

Human Performance Management I

Management and Organisational Behaviour

**Summary, in addition to slides
Unit 1 to 5 (excl. unit 6)**

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Management and organisational behaviour

(In addition to slides and lectures)

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Unit 1: Intro Organizational Behaviour & Leadership

1. Introduction to management and organisational behaviour

1.1 The classical perspectives

1.1.1 Frederick Taylor

- Assumes that the interests of management and employees could be integrated through the principle of economically motivated self-interest emerged scientific management.
- He believed that scientific observation of people at work would reveal the one best way to do any non-managerial task. Once the best way had been determined and the requisite skills identified, managers could hire appropriate people and train them to perform the specialised job.
- Taylor established a differential-piece rate system that rewarded work output in excess of established standards
- Mechanistic view of workers
- Taylor believed managers had the responsibility to plan, organise and determine the best methods for performing a job.
- Scientific management has been regarded as being too preoccupied with productivity. Taylor believed in careful selection and training and that they should be suitable for the work. In some respects he had an idealistic view that workers, managers and owners could work together in harmony and profit from it.

1.1.2 Henri Fayol

Fayol viewed business as a composite of six subsystems:

- Purchasing
- Production
- Sales
- Finance
- Accounting
- Administration

To handle the subsystems, he described the 5 management functions (how managers administer operations through five functional activities):

- Planning: studying the future and arranging the means for dealing with it, which encompasses forecasting, setting goals and determining actions
- Organising: designing a structure to assist in goal accomplishment that effectively relates human and non-human resources to the tasks of the enterprise
- Co-ordinating: uniting activities that take place within the organisation so that elements are given proper resources and the means to accomplish goals
- Commanding: engaging in those activities that ensure effective operations, incl. leadership and motivation of employee action toward goals
- Controlling: ensuring that everything is carried out according to the plan

14 principles of management like

- Division of work – create efficiency for managerial and technical work
- Authority is needed if somebody has responsibility, from the personality and the position
- Discipline required at all levels
- Unity of Command - Orders from only one boss
- Unit of Direction – 1 boss, 1 plan
- Fair and equitable remuneration
- Line of authority from highest to lowest
-
- Unity is strength – team work is necessary

- Encourage initiative of employees

1.1.3 Bureaucracy Theory of Max Weber

Bureaucracy is Weber's rational-legal authority structure for organising specialised functions and standardising procedures to achieve efficiency. This includes:

- A hierarchy of command established by a person's rank
- Specialisation and division of labour by organisational function (e.g. engineering, production, sales)
- System of rules and policies that standardises how things are to be done. Equitable treatment of everyone
- Promotion and tenure based on competence, measured by objective standards
- Impersonal treatment through application of rules (prevention of favourism)

Weber assumed that work was not necessarily meant to be pleasant but rather to be efficient. Managers were expected to be unemotional.

1.2 Human Relations

1.2.1 Hawthorne effect

The unintentional biasing of research outcomes due to the possibility that simply paying attention to the experimental subjects causes their behaviour to change. In researches he got the result, that the productivity of the initial work groups selected for observation seemed to increase constantly regardless of changes in a variety of physical variables such as temperature, lighting or duration of work. What seemed to be important were social elements such as involvement in decision-making, work relationships and group attitudes and values.

Shift from the rational economic/mechanistic principles to a human relations orientation built around the behavioural complexities of people with diverse needs functioning in a complex informal social system. Organisational behaviour became important as a field of study and a concern of management.

1.2.2 Humanistic psychology

Abraham Maslow pushed it even further, he emphasised the uniqueness of human needs and at the same time called attention to the different ways cultures impact on the satisfaction of those needs. This shifted management attention away from simply providing basic needs toward an awareness that people's growth needs could be achieved at work, benefiting the individual and the organisation. Present day practices like empowerment, team building and building high-commitment organisations are based on that.

1.3 The systems approach

1.3.1 Chester Barnard

Barnard's analysis of manager was a social systems approach as he felt that to be able to comprehend and analyse the functions of management, it was necessary to examine the major tasks in the system where they operate. Results of his researches are:

- Physical and biological limitations of the individuals lead them to co-operate. Results in group work and team effort
- This leads to the establishment of co-operative systems. This system consists of the physical environment as well as the people. Effectiveness depends on the ability to achieve set goals with the minimum dissatisfaction.
- System can be divided into formal (conscious) and informal (unconscious) interactions
- Formal systems exist only with communication, contribution to group actions and a conscious common purpose.
- Formal organisation must include:
 - Specialisation of people
 - Incentives which will lead to group action

- System of authority and power
 - System of logical decision-making
- Functions of the managers are therefore:
 - Maintenance of communication systems
 - Gain commitment of individuals
 - Clear purpose, mission and plan
- Managers must find the best balance between conflicting forces and events

Cooperation and responsible leadership are important! Understand the whole and not just part of it!

Systems theory: the whole is greater than the sum of the parts, and that the parts or subsystems are related to each other and to the whole

1.4 The contingency perspective

The contingency theory identifies the circumstances in which a particular practice is more likely to obtain desired results. This because multiple sources influence outcomes and managerial behaviour cannot be engineered by applying only one theory. With the contingency theory you can identify which practice is more likely to obtain desired results. Therefore the manager must examine the situation to discover its relevant variables, diagnose the problem, and then adapt some independent variable to fit the need.

2. The manager's job and functions

Management is the practice of directing, organising and developing people, technology and financial resources in task-orientated systems that provide services and products to others.

Managers are people responsible for working with and through others to achieve objectives by influencing people and systems in a changing environment. This implies that the manager must understand the totality of the organisation and then influence system components such as tasks, technology, structure, people and perhaps even organisational culture to achieve desired outputs. From the rational-heroic view a managers job comprises the following tasks: plan, organise, lead/direct and control. This contains:

Plan:

- Setting objectives
- Deciding how to accomplish them

Organise:

- Dividing up the work
- Assigning people to jobs
- Allocating resources

Leading/direct:

- Creating vision
- Inspiring commitment
- Directing efforts toward a common purpose

Control:

- Monitoring performance
- Taking action to ensure desired results

3. Mintzberg's approach and managerial functions

Mintzberg found out, after systematically studying the activities of five CEO's, that manager do not carry out the classical managerial functions identified by Fayol. He concluded that managers fill in 10

different roles. Mintzberg put the 10 different roles into three groups, **the interpersonal roles, the information roles and the decisional roles**. Mintzberg thinks that there is a general flow from **interacting with people to handling information to making decisions**.

From the point of Mintzberg the rational heroic model places too much emphasis and responsibility on the manager and not enough on teams and followers. Because of the fast changing environment and the increasing complexity, managers cannot control every single step and every task. If they still do it, they create delays in decisions and deprive (vorenthalten) followers of job challenges. Mintzberg has developed the chaotic view.

3.1 The chaotic view: managerial life is intense, fragmented and complex

Mintzberg found that most managers are caught up in a variety of intense, brief and disconnected activities. Only few managers work for very long without interruption. The most things they do are unplanned and they hop from one topic to another, which are fragmented. You might say they are inside (in the middle of) the chaos and must manage from there.

Managerial roles are those distinct patterns of behaviour that managers engage in while working at different tasks. As events and needs shift throughout the manager's working day, the roles keep changing as well.

3.1.1 The interpersonal role

Interpersonal roles involve 3 key functions served by managers when representing the organisation and communicating with people: **figurehead, leader and liaison**

- **Figurehead:** This role managers play if they participate in ceremonial duties (representation task). (sales director has lunch with a sales person and key customer in order to show the key customer how important he is)
- **Leader:** Influence, motivate and encourage people to achieve goals. Often leader efforts overlap the activities of other roles.
- **Liaison:** Networking => involve lateral contacts or attempts to influence peers in and coordinate with other parts of the organisation

3.1.2 The informational role

The organisation depends on information as the basis for making decisions and taking action. The informational roles involve obtaining or exchanging relevant information as **monitor, disseminator or spokesperson**.

- **Monitor:** This means scanning the environment, asking questions, maintaining a network of contacts and finding out what's going on. **Information collector and assimilator!**
- **Disseminator:** Share information with unit members
- **Spokesperson:** Share information with influential people outside the unit.

3.1.3 The decisional role

This role is exercised when the manager acts on information to commit the organisation to new courses of action, whether as **entrepreneur, disturbance handler, resource allocator or negotiator**

- **Entrepreneur:** Involves attempting to adjust the organisation (with its products/services and its processes to its environment). Exists in all functions and at all levels.
- **Disturbance handler:** Managers must restore functionality and performance if something breaks down or many unexpected problems occur.
- **Resource allocator:** distribute or withhold resources of all kinds (capital, personnel, material, etc.)
- **Negotiator:** Negotiations and managing conflicts of all kinds belong to the manager's tasks.

4. Changes as on-going challenges

Technology transformation, Globalization of business, managing diversity and promoting ethical behaviour are change drivers in a manager's life. These four change drivers challenge the managers and they need to be able to handle the changes and they can't be afraid of the changes forced by technology, globalization, diversity or the ethical behaviour.

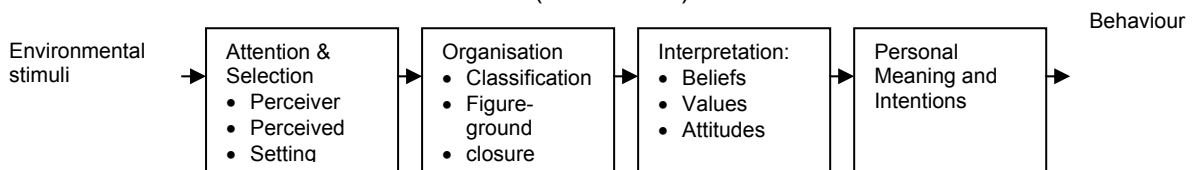
Unit 2: Perception, Personality and Learning

5. The psychological contract

The psychological contract is the workers' implicit expectations about what they are expected to contribute to an organisation and what they will receive in return. People are not fully aware and conscious of this contract. Usually it is implicit and unwritten.

6. Process of perception

Understanding the perceptual process helps managers know better why people perceive things as they do and why they often perceive things differently. This understanding enables them to deal better with such differences and minimise some of the (behavioural) distortions that occur.



Perception: is the selection, organisation and interpretation of sensory data. The critically important process helps people define their world and provide clues for guiding their behaviour. People do not see objective reality, but they believe what they perceive is real.

6.1 Attention and selection

We are bombarded with multiple sensory stimuli and it is impossible to attend to them all. We selectively respond to meaningful stimuli and minimise or ignore others. **The perceiver, the perceived and the setting** influence this part of the process.

- **The perceiver:** People tend to perceive what they need, want and expect to see (an unemployed person is more likely to read a job advertisement). The physical, mental and emotional condition of the perceiver affects attentiveness.
- **The perceived:** Certain general attributes of the perceived object or person influence what is noticed and what is not. The status of a person or the way people look like influence attention.
- **The setting:** Time and physical conditions such as temperatures, lighting, noise and smell influence what is noticed and what is not.

6.2 Organisation

The next step after sensory stimuli has been selected and received is to organise the various stimuli into more meaningful patterns. 3 concepts: classification, figure-ground differentiation and closure.

- **Classification:** We classify people in a variety of categories such as age, gender, race, nationality, physical categories, education, occupation and status. We also attach the assumptions, beliefs and attitudes we hold about those groupings. Classifying sensory inputs

helps us sort and recall sensory data faster than if we did not have an organisational system. However classification can also lead to stereotypes and inaccurate perceptions.

- **Figure-ground differentiation:** A major element in perceptual accuracy is the ability to distinguish figure (dominant features) from ground (surrounding, competing stimuli). Managers in an organisation pay more attention to some stimuli than others and run the danger of overlooking relevant clues. What we see depends on what we see as figure and what we see as ground. We attend selectively to stimuli by focusing on features that capture our attention.
- **Closure:** The mind's tendency to fill in missing data when it receives incomplete information. For a manager it is very important to give clear directions and not incomplete information.

6.3 Interpretation

Through the interpretation we add meaning to data we take in. Our past learning and experience as well as our current **beliefs, assumptions, attitudes and values**, all influence the meaning we add to what we take in. Combined, they form our individual **frame of reference**, which is a mental filter through which perceptions are interpreted and evaluated.

6.3.1 Perceptual distortions

People's perceptions become distorted in several ways. These involve selective perception, stereotypes, halo effects and projection.

- **Selective perception:** People tend to focus on those attributes of people and situations that fit their frame of reference. The potential danger of selective perception is that we miss important data and the omission (Unterlassung) causes a distorted view of a person or situation.
- **Stereotype:** is a rigid, biased perception of a person, group, object or situation. We tend to categorise people. Managers must be aware of stereotypes and confront employees, if they lead to destructive relations among a group.
- **Halo effect:** Is the tendency to overrate a person based on a single trait. (Assuming that an attractive person is intelligent). This effect can lead to incomplete and inaccurate judgements and may prompt someone to miss individual differences.
- **Projection:** Attributing to others one's own thoughts, feelings, attitudes and traits.

Perceiving other people is difficult because of the various errors we can make. We do not see others' thoughts, motives, intentions, attitudes, values or feelings. We satisfy our need for perceptual closure by making inferences about why others behave as they do, a process called attribution.

6.3.2 Attribution

An assumed explanation of why people behave as they do based on our observations and inferences (Process for giving reasons for why things happen). The way we identify these causes is known as the process of attribution. The attribution theory suggests that when people observe another's behaviour, they use 3 types of information to determine the attribution: **Distinctiveness, Consistency and Consensus**. These three information help us to determine whether to make **personal or situational attributions** for someone else's behaviour.

- **Distinctiveness (Deutlichkeit, Klarheit):** An attribution process used to explain whether a person's behaviour fits with other behaviours.
- **Consistency:** An attribution process used to explain the degree of variance in behaviour over time.
- **Consensus:** An attribution process used to determine how others behave in similar situations. (see also exhibit 4-5 on page 134, or slides unit 2, page 7)

6.4 Role of perceptions in OBL

- **Organizational behaviour:** understand the actions and interactions of individuals and groups within an organisation and the interactions between the organisation and environmental forces.
- **Leadership:** Better direct the individual, socially accepted influence on others to create a behavioural change in order to achieve a goal or outcome.

6.5 Personality and behaviour

Personality:

- Is the long-term consistent pattern of behaviours that characterize an individual
- Suggests how a person will respond to people and situations

To find out about a person's personality there exist different test, like for example the MBTI or STAM.

The impact on a person's personality and behaviour can either be hereditary or influenced by your environment.

- **Nature:** Heredity impacts on the development of personality. Genes predetermine an individual's physical characteristics and contribute to factors such as intelligence, and temperament. Gender, size, appearance etc. are given.
- **Nurture:** People learn from and are shaped by their environment. Environment plays a role and has impact on a person's behaviour and personality.

6.6 Values and attitudes

Values are stable, deep-seated, enduring beliefs about what is worthwhile which influence thought and behaviour. It also influences an individual's perceptions of what is good and bad. Values are learned, beginning soon after birth, as parents and others indicate that certain behaviours are good and others are bad.

When personal and organizational values conflict, ethical dilemmas can occur. Also can it be very difficult if personal and cultural values conflict. Also in groups with different cultures values can differ and problems can occur.

An attitude is a predisposition or readiness to respond in a certain way to a person, object, idea or situation. Attitudes differ from values in that they are more specific and can be less stable and enduring. Attitudes have three components:

- **Cognition** = beliefs and perceived knowledge about the subject of the attitude (perception)
- **Affect** = feelings associated with the subject (likes and dislikes)
- **Behaviour** = intention to behave in a specific way

Attitudes can influence productivity and satisfaction.

To sum up:

People vary in their abilities, perceive and learn differently from one another, and vary in their values and attitudes. It is not surprising that they also behave differently.

6.7 Learning

Learning is the acquisition of knowledge, skill or values through study, practice or experience.

Learning is usually considered to lead to relatively permanent changes in behaviour as the learner develops capabilities for functioning in his or her environment. Learning processes can be explained through 3 main theories: **behavioural conditioning, social learning and cognitive discovery.**

6.7.1 Behavioural conditioning

Classical conditioning:

It is an experimental approach that associates a conditioned incentive with an unconditioned motivation to achieve a conditioned response. People experience classical conditioning in their everyday live. (Walk by a bakery every morning, if you didn't have breakfast, you get hungry because of the odour. One day you can't smell the fresh bread, but you get hungry anyway. The sight of the bakery has become a conditioned stimulus and physical response occurs, without the actual odour).

Operant conditioning: B.F. Skinner

This is learning in which reinforcement depends on the person's behaviour. The critical learning element is the direct linkage of significant contingent consequences to an operant behaviour. The term operant means that the individual operates in his or her environment to obtain some desired consequences and avoid adverse or negative consequences. The basic assumption underlying conditioning theory is simple: People tend to repeat those behaviours that lead to desirable

consequences and avoid those that lead to negative results. The manager shapes behaviour to obtain a desired outcome:

- Give reward
- Withhold reward
- Punishes
- Removes punishment

6.7.2 Bandura's Social learning theory

This theory is based on the process of observational learning through modelling and imitation. (We learn through the observation of others and imitating them). Imitation is especially strong when the learner identifies with and desires to be like the role model or mentor. Imitators are in conscious control of whether or not to act like the model.

People are capable of choosing how they will respond in various situations, this is called **anticipatory control**. Because people are capable of observing effects of their behaviours, they can anticipate consequences across a variety of circumstances.

6.7.3 Cognitive learning

It involves selective interpretation of perceptual data organised into new patterns of thoughts and relationships. The ability to observe multiple stimuli and to interpret the non-verbal along with the verbal communication can be learned through training and experience.

6.8 Learning styles

The learning cycle includes the following four stages:

- 1) Having an experience → take into action
- 2) Reviewing the experience
- 3) Concluding from the experience
- 4) Planning the next steps

Depends on the person's learning style on which stage he/she starts.

There exist four different learning styles:

Activist

Like to take direct action, are enthusiastic and welcome new challenges and experiences. They are less interested in what has happened in the past or in putting things into a broader context. They are primarily interested in the here and now. They like to have a go, try things out and participate. They like to be the centre of attention.

Reflectors

They like to think about things in detail before taking action, to take a thoughtful approach. They are good listeners and prefer to adopt a low profile. They are prepared to read and re-read and will welcome the opportunity to repeat a piece of learning.

Theorist

They like to see how things fit into an overall pattern. They are logical and objective systems people who prefer a sequential approach to problems. They are analytical, pay great attention to detail and tend to be perfectionists.

Pragmatist

They like to see how things work in practice and enjoy experimenting with new ideas. They are practical, down to earth and like to solve problems. They appreciate the opportunity to try out what they have learned/are learning.

Unit 3: Interpersonal Relations & Communication

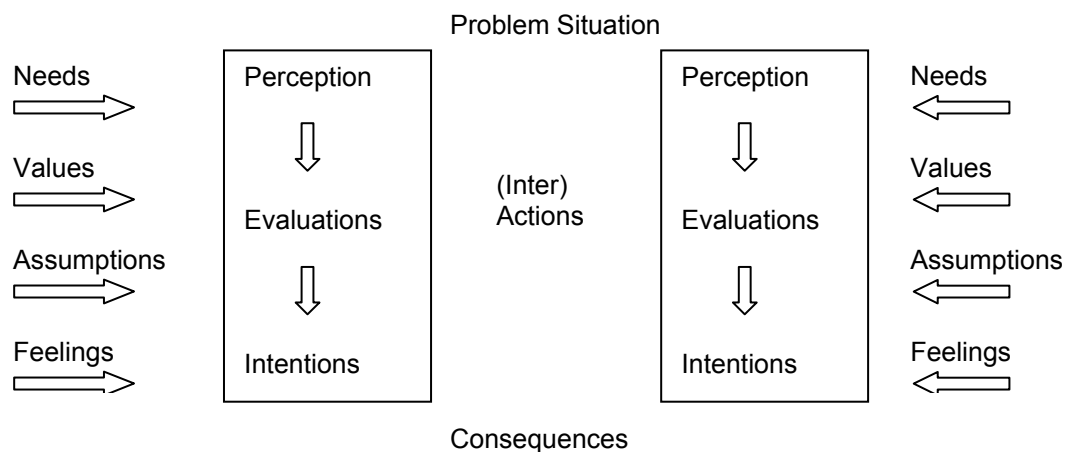
7. What influences interpersonal relations?

The interpersonal communication is a valuable business tool. Good interpersonal relations support the work effort; bad ones inhibit it.

7.1 A-B model of interpersonal behaviour

The A-B model illustrates the chain of rapid events that occur between two interacting people (see slides unit 3, p. 2).

Both parties, person A and person B, have **needs** they want to satisfy and sets of **values** indicating the most desirable ways of doing so. Based on past experiences both people also make **assumptions** about the nature of the other and of the particular kind of situation they are in. Each person develops positive or negative **feelings** that contribute to enhanced or diminished **perceptions** of self, the other and the current situation. These again contribute to **evaluations** of the other person in this situation and lead to the formulation of **intentions** to interact in specific ways to accomplish personal objectives. The consequences of that **behaviour** and subsequent **interactions** generate new input for another loop of reactions.



The following **situational factors** impact the **quality of interpersonal relations**:

- **Job requirements:** level of interaction required between people
- **Organizational culture:** shared assumptions that are accepted as guides to behaviour
- **Trust levels:** feeling of confidence that others' behaviour will benefit and not harm you

7.2 Emotional intelligence EQ

EQ is a person's ability to be aware of personal motions and those of others in order to interact with others in productive ways. It involves the ability to

- **Perceive** accurately, appraise, and express emotion
- **Access** and/or generate feelings when they facilitate thought
- **Understand** emotion and emotional knowledge
- **Regulate** emotions to promote emotional and intellectual growth

People with a high EQ can communicate more effectively with others and manage emotions. They can also increase motivation, gain consensus in diverse settings and build rapport and trust. Within their environment they are able to create a balance of emotion and rational.

For the team's success it is of great importance, that the manager is able to lead, understand and "connect" with people and knows how to conduct himself/herself in both positive and negative situations.

High EQ requires the following five basic components:

1. **Self-awareness:** basis for all the other components of EQ. Means being aware of what you are feeling, being conscious of the emotions within yourself.
2. **Managing Emotions:** this is the 2nd key element. The manager is able to balance his or her own moods so that worry, anxiety, fear or anger does not get in the way of what needs to be done. Does not mean suppressing or denying them!
3. **Motivating oneself:** Ability to be hopeful and optimistic despite obstacles, setbacks or even outright failure. Is crucial for pursuing long-term goals.
4. **Empathy:** Means being able to put yourself in someone else's shoes, to recognise what others are feeling without them needing to tell you.
5. **Social skill:** Ability to connect with others, build positive relationships, respond to the emotions of others and influence others.

8. Communicating for understanding and results

Communication begins when one person sends a message to another with the intent of evoking a response. Effective communication occurs when the receiver interprets the message exactly as the sender intended.

8.1 Using communication channels in organisations

Communication between organisational members can be vertical or lateral, formal or informal. Managers are responsible for establishing and maintaining formal communication channels in downward, upward, and horizontal directions. Just as important are informal networks, which convey feeling and reactions among employees.

8.1.1 Formal communication channels

They are established within the organisation's chain of command in order to accomplish task objectives. (see unit 3, p. 4, slide 1).

Downward communication is used by managers to assign goals, provide job instructions, inform about policies, procedures, and practices; provide performance feedback; point out problems; and socialise with employees. Most costly communication breakdowns occur when instructions are given or received poorly. It can take many forms: speeches, memos, company newsletters, bulletin boards, and manuals.

Upward Communication provides managers with information about current problems, updates on employees' progress toward goals, suggestions for improvement, proposals for innovations, employee grievances, and feedback about employee attitudes. Can take the form of employee surveys, suggestion boxes, face-to-face encounters, open-door policies or required reports. By improving upward communication a profit increase of 30-40% can be experienced.

Horizontal communication takes place among peers and can cut across departments and work groups. It provides efficiently support, coordination and information than could vertical channels. Another lateral communication form is the communication with suppliers and customers.

Informal communication channels exist to serve the interests of those people who comprise them regardless of their positions in the organisation. Do not follow organisation's hierarchy. Some typical informal channels are the **grapevine, social-gatherings, informal one-to-one discussions and small group-networks**.

Grapevine is the informal communication channel for gossip and rumours and is outside the control of management. It satisfies social needs, helps clarify orders and decisions and serves as a way of getting information that cannot be expressed adequately through formal channels. With effective communication the management can dam up grapevine rumours.

Social gathering is a social opportunity, organised from the workplace, which creates an informal communication channel for employees.

Management by wandering around is when managers walk around their organisations and informally chat with all levels of employees to learn about their concerns, ideas and problems.

Small-group networks

There exist four different types of small-group networks:

- **Chain network:** typifies the organisation with a strong vertical hierarchy, where information travels only upward and downward.
- **Circle network:** people can only communicate to others on either side. This pattern often occurs between people in departments at the same horizontal level in organisations.
- **Star configuration:** distributes the flow of communication most evenly. It prevails informal groups with no assigned leader or tasks to accomplish.
- **Wheel:** represents the other extreme, where all communications are channelled through a central position

The effectiveness of the communication networks varies according to the task.

9. Communication Process etc.

See slides unit 3, p. 5 – 6 (nothing found in the book)

Misinterpretation occurs when the receiver understands the message to his or her own satisfaction but not in the sense that the sender intended. Misinterpretation can be a consequence of sender or channel noise, poor listening habits, erroneous inferences on the part of the receiver, or differing frames of reference. An example of this occurs when unclear instructions lead employees to “hear” the wrong procedures for doing their work.

10. Barriers to effective communication

- **Unclear messages** because of
 - **Jargon:** technical language, abbreviations
 - **Inadequate information:** incomplete, not appropriate information
 - **Semantics:** pertains to the meaning and use of words. This is especially true when people from different cultures are trying to communicate
 - **Inappropriate Channel Richness:** how the information/message is packed. The way you communicate
- **Credibility of the sender:** if the receiver believes the sender and what he talks about.
- **Selective listening:** receiver behaviour of blocking out information or distorting it to match preconceived notions
- **Filtering** is selective listening in reverse. The sender conveys only certain parts of the relevant information to the receiver.
- **Lack of trust (Distrust):** on the part of either communicator is likely to evoke one or more of the barriers we have just examined. Senders may filter out important information if they distrust receivers, and receivers may form value judgments make inferences and listen only selectively to distrusted senders.
- **Lack of feedback:** feedback can be used to clarify needs and reduce misunderstanding, to improve relationships and keep both parties updated, to determine which issues need further discussion and to confirm all uncertain verbal, vocal and visual cues. The proper and effective use of feedback skills can lead to mutual understanding, less interpersonal tension increased trust and credibility and higher productivity.

Many times these barriers to effective communication can be neutralised or avoided altogether if the sender and receiver practise certain communication techniques.

11. Sending messages more effectively

Effective communication requires skill in both sending and receiving information. A sender should take the initiative in eliminating communication barriers by making sure a message is clear and understandable to the receiver. Be specific, explain exactly what you want and how you expect it to be achieved.

Use multiple channels

The impact of a message can be increased by using more than one channel or mode of transmission to send it. This multiple mode transmission has the advantage that a receiver has the opportunity to receive the message through more than one sense.

Be complete and specific

When the subject matter of a message is new or unfamiliar to the receiver, the sender can make the message complete and specific by providing sufficient background information and details.

Claim ownership of your own message

To claim the message as their own, senders should use personal pronouns such as I and mine. This indicates to the receiver that the sender takes responsibility for the ideas and feelings expressed in the message.

Be congruent

Make sure your messages are congruent with your actions. Being incongruent confuses receivers.

Simplify your language

Complex rhetoric and technical jargon can confuse individuals who do not use such language

12. Discussion with employees

See unit 3, slides, p. 7-9, (no basis for information on slides found in the book)

13. The Johari Window

Blind spot situation – the sender is at a disadvantage as the receiver knows more about the issues being communicated, his or her reactions to it and the reactions of the sender.

Unknown situation – neither knows much about the situation and communication could be poor as any meaningful dialogue will only happen by chance.

Hidden (Façade situation) – the sender knows much more about the situation than the receiver. As a result the receiver may pretend to know more than they actually do or the sender may withhold information.

Open (Arena situation) – both the sender and receiver know all they need to know about the situation and each other's views. Therefore interpersonal communication is likely to be effective.

14. Feedback

See unit 3, slides, p. 10-11, (no basis for information on slides found in the book)

Unit 4: Motivation

Motivation = a conscious decision to perform one or more activities with greater effort than other competing activities

Motivation contains three elements:

1. need, motive or goal that triggers action
2. selection process that directs the choice of action
3. level of effort intensity that is applied to the chosen action

In essence motivation governs behaviour selection, direction and level of effort.

Mayo demonstrated also with his illumination studies, that the style of supervision is linked to levels of engagement and productivity. He claimed that **management practises influence the attitudes and the effort** of the employees. Friendly supervision is far more important than the physical environment. Therefore employee's **motivation is crucial to the success** of business. Their **behaviour can be influenced** by changed working conditions and **output can be increased**.

MacGregor identified two views of human nature. In his study he presents two different sets of managerial assumptions about people reasoning that a manager's ideas about people influence how he or she attempts to manage.

- **Theory X:** A managerial assumption that **people act only to realise their basic needs** and therefore do not voluntarily contribute to organisational aims. In this case managers believe that their task is to direct and modify human behaviour to fit the needs of the organisation. Managers must persuade, reward, punish and control those who do not naturally strive to learn and grow. These managers believe, that their **employees dislike responsibility** and that they **lack ambition**. They are also persuaded that the average person is **passive**, indolent and **works as little as possible** as well as they are **self-centred and indifferent** to organisational needs.
- **Theory Y:** A managerial assumption that **people are motivated by higher-order growth needs** and will therefore act responsibly to accomplish organisational objectives. Management's task is to enable people to act on these needs and to grow in their jobs. Management's essential task is to structure the work environment so that people can best achieve their higher-order personal goals by accomplishing organisational objectives. Those managers think that their **people seek responsibility and have the capacity to direct and control** organisational tasks. They also believe that **people by nature are active** and work is important. **Employees** on all levels **have the ability to solve organisational problems**.

15. Content approaches of motivational theories

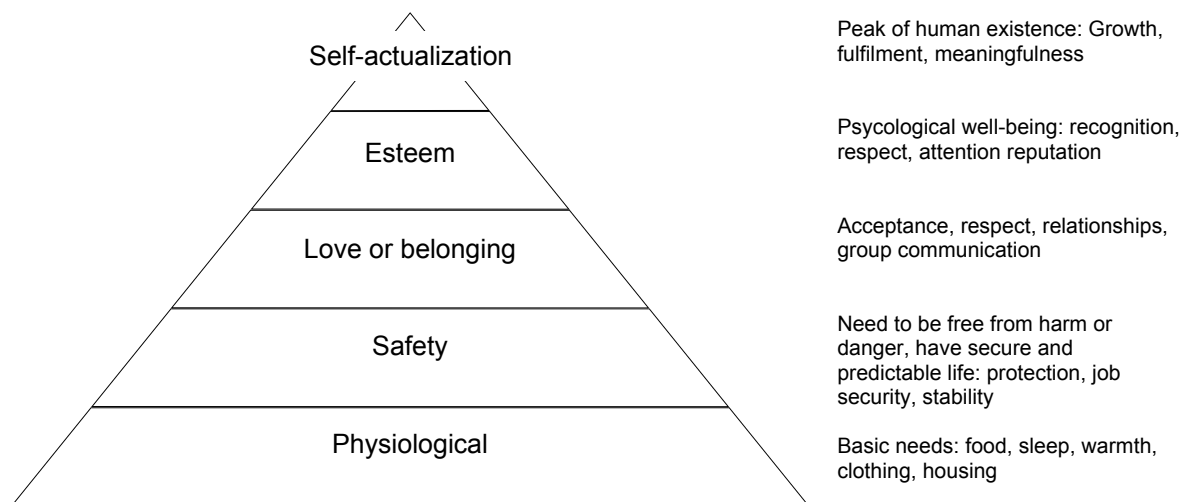
Content theories of motivation = Theories based on identifying specific human needs and describing the circumstances under which these needs activate behaviour.

There exist three content approaches theories.

1. Maslow's Hierarchy of Needs
2. Alderfer ERG Theory
3. Herzberg's Dual-Factor Theory of Motivation

15.1 Maslow's Hierarchy of Needs

A five-level needs theory proposed by Maslow in which lower-level basic needs must be satisfied before advancing to a higher level need.



The theory is shaky and many managers question the results of Maslow's research. The theory is most useful as a reminder of the full range of motivational forces in people.

15.2 Alderfer's ERG Theory

ERG Theory = is the simplified Maslow's hierarchy of needs theory that identifies existence, relatedness and growth as need categories, and acknowledges multiple needs may be operating at one time without being hierarchically determined.

- **Existence** needs refer to basic survival needs.
- **Relatedness** needs draw people into interpersonal contact for social-emotional acceptance, caring, and status.
- **Growth** needs involve personal development and a sense of self-worth.

Alderfer believes that humankind is complex and more than one need may be operating at a time (e.g. have business lunch with partners: social interaction (relatedness) and support in solving problem (growth needs)).

15.3 Herzberg's Dual-factor theory

Dual-factor theory = Herzberg's motivation content theory based on two independent needs: hygiene and motivator factors

Hygiene factors = Job context factors such as working conditions and benefits that cause dissatisfaction if inadequate.

Motivator factors = job content factors such as responsibility and achievement that provide feelings of satisfaction when experienced

Herzberg found out that there were two different factors affecting motivation and work. He concluded:

- Job satisfaction and job dissatisfaction derive from different sources
- Simply removing the sources of dissatisfaction will not cause a person to be motivated to produce better results

These results have been transmitted into the Dual-factor theory:

- **Hygiene factors** involve working conditions and can trigger dissatisfaction if inadequate. Hygiene factors are job security, working conditions, quality of supervision, interpersonal relationships and adequacy of pay and fringe benefits. Such factors are largely extrinsic. **Hygiene factors do not produce satisfaction!**

- **Motivator factors** originate from the nature of the job and can create job satisfaction. Motivator factors are job challenge, responsibility, opportunity for achievement or advancement and recognition. Intrinsic factors and unique to each individual. If they are not present, people will not automatically be dissatisfied.

To improve motivation to work, managers are first advised to provide an adequate job context of working conditions and benefits for their people. This will satisfy lower-level hygiene needs which, if not met, cause dissatisfaction.

To sum up, no single theory is adequate because:

- People are driven to satisfy needs (simple and complex)
- Satisfied needs re-occur and are constantly changing
- Needs vary from person to person and within the person

⇒ therefore effective managers are aware of this complexity and are flexible in dealing with people

16. The effect of expectations on work motivation

16.1 Expectancy theory

Expectancy theory = a theory of motivation based on a person's beliefs about effort-performance-outcome relationships.

Motivation based on expectancy theory focuses on a person's beliefs about the relationships among effort, performance and rewards for doing a job.

People will be motivated to achieve a desired goal as long as they expect their actions will achieve the goal.

Force (F) = Valence (V) x Expectancy (E) x Instrumentality

Expectancy = the probability that an individual believes his or her work effort directly affects the performance outcome of a task

Instrumentality = the probability that an individual anticipates that an attained level of task performance will have personal consequences.

Valence = the value that a person assigns to the personal consequences that follow work performance.

People ask themselves, in relation to the expectancy theory, three questions at the work place:

1. **Does how hard I try really affect my performance?** – To be motivated you must have a positive answer to this **expectancy** question. Positive task motivation begins when you see a link between personal effort and task performance.
2. **Are personal consequences linked to my performance?** – Sometimes there is little association between effort and rewards or punishments. Task performance results serve to obtain second-order personal consequences or payoffs (**Instrumentality**).
3. **Do I value the consequences available to me?** – Answers to this **valence** question depend on how much you value a particular expected outcome or payoff. If you do not care about the potential payoff it provides little if any incentive value.

Vroom's expectancy theory recognises that individuals have personal goals that may differ from the organisations. However these can be harmonised. It is also consistent with MbO.

For managers it is important to know that not all people value the available outcomes or rewards in the same way. Managers must weigh whether employees place greater value on extrinsic or intrinsic rewards.

16.2 Motivational implications of intrinsic and extrinsic rewards

There exist two basic sources of rewards or payoffs. Many people depend on and highly value **extrinsic rewards** – rewards that are externally bestowed (given), such as praise from a supervisor, a promotion (Beförderung) or pay raise, or the grade received on a term paper. Managers believe that their task is to direct and modify human behaviour to fit then needs of the organisation.

Others place a high value on **intrinsic rewards** – their own personal feelings about how well they performed the task or simply the satisfaction they derived from doing it. The management's task is to enable people to act on these needs and to grow in their jobs.

17. How learned motives influence work behaviour

People get to know through repeated experiences socially-learned needs. These needs motivate your behaviour whenever you perceive an opportunity to satisfy them (experience feelings of satisfaction). Examples of learned motives include the need for achievement, power, affiliation, competence, status and autonomy. This learning can be either conscious or unconscious. These learned motives activate employee behaviour selection, direction and level of effort and are therefore very important.

Managers can motivate others if they are sensitive to the learned motives of individual employees.

Achievement motive: People who have a **high need to achieve** are usually self-motivated; they seek tasks that will provide them with a sense of accomplishment.

Power motive: People, who have a high need for power, or power motive, find satisfaction from being in charge and influencing others. An organisation will not function effectively without the mixture of people with power motives and others. These people are willing to specify organisation goals and influence others to achieve them.

Affiliation motive: Persons with a high need for affiliation find satisfaction in the quality of their social and interpersonal relationships. Affiliators avoid isolations since interaction with others is very important for them.

18. Enhancing motivation by goal-setting

18.1 Management by Objectives (MbO)

MbO = the practise of manager and subordinate jointly determining time-specific objectives (a motivation tool applied within a leadership system)

The function of MbO is to individualize the management process and motivate employees while directing the collective effort to achieve organizational targets.

MbO is a general management philosophy, applied both to performance and evaluation. There is no one best way to manage by objectives. It must be adapted to the needs of the organisation. It reflects the positive and proactive, rather than reactive method of managing.

It is supposed to **provide** a cross-reference of the purposes pursued by managers at different organisational levels and to coordinate objectives from top to bottom. The intent of MbO is:

1. to **strengthen planning**
2. to encourage participative decision-making
3. to motivate performance of tasks that have a high payoff for the organisation
4. to transfer responsibility to the employee

The MbO process serves to make clear what each individual is responsible for achieving. The communication must be effectively across the organization, managers must be the communicators. MbO must provide goals and rewards so that the employee can choose behaviour based on needs and expectations.

4 steps are typically employed by the manager and the subordinate:

1. agreement on key goals or objectives
2. action planning to work on the objectives
3. self-control and corrective actions to keep on target
4. periodic measurements, formal review, and performance appraisals

18.2 Goals

Goal = the desired outcome of an action, which becomes motivational when a person wants it and strives to achieve it.

The use of goals to motivate performance draws on two primary attributes: the content of the goal and the level of intensity in working toward it. **Content**: features of the goal, how it is to be measured or assessed, and its level of specificity. **Intensity**: process which a goal is set – extent of participation and the degree of commitment and intention to bring it about

To activate energetic, task-focused behaviour a goal must be clear, specific and challenging. The employee must accept the goal and he must be able to participate in the goal setting process. After a while, the employee must get valued feedback on performance. Managers which involve their staff are much more likely to succeed and achieve the goals set.

The way goals are set enhances the motivation of the employees. **Difficult goals stimulate effort** and commitment, but they must include the level of difficulty and they must define the degree of participation.

Intentions combine goals and action plans. The management's actions are deliberate choices to direct behaviours combined with intense, persistent goal attainment efforts.

SMART-Goals are effective goals:

Specific: clearly defined, narrowly focused

Measurable: quantifiable

Agreed: set by manager and employee

Realistic: challenging but achievable

Time-bound: clear dates for completion and monitoring process

Four steps to writing effective goals:

1. Begin with an action verb
2. Identify relevant key result area that is the performance target
3. State a performance indicator or measurement standard
4. Provide a time frame by or during which the key result will be produced

Unit 5: Leadership

19. Distinguish between managers and leaders

19.1 Introduction and Definitions

Managers diagnose and influence systems and are responsible for controlling activities to keep the flow of work running smoothly.

Authority is the right to make decisions and commit organisational resources based on one's position within the organisational hierarchy.

Accountability means the manager is answerable for the setting of appropriate goals, the efficient allocation of resources, and task accomplishment within the unit.

Leadership is the process of providing direction, energising others, and obtaining their voluntary commitment to the leader's vision. Leadership is not (always) transformational. It is the individual, socially accepted influence on others to create a behaviour or behavioural change in order to achieve a goal or outcome.

Process is the use of non-coercive influence to direct and energize others to behaviourally commit to the leader's goals. **Characteristic behaviours** is the creation of vision and goals and the motivating of others to obtain voluntary commitment.

A **leader** creates a vision and goals and influences others to share that vision and work toward the goals. Informal leaders do not have the advantage of formal authority; their spheres of influence are unrelated to organisational position.

Managers can be leaders, but leaders do not have to be managers. Good leaders can also be good managers, but they must not be good managers. Managers should do things right and leaders do the right things. The difference between managers and leaders may be summarized as activities of vision and judgment – effectiveness (leading) vs. activities of mastering routines-efficiency (managing). The managers have the authority to be in charge and the leaders influence others to follow. All organisations need both managers and leaders.

Kotter's Distinction between Managers and Leaders:

Leaders have to cope with **changes** and **managers** must cope with **complexity**. (see exhibit 14-1, p. 570).

19.2 Trait approach

Traits are characteristics of people. Just certain characteristics, which make people leaders.

Drive and self-confidence are not sufficient to predict leadership success. They are only enablers from which leaders must initiate actions such as clarifying a vision, setting goals and role modelling.

Leaders need to have the "right stuff" and this stuff is not equally present in all people. Personal characteristics are important; however, they are merely a precondition for leadership. The leader's behaviour and cognitive skills are also important.

Characteristics which distinguish leaders:

- Drive: need for achievement through challenging assignments, desire to get ahead, high energy to work long hours with enthusiasm, initiative to make choices and take action that leads to changes
- Leadership motivation: exemplifies a strong desire to lead, willingness to accept responsibility, desire to influence others
- Honesty and integrity: truthfulness and consistency between word and deed, is predictable, follows ethical principles, makes competent decisions
- Self-confidence: gains trust of others, assertive and decisive, maintaining emotional stability
- Cognitive ability: keen mind and thinks strategically, exercises good judgement, how you think, fast decision, fast thinking, level of connected thinking

- Knowledge of the business: business smart beyond formal education, knows culture and behaviour

Behaviour can be trained, but if you know this yourself, you might be able to learn it and change your behaviour.

20. How leaders and managers adjust to situational contingencies

20.1 Contingency Theory

People evaluate leaders based on their behaviour. There must be differentiated between behaviours that focus on task production and focus on building positive employee relationships.

Task-orientated behaviour focuses on careful supervision of group members to obtain consistent work methods and accomplishment of the job. **Employee-orientated behaviour** aims at satisfying the social and emotional needs of group members.

4 different leader decision styles exist:

- **Autocratic:** characterised by unilaterally taking charge and giving assignments to others
- **Democratic:** easygoing, using suggestions and encouragement to reach a group consensus
- **Laissez-faire:** the leader is passive and noncommittal which allows others to make their own decisions independently
- **Participate:** emphasises consulting with those who are involved to gather data and opinions before making a decision

(Influence through leadership style: see also slides, p. 5, unit 5)

How the leader views him or herself in the role of a leader is also important. Leadership states of mind refer to the leader's cognitions (motives, attitudes, goals and sources of satisfaction that exist in the mind) that guide interactions with group members.

20.2 Blake & Mouton's Leadership Grid

The Leadership Grid is a matrix that identifies five leadership styles by interpreting leader's concern for production and concern for people. A leader's style is diagnosed by a battery of questions that assigns point values ranging from 1 to 9 on the independent production and people attitudes. See also exhibit 14-5, p. 577 or slides unit 5, p. 5 for the following five dominant styles:

- Authority-compliance style: task-focused leaders have great concern for output and presume that people obediently accept the influence of authority figures.
- Country Club Management style: this style manifests the belief that if people's needs are thoughtfully attended to, they will feel comfortable and friendly with co-workers and as a result will cooperate
- Impoverishment style: seeks simply to get by with minimal effort
- Middle-of-the-road management style: characterised by compromise and a desire to do things right by keeping divergent interests in balance
- Team management style

The team management style is not always the most useful management style, because group members and task all impact on styles of leadership. The classifying of managerial styles does not tell us about the reasons of the failure of a manager.

The contingency theory emphasises that a leader's effectiveness is not independent from situational factors that influence the tasks to be undertaken. Leadership occurs within a task context that can vary in degree of specificity and complexity. There exists a four factor model of leadership contingencies. The four factors interact to shape the leader-follower relationship. Two contingency factors relate to the leader personally (cognitive style and actual observable behaviour). The remaining factors include work-related elements of the situation and the behaviour of followers. (see exhibit 14-6, p. 578 or unit 5, slides p.6)

- **Leader's cognitive style:** Leaders differ in how they want to be perceived as leaders and what they seek to get out of being a leader. (motives, knowledge/beliefs, personality, perceptions, thoughts, attitudes)
- **Leader's observable behaviour:** In contrast to a leader's style, leader's observable behaviour is directly observable (the name gives it already away). It is the public face of leadership and is directly interpreted by those with whom the leader interacts (Task structuring, showing consideration, decision-making, using power)
- **Work-related situational variables:** An effective leader's behaviour depends on situational realities. The nature of a job to be done (tasks/strategies, technology/time, organisation/policies, people (followers)) set the stage for determining which leadership methods will be effective.
- **Behaviour of followers:** People who are targets of influence become critical forces in determining how to lead. They also affect the reciprocal influence others have over the leader.

20.3 Hershey & Blanchard's Situational Leadership Theory (SLT)

SLT = the model of leadership effectiveness based on combinations of the leader's task and relationship behaviours as moderated by the job maturity of followers.

This model of leadership effectiveness is based on the combination of the leader's task and relationship behaviours as moderated by the job maturity of followers. **Task behaviours** include things like organising and defining roles, explaining necessary things, establish channels of communication, and methods of getting jobs accomplished. **Relationship behaviours** include maintaining personal relationships with followers by opening channels of communication, providing socio-emotional support and facilitating behaviours. See also exhibit 14-8, p. 584, or unit 5 slides, p. 6)

Leadership behaviours should be adjusted over time to develop subordinate competencies as well as to guide and control current performance.

- **Telling:** socialisation of subordinates by emphasising responsibilities and training of how the tasks should be performed (high relationship)
- **Selling:** As soon as the subordinates demonstrate, that they can handle basic tasks, the leader shifts to providing reassurance and praise and making each worker feels valued
- **Participating:** Subordinates reaches a high level of competence, the leader grants greater autonomy
- **Delegating:** Completely delegate work to subordinates. It is difficult for a leader to do this in an effective way

Sum up: the leader should assess follower needs and adapt his style to those (job maturity). SLT matches leader behaviours to follower readiness (job maturity). Leaders are unlikely to find a full range of job maturities among employees within a single job category or work group. Different levels of maturity are most directly associated with various classes of jobs, among the ranks of unskilled, semiskilled, craft or professional.

20.4 Path-Goal Model of Leadership

Path-goal theory = the perspective that a leader should clarify goals, show acceptable paths for attaining goals, make the path easier to travel, and reward satisfactory performance

The major concern of this model is how a leader can increase employees' motivation to attain organisational goals. The outcome or effectiveness of the leader's behaviour depends on the interactions between situational variables and variations among followers.

The path-goal approach indicates that leaders engage in instrumental and supportive behaviours that combine into four leadership styles:

- **Directive leadership:** (highly task orientated), followers know what is expected of them, attention to work procedures
- **Supportive leadership:** concern for the needs and goals of others, strive to make workplace pleasant and equitable.
- **Achievement-orientated leadership:** establishes challenging goals, seeks performance improvement, displays confidence so that people will exert high levels of effort

- **Participative leadership:** Consulting with soliciting the ideas of others in decision-making and action taking

The path-goal approach suggests two contingencies that determine which leadership style will be most effective for motivating subordinates in different situations (situational leadership).

1. Readiness level of subordinates:
 - abilities and skills,
 - internal-external orientation (needs and motivation)
 - authoritarianism
2. Environmental conditions (work-setting attributes)
 - Task structure – degree
 - Nature of formal authority system – degree of legitimate power of the leader and the extent of policies and rules
 - Work-group characteristics – quality of interpersonal relationships among group members

If the leader's path-goal behaviour is effective, it will produce greater employee effort/satisfaction by clarifying how subordinates can receive rewards or changing rewards to fit their needs. Also the leaders will be more likely accepted and the people will be motivated and behave differently (better performance, expect effective performance leads to reward, satisfaction with work environment).

The major contribution of the path-goal model is that it provides a method of viewing leadership in terms of rewards and punishments administered by the leader. It helps to explain why a particular style works best because of the rewards available in the environment and the leader's ability to administer such rewards or punishments. **Desired outcomes can be obtained if the leader correctly matches style with the situation.** (see also exhibit 14-9, p. 585)

21. Transactional vs. Transformational leadership

21.1 Transactional leadership

Transactional (problem-solvers and implementers) leaders get things done through people. They are implementing-type leaders who apply task and relationship behaviours to influence people to do what they want them to do in order to achieve organisational goals. However it takes more than this to lead an entire organisation through major changes. Therefore **transformational (pathfinders)** leaders are needed. They tend to be more visionary and concerned about charting a mission and direction. Are more concerned where the organisation ought to try to go. To conclude **organisations need both** types of leaders.

- Transactional leaders promote stability
- Transformational leaders create significant change in both followers and organisations.

22. How leaders transform organisations

22.1 Transformational leaders

Transformational leader = a leader who energises others with visions and strategies of how to refocus and revitalise the larger organisation so that change meets people's enduring needs.

Transformational leadership is needed to be able to influence the entire organisation or one of its major units. Transformational leaders are excellent change managers. They can influence the whole organisation so that everybody follows the path they envision without necessity for interpersonal interaction.

Transformational leaders

- Broaden and elevate the interests of the employees
- Generate awareness and acceptance of the purpose and mission of the group
- Encourage employees to look beyond their own self-interest for the good of the group

They draw on at least 3 behavioural strategies in transforming organisations:

1. **Creation of a vision:** articulate and champion a vision of desired challenging, meaningful and credible future state
2. **Mobilise commitment:** acceptance of the new vision by others.
3. **Institutionalise change:** enables others to act on the vision and conveys the confidence to meet challenges.

Many men and women in high positions fail to exercise needed transformational leadership. They get entrapped in managing daily routines and never lead the reform toward total quality through continuous improvement. Transformational leadership skills can be developed by learning the best practices of others and from personal mistakes or setbacks.

22.2 How leaders get extraordinary things done

1. **Challenge the process:** willing to take risks to change the status quo and to make mistakes to push innovation
2. **Inspire a shared vision:** have a dream – purpose, mission, goal or agenda.
3. **Enable others to act:** focus on “we”, build teams and empower others
4. **Model the way:** Clear about their business beliefs and behave consistently with those beliefs. “Walk the talk”.
5. **Encourage the heart:** use celebrations to offer dramatic encouragement and rewards. Show winning is possible and exciting. Love customers, products, people and work

22.3 Emotional Intelligence and Leadership style

What style to use when in order to be an effective leader? There exist six leadership styles, each springing from different components of emotional intelligence which have direct and unique impacts on team and organisational performance. The top leaders do not rely on only one style. They use most of them every week depending on the situations they encountered.

1. **Coercive leaders:** demand immediate compliance which is necessary in a crisis or to deal with problem employees.
2. **Authoritative leaders:** mobilise people toward a vision (in change situation or clear direction is needed)
3. **Affiliative leaders:** skilled at creating emotional bonds and harmony. Helpful in stressful circumstances or situations of conflicts
4. **Democratic leaders:** build consensus through participation. Best way to get input and participation from valuable employees.
5. **Pacesetter leaders:** set high standards for performance and expect self-direction.
6. **Coaching leaders:** improve performance and develop long-term strengths of employees

22.4 Substitutes for Leadership

Leadership interventions are needed less, if at all, when the following conditions are found within a group:

- **Individual job expertise:** highly mature individuals know how to work without dependence on a leader except when receiving new assignments or new goals.
- **Intrinsic task satisfaction:** people who obtain high personal satisfaction from working do not need a supervisor's influence to keep them productive.
- **Formalised rules and procedures:** tightly structured tasks with specific understood procedures reduce worker dependency on supervisors.

22.5 Leadership tools to influence behaviour

- Feedback
- Performance Evaluation
- MbO
- Leadership Principles
- Development and training
- Rewards/Incentives
- Symbolic Acts

Unit 6

23. Building groups into teams

Group = two or more people who meet regularly and influence one another over a period of time, share common values and strive for common objectives

23.1 Groups and their functions

While working in groups two main aspects must be kept in mind:

- **Task:** the rational approach of a team (reach decision, needs problem-solving and project management skills)
- **Interpersonal:** the way people treat each other (requires leadership communications, organizational behaviour skills)

There exist formal and informal groups.

23.1.1 Formal Groups

Are established by management and charged to perform specific tasks and accomplish organisational objectives.

- **Standing/Command Task Groups:** permanently specified in the formal organisational structure and consists of a supervisor who exercises formal authority over direct subordinates. (Departments like Accounting, Marketing, HR and IT are such standing groups).
- **Project Groups:** group formed for a project, limited duration, usually specialists are assigned to these groups
- **Task Force Groups:** temporary formal group created to solve a specific problem. (e.g. Product Development Team, political candidates campaign advisers)
- **Self Directed Work Groups:** permanent, high level of responsibility delegated to members, autonomous (self-directed), plans and manages its own work without formal supervisor.
- **Quality Circles/Change Process Groups:** voluntary, multidisciplinary team focusing on a specific issue (Change, Safety, Quality)

23.1.2 Informal Groups

An informal group emerges through the efforts of individuals trying to satisfy personal needs for support, friendship, growth and recreation. Membership is based on common interests and mutual attraction.

- **Interest Groups:** individuals affiliate to achieve an objective of mutual interest that may have nothing to do with their formal task group memberships.
- **Friendship Groups:** based on common characteristics such as marital status, political views, college affiliations and sports. Satisfy affiliation needs of their members.
- **Social Group:** a bit more formal than the friendship group.
- **Reference Group:** a group with which an individual identifies for forming opinions, making decisions, or determining how to act. Bases for many friendship and interest groups. May exist outside the organisation and still influence a person's behaviour at work.

23.2 Group vs. individual problem solving

Although groups often take more time than individuals to make decisions, well-managed ones are usually **more creative**, produce **better-quality** decisions, generate more **acceptance of decisions** and have **more commitment** to effective implementation.

23.3 Threats to Group Effectiveness

Groupthink = a state in groups where the pressures for conformity are so great that they dominate members' abilities to realistically appraise alternative decision options.

Groupthink occurs in highly cohesive groups that desire to agree.

Social Loafing = the tendency of individuals to exert less effort when working in a group than when working individually.

One reason for social loafing is the possibility that if it can be perceived that other group members are not contributing their fair share, the own inputs to re-establish a perceived equity of effort. Social loafing does not occur when group members expect their outputs to be measured.

Individualism = Being motivated by personal gain or self-interest and not by group goals

Especially in individualistic cultures the performance of a group is worse than in a collectivistic culture (like Japan).

23.4 Functional Group Roles

A role is an expected set of recurring behaviours that is expected from a member by others in the group. Some group roles are functional in that they help the group achieve its goals. Other roles interfere with group effectiveness.

That a group can exist and accomplish its objectives, it needs two roles:

- **Task roles** = which directly help accomplish group goals
- **Maintenance roles** = help establish and maintain good relationships among group members

23.4.1 Norms

Norms are expectations about appropriate individual and group behaviour commonly agreed on by members. Norms are developed to reinforce functional role behaviours and prevent dysfunctional personal behaviours. Actions how group members can build positive norms:

- Act as a positive role model
- Carefully recruit and select new members
- Train new members in desired behaviours
- Control results via performance reviews and feedback
- Reinforce desired behaviour via rewards
- Regularly discuss accomplishments
- Seek group consensus on desired norms

23.4.2 Cohesiveness

It is the degree of attractiveness of a group to its members and the closeness of the interpersonal bonds between group members.

Successful performance of both task and maintenance roles contributes directly to positive feelings about membership in a group. A group is cohesive when members like one another and the group itself.

Group cohesiveness and performance norms impact on productivity.

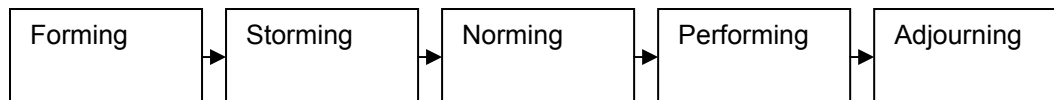
		Cohesiveness	
		Strong	Weak
Compatibility of Norms with Organizational goals	Strong	High productivity	Moderate productivity
	Weak	Low productivity	Moderate to low productivity

23.5 How groups develop

Groups have life cycles similar to people. A group's effectiveness is influenced by its stage of development and how well its members have learned to work together.

23.5.1 The five-stage model of group development

Most groups progress in sequence through the five stages of forming, storming, norming, performing and adjourning. Different groups will remain at various stages of development for different lengths of time, and some may remain at a given stage permanently, either by design or because the group is stalled.



Forming

Newly formed group, uncertainties about the group's purpose, structure and leadership exist. Members are concerned about exploring friendship and task potentials. They do not have a strategy for addressing the group's task. As awareness increases, this stage of group development is completed when members accept themselves as a group and commit to group goals.

Storming

This phase involves intragroup conflicts about the clarification of roles and behavioural expectations. Disagreement is inevitable. One objective at this stage is to resolve the conflicts about power and structure. A sense of acceptance must be reached to be able to progress to the next stage.

Norming

Cooperation is the theme which involves the objectives of promoting open communication and increasing cohesion as members establish a common set of behavioural expectations. Members agree on a structure that divides work tasks, provides leadership and allocates other roles. Desired outcomes are increased member involvement and mutual support as group harmony emerges.

Performing

Group members are no longer in conflict about acceptance and how to relate to each other. Now members work interdependently to solve problems and are committed to the group's mission. Productivity is at its peak. Desired outcomes are achievement and pride, and major concerns include preventing loss of enthusiasm and sustaining momentum (Eigendynamik).

Adjourning

The separation phase occurs when temporary groups disband after they have accomplished their goals.

23.5.2 How can a high performance group be built?

A high performance group can be built through:

- The establishment of a common purpose
- The assessment of strengths and weaknesses of the group
- The development of specific individual goals (MbO)
- The agreement on common approaches
- The accountability for both individual and team performance
- The building and maintaining of mutual trust ("Humpty Dumpty" story: if you lose trust, you won't be able to gain trust again within the company)
- Get appropriate mix of member skills and personalities
- Provide training and resources
- Create opportunities for small achievements
- Build a regenerative interaction climate
- Practice damage control