Vertical
6. Which role in the maintenance describe those who have reached a career plateau?

- Cash cows
- Solid citizens
- Stars
- Decliners

7. Which type of individual career planning activity involves using executive coaches to help identify and develop the necessary skills that employees will need to move up to corporate ladder?

- Self-Awareness
- Seminars and workshops
- Career counseling
- Self-Assessment

8. Which career development strategy pairs junior employees with senior employees to help them "learn the ropes" and advance to senior positions?

- Mentoring
- Job posting
- Job rotation programs
Job enrichment

9.

Which career development strategy involves redesigning a job so that the employee has increased decision-making authority, responsibility, and accountability?

- Job rotation programs
- Job posting
- Mentoring
- **Job enrichment**

10.

Which is not listed as a strategy for employees in today’s environment?

- **Try to earn as much responsibility as possible**
- Seek ways to dominate your organization in the future
- Acquire teamwork skills
- Think of yourself as an independent contractor with valuable services to offer
- Improve your ability to learn new skills, and take any opportunity to do so

Self-Assessment Exercise:

What is my Motivation Orientation?

Part A: Values and Experiences

1. Describe the roles in your life that are important to you. Examples might include your work or career, family life, leisure, religious life, community life, and volunteer activities. Explain why these roles are important to you. Indicate how important each role is to your total life satisfaction. Assign a percent to each role (0 to 100 percent) so that the total adds up to 100 percent.
2. Describe your background and experiences, including:
Education. List the names of technical schools or colleges you have attended. List degrees earned or to be earned, and your major.

Work experience. List any jobs you have held, including part- and full-time jobs, voluntary jobs, internships, and cooperative education (co-ops).

Skills. Describe any skills that you possess that you feel would be valued in the workplace.

Extracurricular activities. Describe any nonwork activities that you engage in for personal development or recreational pursuits.

Accomplishments. Summarize any recognition you have received that is related to your education, work experience, skills, or extracurricular activities.

3. Read the following list of skills. Put a + next to those you feel you are particularly strong in, and circle those you would like to develop more thoroughly in the future.

Communication (written or oral communication, listening skills)

Management skills (supervising, persuading others, planning, organizing, delegating, motivating others)

Interpersonal skills (working effectively with others)

Team building (working effectively with groups or teams)

Creativity (innovativeness, generating ideas)

Mathematical skills (computation ability, budgeting, accounting proficiency)

Sales/promotion (ability to persuade, negotiate, influence)

Scientific skills (investigative abilities, researching, analyzing)

Service skills (handling complaints, customer relations)

Office skills (word processing, filing, bookkeeping, record keeping)

4. Rate yourself on each of the following personal qualities or work characteristics. Write one response for each characteristic, using the following scale:

1. very low; 2. low; 3. average; 4. high; 5. very high

Part B: Work Attitudes and Preferences
Describe an ideal job for you. What would it be like? Describe the activities, people, rewards, and other features that would be a part of your job experience.

Think about the ideal job you described above. Rank the following values in terms of how important they are for you in your work (1, most important; 11, least important).

<table>
<thead>
<tr>
<th>Values or Conditions</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independence or autonomy</td>
<td></td>
</tr>
<tr>
<td>Financial reward or affluence</td>
<td></td>
</tr>
<tr>
<td>Sense of achievement or accomplishment</td>
<td></td>
</tr>
<tr>
<td>Helping others</td>
<td></td>
</tr>
<tr>
<td>Creating something</td>
<td></td>
</tr>
<tr>
<td>Equality, fairness</td>
<td></td>
</tr>
<tr>
<td>Loyalty</td>
<td></td>
</tr>
<tr>
<td>Job security</td>
<td></td>
</tr>
<tr>
<td>Pleasant working conditions</td>
<td></td>
</tr>
<tr>
<td>Friendships at work</td>
<td></td>
</tr>
<tr>
<td>Variety of tasks</td>
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</tr>
</tbody>
</table>

What talents do you wish to use in your work?

What type of working relationships with other people do you prefer? That is, do you prefer working alone or with other people? Do you enjoy working with a few people you know well, or helping people you don’t know.

What type of physical work setting is desirable to you (e.g., office, outdoors, factory)?

How much freedom and independence do you want in your work? For example, do you want to set your own hours? Determine your own projects to work on?

Think of one time when you felt like a real professional. What were you doing or what had you just done? Why was this achievement meaningful?

**Part C: Goals and Action Planning**

Describe your career goals for the next several years.

What specific things will you need to do to meet your goals?

What internal and external obstacles might you encounter along the way toward achievement of your goals?

Describe any skills or assistance you will need to meet your goals.

How much commitment do you have to your goals? Explain.

**Assessment Questions**
- What did you learn about yourself that you did not realize before?
- How important is your career and work in your total life? Why is this important to realize?
- How can completing a self-assessment assist you in preparing a résumé or interviewing for a job?
- What will you do to follow up on this self-assessment?

Self-Assessment Exercise:

Personal Vision Statement:

Name:______________________________________________

Based on the insights from the above exercises, write a graph or two that captures your identity as a person, your values, and how you hope to contribute to your professional, social and personal environments. This is similar to an organization's vision or mission statement. If organizations work hard to develop these statements, why shouldn’t you?

Case 11: Are You Staying?

During their traditional Alberta reunion at Lake Louise, Bob and Steve contemplated their futures. At the age of 24, they were already wondering how to manage their careers better. Since graduating together three years ago, both had become chartered accountants and had enjoyed significant pay increases the first two years. But while Bob was contemplating advancement in the same firm he had joined two years ago, Steve was contemplating advancement in any firm except the one he had also joined two years ago.

Bob had had a favorable opinion of the large accounting firm where he worked even before his hiring. In his senior year, Bob had attended a recruitment party given by an office of this firm, one of the "Big 5." The party gave accounting students an informal opportunity to meet several partners, including the managing partner. It also gave the office a chance to look at the new crop of rookies. At this party, Bob met the managing partner as well as some of the other students who were eventually hired by the office.

Bob’s first two years in the office were gratifying. He worked on a variety of assignments, each exposing him to different challenges, each requiring different skills. Any problems, personal or professional, were comfortably discussed with the senior accountant he was assigned. He would have felt just
as comfortable, however, talking with a manager or even the managing partner. Upper management in this office practiced an open door policy that applied to all employees, especially new ones. Moreover, this office always hired for "anticipated growth." Although this meant "excess hiring" until business caught up, it also helped to ensure that managers and partners didn’t exceed a 70 to 75 percent utilization rate. (Utilization rate is a measure of how busy the employee is; a utilization rate above 80 percent implies work overload.)

At his year-end reviews, Bob was told exactly how well he was doing relative to the other assistants. His two pay increases were directly related to the performance appraisal results. The office’s pay-for-performance policy and candor in telling employees where they stood resulted in enhanced loyalty and a low premature turnover rate, which were further reinforced by the "excess hiring" policy. Thus, Bob’s most pressing career question was whether he should stay in Audit or transfer to Tax in the next year or two.

Steve worked in a very different office of the same "Big 5" firm. His first two years in this office were frustrating. He was given a wide variety of job assignments, but was too exhausted to appreciate the challenge. During this period, he worked hundreds of overtime hours. He knew of three assistants who left because of the excessive overtime.

What Steve didn’t know was that many of the managers and partners were working as much overtime as he was. Manager utilization rates had risen to 85 percent. This meant that the managers and partners had little time to support the assistants. Although Steve knew that the "Big 5" accounting firms weren’t in business to "coddle" employees, he would have appreciated a pat on the back or a word of encouragement from time to time. Consistent with this nonsupporting environment, Steve had yet to meet the managing partner.

Performance reviews were another source of dissatisfaction. The managers and partners refrained from giving negative feedback because they thought it would demoralize the assistants. As a result, the assistants had little sense of how well they were performing. Steve’s pressing career question was whether he should leave the firm now or stay on another year.

Questions

1. What are the principal issues in this case?
2. What does this case tell you about the need to plan your career beyond landing a first job?
3. How could Steve have protected himself from what happened?

Notes


17. Kirk, Managing your career.
Chapter 12: Managing Diversity and Cross-Cultural Issues

12.1 Learning Objectives

After reading this chapter, you should be able to:

- Understand the meaning of workplace diversity and describe some of the social and demographic forces that are producing diversity within the work environment
- Describe five dimensions of cultural differences that affect workplace attitudes
- Describe the principal challenges facing organizational leaders as a result of workplace diversity
- Understand some of the benefits of employee diversity
- Define organizational culture and describe how managers can create a culture of diversity

12.2 Introduction

The composition of the workforce in many countries changed dramatically since World War II. This change was escalated ever since the internet became a prime mode of communication and knowledge exchange in the organizational environment. To add to this thrust, other global events such as: the unification and the expansion of Europe (today 27 countries), the handing over of Hong Kong back to China, and the emergence of more and more multinational companies. Today, there are some multinational giants that are richer than countries!

Labor force diversity in the vast majority of western countries will continue to increase; as the baby-boom generation gets older, the median age of the labor force will rise to record levels. In a work setting, we now experience diversity in terms of gender, nationalities, cultures, sexual orientation, age, at the individual level; cross-functional groups, cross-cultural groups, virtual groups, focus groups and other adhoc groups at the group level; and finally at the organizational level, business units spanning countries, regions and even operating simultaneously in different countries or cultures. With this rapid expansion and growth, managing diversity and cross cultural issues is not only a critical but necessary skill for global managers.

Diversity among employees has an impact on organizational behavior, because employees who have different backgrounds and characteristics have varied values and needs. The behaviors of a diverse working staff are more varied and hence less predictable than in earlier times, when most organization members were similar.
Because organizational leaders must adjust their management style to meet the needs of this new type of workforce, we have devoted the second last chapter to this contemporary topic. We start by describing some of the basic changes in the working population, including cultural diversity, gender diversity, family structure diversity, perceptions and expectations of work-life balance, age diversity, and ability diversity. Next, we examine some of the challenges that diversity poses to managers. Finally, we will describe some of the advantages of diversity and discuss how organizational leaders can manage diversity in order to maximize these advantages.

**Leaders in the Field:**

**Nancy J. Adler**

Nancy J. Adler is a Professor of International Management at McGill University in Montreal, Canada. She received her B.A. in economics, M.B.A. and Ph.D. in management from the University of California at Los Angeles (UCLA).


No one doubts that the world has become a global village, that action in one part of the world – whether individual, corporate, or political – affects people and organizations in other parts of the world. The image of an army of fax machines connecting individual Chinese to both their Chinese and non-Chinese friends and colleagues around the world during the Tiananmen Square showdown immortalized the omnipresence and omnipotence of the global village.

Yet, the ways in which we are connected to each other have altered over the last few decades. Who we are as political, economic, and cultural beings has shifted. These changes challenge each of us to manage and to think in ways very different from those used by successful managers in the 1900s. Successful firms in the 2000s will use global focus, global representation, and global process; that is, they will make all decisions from a worldwide perspective, they will include people from multiple nationalities in all their key decision-making teams, and they will develop processes that include the unique insights of managers and employees from distinctly different cultural back-grounds. Such strategies will be globally inclusive; they will neither ignore nor minimize the culturally unique perspectives of clients or employees.
12.3 Aspects of Workforce Diversity Cultural Diversity

One of the most noticeable changes in the working population is the increase in cultural diversity, or differences among workers due to their having different backgrounds. Although some nations have always benefited from a culturally diverse workforce through immigration (such as the US and Canada), in recent times there has been a marked increase in the number of visible minority members in the workforce. Some of the large visible minority groups being incorporated into the US and Canada are Chinese, Pakistani, Indian, Vietnamese, and Jamaican.

cultural diversity is the variety of human societies or cultures in a specific region, or in the world as a whole. (The term is also sometimes used to refer to multiculturalism within an organization). There is a general consensus among mainstream anthropologists that humans first emerged in Africa about two million years ago. Since then we have spread throughout the world, successfully adapting to widely differing conditions and to periodic cataclysmic changes in local and global climate. The many separate societies that emerged around the globe differed markedly from each other, and many of these differences persist to this day.

As well as the more obvious cultural differences that exist between peoples, such as language, dress and traditions, there are also significant variations in the way societies organize themselves, in their shared conception of morality, and in the ways they interact with their environment. It is debatable whether these differences are merely incidental artifacts arising from patterns of human migration or whether they represent an evolutionary trait that is key to our success as a species. By analogy with biodiversity, which is thought to be essential to the long-term survival of life on earth, it can be argued that cultural diversity may be vital for the long-term survival of humanity; and that the conservation of indigenous cultures may be as important to humankind as the conservation of species and ecosystems is to life in general.

This argument is rejected by many people, on several grounds. Firstly, like most evolutionary accounts of human nature, the importance of cultural diversity for survival may be an un-testable hypothesis, which can neither be proved nor disproved. Secondly, it can be argued that it is unethical deliberately to conserve "less developed" societies, because this will deny people within those societies the benefits of technological and medical advances enjoyed by those of us in the "developed" world. Finally, there are many people, particularly those with strong religious beliefs, who maintain that it is in the best interests of individuals and of humanity as a whole that we all adhere to the single model for society that they deem to be correct. For example, fundamentalist evangelist missionary organizations such as the New Tribes Mission actively work to reduce cultural diversity by seeking out remote tribal societies, converting them to their own faith, and inducing them to conform to their own model of society.

Cultural diversity is tricky to quantify, but a good indication is thought to be a count of the number of languages spoken in a region or in the world as a
whole. By this measure, there are signs that we may be going through a period of precipitous decline in the world’s cultural diversity. Some researchers suggest that fewer than 10% of the languages currently spoken in the world will still be spoken in 100 years time. This rate of language death amounts to one language becoming extinct every two weeks. Overpopulation, immigration and imperialism (of both the cultural and old-fashioned kind) are reasons that have been suggested to explain any such decline.

Cultural diversity presents a number of challenges to organizations. One concern has to do with the skills and abilities of minority-group employees. Because of poverty levels in the country of origin among some groups, often these workers have had less education and training than their US or Canadian counterparts; yet increasing numbers of jobs in both these countries are requiring higher levels of education and training.

This means that those who have not graduated from high school may need additional training in order to maintain their jobs. Additionally, many members of these groups do not obtain senior management positions, likely owing to the presence of the corporate glass ceiling. The glass ceiling is a barrier so subtle that it is transparent, yet so strong that it prevents members of nontraditional groups from progressing beyond a certain level in the organization. This barrier, which prevents women and members of minority groups from receiving promotions, is based not on ability but on factors beyond their control. We will discuss workplace discrimination later in the chapter.

Apart from internal problems within an organization, we can also learn from more macro level efforts of integration such as the EU. In his article on managing diversity and change in the EU, Loukas Tsoukalis mentioned that as the EU enlarges, it will take patience, persuasion, imagination, and generosity (or PPIG) to create a successful EU. In much the same way, although there are many models of cross cultural management, it would not only take PPIG but also a sensitive understanding of processes that differ across the diverse cultures and nationalities that abound in organizations of today.

People from different cultures view work differently and consequently may have different attitudes and values with respect to the meaning of work and its place in society. Culture explains more differences in work-related attitudes than does age, gender, type of work, or rank within the organization. What are these culture-based differences in work values? Dutch organizational psychologist Geert Hofstede has studied this question in depth. His analysis based on responses from some 100 000 IBM employees in 67 countries led him to identify several dimensions of cultural differences in work-related values. These dimensions are summarized in Table 12-1 and discussed below.

<table>
<thead>
<tr>
<th>HIGH INDIVIDUALISM</th>
<th>HIGH COLLECTIVISM</th>
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<tbody>
<tr>
<td>Canada</td>
<td>Japan</td>
</tr>
<tr>
<td>United States</td>
<td>Venezuela</td>
</tr>
<tr>
<td>Great Britain</td>
<td>Malaysia</td>
</tr>
<tr>
<td>HIGH POWER DISTANCE</td>
<td>LOW POWDER DISTANCE</td>
</tr>
</tbody>
</table>
Hofstede defined an individualistic society as one in which individuals are primarily responsible for looking after their own welfare and that of their family. Although they belong to loose social structures such as clubs, churches, and sports teams, they are not dependent on the community to look out for their interests. They place a high value on independence and self-sufficiency, and dislike being dependent on others.

By contrast, collectivist cultures attach a high value to group harmony and welfare. Group decisions are valued and accepted by the members of the society, and the individual's responsibility for the welfare of the community is emphasized. Group loyalty and unity are of utmost importance in a collectivist culture, and its members are strongly dependent on extended families and clans. In such cultures, striving for personal satisfaction and gain is favored.

The individualistic/collectivist orientation is reflected in many aspects of organizational behavior. For instance, organization charts in Canada show individual positions, whereas such charts in Malaysia show only sections or departments, thereby emphasizing the importance of groups, not individuals, in the organization. In North American organizations, individuals may compete with one another for recognition and promotion; in Japan, members want the group to excel.

As a result of the success of many Japanese organizations, some of the collectivist values of these corporations are being incorporated into North American organizations. For instance, as mentioned in previous chapters, many organizations are moving away from individual work and decision-making processes toward work in groups or teams. However, it would be difficult, if not impossible, to abandon our individualistic orientation entirely, since it is part of our culture. Furthermore, it is not clear that any one orientation is superior.
Power Distance

Power distance refers to the degree to which a culture accepts an unequal distribution of power among its citizens. If a culture has high power distance, its members accept unequal distributions of power, as seen when people in positions of power have titles and privileges that others do not. In cultures with a low power distance, people feel that power inequalities should be minimal; individuals have power over others only when they demonstrate expertise.

In high power distance cultures, managers and employees are perceived as two completely different types of people; supervisors retain power simply because they are in a position of authority. As a result, supervisors are not obliged to prove themselves in order to maintain their influence over other employees. In low power distance cultures, supervisors must constantly demonstrate their expertise and knowledge to maintain the respect of subordinates. Managers and employees from low power distance cultures perceive one another as having more similarities than differences. As a result, employees may bypass the boss in order to get the work done, something that is rare in high power distance cultures.

Uncertainty Avoidance

Another dimension on which cultures differ is uncertainty avoidance, or the extent to which a culture is comfortable with change and ambiguity. In a high uncertainty avoidance culture, people are uncomfortable with instability and wish to maintain security. They have a low tolerance for conflict and feel threatened by the basic uncertainties of human existence.

Cultures with low uncertainty avoidance are more tolerant of ambiguous or uncertain situations. Such cultures are more accepting of individual differences and view conflict as an opportunity to learn and grow. Their members are encouraged to express their views (even if they do not coincide with those of the majority) and are more willing to take risks.

By examining career management, we can see how uncertainty avoidance influences work-related attitudes. People from low uncertainty avoidance cultures tend to be more open to careers that involve mobility and risks. Employees from high uncertainty avoidance cultures are less interested in mobility; a stable career, usually within only one organization, is their goal.

Masculinity versus Femininity

In a masculine culture, materialistic values and assertiveness dominate the business world. Money and possessions are highly valued, performance and achievement are what count in the workplace, and gender roles are clearly distinguished, with men expected to be assertive and women expected to be nurturing.
By contrast, a culture that is characterized by feminine values emphasizes interpersonal relationships, the welfare of others, and the quality of life. Both men and women in feminine cultures are expected to assume assertive and nurturing roles. People from cultures with a feminine orientation are more likely to put a higher value on the quality of life in the workplace. They are also interested in promoting quality relationships with their colleagues and supervisors, whereas individuals from masculine cultures emphasize individual performance and achievement. Although Canada has traditionally had a more masculine culture, it is moving toward more feminine values.

12.5 Gender Diversity

The inevitable transformation of traditional societies to modern, secular, and inclusive communities has placed the historical legacy of gender inequity and exclusion at the center of contemporary culture. While feminists and women's rights activists have fought—and continue to fight—hard for the recognition of the instrumental role women have played in shaping social-historical narratives of enlightenment and emancipation, there remains a mountain of work to be undone in deconstructing the traditional views on the role of women in many societies.

Issues of equity are central to the proper representations of different cultures. As such, the inclusion of the many influences which women all over the world have had on their respective cultures in the contemporary setting is an important aspect of cultural diversity and mutual understanding. Today, many countries still refuse to extend the most basic human rights to women.

In the past, all women in the workplace were automatically assigned to temporary or part-time or low responsibility jobs because it was understood that their first priority was taking care of their families. Unmarried women were likely to quit as soon as they married (often to an up-and-coming executive in the company), and married women were likely to quit as soon as they became pregnant. Women with children were understood to care more about the children than about work. In addition, there was a widespread belief that women were not as capable as men, either physically or mentally or emotionally.

Today, women are not generally seen as inferior to men (in fact, it is common to hear that men are inferior to women). And there are women who want to put work first and family second. Most women in the workforce do not see it as temporary—something to do until they "catch a man"—or as "extra" income.

Organizations have been slowly adjusting to these changes, learning to treat women as the equals of men and not as a pool of potential dates. Both discriminating against female employees (in terms of hiring and advancement) and treating them in a sexual manner (sexual harassment) are now against the law in many parts of the world.
Feminists, however, worry that creating a "Mommy Track" effectively licenses corporations to discriminate against women. They feel that women (and presumably men!) should be allowed to have flexible work arrangements and remain on the fast track.

Some people regard issues of treatment of various employee groups, such as those based on gender, race, and sexual orientation as primarily an issue of moral fairness. Women should be given the same career opportunities as men; homosexual couples should be given the same health insurance benefits as heterosexual couples. American society and culture has changed considerably on these issues over the last 150 years (when women were not allowed to vote and slavery was still practiced), and organizations are asked to not only follow suit but lead the way. However, many managers would counter that organizations are not supposed to change American society. They are supposed to manufacture goods and provide services for money. Their responsibilities are to their stockholders, not women's groups. It might be morally desirable for corporations to give all their profits to the poor, but it would not be responsible action.

Others see the issues primarily in strategic terms. Organizations compete for human resources and as the workforce becomes more heterogeneous, organizations will have to serve the diverse needs of this workforce or they will lose them to their competitors. Organizations that discriminate against women are forced to select workers from a smaller pool, reducing their ability to find top performers. At the same time, some managers would point out that increased diversity can cause management problems. For example, having more women has meant more problems with sexual harassment (even if it's the men's fault). Increased diversity brings with it the need for more flexibility, which makes management more complicated (e.g., scheduling, compensation plans, interpersonal communication).

As mentioned, the number of women in the workforce has been increasing steadily in recent years. As Table 12-2 shows, the total number of women in the workforce is will exceed that of men in the year 2011. However, it also startling to realize that in this expansion is also the almost 400% increase in lawsuits in family responsibility discrimination!6 In today's work global work environment, women represent 29.8% with Australia as the employer of choice for women. Companies such as Hewlett-Packard have women comprising almost half of its workforce7. Today there is an increase in women expatriates, engineers, and corporate leaders. Even Harvard University, the oldest university in the US will have its first woman president in July of 20078!

There are two reasons why the number of women in the workforce has increased so dramatically. Many of today's couples are discovering that, in order to achieve the middle-class dream of buying a house and sending the kids to college, both parents must work outside of the home.9 Women's entry into the workforce has been further facilitated by the feminist movement, which has influenced federal and provincial governments to implement anti-discrimination and equal opportunity laws, and helped to bring about a fundamental change in attitudes toward women's participation in the
workforce. Slowly but surely, globally, organizations are developing a more egalitarian perception of the role of men and women in the workplace.

**The Business Case for Gender Diversity**

Recent studies found that women are leaving their jobs in corporate America at a rate of more than twice of men. Why are they leaving? The research cites four reasons.

- The need for more flexibility (51%)
- The "glass Ceiling" (29%)
- Unhappiness with the work environment (28%)
- Lack of challenge (22%)

By contrast, the studies suggest that when gender diversity is managed properly, the following advantages seem to produce:

- The group of companies with the highest representation of women on their top management teams experienced better financial performance than the group of companies with the lowest women representation


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<table>
<thead>
<tr>
<th>Age, Both Sexes</th>
<th>2000</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 and over</td>
<td>23,752,200</td>
<td>26,434,800</td>
</tr>
<tr>
<td>15 to 24</td>
<td>3,874,900</td>
<td>3,982,700</td>
</tr>
<tr>
<td>25 to 54</td>
<td>13,185,400</td>
<td>13,375,000</td>
</tr>
<tr>
<td>25 to 34</td>
<td>4,206,500</td>
<td>4,246,300</td>
</tr>
<tr>
<td>35 to 44</td>
<td>4,854,100</td>
<td>4,300,900</td>
</tr>
<tr>
<td>45 to 54</td>
<td>4,124,800</td>
<td>4,827,800</td>
</tr>
<tr>
<td>55 and over</td>
<td>6,691,900</td>
<td>9,077,600</td>
</tr>
<tr>
<td>55 to 64</td>
<td>2,778,400</td>
<td>4,152,600</td>
</tr>
<tr>
<td>65 and over</td>
<td>3,913,500</td>
<td>4,925,000</td>
</tr>
<tr>
<td>Total no. of women 15 and over</td>
<td>14,940,900</td>
<td>16,239,400</td>
</tr>
<tr>
<td>Total no. of men 15 and over</td>
<td>14,343,300</td>
<td>15,450,500</td>
</tr>
</tbody>
</table>

*Table 12-2: Labor Force Projections by Age and Gender, 2000 and 2011.*
Women in Management

Despite their dramatic increase in the workforce, women continue to be underrepresented in top management positions. "Mention women in management and the instant association in the minds of most men (and women) is: Women have babies," says Felice Schwartz, founder of Catalyst, a research organization that studies work–family issues. "The conclusion follows naturally that women can't be counted on to make a full-time, open-minded commitment to their careers."

Ms. Schwartz contends that it costs companies more money to employ women managers. "Given a man and a woman of equal abilities and motivation,
investing in a woman is undeniably riskier." The implication is that women are more likely to interrupt their careers, or forgo them altogether, to pursue motherhood. It is estimated by one large industrial company that turnover for top managerial women would be 2.5 times that of their male counterparts. These are some of the factors behind the glass ceiling. It is the responsibility of organizations to ensure that the barriers to women's advancement are removed. They can accomplish this by eliminating discriminatory practices and by providing more opportunities for women to progress up the career ladder.

12.6 Two-Income Families

In the 2006 US Census Bureau reported that 65 percent of families with children are headed by two employed parents or by a single working parent. In the same vein, the number of Canadian families earning two incomes has increased dramatically in recent years. Only one-third of families were dual income in 1967, compared with two-thirds in 1985. Data from Statistics Canada indicate that, in 1994, a second income saved 200,000 families from falling below the poverty level. This new family reality has forced organizations to change their policies with respect to flexible work options, child care, and job relocation. The International Labor Organization also reported that dual- working families are becoming the norm instead of the exception globally.

Flexible Work Options

As noted in Chapter 9, flexible work hours (also known as flextime) can be implemented to accommodate employees with heavy family obligations. Another solution is to allow these employees to work at home when possible. E-mail, faxes, and other technological aids have made home-based work an increasingly practical alternative. Many large organizations have installed computer systems that link home computers to the office, allowing employees to keep in touch with office activities while working at home. Of course, not all jobs are structured in a way that permits flexible hours or work at home. In many organizations, these options are available only to professionals or salespeople.

Child Care

Another strategy used by organizations to accommodate two-career families is to offer day-care services. Most beneficial to working parents is on-site day care, which may be partially or fully subsidized, depending on organizational policy. On-site care allows employees to visit their children during breaks. Many organizations that have implemented day-care services report a decrease in employee absenteeism and tardiness.

Some organizations that cannot afford on-site day care offer referral services that help employees find suitable child care. Others provide flexible benefit packages that allow workers to choose the benefits they receive based on personal needs. For instance, a working mother whose husband has a
generous life insurance plan with spousal coverage may choose to receive day-care subsidies instead of life insurance.

**Job Relocation**

The increase in the number of dual-career couples has made the process of transferring employees more complex. If an employee's partner has a successful career, his or her needs must be considered when a job transfer is offered. Many employees now resist transfers because of their partner's career. To address this problem, many organizations have developed methods aimed at facilitating relocations for dual-career couples. One of these methods consists of helping spouses find jobs after moving to a new city. The assistance ranges from arranging interviews with other employers in the region to providing referrals to agencies that assist employees in their job search.15

12.7 Age Diversity

The population in today's workforce is growing older. For example, the average age of Canadians, 30 years old in 1971, will be 37 only three decades later. This means that the number of middle-age Canadian workers will rise, while the number of young workers will decrease.

The aging population has a profound impact on organizational behavior and management. The most important consequence is the increase in age diversity within organizations; there is increasing intergenerational contact in the workplace.16 Some organizations now employ workers from four generations. These are the swing generation (those born between 1910 and 1929, who lived through the Depression and World War II), the silent generation (those born between 1930 and 1945, who now occupy most of the senior positions in organizations), the baby boomers (1945–1965), whose large number gives them great influence in the workplace, and the baby busters, who were born between 1965 and 1976.17

This situation provides a variety of challenges for organizational leaders because, just as parents and children experience conflict due to the "generation gap," so do employees from different generations. As in families, members of each generation have their own values and attitudes toward work. Additionally, employees from different age groups who were previously separated by hierarchical levels are now forced to work together owing to the flatter organizational structures. Organizational leaders must integrate these individuals so that they work together harmoniously. To give a clearer picture of how the differences between the generations influence organizational behavior, here is a description of some of the common perceptions one generation has of another and how this can create problems among employees.

As mentioned, most of the top leadership positions are occupied by the silent generation. In general, the baby boomers perceive the silent generation as relatively complacent, having done little or nothing to reduce social inequities, and having had a somewhat easy ride to the top. By contrast, baby boomers
have traditionally been concerned with moral issues in society and defending employee rights in the workplace. In recent years, however, they have been perceived by the silent generation as being achievement oriented in the workplace, preoccupied with moving up and replacing the silent generation in senior management. As a result, there may be negative feelings between the baby boomers and senior management. The baby busters have different values toward work than do members of the previous generations. Unlike the three preceding age groups, who generally adhere to the "Protestant work ethic," this generation believes that family obligations take priority over work obligations. As a result, older workers perceive the baby busters as not being sufficiently committed to their jobs. And baby busters believe that older workers are opposed to change and less capable than younger workers of doing the work.

12.8 Work Competence Diversity

Before covering diversity in worker competence, we should distinguish among competence, aptitudes, and abilities. Ability refers to a person's capability to perform a given task. Aptitude means the capacity to learn a particular skill. Finally, an employee who is competent at something has the aptitudes and the abilities to perform a given task.

Here are concrete examples. Suppose you are an excellent tennis player, but have never played squash. If this is the case, you have the ability to play tennis, and you are competent in it. Further, since you demonstrate competency in one racquet sport, you likely have the aptitude to be a good squash player, though we could not say for sure that you would be competent in squash. Every job requires different types of competencies.

How does competency relate to workplace diversity? Today's workforce is composed of people from a wide variety of age groups and backgrounds, with varying skills and abilities. Diversity in skills and abilities creates a number of challenges for organizations. One difficulty is finding employees who possess the skills and aptitudes necessary to program and operate changing computer and telecommunication systems. Although most young people are learning basic computer skills at school, many older employees and those from nontraditional cultural backgrounds have not had this opportunity. Another quick emerging trend is the outsourcing of skills to other countries that have knowledge and skill. For example, many organizations in the US and Canada are outsourcing their software engineering to India as labor is a lot cheaper and that India represents the global "silicon valley" having thousands of computer science graduates.

Finally, we should consider people with disabilities, who constitute another dimension of ability diversity in the workplace. People with disabilities are those who have a persistent physical, mental, psychiatric, sensory, or learning impairment who consider themselves to be, or believe that an employer would be likely to consider them to be, disadvantaged in employment by reason of their impairment. The proportion of people with disabilities in the western workforce has traditionally been low. Recently, these numbers have increased.
on account of employment equity programs aimed at giving these individuals an equal opportunity to secure a job. Thus, many organizations face the challenge of integrating employees with disabilities into the workplace.

12.9 Challenges of a Diverse Workplace

Thus far we have described some of ways in which the Canadian workforce has become more diversified, and some of the problems that are specific to some minority groups. Now we will examine two general problems facing organizations in a context of diversity: stereotyping and communication breakdowns.

Stereotyping

In Chapter 2, stereotyping was described as a perceptual error that involves making generalizations about a person based on preconceived notions about the group to which the person belongs. An example was the stereotype of Scots being thrifty. All of us have stereotypes, usually about people who are different from us. Thus, in a diversified work environment, there will likely be considerable stereotyping.

Stereotyping has many negative effects on organizations. It distorts our perceptions of the world around us so that we perceive and evaluate others inaccurately. As a result, stereotypes often cause organizational leaders to underestimate the talents and skills of employees. For example, a manager who has stereotyped women as poor decision-makers may neglect to include a competent businesswoman in decision-making. Stereotyping also interferes with selection processes; excellent job candidates are often overlooked owing to the recruiter’s stereotypes.

Another dangerous consequence of stereotyping is that it often leads to discrimination, which can be defined as denying a person equal opportunity or treating a person differently because of his or her race, sex, ethnic origin, color, religion, age, marital status, family status, past criminal convictions, disability, or sexual orientation. Discrimination in the workplace is harmful for many reasons. It often prevents capable people from advancing their careers, and it is detrimental to the victim’s well-being. From the organizational viewpoint, it is unwise to discriminate on the grounds listed above simply because such behavior, apart from being unfair and immoral, is illegal in many organizations and countries.

Another possible result of stereotyping is harassment, which can be described as any type of bothersome comment or behavior that is known – or ought to be known – to be unwelcome. In western organizations, it is illegal to harass an employee on the same grounds as it is for discrimination.

In short, not only do stereotypes cause people to underutilize the talents of valuable human resources, they also may lead to illegal behaviors. We discuss some of the ways to avoid stereotyping in the section entitled "Managing Diversity."
Communication Breakdowns

People from different backgrounds have different ways of communicating the same information; hence, in a diverse workplace there is a risk of problems due to different communication styles. These difficulties can lead to unnecessary misunderstandings and conflicts. Below are three examples of types of communication problems that may occur in a diverse workplace.

- Currently, it is common for employees to address their supervisors and coworkers by their first names; however, 20 years ago it was considered impolite for younger people to address older ones, or for subordinates to address their superiors, by their first names. Picture a manager who has older subordinates. By addressing these employees by their first name, he or she may unintentionally insult them insofar as the older employees consider this disrespectful.
- In a culturally diverse workplace, there will likely be many employees who speak English or French as a second language. A person who does not fully understand the language of the workplace may misunderstand job-related instructions.
- Communication problems may occur between men and women, even among those of the same culture. There is some evidence that communication between women and men is similar to cross-cultural communication because boys and girls develop different communication styles that they carry into adulthood.

As discussed in Chapter 6, effective communication among employees is crucial to organizational success. Thus, it is important that managers work toward facilitating communications among employees, particularly when they are highly diversified.

12.10 Motivating Diversity

All of us have slightly different sources of motivation. In today’s context of increased diversity, there are even greater differences in the sources of motivation among employees; age, sex, cultural background, and family status all influence what motivates us. Managers should understand what motivates employees since motivation is crucial to organizational performance. The theories of motivation we presented in Chapter 3 may reflect the sources of motivation for the traditional western employee, but they may not apply to people from other cultures. Nor do they take into account the impact of a person’s age, sex, family status, and cultural background on the sources of motivation. The two examples below illustrate how cultural differences and other personal characteristics influence sources of motivation.

- For many people born and raised in North America, self-actualization may be the greatest need (as demonstrated by Maslow’s need hierarchy), yet people who were raised in Japan or Greece may have a greater need for security, since these cultures have a high need to avoid uncertainty.
A single mother may be more motivated to work in an organization that has flexible working hours than in an organization that offers bonuses for high productivity. On the other hand, a single male with no family obligations may be more motivated to work in the latter organization. To sum up, it is important for managers to be aware of what motivates their employees. If managers understand and meet the individual motivational needs of employees, then employees should be more satisfied and effective in their jobs.

12.11 Benefits of Diversity

You have met several aspects of diversity in the workplace and some of the challenges that managers now face. Despite the challenges, a diverse workplace holds numerous potential benefits for an organization. Here are four of the main benefits of a diverse workplace:

- Diversity in employees results in access to more information and a broader range of skills and abilities. The greater the diversity, the greater the amount of skills and information brought to the organization. This has many advantages for the organization; for instance, when the amount of information and skills in the organization is great, everyone has the opportunity to learn to something new.
- Diversity among employees results in higher-quality decision-making. When organizational members come from a wide variety of backgrounds, the organization has access to increased information with which to solve problems. As a result, organizational members are likely to generate more and better ideas with which to make decisions. Furthermore, highly diverse organizations are more likely to have heterogeneous work groups. As a result, the consequences of groupthink are more likely to be avoided.
- Organizational creativity and innovation levels tend to be higher in a diversified context because people from different backgrounds have different ways of perceiving the same problem. Employees with different perceptions working together are likely to come up with more creative and innovative ideas with which to solve problems and make decisions.
- An organization with a diversified staff is more likely to satisfy the needs of today's population. This will enable the organization to improve its performance. As mentioned, the workplace is becoming more diverse simply because the western population is becoming more diverse. As a result, it is beneficial to hire a staff that is representative of the general population. By hiring employees who are members of various minority groups, the organization is better equipped to meet the needs of the public because individuals are more sensitive to the needs of members of their own group.

To conclude, many companies are working to increase their employee diversity. When faced with two equally qualified people, many employers will
choose a member of a minority group so as to benefit from the advantages of a diversified staff.

**Implementing and Promoting Legislation**

An easy way to prevent discrimination and other related behaviors is to promote awareness of the laws that prohibit this activity. In Canada, two types of legislation aimed at protecting minority groups in the context of workforce diversity are anti-discrimination and anti-harassment laws, and employment equity laws.

**Anti-Discrimination and Anti-Harassment Laws**

We defined discrimination and harassment earlier in the chapter. In Canada, the federal and provincial governments have implemented laws prohibiting these behaviors. These laws state that harassment (including sexual harassment) and discrimination are illegal at any time or any place in Canada, including the workplace. We should be aware of these laws and their impact on organizational behavior. The *Canadian Charter of Rights and Freedoms* is part of the Canadian constitutional law, meaning that its provisions take precedence over all other laws that are not part of the Constitution.\(^{22}\) Section 15 was added in 1985, guaranteeing every Canadian equal protection and equal benefit of the law without discrimination. This requires both employers and employees to ensure that employment standards allow for equality. If a workplace policy or regulation gives certain employees greater or lesser protection of the law, it is illegal unless the program is designed to improve the condition of a previously disadvantaged group.

Unlike the Charter of Rights and Freedoms, the *Canadian Human Rights Act* is a law aimed specifically at protecting employees in the workplace. It prohibits both discrimination and harassment in the workplace. With regard to discrimination, it states that every employee must receive equal treatment and equal opportunity at work. This means that an employer cannot refuse to hire, train, or promote people because of their race, ancestry, place of origin, color, ethnic origin, citizenship, creed, sex, age, record of offenses, marital status, family status, handicap, or sexual orientation. The Act is enforced by the Canadian Human Rights Commission, which investigates complaints of discrimination and harassment and enforces federal employment equity laws.

The Canadian Human Rights Act protects all persons who interact with federal government employees, and those working for federally regulated companies such as banks. It also protects people who work for the federal government or federally regulated companies. It does not protect those working for the provincial government or private industries, so it offers the majority of Canadian employees no protection from discrimination and harassment. Within each of the provinces, human rights laws protect those working for the provincial government or for industries unrelated to the government.

**Employment Equity Laws**

Employment equity laws prohibit discrimination and guarantee equal treatment in many areas of organizational life, such as equal pay and equal treatment. These laws also prohibit sexual and other types of harassment in the workplace.
Canadian employment equity laws protect four Canadian minority groups: women, persons with disabilities, members of visible minorities, and aboriginal people. The objective of employment equity is to remove barriers that adversely affect these groups, as well as to implement positive measures. For instance, under employment equity laws, if an employer has two job candidates who possess the ability to perform the job tasks, and one of the candidates is a member of a designated group, the employer must hire the person from the designated group.

Employment equity laws have been implemented by the federal and Ontario governments. All federal employers with 100 or more employees must respect the provisions of federal employment equity law. In Ontario, all private-sector employers with 50 or more employees, and all public-sector employers with 10 or more employees, must follow the provisions of the Ontario employment equity law, which has essentially the same provisions as the federal law. However, even employers that are not obliged to implement employee equity can respect its principles and thereby obtain the benefits of increased workplace diversity.

Similar laws abound for organizations in other countries. Refer to the International Labor Organization (ILO) for the numerous and diverse laws, bylaws, and clauses to protect the international labor force.

12.12 Managing Diversity

Although diversity has a number of advantages for an organization, such a context presents a number of challenges to managers. Earlier, we discussed some of the problems that could develop when an organization’s staff is highly diversified. These include stereotyping, discrimination, communication difficulties, high levels of organizational conflict, and the potential for higher turnover. To avoid these problems and maximize organizational performance, managers can implement two types of strategies. These are:

- applying the principles of employment equity and increasing awareness of the legislation protecting members of minority groups in the workplace; and
- creating an organizational culture that values diversity.

Let’s take a closer look at these strategies.

Organizations can promote awareness of employment equity legislation by posting the laws on a billboard that is accessible to all employees, by distributing relevant pamphlets to employees, and by conducting information sessions.

As you may have suspected, organizations that respect the provisions of the laws outlined above usually succeed in increasing opportunities for minority group members. These organizations hire, promote, and train greater proportions of minority group members than organizations that do not respect these laws. Awareness of anti-discrimination and anti-harassment legislation has helped many organizations decrease the number of lawsuits against them.

Creating a Culture of Diversity
Implementing employment equity or promoting awareness of laws does not in itself guarantee that employees will respect and appreciate those who are different from themselves. Thus, organizational leaders should develop a culture of appreciation and respect for diversity in order to benefit fully from a diverse workplace. Organizational culture refers to the system of shared beliefs and values that develops within an organization and guides the behavior of its members.\textsuperscript{25}

In their effort to balance private and professional life as part of the company's strategy, Caja Madrid in Spain developed an Integrated Personnel Management Model. Marta Bueno Vigata presented the model in an EU Workclimate forum in 2005 at ESADE Business School in Barcelona Spain. In her presentation, she outlined this model as follows:

1. Providing Maternity Support;
   - Coverage of maternity leave (estimated 2.2 million Euros a year)
   - Alternative to reduced working days for nursing mothers (10 normal days and five working day allowance)
   - 100% subsidy of the access to website offered to women during their maternity leave
   - Providing specific maternity/paternity services

2. Providing Educational Support;
   - Nursery support for children up to 3 years old
   - Educational support for professionals and their children (up to 90% of the cost for university studies and books)
   - Home/Work internet website project (for children activities and services)
   - Schooling support (to support children's homework)
   - Subsidized activities for children during out-of-school periods (presently used by more then 1500 families)

3. Providing Development Support;
   - Performance evaluation system for results and abilities
   - Individual training plan and virtual classrooms
   - Professional development plan
   - Focus on coaching and mentoring
   - Intellectual capital model
   - Diversity and cultural integration as a source of individual and business efficacy

4. Providing New Project support;
   - Work near home
   - Financial support (e.g., personal loans, interest subsidized loans for home purchases, 3/6 months salary advanced)
   - Personal help line (for all human resources needs) and

5. Providing Stability in Maturity
   - Pension plans
   - Health insurance policy
   - Occupational insurance plan
   - Life insurance
   - Retirement preparation
   - Senior website

\textbf{Figure 12-1: Marta mentioned that responsibility is not exclusive to public institutions or the company, but it is shared.}

Modifying or Changing Organizational Culture

Just like most countries, most organizations have at least three cultures: the dominant culture, one or more subcultures, and countercultures.

The dominant culture is based on the beliefs and values transmitted by the organizational leaders. Within the dominant culture are subcultures made up of distinct groups of people whose values differ from those of the dominant culture. Finally, countercultures are composed of people who oppose the values and philosophy of the dominant culture. Countercultures often develop among employees who worked for an organization that has been taken over by another organization. This phenomenon has been called a "clash of corporate cultures."

When we discuss modifying or changing an organization’s culture, we are really talking about modifying the dominant culture. An organization is able to modify only its dominant culture; if it succeeds in creating a strong dominant culture, the impact of subcultures and countercultures on behavior will be minimal. This is because a strong organizational culture will influence the values and behaviors of all organizational members, even those who belong to countercultures or subcultures.

The first step in modifying or changing an organizational culture is to identify the existing culture. This can be accomplished by pinpointing and analyzing the common assumptions, shared values, and observable behaviors of the organization. Identifying common assumptions and shared values (particularly those that are not verbalized) is often difficult, but it is hard to change something unless we know the exact nature of what we would like to change.

Then, having identified the existing culture, organizational leaders should formulate new values and communicate these values to employees through seminars or an organization-wide conference. During information sessions it is useful to emphasize how the new values differ from the previous ones. Many organizations develop mission statements and slogans that reflect the underlying values of the organization. It is also important to provide concrete examples of the kinds of behaviors that should accompany the new values. Leaders should set an example for other employees by living the values, not just talking about them. The following outlines strategies for reinforcing the values.

Caja Madrid and its focus on the Culture of Diversity

In their effort to balance private and professional life as part of the company’s strategy, Caja Madrid in Spain developed an Integrated Personnel Management Model. Marta Bueno Vigata presented the model in an EU Workclimate forum in 2005 at ESADE Business School in Barcelona Spain. In her presentation, she outlined this model as follows:
1. Providing Maternity Support;
   a Coverage of maternity leave (estimated 2.2 million Euros a year)
   b Alternative to reduced working days for nursing mothers (10 normal days and five working day allowance)
   c 100% subsidy of the access to website offered to women during their maternity leave
   d Providing specific maternity/paternity services
2. Providing Educational Support;
   a Nursery support for children up to 3 years old
   b Educational support for professionals and their children (up to 90% of the cost for university studies and books)
   c Home/Work internet website project (for children activities and services)
   d Schooling support (to support children's homework) e Subsidized activities for children during out-of-school periods (presently used by more than 1500 families)
3. Providing Development Support;
   a Performance evaluation system for results and abilities
   b Individual training plan and virtual classrooms
   c Professional development plan
   d Focus on coaching and mentoring
   e Intellectual capital model f Diversity and cultural integration as a source of individual and business efficacy
4. Providing New Project support;
   a Work near home
   b Financial support (e.g., personal loans, interest subsidized loans for home purchases, 3/6 months salary advanced
   c Personal help line (for all human resources needs) and
5. Providing Stability in Maturity
   a Pension plans
   b Health insurance policy
   c Occupational insurance plan
Marta mentioned that responsibility is not exclusive to public institutions or the company, but it is shared.


Six Strategies for Reinforcing New Cultural Values

1. Revise hiring and promotion policies so that they reflect the new values underlying the organizational culture. In a context of diversity, organizations should hire employees from a wide variety of backgrounds, using employment equity guidelines to help them achieve this goal.
2. Identify employees who resist the new values, and either train or remove them.
3. Create discussion groups in which employees from various cultures talk about their background, thereby forcing other employees to confront their own cultural stereotypes and misconceptions.
4. Provide cultural sensitivity training programs that help modify negative attitudes toward individuals from different cultures. For example, Northern Telecom provides a 16-hour training program for new employees to help them modify their negative attitudes toward individuals from different cultures.
5. Create caucus groups in which people of same culture meet regularly to share experiences and offer support to one another.
6. Do not tolerate any racist, sexist, or other discriminatory behaviors. Make employees aware of anti-discrimination and anti-harassment legislation by holding information sessions and by posting these laws in each department.

A good example of an organization that has created a framework for managing diversity in the workplace is Dell. The UK HR Director, Richard Lowther, not only tries to manage diversity but to embrace it and to include programs like flexible working hours and forming a women’s network along with other training programs so as to retain key employees. Some of the changes were:

1. They created a shift in organizational culture from that of “sink or swim” to that of one where mutual respect, transparency, inclusiveness, and support for career planning and progression;
2. Inclusiveness and commitment to diversity such as of nationality, race, gender, color, ethnic origin, religion, sexual origin, disability and the freedom to voice different perspectives, viewpoints or opinions;
3. The use of local knowledge to support global initiatives;
4. Introducing a number of internal diversity training programs;
5. Incorporating flexible work hours through the use of technology;
6. Ensuring work-life balance through a dedicated work-life effectiveness intranet site;
7. Creation of a Women’s Network; and
8. Having all managers go through a course in Diversity and Inclusion.


12.13 Summary

The Western workforce, once dominated by white males, is now becoming more and more diversified. The main change is in cultural diversity, which can present challenges to organizations with respect to selection, training, communication, and integration. The work of Hofstede is useful in helping managers understand the needs and values of employees from various cultures.

As women's labor force participation continues to rise, organizations must respect anti-discrimination and anti-harassment laws, and work toward eradicating the subtle forms of discrimination that give rise to the glass ceiling.

Organizations have to increasingly address problems associated with age diversity in the workplace. Each of the four generations has its own attitudes and value with regard to work. Organizations are also facing problems of stereotyping and communication breakdown.

Workplace diversity holds numerous potential benefits for an organization. Effective management of diversity involves respecting and promoting the relevant legislation, modifying the organizational culture so that it values diversity, and implementing various strategies that reinforce diverse cultural values.

12.14 True/False Questions

1. Cultural diversity is the variety of human societies or cultures in a specific region, or in the world as a whole.

✔ True ✗ False

2. Individualistic cultures attach a high value to group harmony and welfare.

✗ True ✔ False

3. Power distance refers to the degree to which a culture accepts an unequal distribution of power among its citizens.

✔ True ✗ False
4.
A culture that has a low uncertainty avoidance level have a low tolerance for conflict and feel threatened by the basic uncertainties of human existence.

False

5.
Ability refers to a person's capacity to learn a particular skill.

False

6.
Stereotyping is described as a perceptual error that involves making generalizations about a person based on preconceived notions about the group to which the person belongs.

True

7.
Discrimination can be defined as denying a person equal opportunity or treating a person differently because of his or her race, sex, ethnic origin, color, religion, age, marital status, family status, past criminal convictions, disability, or sexual orientation.

True

8.
Harassment is described as any type of bothersome comment or behavior that is known, or ought to be known, to be unwelcome.

True

9.
Dominant culture refers to the system of shared beliefs and values that develops within an organization and guides the behavior of its members.

False

10.
Countercultures are composed of people who oppose the values and philosophy of the dominant culture.
12.15 Multiple Choice Questions

1. Cultural diversity can be defined as?

- A subtle, but strong, barrier that prevents members of nontraditional groups from progressing beyond a certain level in the organization. ✗
- Differences among workers due to their having different backgrounds. ✗
- The variety of human societies or cultures in a specific region, or in the world as a whole. ✗
- Both b and c ✓

2. A society in which individuals are primarily responsible for looking after their own welfare and that of their family is called?

- Collectivist society ✗
- Gender diversity ✗
- Glass ceiling ✗
- Individualistic society ✓

3. The degree to which a culture accepts an unequal distribution of power among its citizens is called?

- Uncertainty avoidance ✗
- Harassment ✗
- Masculine culture ✗
- Power distance ✓
The extent to which a culture is comfortable with change and ambiguity is called?

- Glass ceiling
- Feminine culture
- Power distance
- Uncertainty avoidance

5.

The culture that emphasizes interpersonal relationships, the welfare of others, and the quality of life is called?

- Collectivist society
- Individualistic society
- Feminine culture
- Masculine culture

6.

What is the main reason that women are leaving their jobs in corporate America?

- Unhappiness with the work environment
- The need for more flexibility
- The "glass ceiling"
- Lack of challenge

7.

Despite their dramatic increase in the work force, why are women still underrepresented in top management positions?

- The perception that women are more likely to interrupt their careers, or forgo them, to pursue motherhood.
8. Which is not listed in the book as a way that organizations can accommodate two-income families?

- Child care
- Job relocation assistance
- None of the above
- Flexible work options

9. Which challenge of a diverse workplace can be defined as denying a person equal opportunity or treating a person differently because of his race, sex, ethnic origin, color, religion, age, marital status, family status, past criminal convictions, disability, or sexual orientation?

- Harassment
- Stereotyping
- Communication breakdowns
- Discrimination

10. A group of people who oppose the values and philosophy of the dominant culture can be defined as?

- Dominant culture
- Subcultures
- Counterculture
Lucy Pascal was hired by ABC Jobbers two months ago. ABC persuaded her to leave her previous employer, with whom she had built up an outstanding sales record, by offering a substantial boost in pay, commissions, and perks. Lucy was looking forward to developing her professional contacts. She was also flattered that ABC had hired her for sales work; all the other professionals and salespeople were male. As she quickly discovered, most were “macho” types, often joking and talking about their latest sexual exploits. Lucy tried to ignore the nude pinups that were prominently displayed in several offices.

On her fifth sales call in her newly assigned district, Lucy visited Frank Grumman, a major client who was responsible for approving all sales contracts for his company. Lucy gave a typically persuasive and professional presentation. Frank responded that he was impressed not only with the product, but with Lucy herself. Would she like to go out with him that evening? Lucy politely but firmly turned him down, explaining that she had to catch an early flight. Frank testily replied that Lucy really must not want the contract very much if she wasn’t going to “entertain” him. Lucy told him what he could do with the contract if “entertaining” was part of the price she had to pay in order to get it. Then she left.

Back at the district office, Lucy told James Roberts, the district sales manager, what had happened. James seemed unsurprised. “There are certain things we all have to do to keep our clients happy,” he told her. “If you knew all the rounds of golf I’ve played with some real creeps for business purposes, then you’d realize what I was talking about.” Lucy replied, “James, I’m not talking about golf. That’s not the type of game he wanted me to play.” James coldly informed her that if she lost that contract, she would lose her district as well. “You have to realize that men will be men,” he continued. “You’ll just have to get used to these things in this business.”

Later that afternoon, Lucy related her dilemma to Samuel Kindel, a fellow salesperson. Samuel listened sympathetically. When she finished, he suggested they take in a movie that night “and forget this place.”

Questions

1. Should Lucy have complained about the “macho” jokes and office pinups?
2. Is Samuel Kindel’s suggestion an example of sexual harassment? How do you think Lucy should have responded?
3. Could Lucy have handled her encounters with Frank and James any differently?
4. What actions should ABC take, both formally and informally, to discourage sexual harassment?

Case 12b: When in Rome do as the Romans Do?

Jason Crumb was very excited when he heard news (through the grapevine) that he was going to be posted to China as General Manager of a hotel owned by one of the leading Hotel Chains. "Now I can put all my managerial training and experience to practice," he thought to himself. After working for two months in China, he realized that some of the employees were not working as hard as others.

He immediately called for a staff meeting and asked his management staff why this was happening and what needs to be done (from a Chinese perspective). His staff mentioned that some of them were having family issues that need to be resolved and that it is not acceptable for them to bring their family issues to work. In his attempt to exercise managing diversity, he thought that it would be best to give these employees some time to resolve their issues. He even told the staff to help them through this stage and keep monitoring their progress. His staff told him that it is not customary to do that. They should be fired as there are many locals who would love to have their jobs! Jason dismissed this approach as insensitive to employees needs and mentioned that perhaps he should create a session on "Managing Diversity" for his staff. Upon hearing this, his Director of Rooms, Zhang Xia Wen mentioned in a one-on-one meeting that managing diversity is not as important as working hard! Jason thought about Xia Wen’s comments over the next two weeks as the four employees were still not performing well and constantly complained about family issues and difficulty to concentrate at work.

One of these four employees, Zhen Hui Wu decided to approach Jason and asked for a meeting. Jason, in his interest to be inclusive, scheduled the meeting the next day. Hui Wu mentioned to Jason in the meeting that he needed some time off to deal with some of his family issues and wondered if he could have two days off from work. Jason decided to probe why he needed two days and Hui Wu stated that he needed to meet with some contacts to help him straighten out his family problems. He also mentioned that he had a big family and there are many issues to deal with. Jason decided to give him a
day off to deal with these issues and told Hui Wu to inform his manager, Yang Zhen.

The next day, Yang Zhen knocked on Jason's door and politely asked if he could have a word with him. In the conversation that followed, Yang Zhen tried to tell Jason that what he has done was inappropriate and that he should not condone such behavior from employees. In the next few days, Jason noticed that some of the hotel employees looked at him in a strange way and were even making some comments as he passed by. As time went on, Jason began to notice that employees were unhappy. Still these four employees were not performing well. Jason called for another staff meeting to figure out what was happening and what needed to be done. He staff told him that word is spreading around that he (Jason) was a soft leader and it is easy to manipulate him. Some even mentioned that he was trying to use western methods in China!

Jason was dumbfounded. He had to do something quick with the intent to send a strong message across. Should he fire all four of them? Perhaps he should fire only one so that the others can learn from it and improve their performance?

Questions

1. What would you do if you were Jason?
2. Why did "Managing Diversity" not work here?
3. How can Jason turn this situation around?

Self-Awareness Exercise

What Are My Attitudes Toward Diversity?

Answer each of the following questions. There is no scoring; the purpose is to sensitize you to issues regarding diversity, especially in the workplace.

- What stereotypes are you aware of that relate to your sex, racial/ethnic group, religion, and age?
- List some stereotypes about male executives and female executives, along with your opinions as to their accuracy.
- If you were to overhear a co-worker making a joke demeaning to a particular minority group, how would you respond?
- What would your response be to a sexist cartoon or photograph on a co-worker's bulletin board?
- If you were posted to a branch in a far-off culture, how would you feel as a minority outsider?
- If co-workers were to ask you to take on some extra duties so that they can attend a religious observance, how would you feel and respond?
- A talented co-worker, a member of a visible minority, tells you, "I'm quitting tomorrow." You suspect the resignation has to do with
the fact that the organizational climate is not supportive. How do you respond?

- In his memos, a manager uses gender-specific terms like policeman and fireman, and always uses the pronoun "he" when referring to people of both sexes. Do you tell him that the organizational culture no longer supports sexist language, or do you ignore the problem altogether?

Notes

27. Martin and Siehl, Organizational culture and counterculture.
Chapter 13: Emerging and Contemporary Themes in Global Organizational Behavior

13.1 Learning Objectives

After reading this chapter, you should be able to:

- Describe the nature of the new global economy and its impact on organizational behavior
- Understand the differences between re-engineering, restructuring, and downsizing
- Understand organizational impact of the global environment
- Understand the basic principles of total quality management (TQM), quality of work life (QWL) programs and the quality of work-life balance
- Define technology and describe some of the recent technological developments that have influenced organizational behavior
- Describe some of the future technologies and the impact they will have on organizations
- Briefly explain some of the ways in which organizational leaders can manage technological change
- Understand Lewin's force field analysis model of change
- Understand organizational learning and new approaches to organizational change and development
- Define ethics and ethical behavior
- Describe the factors that influence ethical behavior among employees
- Identify important ethical issues and discuss their impact on organizational behavior
- Understand corporate social responsibility and the relationship between organizations and society

13.2 Introduction

Organizations are being confronted with a variety of new challenges. This is largely the result of the many social, political, and economic upheavals in the world around us. Some of these changes have had a large impact on organizational behavior. For instance, we learned in the last chapter that the increased diversity in the workplace has forced many organizations to modify
many of their management strategies. In this chapter, we will continue to look at the challenges facing today's global context of organizations.

We start by describing the new global economy and its impact on the structure of western organizations. We’ll then discuss some of the recent technological advances and ways of managing technological change. The chapter concludes with a discussion of organizational ethics followed by a brief overview of emerging aspects of international organizational behavior.

13.3 Organizational Impacts of the Global Economy

Western organizations are now operating in a global economy, in which businesses of many different nations and cultures of the world come together to conduct business in one big marketplace. This new economic structure differs greatly from the former environment in which international trade was relatively limited owing to the small number of industrialized countries, high taxation on imported and exported goods, and the significant number of closed economies that had virtually no external trade.

The emergence of the global economy has changed the way western organizations operate. As a result of the dramatic increase in competition for consumers and the recent worldwide economic decline, these organizations have been obliged to make structural and behavioral changes just to stay afloat. We will examine these changes next.

Alternative Work Arrangements

The 1990s was the decade in which many westerners freed themselves from the "tyranny of the time clock." Far from representing a decline in the work ethic, alternative work arrangements can strengthen it by reducing the stresses caused by the conflicts among job demands, family needs, leisure values, and educational needs. The most frequently used rearrangements for work time are flextime schedules, compressed workweeks, permanent part-time work and job sharing, and industrial and electronic cottages.¹

Flextime Schedules

Flextime (sometimes spelled flexi-time) gives employees some flexibility in the hours they work. Flextime decreases absenteeism, increases employee morale, fosters better labor–management relations, and encourages a high level of employee participation in decision-making, self-control, and general discretion over the time spent at work.

Compressed Workweek

An option for employees who want to work fewer days a week than the normal five is the compressed workweek. Here, the same number of hours is scheduled over four or even three days.
**The “Typical” Permanent Part-Time Employee**

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<tbody>
<tr>
<td>Age</td>
<td>42.9 Years</td>
</tr>
<tr>
<td>Length of Service</td>
<td>10.0 Years</td>
</tr>
<tr>
<td>Education (Bachelor's or higher)</td>
<td>41.8%</td>
</tr>
<tr>
<td>Women</td>
<td>72.4%</td>
</tr>
<tr>
<td>Supervisor/Managers</td>
<td>1.7%</td>
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*Averages and percentages are based upon 41,857 part-time permanent employees as of March 1999 in the U.S.*

Source.

**Permanent Part-time Work**

Traditionally, part-time work has meant filling positions that lasted only for a short time, such as those in retail stores during holiday periods. Now, some organizations have designated permanent part-time (PPT) positions. These suit a growing number of sectors of the labor force, namely women, including mothers of young children; dual-income parents; students; and older employees.

**Job Sharing**

Job sharing is a type of part-time work in which two employees divide the responsibility of a single job. Both may work half the job or one may work more hours than the other. Some firms provide full benefits to both partners; others provide benefits proportional to the hours worked.

**Industrial and Electronic Cottages**

Increasingly, employees are working at home. Scientific personnel can readily do so when they have computer terminals linked to the office computer, allowing telecommuting. Thus, the employee's home becomes an electronic cottage. These electronic cottages provide mutual accommodations that can improve productivity and enhance profitability. Individuals may also take work home that involves small assembly, making the home an industrial cottage. One drawback is the difficulty of protecting the health and safety of the employees at home; another is ensuring that employees are still paid a fair wage for their work.

**The Benefits of Job sharing**

*Benefits to employees*

A major benefit of job-sharing is that it can help employees achieve a balance between work and other activities, including family responsibilities. For some employees, it may offer the only chance to continue working. Examples of employees who may be helped by job-sharing include:
• workers with child or elder care responsibilities;
• older workers who would prefer a phased retirement;
• workers who wish to undertake studies while continuing in employment;
and
• people with disabilities who want to work only part of the day or week.
• the possibility of a partnership where one’s skills and abilities are complemented by the other partner;
• opportunities to learn from the job-sharing partner; and
• mutual support and encouragement on the job.

Benefits to organisations

Potential benefits to organisations include:

• availability of a wider range of skills and experience within the one job;
• peak period coverage – it may be possible for both partners to work during very busy times; and
• continuity of coverage – it may be possible for one partner to cover for another in certain circumstances, such as sickness and holidays.
• staff retention, especially of women and men with family responsibilities;
• reduced staff turnover;
• attracting new staff;
• improved staff morale;
• lower absenteeism; and
• increased productivity.

13.4 Reassessing the Organization

Organizations are currently being forced to reassess themselves. They assess their structures, goals, technologies, and the values that represent their core culture. The most common approaches to these assessments fall into three categories: restructuring, re-engineering, and rethinking.²

Organizational Structure and Restructuring

Organizational structure is the relationship of responsibility and authority between groups, as well as between individuals and the organization. The structural design of organizations and its influence on behavior have always interested OB practitioners and researchers, as well as executives who need to increase efficiency.

The topic also interests people who simply belong to various organizations. The better you know the organization’s structure, the more effectively you can interact within it. For instance, you may be somewhat aware of the organizational structure of your college. You know that the basic functional levels are administration, faculty, and staff. But do you know who has the power or responsibility to do what for you? Do all administrative assistants or department heads have equal power? Do you know the chains of command so that if your request is rejected you know the next level to take it to? If you do know, you’re in a better position to be heard effectively, should the need arise.

Formal Structure
A simple way to examine organizational structure is to examine an organizational chart. The horizontal connections show the basic tasks that are performed; the vertical separations indicate the formal lines of authority. A chart may be flat or tall; an example of each is shown in Figure 13-1. Each box represents a specific job, and the lines between boxes show the reporting structure. The span of control (the relative number of subordinate boxes) may also be flat or tall.

In the flat structure, there are few hierarchical levels, with many managers reporting to each supervisor. The tall structure has more reporting levels, and presumably better supervision of the smaller number of subordinates.

There is currently a move in the west to "flatten" organizational structure, on the assumption that fewer levels will put decision-makers closer to the front line, reduce the bureaucracy, and simplify communication. A major challenge for western corporations is to reduce costs and increase efficiency by restructure, often by replacing managerial supervision with self- or team-based supervision.

**Informal Structure**

Outsiders know an organization mostly by its formal structure; the members know it more by its informal structure. The formal organization is the structure as shown on a firm's organizational chart; the informal organization is the set of relationships that has developed over time. Consider, for instance, an apartment building or student residence. The structure is apparent at the outset; the relationships become clear only after considerable time and exposure.

You are likely at the end of this course now. No doubt, you perceive your instructor, many of your classmates, and your college somewhat differently than you did on the first day. A newly hired employee knows what the organization chart or the signs on doors indicate about who has what power and who gets what things done, but these relationships become clear only with time, as the informal structure gradually becomes apparent.

When an organization is facing competition, it must operate more efficiently. Simply firing a number of employees benefits nobody but the shareholders. A more humane way to improve efficiency is to make structural changes to the organization. A structural change is any major modification in the division of labor and/or the design of the organization. A common type of restructuring is "downsizing."
Downsizing

Downsizing is the process of decreasing the number of personnel. Methods other than layoffs are natural attrition, early retirement, shortened workweeks, and subcontracting.

The easiest method to implement is natural attrition, which means that the organization does not replace employees who quit or retire. Early retirement involves encouraging older employees to leave the organization before their scheduled retirement date. This is often accomplished by offering monetary rewards for doing so. Early retirement packages have become a popular way of reducing personnel, especially those with long service who earn high wages and find it difficult to adjust to other changes taking place.

Another option is laying off, which involves removing employees from the job either temporarily or permanently. Usually the newest employees are the first to be laid off. Layoffs are often devastating to employees, and many union contracts offer them some protection.
Subcontracting is the hiring of employees for limited periods of time or for a specific job or contract. It is advantageous to organizations because many of the expenses incurred by permanent full-time staff (such as pension plans and other benefits) are eliminated. Subcontracting also allows the organization to be more flexible; because once a contract expires the company need not renew it. Thus, the company can easily modify its human resources as a function of its needs at the moment.

Downsizing always involves costs to the organization. The organization may have to invest in new technology (such as robotics) to perform the work of those who leave. Often, the survivors of the downsizing are left with more responsibilities as well as concerns about their own job security. With any downsizing process, organizations should provide support to those who are laid off and those who remain. Downsizing can lead to organizational trauma, and there is no guarantee that such measures will work. One study of 150 companies that had downsized found that 75 percent of them ended up in worse shape.

Leaders In The Field

Chris Argyris

Chris Argyris, a professor at the Graduate Schools of Business Administration and Education at Harvard University, has received honorary degrees from five universities around the world; has served on the editorial boards of 11 journals, including Organizational Dynamics; has written some 30 books, including Organizational Learning; and has published some 150 papers in scientific journals and for practitioners. He has served as a special consultant to the governments of England, France, Germany, Greece, Holland, Italy, Norway, and Sweden, as well as to many private organizations, on problems of productivity and executive development.

Toward the end of World War II, I was the officer in charge of several large Signal Corps depots. I had formal awards to show that I was a very effective leader in terms of technical performance and efficiency. After I was discharged, I visited the depots as a civilian. I then found out that the employees had serious doubts about my human skills. My reaction was that I had better learn more about myself! So, when I returned to continue my university education, I studied psychology and business administration. During this period, I met Roger Barker, Fritz Heider, and Kurt Lewin, all of whom saw everyday life as a place in which to discover problems, and from which to infer theory.

Of special interest to me are problems that are both long-standing and protected by the status quo. It is as if, were I to help solve the problem, I might help reduce the societal
shackles restraining human beings. Compulsively repetitive problems are often related to “designed disempowerment,” a societal mechanism that maintains order but also contains the seeds of its own slow but sure disorder.

Discovering and doing something about inner contradictions is especially appealing to me. That is why I have always been more interested in double-loop learning than in single-loop learning. The latter leads only to changes in action; the former requires changes in the underlying human and societal programs that guide the actions in the first place.

**Re-engineering**

Re-engineering entails the radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service, and speed. Whereas *restructuring* is concerned with moving, shrinking, or eliminating organizational units, *re-engineering* has to do with changing the way work is carried out. It is targeted at a specified time frame, usually a short one. The typical starting point for the re-engineering process is a "blank sheet of paper"; the assumption is that all arrangements are possible to find the best way to operate.

**Rethinking**

Organizational rethinking means questioning organizational identity or character (asking who we are and what we stand for), along with a re-evaluation of organizational purpose (asking for whose benefit we exist), and reflecting on the methods to be used in achieving organizational goals. The following kinds of questions may lead a change decision:

- Is the proposed action true to our essential character? Does it fit the kind of organization that we are or want to be?
- What impact will this action have on our various constituencies? How are the latter likely to respond?
- Will this action exploit and enhance our distinctive capabilities, and, if so, how?

Table 13-1 compares and contrasts restructuring, re-engineering, and rethinking.

**13.5 Organizational Impacts of the Global Environment**

As organizations become more global, the challenges they face become more complex at the organizational, team and individual levels. Organizations, for example, are increasingly finding themselves immersed in different cultures as they become multinationals or transnational companies. Teams are also constantly engaging with members from different cultures or having virtual members as part of its design. Global leadership or management requires not only a rich understanding of the various national and regional cultures but
also the skill to navigate values and norms or even working styles inherent in these diverse cultural settings.

These new parameters that organizations have to navigate has caused research and practice in organizational behavior to include cross-cultural organizational behavior; global management and leadership; individual, team and organizational learning and development; a focus on values and ethics; organizational change; and creating sustainable enterprises.

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<td>Downsizing</td>
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<td>Flow-charting work processes (interdependencies)</td>
<td>Model organization as balance of multiple perspectives</td>
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<td>Reduced costs</td>
<td>Simpler, faster work processes</td>
<td>Richer planning, decision-making, &amp; innovation capabilities</td>
</tr>
<tr>
<td>Organizational trauma</td>
<td>Organizational anxiety</td>
<td>Organizational frustration</td>
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Cross Cultural Organizational Behavior

In a recent review article on cross cultural organizational behavior the authors state that research is moving toward understanding cross cultural perspectives beyond just documenting perceptual differences but rather focusing on why it is that there are these differences (such as social norms, roles, belief systems) all of which should be analyzed across all levels – from individual to societal (or national). The authors also suggest that research should include global contexts within which individuals and organizations are embedded. Questions such as the possibility of the creation of hybrid cultures as two or more cultures interact, what does global work environments look like? How do individuals, teams and organizations adapt to this new environment? The emerging global context is sophisticated, complex and dynamic – yet one that is already a reality and growing.

Global Management and Leadership

As organizations become more global oriented, the need for trained and skilled global leaders or managers is increasing. However, many expatriates are not successful or are unable to maintain sustained successful performance. Organizations are looking to experts to conduct training programs to develop global or cross-cultural sensitivity. Researchers are also beginning to focus on leadership competencies that enable organizational success.

In the pluralistic era of the 1990s, issues such as the increased cross-cultural awareness; the dissolving of geographic and national boundaries, and the expansion of knowledge through technology (such as the Internet); the felt need for human cooperation (interdependence) and global action becomes evident. As such, theories and definitions of leadership tend toward integration of other theories; becoming more concerned with cross-cultural issues; concentrating on better relational and communicational aspects of leadership; and the general concept of empowering others as well. As we head into the twenty-first century, "Emotional Intelligence" has become a critical skill leaders and managers have to develop. Research shows that leaders with higher emotional intelligence bring in more capital to the organization hence
helping the organization perform better. Leaders not only have to incorporate the pluralistic trends of the present but also have to learn and understand how to appreciate human nature toward becoming more appreciative leaders. Appreciative leadership as defined by Srivastva and Cooperrider is:

“Appreciative leadership begins with the way leaders perceive, conceptualize, and understand the world around them. The Appreciative leader has an enriched view of human nature to see perceptively into people, empathize with them, to see and experience their feelings, and at the same time to be self-aware. This involves judging and seeing deeply into situations and people with the skill to analyze these simultaneously on both rational and emotional levels, and to exercise control in ways that liberate, rather than constrain, people’s creativity and empower them to make voluntary commitments to action.”

This definition implies a holistic, and perhaps even a completely new look at the notion of leadership. An introduction of such a leadership philosophy would be calling for a change in the definition and understanding of what leadership is.

13.6 The Quest for Quality

Earlier in the chapter we mentioned that to increase efficiency, the quality of the product or service must also improve. Most organizational restructuring processes are designed to improve the speed and quality of production while reducing the costs. Improving the quality of goods and services has become crucial for western organizations that want to remain competitive in the global economy.

Total Quality Management (TQM)

Foreign organizations managed to increase quality and keep prices down through total quality management (TQM). This style of management, initiated in 1973 by Toyota president Taiichi Ohno, led to the outstanding success of this company. After other major Japanese organizations copied it, many North American executives incorporated this style of management into their organizations, modifying the principles developed at Toyota to suit North American culture and values.

The central concept of TQM is that for firms to succeed, they must satisfy their internal and external clients. Total focuses on the involvement of all aspects of the organization; quality means establishing criteria for excellence in customer satisfaction, determining the level of performance necessary, and following up on delivery; and management means the strategies and practices adapted and managed by the organization to support the quality goals. Thus, TQM is a management style dedicated to continuous improvement of production and services so that the customer’s needs are met and their expectations are surpassed.

TQM ensures high quality for all operations and organizational processes, including services, employee relations, raw materials, working environment, and communications. Total quality can never be completely achieved because
customers' needs and expectations change. Hence, TQM is an ongoing process in which the goal of perfection is always sought but not quite achieved.

In manufacturing firms, quality is usually based on conformance to specifications and targets. Specifications are targets determined by the designers or engineers of the product. Targets are the ideal values for the products; tolerances are the acceptable deviations from these ideal values. "Zero defects" has been used in management for many years as an indication of conformance to specifications or targets.

Quality dimensions of manufacturing firms are performance, features of the product, reliability and durability, serviceability, the aesthetics of the product, and the perceived quality. Achieving quality means exceeding customer specifications and trying to provide something extra. Service firms use the criteria of how long a customer waits to be served, the time it takes to complete the transaction, and how well the service was performed. These criteria can be measured through customer surveys on satisfaction and other operational metrics such as decreased complaints.

The move to embrace TQM has become a priority for many western businesses. Unlike some business fads that came and went during the 1970s and 1980s, TQM is reshaping the way companies regard their customers, processes, and employees. It is difficult to predict whether TQM will become another passing fad like management by objectives (MBO) in the 1960s and 1970s, or a transformation of the western business culture.

**Quality Circles (QCs)**

Quality circles (QCs) are groups of eight to ten employees who meet once a week for an hour to identify, analyze, and solve problems related to quality, cost, safety, morale, housekeeping, environment, and other work-related questions in their area and associated ones. During the initial meetings, members are trained in problem-solving techniques borrowed from group dynamics, industrial engineering, and quality control. QCs include the following characteristics:

- Organizational levels, be creative and flexible, be aware of the political atmosphere of the organization, and ensure that circles follow productive procedures.
- Management must support the program. If a union is involved, it also should support the program and its views should be solicited.
- Participation should be voluntary for employees, but management should encourage it.
- Circle members should feel free to work on problems of their own choosing within established limits.
- Facilitators must keep management informed of what the circles are doing and of their progress.
- Quality, not quantity, should be the first consideration.
QCs were introduced to Japanese manufacturers in the 1940s by an American, John Deming. Based on his teachings on quality control in production, Japan advanced from being a manufacturer of goods with poor reputations for quality and innovation to world leadership in quality excellence. In the early 1980s, more than 100,000 Japanese QCs existed, growing to one million by the 1990s. Each team submits an average of 55 suggestions per year.11 Hundreds of western companies have implemented QCs.

Thompson Products Division of TRW Canada found that the benefits of QCs exceeded the $33,000 cost within six months. At CAMCO, a Canadian-owned subsidiary of General Electric, which operates plants in Hamilton (Ontario) and Montreal, impressive results in quality and plant effectiveness have been reported since the inception of QCs. Before the QCs, production costs soared, customer complaints were high, rejects from the assembly line were overwhelming, and employees were generally bored and stressed. Within five years following the implementation of QCs, market share almost doubled, service calls for the five-year warranty on appliances were reduced from 11 percent to 1 percent, and labor costs were reduced as three roving quality inspectors replaced 60 former inspectors plus a quality engineer and a shop foreperson.

In the past, attempts to improve productivity concentrated on technological changes that worsened the quality of life for many employees. Employees had to work faster, and at small and mindless tasks. Consequently, attempts have been made in the past 30 years to develop a more holistic approach to productivity improvements without sacrificing
employees' psychological and physical well-being. This approach revolved around the concept of quality of work life.

13.7 Beyond the Quest for Quality: the Quality of Work Life

Quality of work life (QWL) is a process by which all members of the organization, through appropriate and open channels of communication set up for this purpose, have some say in decisions that affect their jobs in particular and their work environment in general, resulting in greater job involvement and satisfaction, and less stress and fatigue. QWL represents a management style in which employees experience feelings of ownership, self-control, responsibility, and self-respect. In an organization with a high QWL, industrial democracy is encouraged; suggestions, questions, and criticism that might lead to improvements of any kind are welcomed. Creative discontent is viewed as a manifestation of constructive caring about the organization rather than destructive griping. Management’s encouragement of such feelings of involvement often leads to ideas and actions for upgrading efficiency.

Many organizations are attempting to improve the quality of their goods and services to become more competitive in the global marketplace. Although total quality management improves the probability of organizational success, quality is not an end in itself. The success of a total quality management program depends on the capacity of the organization to transmit the values of total quality to its employees by creating a culture that values quality. Organizational leaders can bolster a total quality culture by encouraging employees to participate in analyzing quality-related problems, focusing efforts on quality customer services, including quality as a criterion in reward systems, and improving the flow of information regarding quality improvement successes or failures.

Today, organizations are going further to include Work-Life Balance as a critical aspect of work. Most employees are concerned about the balance of work and life so as not to end up "selling one's soul" to the organization but rather is able to incorporate the different roles one has to juggle to live well. One of the changes in today's business and personal environment that make this possible is the computerization and the internet.

13.8 The Impact of Technology

Surely you have experienced the present rapid development of technology. The word "technology" refers to a larger concept than electronic equipment, however. Technology is the combination of knowledge, resources, and techniques used by an organization.

We will discuss examples: information technology, expert systems, and robotics. We will then reflect upon further technologies that are being developed and their likely impacts on organizational behavior in the near future.
Information Technology

One of the most significant recent events in the workplace has been the development of information systems technology, which refers mainly to computer networks and telecommunications systems. As mentioned in earlier chapters, these new information systems are having a profound effect on organizational behavior. They allow employees to work away from the office, hence decreasing their face-to-face contacts. This itself has altered organizational operations, power relationships among employees, the way in which work is accomplished, and how corporations develop and implement their strategies. In order to derive the full range of benefits that this technology offers, organizations should ensure that they are accepted by the employees. We'll discuss how to accomplish this task later in the chapter.

Expert Systems

An expert system is a computer program that uses human expertise to solve problems in various specialized fields. Expert systems have many applications in the workplace and can be used by many members of the organization. For instance, a manager may use an expert system to predict product sales. In addition to assisting experts, expert systems provide useful information to nonexperts who are faced with tasks that they are unable to accomplish on their own. These systems are often used to replace professionals when training employees. Expert systems help to cut costs by reducing the number of expert personnel required, but another effect is decreased interaction among employees, as is the case with information systems.

Financial Statement Fraud

Throughout the last decade, the world has been shocked by numerous financial statement frauds. While some of the most well known frauds such as Enron, WorldCom, Xerox, Quest, Tyco, and HealthSouth have occurred within the United States, organizations in Europe, Asia and other parts of the world have been involved in similar situations. Some celebrated cases include:

Parmalat (Italy), Harris Scarfe and HIH (Australia), SKGlobal (Korea), YGX (China), Livedoor Co. (Japan), Royal Ahold (Netherlands), and Vivendi (France). In sum, the business community worldwide is experiencing a syndrome of ethical breakdowns in particular that of financial statement fraud. In a recent study by Albrecht, Albrecht, and Dolan (2007) it was found that several factors contributed to the perpetration of these frauds. In the following paragraphs we discuss these factors in greater detail.

Classic fraud theory states that financial statement fraud is the result of three elements. These three elements include pressure, rationalization, and opportunity. Using the fraud triangle Albrecht, Albrecht, and Dolan list various factors that contributed to recent financial statement scandals as shown below:
The traditional fraud model states that increased pressures (either perceived or real) increase the likelihood that a person will commit fraud. Corporate and Personal Position, Compensation Plan Structures, and External Expectations are three factors that significantly contributed to the element of pressure.

Opportunities are measures of the perceived ability a person has to commit fraud. Increased opportunities provide increased propensity to commit fraud. The opportunity element of the triangle includes the opportunities provided by external oversight and monitoring, internal monitoring and control, environmental complexity and the existence of related parties and lack of knowledge or education.

Rationalizations are measures of the ability people have to defend, explain, or make excuses for their actions. Increased ability to rationalize increases the probability that people will commit fraud. It has long been recognized that people who are dishonest rationalize more than people who are honest. One definition of honesty is “the virtue of refusing to fake the facts of reality.” (Hsieh, 2005) When people are honest, there is no need to rationalize or to make excuses for faking reality. The rationalization element of the fraud triangle involves level of personal ethics, environmental ethics, need to succeed, and rule-based accounting standards.

Sources: Chad Albrecht, Conan Albrecht, and Simon L. Dolan. "Financial Statement Fraud: Learn From the Mistakes of the United States or Follow in the Footsteps of Their Errors" European Business Forum, Number 29, Summer, 2007

**Robotics**

A robot is a machine that uses mechanical and microelectronic technology to perform functions that are normally executed by humans; robotics is the science of the design and use of these machines. Many organizations are increasingly relying on robots to perform work tasks that in the past were performed by humans.

The early robots had limited "intelligence" and were unable to analyze complex situations, but modern robots can use artificial intelligence. This means that they can "reason" and understand complex situations and information. Robots have a major impact on organizational behavior in that they often replace humans.

**Technologies of the Future**

Advances in information technologies are continuing at such a rapid rate that we have to keep changing our vocabulary! In terms of information storage and processing, desktop computer capacity, originally measured in kilobytes (thousands of units) was recently measured in megabytes (millions). At the time of this writing, the units started to be gigabytes (billions), which will soon be terabytes (trillions). As its power and capacity increase, computer equipment becomes less costly, and machines will increasingly replace humans in organizations.

There will be improvements in materials used in industry. As ceramics and reinforced plastics extend the life of manufactured products, fewer raw materials will be used, reducing the need for primary resources and reducing jobs that produce raw materials.

In sum, rapid technological development will reshape jobs and influence employee attitudes and behavior, presenting challenges to managers. For instance, to attain maximum efficiency and remain competitive, organizations must keep up with the latest developments and enable employees to make full use of them.

Effective use of technology is often difficult to achieve. First, technological change can cause stress for employees. This is often the result of the fear of change and the ensuing consequences. For instance, many employees worry that they will lose freedom, privacy, or control over their work as a result of the changes. In some cases, the concern of being replaced by technology becomes a reality. In addition, many employees feel that they are incapable of learning the new skills required to operate this technology. As a result, they fear that they may be transferred into lower-skill-level jobs or lose their job altogether. Employee fear and frustration and the resulting resistance is a principal barrier to the implementation of new technology.

### 13.9 Changing Organizations
Managing Technological Change

Most people find change to be uncomfortable at first, and technological change can be frustrating and threatening. Here are six strategies that managers can use to diminish employee resistance to new technology:

- Hold information sessions in which the advantages, disadvantages, and reasons for the change are explained. Be sensitive to the concerns of the employees, and be open to receive and answer questions concerning the change.
- Include employees in all decisions regarding the change from the moment that the change is contemplated, proposed, or announced. Participation helps employees feel that they are involved in and have "ownership" of the change. If this is not possible, alert employees to the change and its consequences at the first opportunity so they can prepare themselves psychologically, ask questions, and voice concerns.
- Offer effective training for the change. Training encourages employees to realize that they control the technology, not vice versa. The training should be designed to meet the employees' needs, so analyze the training needs before developing a training program.
- Form support groups within the organization to help employees adjust to the changes. Since technological change is often stressful for employees, support groups may provide emotional outlets and help employees feel less alone with the problem through the knowledge that others share their concerns. Support groups can also be a forum for exchanging information on using the technology.
- Provide incentives for mastering the new technology. They may include an increased likelihood of promotion, increased autonomy, increased employee responsibilities, and increased pay.
- Encourage employees to participate in reinvention, which means to invent new uses for technology already in place. Through reinvention, employees can personalize the technology to their own needs and share this information with others so that they will find better ways of using it. Organizations can encourage this type of creativity by offering incentives for employee efforts. Providing bonuses or formal recognition of the employee who has reinvented are examples of such rewards.

Managing Organizational Change

This chapter has discussed a number of changes occurring in the world around us and their impacts on organizations. All this boils down to the fact that most western organizations will be obliged to make a number of structural and behavioral modifications to stay afloat in the new context. Although many organizations have already successfully implemented organizational change, change is rarely easy or automatic. Often it requires meticulous planning, increased spending, and cooperation from all those involved. The biggest obstacle to organizational change is employee resistance, so leaders should develop methods for overcoming this resistance.
In this section, we will discuss some of the reasons why employees resist change, and we will look at Lewin’s model of managing resistance to change.

Before we look at the process of change, we should distinguish among the three types of change that may occur in an organization, according to their scope. Incremental change is a relatively small modification such as a change in procedure, really a fine-tuning of the organization. A strategic change represents a relatively large change that usually involves modifying one or more of the organizational strategies in a controlled period of time. For instance, the organization may decide to develop a new marketing strategy, bring in a new product line, or restructure itself. A transformational change is a radical change in which the organization moves to an entirely different and sometimes unknown state. When a transformational change occurs, the organization’s mission, culture, goals, structure, and leadership may change dramatically. To meet the current competitive challenges, many organizations have made transformational changes.

**Resistance to Change**

As mentioned, a major problem that confronts organizations is employee resistance to change. The causes for resistance are both individual and organizational. Some of the individual reasons for resistance include habit, fear of the unknown, fear of loss of control, fear of failure, and a disruption of existing relationships in the workplace. Organizational reasons include limited resources and finances, threats to the power and influence of the leaders, a rigid organizational structure, and interorganizational agreements that restrain the organization’s behavior.

**Overcoming Resistance to Change**

Although managers can never eliminate all resistance to change, there are strategies that can overcome much of the resistance so that the change process occurs more smoothly and effectively. Successful methods for managing resistance to change usually include the following three features:

- **Participation and involvement.** The most effective method for overcoming resistance to change is to include employees in the planning and implementation of the change process. This makes it more likely that their interests will be taken into consideration, making them more accepting.
- **Communication.** Employees are more likely to resist change when they are uncertain of its nature and consequences. Thus, it is a good idea to thoroughly discuss the change and its implications with those who will be affected. Effective communication concerning the change reduces the inaccurate information circulated through gossip and will help employees prepare for the change.
- **Empathy and support.** Managers should demonstrate empathy and support for employees who are affected by organizational change. Leaders should listen to employees’
concerns and offer assistance and reassurance. By lending an empathetic ear and support, managers can diminish frustration and fears.

**Lewin's Change Model**

During the 1940s, social psychologist Kurt Lewin (pronounced Levin) developed a way of looking at change that has helped many organizational leaders manage resistance to change. According to Lewin’s force field analysis, a person’s behavior is the result of two opposing forces: the force that maintains the status quo (staying the same) and the force that pushes for change. When the two opposing forces are equal, the current behavior is sustained, creating an equilibrium.

To get the ball rolling, organizational leaders should weaken the forces that are maintaining the status quo and/or increase the forces for change. Managers must first analyze the current situation and correctly diagnose the forces for status quo and the forces for change. Next, they need to determine which forces can be changed and which forces they have little control over. According to Lewin, the most effective way to make change is to pinpoint the existing resistances and focus efforts on eliminating as many of them as possible.

An important dimension of Lewin’s model is to carefully manage change by means of a three-step process. Unfreezing involves encouraging employees to cast aside old behaviors by "shaking things up" so that the existing equilibrium is destroyed. The goal is to bring about an acceptance among employees that change is needed. Organizations can encourage the adoption of this attitude by signaling that the current behavior is no longer valued.

In the moving stage, employees are encouraged to develop new behaviors, values, and attitudes. Organizational leaders can facilitate this process by demonstrating desirable behavior and providing training so that employees acquire the new skills and attitudes. The organization should communicate the overall vision of the change to employees so that they can establish roles within the new structure. Finally, in refreezing, the new behaviors and attitudes are reinforced. This is accomplished by establishing a new equilibrium through the implementation of a new organizational culture, norms, and other policies.

13.10 Organizational Learning

Since the initial use of the term in the 1970s, "organizational learning" has become part of communication, strategic change and even organizational development. Organizational Learning is a process of detecting and correcting errors during change and development or as a process of knowledge management so as to perform better. In a learning organization, learning occurs not only at the individual level but across all levels – simultaneously occurring at various collective levels within departments – which improves the
organizational capacity to change and evolve and that the future now belongs to societies that organize themselves for learning. Organizational performance is intrinsically linked to learning at an increasingly rapid rate.

As organizations begin to see themselves as a constituent in an ever changing and complex environment, individual level contributions may become less effective than that of teams. Performing well, creating new products, and generating new knowledge have shifted to the team level instead so as to allow multiple skills, diverse intelligences and experiences to come together to deal with such a complex environment. As the environment evolves to become more complex and pluralistic, organizations will have to be poised to face new challenges and create new knowledge. To do this they may have to call on the ability of teams instead of individuals probably even to emphasize that the future of organizations will depend on the ability of teams to contribute to new products and knowledge will surpass an individual's capability. With this in mind, understanding team learning is certainly going to be critical to help organizations brace themselves for the future as teams emerge to become their primary performance unit. Team learning has become a recent focus as the importance of the contribution of teams has help some organizations learn and evolve in this fast changing environment.

13.11 New Approaches to Organizational Change and Development

As organizations begin to find themselves having to deal with more complex environments, change methodologies that focus on problem solving is becoming insufficient. Organizational change methods that focus on positive organizational change focusing on strengths and positive images of the future is increasingly being incorporated into the process. Methods such as Appreciative Inquiry (AI) has been used extensively in the US and other countries across the globe including the UN. The emergence of such practice has resulted in the field of Positive Organizational Scholarship (POS) where researchers study the impact of positive organizational change. Consultants are increasingly using Positive Organizational Development (POD) in their practice. However, a recent article on consulting with an international not-for-profit organization, presented an Integrated Change Process (ICP) that incorporated both POD and traditional change methodologies.

13.12 Organizational Ethics

What Are Ethics?

Ethics studies the standards of conduct that guide the actions of individuals and institutions. These standards of conduct are based on the commonly held values and moral principles of a society.

A society's standards of conduct tell its members what is generally considered to be "right and wrong" behavior. Thus, when the behaviors of a person or institution are consistent with the commonly held values and moral principles
of a society, we say that this person or institution is behaving ethically. A society's standards of conduct are constantly evolving; what was considered ethical behavior 20 years ago may not be considered ethical behavior today. For example, those who do not recycle their garbage are considered to be behaving unethically, which wasn't the case in the 1980s.

Ethical issues are becoming more numerous and complex. In addition, western organizations are becoming increasingly concerned with their standards of conduct in the wake of an escalating number of scandals involving employees and business executives. Thus, organizations that wish to remain competitive must demonstrate that ethical issues are being managed properly. To achieve this goal, leaders should ensure that their employees are making ethical decisions and behaving in an ethical manner.

In this section, we take a quick look at organizations and ethics, starting with three theories that explain how a society determines its standards of conduct. Next, we look at management styles with regard to ethics. Third, we present a model of ethical behavior that explains why certain employees behave ethically while others do not. Finally, we offer suggestions on how an organization can promote ethical behavior in its employees.

**Theories of Ethical Behavior**

As mentioned, ethical behavior can be described as behavior that is consistent with certain standards of conduct. Another way of looking at it is to say organizations or individuals are acting ethically if they are respecting society's standards of "right" and "wrong" behavior. How does a society (country, profession, or individual) decide right and wrong behavior? Theories of ethics answer this question, so we will consider three categories: consequential, rule-based, and cultural theories.

**Consequential Theories**

Consequential theories evolved from philosopher John Stuart Mill's *utilitarianism* theory. He argued that an action or behavior is evaluated according to its *effects*; moral rights and wrongs are determined by the *consequences* of the action. For instance, if you were to drive through a red light, this action in itself would not be considered "wrong," but if you injured someone by failing to stop, the action would be considered wrong on account of its negative consequences.

In consequential theories, ethical behavior is defined as "good" behavior, and good behavior means doing the greatest good for the greatest amount of people in a given situation. Doing the greatest good for the greatest amount of people is not always compatible with what is viewed as right and wrong. For instance, "right" actions do not always produce good consequences and the "greatest number" criterion for ethical behavior implies that the impact of a behavior on minority groups may be discounted when evaluating if a behavior is ethical. These are only a few of the problems raised by the consequential
theories, but most North American organizations evaluate their actions against the basic principles of the consequential theories.  

**Rule-Based Theories**

Whereas consequential theories claim that moral rights and wrongs are determined by the consequences of the action, rule-based theories state that the character of the act itself determines whether the behavior is right or wrong. The Bible and the Koran are examples of rule-based guides to ethical behavior. A key theme of rule-based theories is that people should treat others with respect and dignity. Philosopher Immanuel Kant, who worked toward defining a universal standard of conduct (derived from the rule-based theories), claimed that when choosing our behavior, we should put ourselves in the other person's position and ask if we would act in the same way if we were in that person's shoes.  

**Cultural Theories**

Cultural theories claim that there are no universal ethical principles, and that people should not impose their own ethical standards on others. Instead, ethical behavior is defined as respecting the local standards of conduct. The old saying "When in Rome do as the Romans do" reflects the underlying theme of the cultural theories. However, by adhering strictly to the cultural theory of ethical behavior, individuals may deny responsibility for their actions and avoid difficult ethical decisions. If you visited a country in which it is not unusual for people to throw garbage in the streets, according to the cultural theory, you could justify throwing your refuse into the street. However, according to other ethical theories (consequential and rule-based), this behavior would be unethical.  

**Ethical or Unethical Management?**

Managers must respect a number of standards of conduct if they are to be considered as behaving ethically. These standards include professional business ethics, the standards of conduct of the western society as a whole, personal ethical standards of conduct, and the ethical standards of business partners from other countries. One ethicist has suggested that we can evaluate a manager's behavior with regard to these ethical standards by classifying the behavior into the categories of moral, immoral, and amoral management.  

**Moral Management**

A manager who displays moral managerial behavior respects the ethical norms of society and the rules and regulations of the workplace when managing others. This manager will also honor the professional standards of conduct. But a manager who respects certain standards of conduct may still be interested in achieving personal goals or the goals of the organization. Indeed, the moral manager can be described as actively pursuing individual and organizational goals while adhering to sound ethical principles.
Immoral Management

Immoral management is the near opposite to moral management; the immoral manager disregards ethical principles and uses any opportunity available to maximize personal or corporate gain. Such managers do not take into consideration the impact of their actions on others; any "corner will be cut" if it is useful. In the eyes of the immoral manager, legal standards and other codes of conduct are obstacles to be overcome rather than guidelines for appropriate behavior. Many managers or organizations that show this type of behavior wind up being charged with criminal offences such as embezzlement, fraud, or falsifying tax reports.

Amoral Management

Amoral managers are unaffected by ethics within the context of the organization. They feel that different standards of conduct apply to business than to other aspects of life. Unlike immoral managers who plan strategies to overcome ethical barriers, amoral managers are unaware of ethical and moral issues in the business world; they give no thought to the impact of their actions on others.

Here’s an example to illustrate the three types of management. A company prepares a new product. If the leaders practiced immoral management, the company would go ahead even if it discovered that production harmed the environment, and perhaps hire consultants to suggest ways of avoiding legal action. If the firm engaged in moral management, the leaders would thoroughly research the environmental consequences before starting production, knowing that pollution is and should be a matter of public concern. After discovering that producing this product would cause pollution, the leaders would either prohibit production or search for a way to make the product harmlessly. If the company’s management were amoral, no one would raise the issue of environmental consequences, owing to lack of awareness or indifference.

A Model of Ethical Behavior

Why do some people behave ethically whereas others do not? This interesting question has no simple answer. Employees are more likely to behave ethically if they have developed these three attitudes: the ability to identify ethical issues and evaluate the consequences of the possible courses of action; the self-confidence to look for other opinions and decide the right thing to do under the circumstances; and the willingness and ability to make decisions when it is impossible to obtain all the information on a given situation or when the ethical issue has no clear-cut solution. Both individual and organizational factors influence the development of these abilities within an individual.

Individual Factors
Locus of control was described in Chapter 2 as a personality characteristic that determines whether people believe that they are able to control life events. Individuals who have an internal locus of control feel that they control events; those with an external locus believe that outside forces (such as luck, chance, other people, or society as a whole) determine their fate. "Internals" are more apt to make ethical decisions. And they are more likely to take personal responsibility for the consequences of unethical behavior, because "externals" assume that their behavior is caused by forces beyond their control.

Machiavellianism is another personality trait that was discussed in Chapter 2. People who are "high-Mach" are more willing to do whatever it takes to meet their personal needs and goals, whereas "low-Mach" individuals value trust and loyalty, are less willing to manipulate others for personal gain, and are concerned with the effect of their actions on others. Thus, high-Machs are more likely to behave unethically, and may even attempt to justify their unethical behavior.

Value systems also relate to ethical behavior. A value is something that a person, organization, or society believes is valuable and important. Every person, institution, and society has a value system, although these values may not be clearly articulated. A person whose values are consistent with the commonly held values of society is more likely to behave ethically than an individual whose values contradict those of the society.

**Organizational Factors**

Many occupations have a code of ethics. For instance, physicians pledge the Hippocratic oath. Although there is no universal code of ethics or oath for business as there is in medicine, many organizations create their own codes of conduct, either in general terms or through formal regulations. Employees are more likely to behave ethically in organizations that have such codes — if their importance is made known to employees and if they are based on a sound moral framework. Finally, leaders should be open to modifying these standards in accordance with the evolution of societal values and standards of conduct.

We discussed behavioral norms in Chapter 4, explaining that a group’s behavioral norms indicate the patterns of conduct that are accepted and expected by members of the group, and used by the group to evaluate the behavior of its members. Like groups, organizations have norms that guide their members’ behavior. Unlike rules and codes of ethics, the majority of organizational norms are implicit in that they are not formally announced. However, members are usually told of these norms when they are violated.

When the organization’s norms are based on sound moral and ethical principles, members are likely to behave ethically. Indeed, norms can have a major influence on the behavior of employees, often more than do the formal rules of the organization.
Modeling is the process whereby junior employees acquire attitudes and/or behaviors by observing and copying the behavior of senior employees. Thus, if senior organizational members are behaving ethically, modeling will increase the likelihood that employees will also do so. The anticipated consequence of an act influences behavior, so employees who believe that they will be punished for engaging in unethical behavior are unlikely to behave this way.

### 13.13 Promoting Ethical Behavior in Organizations

Given the public's increased sensitivity to ethical issues, organizations should develop a reputation for behaving ethically if they are to remain accepted. To develop this type of reputation, the organization must ensure that its members are adhering to sound ethical principles. This can be accomplished in a number of ways.

#### Cultural Changes

One of the best ways to ensure ethical behavior is to modify the organizational culture so that sensitivity to ethical issues is understood to be desirable. Chapter 10 presented some of the ways in which a culture can be modified by concentrating on the values of the organization. Below are seven organizational strategies for fostering a culture based on ethical behavior.

- Drug and alcohol abuse
- Employee theft
- Conflicts of interest
- Quality control
- Discrimination
- Misuse of proprietary information
- Abuse of expense accounts
- Plant closings and layoffs
- Misuse of company assets
- Environmental pollution
- Misuse of others’ information
- Methods of gathering competitors’ information
- Inaccuracy of books and records
- Receiving excessive gifts and entertainment
- False or misleading advertising
- Giving excessive gifts and entertainment
- Kickbacks
- Insider trading
- Relations with local communities
- Antitrust issues
- Bribery
- Political contributions and activities
- Improper relations with local government representatives
- Improper relations with federal government representatives
- Inaccurate time charging to government
- Improper relations with foreign governments and their representatives

• The organization should develop a code of ethics and ensure that employees understand it. To accomplish this, leaders can hold meetings or workshops in which the implications of the code and how they apply to current ethical issues are explained to employees. The leaders should include employees in the identification of important ethical issues confronting the organization so that they understand the problems and how to resolve them. It is worthwhile to post the code in a visible place so that employees are constantly reminded of it.

Figure 13-2 lists some of the ethical issues facing North American industries in order of their importance.

• Some organizations provide training to employees and managers on how to identify ethical dilemmas and make ethical decisions. In Chapter 8 we presented an ethical decision-making model. Training employees to make decisions based on the principles of this model or a similar one is usually successful in promoting sensitivity to ethical issues.

• Individuals who reach high stages of moral development are more likely to display ethical behavior, and moral development can be increased through training. Thus, one way of increasing ethical behavior would be to offer cognitive moral development training to employees.

• Some organizations implement policies on whistle blowing. Whistle blowers are organizational members who report wrongdoing to the public (usually via the press), to regulatory authorities, or to the manager of the wrongdoer. Organizations that encourage whistle blowing should ensure that employees are familiar with the procedure, which might even involve the offering of rewards.

• High-Mach individuals usually have the upper hand in one-on-one relationships. Since many high-Mach individuals do not respect the ethical principles of the organization, it may be wise to diminish their influence over other employees. This can be accomplished by implementing teams to make decisions and perform work tasks. High-Mach individuals have less influence over decision-making processes when they have to work in a group.

• Providing incentives to employees is usually effective in influencing behavior. An organization that offers rewards for ethical behavior will likely increase sensitivity to ethical issues.

• Organizations can develop methods to evaluate departmental performance with respect to ethical behavior.

13.14 Ethical Issues Facing Organizations Today

Computerization
As you know, computers are now commonplace in the organizational setting. Although computerization has advantages for the organization, its widespread use raises some ethical dilemmas. For example, employees may be concerned that computers invade privacy by allowing access to personal information. Another concern is the use of software programs without authorization. Such issues have forced managers and operators to ask, "What is unethical behavior with regard to computer use and what type of punishment is appropriate for such behavior?"

**Employee Rights**

Employee rights are becoming an increasingly important issue that is reflected in recent provincial and federal legislation protecting individual rights. Managing the rights of employees causes a number of ethical dilemmas in the workplace, particularly when respecting individual rights means going against the best interests of the organization. Activities such as drug testing, downsizing, and layoffs may serve the organization while compromising the interests of individuals. Such issues force organizations to balance the interests of the organization and the interests of the employee.

**AIDS in the Workplace**

Human immunodeficiency virus (HIV) and acquired immune deficiency syndrome (AIDS) became fearfully prominent since the 1980s. The status of employees with HIV and AIDS has raised many ethical dilemmas. For instance, how do organizations protect the dignity of an employee with AIDS and maintain morale and productivity among co-workers? Many organizational leaders are caught between the rights of infected employees and the rights of co-employees who feel uneasy working in the same environment. Other ethical issues with regard to HIV and AIDS include counseling employee confidentiality, and employee socialization.

Some of the ethical dilemmas result from widespread ignorance and prejudice. Hence, educating all employees on HIV and AIDS would reduce some of these problems, specifically those involving the socialization of infected employees. It's best to start by determining the educational needs of the employees through an assessment tool. Once the educational needs have been determined, the organization can design information sessions. Some organizations have found that asking infected employees to present the information to other employees is effective in dispelling the fear and prejudice associated with the disease.

**Sexual Harassment**

Many recent public scandals have brought the ethical issue of sexual harassment to the forefront of public awareness. One problem that confronts organizations is defining what activities constitute sexual harassment. For instance, when does a progression through looking, looking appreciatively, staring, and leering become "sexual harassment"? When it does, what is the appropriate punishment? When should incidents be handled internally, and
when should they be reported to external authorities? When a western company has a branch in an asian country that has different standards, should the workplace conventions be western or asian?

Controversy has recently extended to third parties in the workplace, that is, to the behavior of the organization’s clients, customers, or suppliers. Since an employer is responsible to provide an environment free of sexual harassment, is the employer obliged to control the behavior of nonemployees? The above are examples of the ethical dilemmas faced by employers with regard to sexual harassment.

**Fraud**

Over the past few years, we have been hearing a lot of accounting frauds in what could be considered stable organizations. Organizations such as Enron are examples of this. Not only are there examples in the US but also across the globe. Ethical accounting practices are becoming increasingly important. As such, people in organizations are looking for integrity in their leaders and are focused on strong value systems.

### 13.15 Corporate Social Responsibility

#### Environmental Protection

Corporate social responsibility is the obligation of organizations to behave ethically as institutions in society. Currently, western organizations are under increasing pressure to demonstrate social responsibility with regard to the environment, owing to society’s increased awareness of the damage caused by individuals and organizations.

Some organizations have made concrete efforts to respond to these concerns. For instance, many organizations are creating departments to monitor organizational behavior with regard to environmental issues. The Government of Canada has also encouraged cooperation among organizations whose actions affect the environment by setting up a National Round Table on the Environment. Founded in 1988, it includes representatives from government, business, and other interest groups. Its goal is to formulate alternative business strategies to protect the environment.

### 13.16 Organizations and Society

Organizations are increasingly also seeing themselves as part of a society. Organizations are therefore increasingly conducting business at the intersection of society and are developing innovative ways to contribute to society. An exemplary organization that has been successful at this is Mondragon Corporacion Cooperativa or MCC in the Basque country of Spain and that organizations in the US and other parts of the globe have used MCC as a model to create similar organizations to rejuvenate regions in society. In the US, Case Western Reserve University in Cleveland Ohio has created a
research institute to study business as an agent of world benefit (BAWB) and in October 2006 conducted a conference for organizations and academic institutions to come together to help with this effort.

13.17 Summary

In this book, we have addressed the various aspects of this emerging global context at the individual, team and organizational levels. We are in the greatest era of change since the first industrial revolution. Our time is characterized by a global economy, borderless corporations, and, for working people, a dazzling and daunting array of professional choices and challenges. If properly managed and adequately educated and trained, individuals have the opportunity to control their destinies. The day-to-day responsibility, today and tomorrow, for implementing our understanding of proper management support and adequate employee education rests with the professional managers of the organization.

For us to remain competitive, changes are needed to increase flexibility. These changes include eliminating or reducing hierarchical levels and giving increased power to lower-level employees so that decisions and changes can be made more rapidly and efficiently; focusing on small-scale production with minimum stock supplies so that product lines can be changed rapidly as consumer tastes and preferences change; emphasizing small projects instead of large-scale production so that the demands of a diversified population are more likely to be met; encouraging employees to develop a variety of general skills instead of being highly specialized so that they can switch jobs and roles as the consumer demand changes; designing organizations with a quality mindset so that both external and internal customers are content; and focusing on ethical and technological changes with continuous improvements in mind. These changes will allow the organization to adapt more quickly to the ever-changing economic environment, and enable it to respond more quickly to new information and technological advances. Organizations and researchers are working hard to collaboratively create new approaches and methods to help organizations successfully deal with the myriad challenges they are facing from cross-cultural to teams and individual development so as to create healthy organizations that in turn (or in tandem) will create healthy societies and a better environment for us and our future generations to thrive in.

13.18 True/False Questions

1. A global economy is one in which businesses of many different nations and cultures of the world come together to conduct business in one big marketplace.

✓ True ✗ False

2.
Job sharing is a type of part-time work in which two employees divide the responsibility of a single job.

✔ True ✗ False

3.

Industrial and electronic cottages are small model homes built at the job site to help employees feel more at home while working.

✗ True ✔ False

4.

Organizational structure is the relationship of responsibility and authority between groups, as well as between individuals and the organization.

✔ True ✗ False

5.

The informal organization of a company is the structure as shown on a firm's organizational chart.

✗ True ✔ False

6.

Natural attrition involves removing employees from the job either temporarily or permanently.

✗ True ✔ False

7.

Restructuring has to do with changing the way work is carried out, whereas re-engineering is concerned with moving, shrinking, or eliminating organizational units.

✗ True ✔ False

8.

Organizational rethinking means questioning organizational identity or character, along with a re-evaluation of organizational purpose, and reflecting on the methods to be used in achieving organizational goals.

✔ True ✗ False
9.

Quality circles are groups of eight to ten employees who meet once a week for an hour to identify, analyze, and solve problems related to quality, cost, safety, morale, housekeeping, environment, and other work-related questions in their area and associated ones.

✓ True ✗ False

10.

According to Lewin’s force field analysis, a person’s behavior is the result of two opposing forces: the force that maintains the status quo and the force that pushes for change.

✓ True ✗ False

13.19 Multiple Choice Questions

1. Which alternative work arrangement shortens the amount of days that are worked each week?

✗ Flextime schedule

✗ Permanent part-time

✓ Compressed workweek

✗ Electronic cottage

2. Which alternative work arrangement consists of two employees dividing the responsibility of a single job?

✗ Permanent part-time

✓ Job sharing

✗ Industrial cottage

✗ Flextime schedule

3. Which defines the set of relationship that has been developed over time?


4. Which method of downsizing means the organization does not replace employees who quit or retire?

- Natural attrition
- Subcontracting
- Early retirement
- Laying off

5. In a study referenced in the book, what percentage of companies who downsized ended up in better shape than before the downsize?

- 75%
- 25%
- 60%
- 45%

6. Re-engineering is defined as:

- Questioning identity or character, along with a re-evaluation of organizational purpose, and reflecting on the methods to be used in achieving organizational goals.
- Moving, shrinking, or eliminating organizational units.
The radical redesign of business processes to achieve dramatic improvements in critical contemporary measures of performance.

None of the above

7. Targets determined by the designers or engineers of the product are called?

Tolerances
TQM
Targets
Specifications

8. A computer program that uses human expertise to solve problems in various specialized fields is called?

Artificial intelligence
Expert system
Robot
Information systems technology

9. Which method of managing organizational change uses relatively small modifications such as a change in procedure, really a fine tuning of the organization?

Organizational change
Transformational change
Strategic change
Incremental change
10.

Someone who does whatever it takes to meet their personal needs and goals are showing which trait?

- Self-confidence
- Internal locus of control
- High Machiavellianism
- Value system

**Case 13: T-Shirts for High Tea**

Benefiton has been a major retail chain for sportswear clothes, especially high-quality T-shirts, for over 20 years. The head office is in Italy; North American headquarters are in New York City. During the past two years, the company’s market position in eastern and central Canada has fallen from first to third. Other competitors have entered the field and gained market share by offering similar merchandise at lower cost.

A year ago, Benefiton's board of directors decided to concentrate on improving the performance of the stores' managers in central and eastern Canada. Their main objective was to regain their former market share. As one top official said, "People will always need clothing, and we plan to be a major player in this industry for generations to come."

Joan Langevin, the corporate vice-president for Benefiton North America, was instructed by the board to hire a consultant, whose duties would include analyzing the job of a store manager, identifying areas needing improvement, and proposing programs aimed at improving the store managers' motivation and performance. Following the six-month consultant study, Langevin was to provide recommendations to the board regarding changes.

The consultant, MDS Management, upon concluding its study, presented Langevin with three recommendations:

1. Develop a new selection program that will allow store managers, using a team-based approach, to select all new employees.
2. Develop an incentive program that will link a store manager's salary to the store's financial performance.
3. Develop a management training program that gives greater emphasis to merchandising, financial management, and human resource management.

Questions

1. Did Benefiton’s board of directors take appropriate action with respect to the retailer’s Canadian operation?
2. How would you assess each of the recommendations proposed by MDS Management?
3. Do you think the MDS recommendations will help Benefiton win back market share in Canada?

Self-Assessment Exercise:

Design the College of the Future

Design the organizational aspects of the college that future generations will attend. For each heading, list in point form the characteristics that you would like to see in place. When you are finished, consider which of these characteristics would also apply to most other, noneducational organizations.

Qualifications of President
Qualities of Professors
Ethics Policy
Mission Statement
Policy on Hiring Students
Student/Professor Ratio
Performance Standards for Professors
Performance Standards for Students
Variety and Type of Courses Offered Library Facilities Research Facilities
Main Source of Teaching Content (e.g., lectures, books, computerized delivery, study groups)
Social Climate
Cultural/Leisure Environment and Facilities
Decision-Making Process/Structure
Self-Assessment Exercise:

Microcosm of the Global Context

Look around your classroom. You will notice that there are many aspects that represent the emerging global environment. There probably are students from different parts of the world, some who speak different languages, some who are non-business majors, some who have work experiences, some who are older, and of course where both genders are present (unless you are in an all-men or all-women college). Take some time to ask your classmates (and the professor too!) questions so as to understand and surface social norms, cultural perspectives, values and even cultural practices. Some of the questions may include:

1. What social norms exist in their culture and how do they manifest those in the classroom?
2. How do they perceive their role as a student/professor and what behaviors demonstrate this?
3. What are their belief systems around learning in a college/university setting?
4. Do they notice the interaction of the diverse norms, roles and belief systems in the classroom?
5. What hybrid culture is emerging in this environment? How can understanding this help us become more aware of the global context around and outside the college/university?

Notes


27. http://appreciativeinquiry.case.edu/
43. For further discussion of employees' rights in Canada, see Dolan & Schuler, Human resource management, chapter 15.
46. Richley, B.A. An inquiry into the diffusion of a values-based innovation: A study of Mondragon Corporacion Cooperativa and its