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BU288 Lecture Notes

Fall 2021

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## Chapter 9 - Leadership

### What is Leadership?

- The influence that particular individuals exert to direct the activities of followers towards goal achievement
- The process whereby an individual influences a group of individuals to achieve a common goal
- The process of influencing others to understand and agree about what needs to be done and how to do it, and the process of facilitating individual and collective efforts to accomplish shared objectives

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

- Provide an organization with a sustainable competitive advantage by helping their organizations compete in unpredictable environments and by manipulating growth opportunities.
- **Shared leadership:** an emergent and dynamic team phenomenon whereby leadership roles and influence are distributed among team members.
- **Informal leaders** do not have formal authority, they must rely on being well liked or being perceived as highly skilled to exert influence.
- **Formal Leadership:** positions that people have been assigned to (e.g. managers)

### Components in Leadership

- **Influence:** using power to affect others
  - Everyone can have leadership, not just people in authority
- **Process:** two-way, interactive process
  - Leaders are influenced by followers
  - Leading ways depend on who you are leading
- **Group:** operating in a group of people
- **Common goal achievement:** directing a group of people toward the achievement of something together.
  - Influence needs to be exerted to a group

### Does Management = Leadership?

- Coping with complexity vs. change
  - Management tends to be in the coping position
  - Leadership moves away from coping and moves onto change.
- Regulatory vs. inspirational role
  - Managers set the boundaries and all the functions follow the rules and regulations
  - Leaders are there to inspire and see the vision, look beyond the present.
- Setting objectives vs. visions
  - Managers set objectives (e.g. by the end of this year, we would have sold...) pretty quantitative
  - Leaders are there to give people a vision (e.g. by the end of this year, we will be globally known as the best company to manufacture cars)

## Trait Theories

- Leadership depends on the personal qualities, social traits, and physical characteristics of the leader.
- Leaders are born - **“Great Man” Theory**
- Effective leaders possess a common set of personal characteristics that enable them to influence others
  - Psychological characteristics
    - Conscientiousness, dominance, openness to experience, self-concept, integrity, achievement motivation
  - Abilities and skills
    - Cognitive ability, emotional intelligence
  - Physical traits
    - Height
  - Demographics
    - Age, gender
  - All five of the Big Five dimensions of personality
    - prominently extraversion and conscientiousness

### Research on Leadership Traits

- **Trait:** individual characteristics such as physical attributes, intellectual ability and personality.
- **Assumption:** all groups and situations require the same leadership
- Leaders are genetically endowed with the “right stuff”

Related between traits and leadership effectiveness is stronger for affective and relational measures of effectiveness (e.g. satisfaction with the leader) than for performance-related measures.

### Limitations of the Trait Approach / Critiques

- Difficult to determine whether traits make the leader or whether the opportunity for leadership produces the traits.
- Trait approach leads us to believe that a person is more likely to become a leader because they possess certain traits, leading to bias and discrimination when evaluating a leader's effectiveness.
- **Leadership Categorization Theory:** people are more likely to view somebody as a leader and to evaluate them as a more effective leader when they possess prototypical characteristics of leadership
- Does not tell us what leaders do to influence others successfully
- Does not take into account the situation in which leadership occurs
- Traits alone are not sufficient for successful leadership

### Gender and Leadership (Barriers for Women)

- Gender bias: masculinity = leadership
- Lack of networking and powerful mentors
- Difficulty balancing work/life and gendered career paths
- Values attached to different types of work
- Lack of role models for women
- Lack of negotiation/self-promotion
- Cultures that “don't take risks with women”

## Behavioral Theory/Approach

- “What one does” makes one leader
  - o Effective leaders exhibit the same types of behaviors that motivate others toward a common goal
- Emphasizes the behavior of the leader

### Task Behaviors / Initiating Structure / Production Orientation / Concern for Production

- The degree to which a leader concentrates on group goal attainment.
  - o Clearly defines and organized their role and the roles of followers, stresses standard procedures, schedules the work to be done and assigns employees to particular tasks
- Facilitate goal accomplishment
- Help group members achieve objectives
- Increase follower performance

### Relationship Behaviors / Consideration / Employee Orientation / Concern for People

- The extent to which a leader is approachable and shows personal concern and respect for employees
- Help followers feel comfortable with themselves, each other, and the situation
- Nurture followers: build camaraderie, respect, trust, and liking between leaders and followers
- Increase follower satisfaction

## Behavioural Theories and Gender

- Women fall back on a democratic leadership style
  - o Encourage participation
  - o Share power and information
  - o Attempt to enhance followers’ self-growth
  - o Prefer to lead through inclusion
- Men fall back on a directive command-and-control style
  - o Rely on formal authority
  - o Give direct command and feedback

### *The Consequences of Consideration and Initiating Structure*

- Both contribute positively to employees’ motivation, job satisfaction and leader effectiveness.
- **Consideration** tends to be more strongly related to follower satisfaction (leader satisfaction and job satisfaction), motivation and leader effectiveness.
- **Initiating Structure** is slightly more related to leader job performance and group performance.
- Effects of consideration and initiating structure often depend on task characteristics, employees, and the setting of the work.

### Leader Reward and Punishment Behaviour

- **Leader Reward Behaviour:** the leader’s use of compliments, tangible benefits and deserved special treatment.
  - o When rewards are contingent on performance, employees perform at a high level and experience job satisfaction.
- **Leader Punishment Behaviour:** the leader’s use of unfavourable task assignments and the active withholding of rewards.
- **Contingent** leader reward behaviour is positively related to employees’ perceptions, attitudes, and behaviour.
- **Contingent** leader punishment is related to more favourable employee perceptions, attitudes, and behaviour.

- **Non-contingent** punishment behaviour is related to unfavourable outcomes.

**Fallback:** Behavioural theories did not specify the situations in which the behaviors occur or in which the behaviour is effective/ineffective.

## Situational Theories/Contingency Perspective

### Fiedler's Contingency Theory

- **Contingency Theory:** no one best way to lead, effective leadership depends on the setting in which influence attempts occur
  - Preferred leadership style
  - Characteristics of subordinates
  - Characteristics of situation
- Leadership orientation is measured by having leaders describe their **least preferred co-worker (LPC)**
- A leader's LPC score identifies whether the leader's natural tendency is to be task-oriented (low LPC score) or relationship-oriented (high LPC score)
  - A current or past co-worker with whom a leader has had a difficult time accomplishing a task.
  - If the LPC is described favourably (high LPC score), they can be considered relationship oriented - even though the LPC was difficult to work with, the leader can still find positive qualities in them.
  - Leader who describes LPC unfavourable can be considered task oriented - allows the low task competence of the LPC to bias the personal qualities of the LPC "not good at the job, not a good person"
- High LPC leaders are motivated to maintain interpersonal relations
- Low LPC leaders are motivated to accomplish the task.
- Situational favourableness is the contingency part of the contingency theory.
- Specifies when a particular LPC orientation should contribute most to group effectiveness.
- Situation is considered to be most favourable when the relationship between leader and the group members is good (leader-member relations), the task at hand is highly structured and the leader is granted formal authority (position power).

Predictions of leader effectiveness from Fiedler's contingency theory of leadership

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

- Task orientation is most favourable when the leadership situation is very favourable (I,II,III) or when it is very unfavourable (VIII)
- When the situation is very unfavourable for leadership, task orientation is necessary to get anything accomplished.

### *Research Evidence*

- Inconsistent finds regarding contingency theory is the small sample sizes that researchers use in many of the studies.
- Fiedler's prescription for task leadership in octant II (good relations, structured task, weak position power) seems **contradicted by the evidence**, suggesting that his theory needs some refinement.

## **House's Path-Goal Theory**

- **Path-goal theory**: concerned with the situations under which various leader behaviours are most effective.
- **Obstacles**: anything in the work setting that gets in the way of followers. They create excessive uncertainties, frustrations, or threats for followers
- **Leader's responsibility is to help followers by**
  - Removing the obstacles
  - Helping followers around them
  - That is...clear the path to the goal
- **Assisting removing obstacles will increase**
  - Followers' expectation to complete the task
  - Followers' sense of job satisfaction
- The most important activities of leaders are those that clarify the paths to various goals of interest to employees.
  - E.g. a promotion, sense of accomplishment.
  - The opportunity to achieve such goals should promote job satisfaction, leader acceptance and high effort.
- The effective leader forms a connection between employee goals and organizational goals.
- To provide job satisfaction and leader acceptance, leader behaviour must be perceived as immediately satisfying or as leading to future satisfaction.
  - Must make rewards dependent on performance.

### Follower characteristics

- **Need for affiliation**
  - Need to feel a sense of involvement and belonging with others
  - Satisfaction derives from being liked and accepted by others
  - Enjoy working with people who are friendly and cooperative
  - Preferred leadership - leaders who are friendly and show concerns
    - **Supportive leadership**
- **Preference for structure**
  - Dogmatic & authoritarian
  - Uncertainty aversive
  - Enjoy working on structures and unambiguous tasks
  - Preferred leadership - leaders who provide structure, task clarity, and certainty

- Directive leadership
- Desire for control - internal locus
  - Control one's own destiny
  - Enjoy taking responsibility for their behaviour and performance
  - Preferred leadership - leaders who allow followers to feel they are in charge of their work & make them an integral part of the decision-making process
- Participative leadership
- Desire for control - external locus
  - Outside forces or fate determine destiny
  - Attribute outcomes to luck or external factors
  - Preferred leadership - leaders who make followers feel that they don't need to be the only person who is responsible for their work
- Directive leadership
- Perception of their own ability
  - Capability and competence of completing a task
  - Preferred leadership
    - As perception of ability and competence goes up, need for highly directive leadership goes down
    - Directive leadership may become redundant, possibly excessively controlling

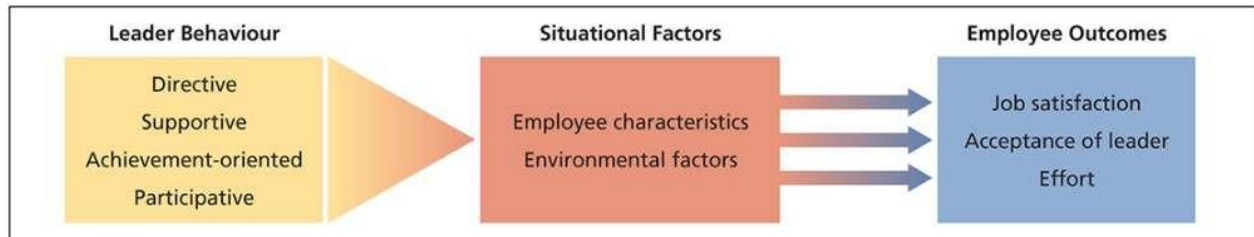
#### Task characteristics

- Unclear & ambiguous
  - Leader needs to provide structure
  - Directive leadership
- Weak formal authority
  - leader needs to assist subordinates by making rules and work requirements clear
  - Directive leadership
- Highly repetitive
  - Leader needs to provide support to maintain subordinate motivation
  - Supportive leadership
- Non-supportive group norms
  - leader needs to help build cohesiveness and role responsibility
  - Supportive leadership

Situation	Appropriate Leadership Style
<ul style="list-style-type: none"> <li>• When there is high role ambiguity</li> <li>• When followers have low abilities</li> <li>• When followers have external locus of control</li> </ul>	<b>Directive</b>
<ul style="list-style-type: none"> <li>• When tasks are boring and repetitive</li> <li>• When tasks are stressful</li> </ul>	<b>Supportive</b>
<ul style="list-style-type: none"> <li>• When followers have high abilities</li> <li>• When the decision is relevant to followers</li> <li>• When followers have high internal locus of control</li> </ul>	<b>Participative</b>
<ul style="list-style-type: none"> <li>• When followers have high abilities</li> <li>• When followers have high achievement motivation</li> </ul>	<b>Achievement-oriented</b>

### *Leader Behaviour*

- **Directive behaviour:** schedule work, maintain performance standards and let employees know what is expected of them. (Initiating structure)
- **Supportive behaviour:** friendly, approachable, concerned with pleasant interpersonal relationships. (consideration)
- **Participative behaviour:** consult with employees about work-related matters and consider their opinions.
- **Achievement-oriented behaviour:** encourage employees to exert high effort and strive for a high level of goal accomplishment.



### *Situational Factors*

- Employees who are high need achievers → achievement-oriented leadership
- Employees who prefer being told what to do → directive leadership style
- Employees feel that they have rather low task abilities, they should appreciate directive leadership and coaching behaviour.

Effectiveness of leadership behaviour depends on work environment:

- When tasks are clear and routine, employees would perceive directive leadership as redundant. This reduces satisfaction and acceptance of the leader. Participative leadership would not seem to be useful when tasks are clear, since there is little in which to participate.

### *Research evidence*

- The theory appears to work better in predicting employees' job satisfaction and acceptance of the leader than in predicting job performance.

Strength: generally supported by research; considers employees, situation, and leader

Weaknesses: can leaders actually adjust behaviour to various situations?

Are some individuals better at this than others?

What happens if you can't adjust



## Participative Leadership

- **Participative Leadership:** involving employees in making work-related decisions.
  - Minimal: participation involves obtaining employee opinions before making a decision.
  - Maximal: allows employees to make their own decisions.
- As the “area of freedom” on the part of employees increases, the leader is behaving in a **more participative manner**.

### Potential Advantages of Participative Leadership

#### *Motivation*

- Participation can increase **intrinsic motivation** by enriching employees’ jobs.
- Adds some variety to the job and promotes **autonomy** by increasing the area of freedom.

#### *Quality*

- Participation leads to higher-quality decisions than the leader could make alone.
- Most likely when employees have special knowledge to contribute to the decision.
  - Many research and engineering departments, it is common for the professional employees to have better technical knowledge.
- Empowerment gives employees the authority, opportunity, and **motivation to take initiative** and solve problems.

#### *Acceptance*

- Even when participation does not promote motivation or increase quality, it can increase the employees’ acceptance of decisions.
- Involving employees in decision making could result in situations of equal quality that do not provoke dissatisfaction.

### Potential Problems of Participative Leadership

#### *Time and Energy*

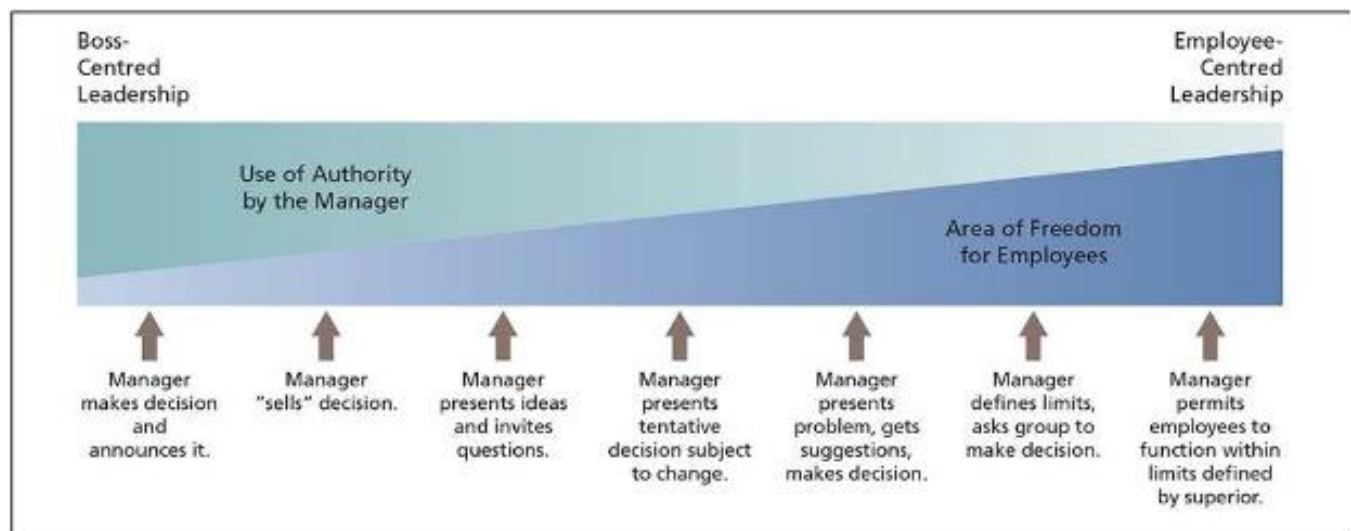
- When a quick decision is needed, participation is not an appropriate leadership strategy,

#### *Loss of Power*

- Some leaders will feel that their power is reduced.

#### *Lack of Receptivity or Knowledge*

- Employees might not be receptive to participation.
- When leader is distrusted or a poor labour climate exists, they might think that they are “having to do management’s work”
- Employees also might lack the knowledge to contribute effectively to decisions.



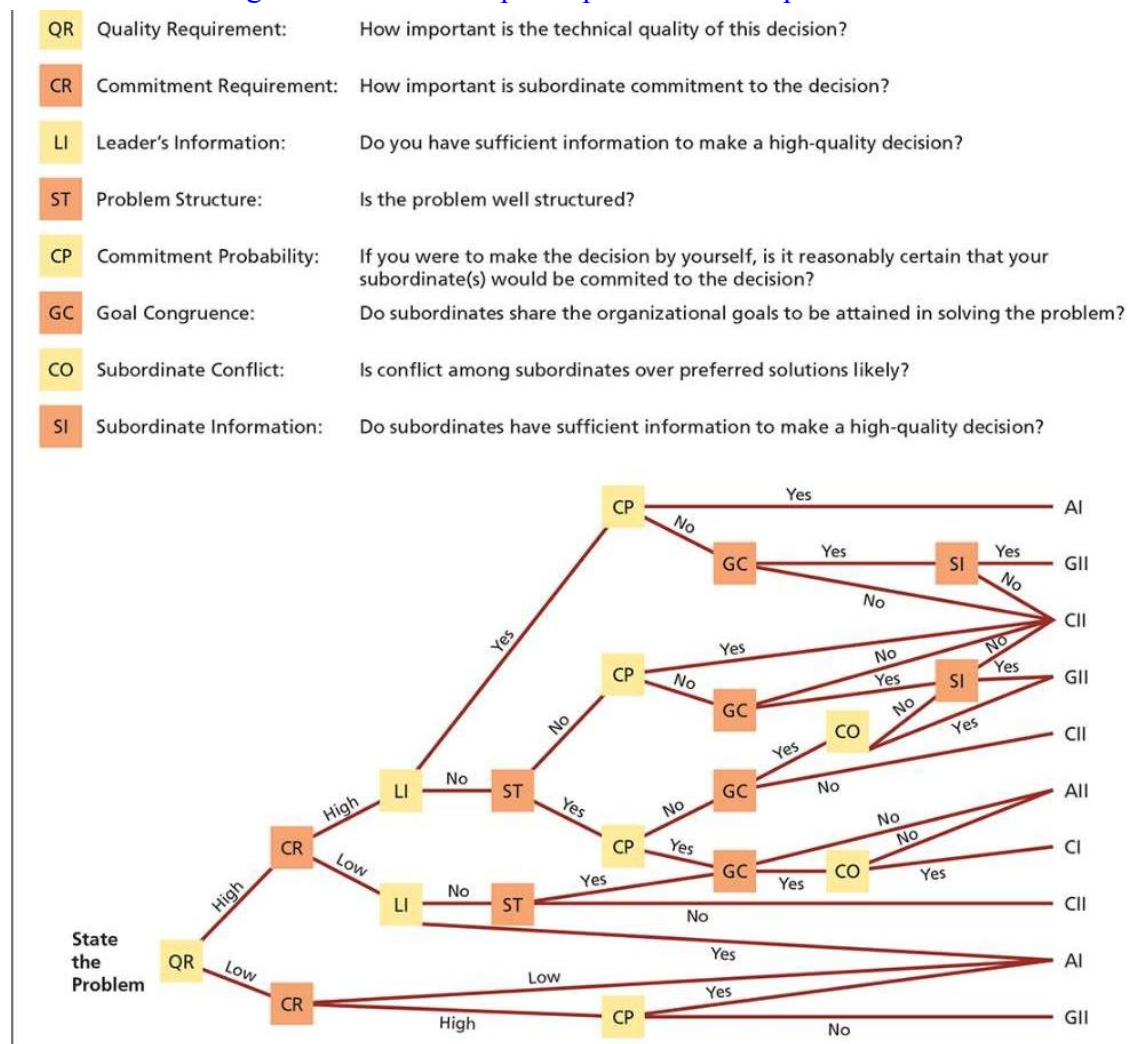
### Vroom and Jago's Situational Model of Participation

- Developed a model that attempts to specify in a practical manner when leaders should use participation and to what extent.
- Following range of behaviours (A - autocratic, C - consultative, G - group, I - individual, II - group is involved):
  - AI. You solve the problem or make the decision yourself.
  - AII. Obtain the necessary information from your employees then decide the situation to the problem yourself.
  - CI. Share the problem with the relevant employees individually, getting their suggestions. You make the final decision.
  - CII. Share the problem with your employees as a group, obtaining their collective ideas and suggestions. You make the decision.
  - GII. Share the problem as a group. Together generate and evaluate alternatives and attempt to reach consensus for the solution. You act like a chairperson, not influencing the group.

## Research Evidence

- The model's prescriptions are more likely to lead to successful managerial decisions than unsuccessful decisions.
- Substantial evidence that employees who have the opportunity to participate in work-related decisions report **more job satisfaction and higher task performance** and organizational citizenship behaviour toward the organization than those who do not.

## The Vroom and Jago decision tree for participative leadership



## Leader-Member Exchange (LMX) Theory

- **Leader-Member Exchange:** a theory of leadership that focuses on the quality of the relationship that develops between a leader and an employee.
- Over time and through the course of their interactions, different types of relationships develop between leaders and employees.
  - Each relationship that a leader develops will be different and unique, and these relationships will differ in terms of the quality of the relationship.
  - Effective leadership processes result when leaders and employees develop and maintain high-quality social exchange relationships.
  - **LMX Differentiation:** the variability in the quality of LMX relationships between members of the same workgroup.
  - The basis for the effects of LMX on employees is **Social Exchange Theory** and the norm of reciprocity, which posits that individuals who are treated favourably by others feel obliged to reciprocate by responding positively and returning that favourable treatment in some manner.
  - High LMX leaders provide employees with challenging tasks and opportunities, greater latitude and discretion, task-related resources, and recognition.
  - Low LMX is characterized by low levels of trust, respect, obligation, and mutual support.

### Research Evidence

- Employees with higher quality LMX have higher self-efficacy, overall satisfaction, satisfaction with supervision, organizational commitment, organizational citizenship behaviour, role clarity, job performance, creativity, career outcomes
  - Lower role conflict, counterproductive performance, and turnover intentions.

## Transactional and Transformational Leadership Theory

- **Transactional Leadership:** leadership that is based on a straightforward exchange relationship between the leader and the followers.
  - Involves contingent reward behaviour and management by exception.
  - The leader clarifies expectations and establishes the rewards for meeting them
  - **Management by exception:** leadership that involves the leader taking corrective action on the basis of the results of leader-follower transactions.
  - Monitor follower behaviour, anticipate problems, and take corrective actions before the behaviour creates serious problems.
- **Transformational Leadership:** leadership that provides followers with a new vision that instills true commitment.
  - Leader changes the beliefs and attitudes of followers to correspond to this new vision and motivates them to achieve performance beyond expectations.
  - Transformational leaders are usually good at the transactional aspects of clarifying paths to goals and rewarding good performance.

### Transformational leaders

- Leaders who provide individualized consideration and intellectual stimulation, who can inspire, and who possess charisma
  - Produce extraordinary changes in followers
  - Transform followers' motivation, need orientation, and attitude and beliefs about the organization
- **Leading**
  - Changing organization to fit environment

- Acting as a change agent
- Wholesale grand change

### Transactional leaders

- Leaders who guide or motivate their followers in the direction of established goals by clarifying the role and task requirement
  - Leadership is based on straightforward exchange relationship between the leader and the follower
  - Transactional leadership is routine
- **Managing**
  - Linking job performance to rewards
  - Ensure employees have necessary resources
  - Exchange process

### Four Dimensions of Transformational Leader Behaviour

#### *Intellectual Stimulation - Cognitive Component*

- *Challenging followers to be innovative and creative*
  - Contributes to the “new vision” aspect of transformational leadership.
  - People are stimulated to think about problems, issues, and strategies in new ways
    - Challenge the status quo
  - Leader challenges assumptions, takes risks and solicits followers’ ideas.

#### *Individualized Consideration - Social & Interpersonal Component*

- *Genuine concern for individualized needs of followers*
  - Involves treating employees as distinct individuals, indicating concern for their needs and personal development.
  - One-on-one attempts to meet the concerns and needs of the individual in the context of the overall goal or mission.

#### *Inspirational Motivation - Motivational Component*

- *Inspiring followers by articulating a compelling vision of future*
  - Involves the communication of visions that are appealing and inspiring to followers.
  - Leaders have a strong vision for the future based on values and ideals.

#### *Idealized Influence/Charisma - Emotional Component*

- *Being the role model of followers. Being purpose driven. “Walk the talk.”*
  - Most important aspect of transformational leadership.
  - Gain affective commitment and trust from followers.

**Charisma:** the ability to command strong loyalty and devotion from followers and thus have the potential for strong influence among them.

- Tend to command strong loyalty and devotion → inspires enthusiastic dedication and effort directed toward the leader’s chosen mission.
- Traits include self-confidence, dominance, and a strong conviction in one’s beliefs.
- Hold high expectations for follower performance while expressing confidence in followers’ capabilities.

### Behaviours likely to be attributed to charisma

- Unconventional behaviour that departs from status quo
- Articulating an idealized vision of a future state with powerful language
- Heroic behaviour, worthy of imitation
- Taking personal risks to success
- Facing adversity

### Followers of charismatic leaders

- Strong loyalty and devotion to the leader's chosen mission
- Dedication to the leader's chosen mission
  - o Thus, if the mission is deviated, there will be problems
- Strong emotional support

### Charisma in Crisis

- Crisis has been an inherent part of charismatic leadership
- A crisis provides charismatic leaders with the opportunity to display charismatic behaviours in creating a solution for the problem
  - o After 9/11, president bush was more charismatic in terms of his use of charismatic language
- Crisis changes follower's needs and attitudes, causing them to attribute charisma to their leader

### Research Evidence

- Transformational leadership have concluded that it is strongly related to follower motivation, work engagement, satisfaction, organizational commitment, leader performance, leader effectiveness and individual, group and organizational performance.
  - o Has been found to be the most consistent predictor of effective leadership.

## **New and Emerging Theories of Positive Leadership**

- **Positive Leadership:** leadership that focuses on leader behaviours and interpersonal dynamics that increase followers' confidence and result in positive outcomes beyond task compliance.

### Empowering Leadership

- Traditional theories of leadership focus on how leaders influence and motivate employees to work toward organizational goals largely through initiating structure and directive behaviours.
- **Empowering leadership:** implementing conditions that enable power to be shared with employees.
- Highlights the significance of employees' work, provides participation and autonomy in decision making, expresses confidence in employees' capabilities and removes bureaucratic constraints or hindrances to performance.
- Employees experience
  - o A feeling that their work is personally important (meaning)
  - o Belief in their ability (competence)
  - o Freedom to choose how to initiate and carry out their tasks (self-determination)
  - o Belief that their behaviour is making a difference (impact)
- Has been found to be associated with higher self-efficacy and adaptability of salespeople in a pharmaceutical company. → related to higher job performance and customer-service satisfaction.

### Ethical Leadership

- Involves the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships. (e.g. honesty, trustworthiness, fairness and care\_
- The promotion of such conduct to followers through two-way communication, reinforcement and decision making.
- Ethical leaders also consider the ethical consequences of their decisions and make

principled and fair decisions.

- Ethical leadership is positively related to more favourable evaluations of leaders, more positive job attitudes, and greater performance and work engagement.
  - Negatively related to job stress and strains, turnover intentions and counterproductive work behaviours such as employee deviance.

### Authentic Leadership

- A positive form of leadership that involves being true to oneself.
  - Leaders know and act upon their true values, beliefs and strengths, and they help others do the same; they earn the respect and trust of their followers.
    - Perceived as high in moral perspective and as open and fair in decision making.
    - Involves four distinct but related behaviours:
1. Self-awareness
  2. Relational Transparency: presenting of one's true/authentic self to others.
  3. Balanced Processing: objective analysis of all relevant information before making a decision.
  4. Internalized Moral Perspective: internal moral standards and values that guide behaviour and decision making.

### Servant Leadership

- A form of leadership that involves going beyond one's own self-interests and having a genuine concern to serve others and a motivation to lead.
  - Concern for the needs of followers and their well-being.
    - Emphasizes the needs of followers and their growth and development as well as the needs of communities within and outside of the organization.
    - Six Key Characteristics:
1. Empowering and developing people.
  2. Humility: seeking contributions and placing their interests first.
  3. Authenticity
  4. Interpersonal acceptance
  5. Providing direction
  6. Stewardship: focusing on service rather than control and self-interest.
- Positively related to trust in management, perceptions of organizational justice, need satisfaction job satisfaction, organizational commitment, work engagement and creative performance.

## **Gender and Leadership**

- Women have better social skills which enables them to successfully manage the give and take that participation requires.
- Women avoid more autocratic styles because they violate gender stereotypes and lead to negative reactions.
- Women leaders were found to be more transformational than men leaders, engaged in more of the contingent reward behaviours associated with transactional leadership.
- Men leaders engaged in more of other components of transactional leadership, such as management by exception and **laissez-faire leadership**
  - A style of leadership that involves the avoidance and absence of leadership.
  - Those aspects of leadership style in which women exceed men are all positively related to leadership effectiveness.
  - Leadership aspects in which men exceed women have weak, negative or null relations to leadership effectiveness.
  - **Glass ceiling**: an invisible barrier that prevents women from advancing to senior



leadership positions in organizations.

- **Role Congruity Theory (RCT)**: prejudice against female leaders is the result of an incongruity between the perceived characteristics of women and the perceived requirements of leadership roles.
  - Men are perceived to have agentic traits - which convey assertion and control.
  - Women are perceived as having communal traits - convey a concern for compassionate treatment of others.

## Culture and Leadership

Nine Cultural Dimensions:

- Performance Orientation: degree to which a collective encourages and rewards its members for improvement.
- Assertiveness: degree to which individuals are assertive, confrontational and aggressive.
- Future Orientation: individuals prepare for the future
- Humane Orientation: degree to which a collective encourages and rewards individuals for their kindness to others.
- Institutional Collectivism: institutional practices of organizations and society encourage and reward collective distribution of resources.
- In-group Collectivism: degree to which individuals express pride, loyalty in their families.
- Gender Egalitarianism: degree to which a collective minimizes gender inequality.
- Power Distance: degree to which members of a collective expect power to be distributed evenly.
- Uncertainty Avoidance: extent to which a society relies on social norms, rules and procedures to lessen the unpredictability of future events.
- **Implicit leadership theory**: a theory that states that individuals hold a set of beliefs about the kinds of attributes, personality characteristics, skills and behaviours that contribute to or impede outstanding leadership

Six Global Leadership Dimensions:

1. Charismatic/value-based
  2. Team-oriented
  3. Participative
  4. Humane oriented
  5. Autonomous
  6. Self-protective
- GLOBE created leadership profiles for each national culture.
    - Canada and the US score high on the charismatic/value-based, participative, and humane-oriented, low on the self-protective dimension, and medium on the team-oriented and the autonomous dimensions.

### Universal Facilitators of Leadership Effectiveness

- Demonstrating trustworthiness, a sense of justice, and honesty
- Having foresight and planning ahead
- Encouraging, motivating, and building confidence
- Being communicative, informed and team builder.

### Universal Impediments to Leadership Effectiveness

- Being a loner and asocial
- Being irritable and uncooperative
- Imposing your views on others.

### Culturally contingent endorsement of leader attributes

- Being individualistic
- Being constantly conscious of status
- Taking risks.

### **Global Leadership**

- **Global Leadership:** a set of leadership capabilities required to function effectively in different cultures and the ability to cross language, social, economic and political borders.
- Need to have a global mindset, tolerate high levels of ambiguity and exhibit cultural adaptability and flexibility.

Four characteristics:

1. Unbridled Inquisitiveness: must be able to function effectively in different cultures in which they are required to cross language, social, economic and political borders.
2. Personal Character: consists of an emotional connection to people from different cultures and an uncompromising integrity.
3. Duality: means that they must be able to manage uncertainty and balance global and local tensions
4. Savvy: understand the conditions they face in different countries and are able to recognize new market opportunities for their organization's goods and services.



## Chapter 10 - Communication

### Basics of Organizational Communication

- **Communication:** the process by which information is exchanged between a sender and a receiver.
  - **Interpersonal communication:** one-on-one exchange of information
  - The sender must encode their thoughts into some form that can be transmitted to the receiver.
  - The receiver must perceive the message and accurately decode it to achieve accurate understanding.
- Encoding and decoding may be prone to particular error when the message is inherently ambiguous or emotional.
- **Effective Communication:** communication whereby the right people receive the right information in a timely manner.
- Thinking - instructor notices that a student has missed 3 classes and thinks she should send an alert message
- Encoding - instructor types a message
- Transmitting - instructor sends the message by email
- Perceiving - student reads email
- Decoding - student makes sense of the alert message
- Understanding - student realizes what he/she must do according to the message
- Feedback - student sends instructor an email with explanation and promise of no further absence

### Computer-Mediated Communication and Social Media

- **Information richness:** the potential information-carrying capacity of a communication medium.
- Different communication media vary in information richness they deliver
- There are two dimensions of information richness:
  - **Synchronization** - The degree to which information is synchronous between senders and receivers
  - **Presence of non-verbal and para-verbal cues** - The extent to which both parties can receive non-verbal (body language) and paraverbal (tone of voice) cues.
    - Face-to-face conversation is very high in richness.
    - A phone conversation is also fairly rich.
    - Memos, letters, and emails are essentially a series of one-way messages.

**Computer-mediated Communication (CMC):** forms of communication that rely on computer technology to facilitate information exchange.

- Permits discussion and decision making without having employees be in the same location.
  - The distinguishing features of social media are that they permit a large number of users to simultaneously create, manipulate and distribute information.

Why is CMC attractive?

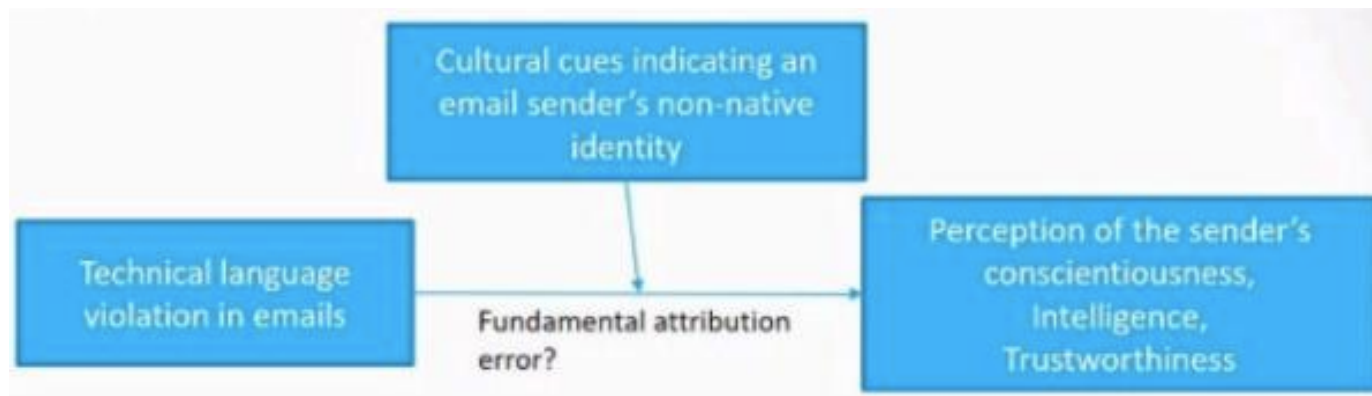
- Share information among parties in different locations
- Save time, money, and travel needs
- Increase the capability of partners to generate ideas
- Potentially reduce inhibitions and stereotypes based on race, gender, or status
- Provide a means of storing exchange for future consultation in the event of disagreement

What are CMC's problems?

- Tend to be lower in information richness than face-to-face communication (especially emails and chats)
- Distance and anonymity can lead to a deterioration of social conventions and politeness
- Increase difficulty in building trust
- Loss of emotions

Vignovic & Thopson (2010)

- Because of less rich information with CMC -> cue deprivation
- Benefits - not making judgements based on irrelevant information such as physical attractiveness or demographic characteristics
- Drawbacks: **fundamental attribution error**



How to make CMC more effective?

- Increase the team's openness to experience
- Provide contextual information that facilitates mutual understanding
- Have repeated meeting sessions
  - o Computer-mediated gradually develop increased trust and cooperation over repeated meeting sessions

Less routine communication requires rich communication media.

Important decisions, news, intended changes, controversial messages, and emotional issues generally call for richer (i.e., Face-to-face or video) media.

### Social Media

- A challenge posed by social media is that they can be addictive to the extent that employees engage in **cyberloafing** while at work.
- Another problem is **cyberbullying**.
- Social media tends to blur the distinction between the work and non-work domains.
- Can play a positive role in organizational communication.
- **Enterprise social media**: a private work-related social media platform that is accessible only by organizational members.
  - o E.g. "Workplace by Facebook"

### **Formal Communication**

- Follows the **chain of command** (the lines of authority and formal reporting relationships in an organization)

### Communication by Strict Chain of Command

- **Chain of Command:** lines of authority and formal reporting relationships.
  - **Downward Communication** flows from the top of the organization toward the bottom.
  - **Upward Communication** flows from the bottom of the organization toward the top.
  - **Horizontal Communication** occurs between departments or functional units, usually as a means of coordinating effort.

### Deficiencies/Problems in the Chain of Command

#### **Informal Communication**

- Fails to consider informal communication between members.
- Good ideas don't respect organizational boundaries and that informal network can be important sources of innovation by freeing up communication.

#### **Slowness**

- Especially for "tall" organizations and horizontal communication between departments.
- Not a good mechanism for reacting quickly to customer problems.
- Cross-functional teams and employee empowerment have helped.

#### **Filtering**

- The tendency for a message to be watered down or stopped during transmission.
- Overzealous filtering will prevent the right people from getting the right information.
- Upward filtering often occurs because people are afraid that management will use the information against them
  - Thus some managers establish open door policy such that employees can directly talk to them
- Downward filtering is due to time pressures or lack of attention to detail

### **Voice, Silence, and the Mum Effect**

**Employee Voice:** the constructive expression of disagreement or concern about work units or organizational practices.

- Might be directed horizontally, to teammates, or vertically, to the boss.
- Can be considered a form of **organizational citizenship** behaviour that enables organizations to learn and change.
- More satisfied employees who identify strongly with their work are most likely to speak up. (Conscientious, self-efficacy, extraverted, job satisfaction & commitment)

Why do employees respond with silence rather than voice to an organizational problem?

- Fear of negative consequences: treatment from other employees, getting fired, promotion implications
- Signaling the weakness or lack of capability of oneself
- Feeling lack of knowledge; risks being embarrassed because of different assessment from others
- Feeling not having power, feeling not being able to make any change even speaking up
- Low psychological safety
- Mum effect

**Psychological Safety:** a shared belief that it is safe to take social risks.

- **Self-censorship** will result in a climate of silence.

**Mum Effect:** the tendency to avoid communicating unfavourable news to others.

- E.g. a nurse who mistakenly administers an incorrect drug dose might be very reluctant to inform the head nurse about their error.
- Employees who desire to impress their bosses to achieve a promotion have strong motives to withhold bad news.
- The mum effect does not apply only to subordinates
- A boss might be reluctant to transmit bad news downward.

How to encourage voice?

- Certain leader/supervisor characteristics related to voice
  - Leaders with high levels of agreeableness, conscientiousness, openness, and low levels of neuroticism
- **Enhance psychological safety:** the shared beliefs among work unit members that it is safe for them to engage in interpersonal risk taking
  - Fear of retaliation & mum effect; felt lack of control and power
    - Make feedback a regular, casual exchange
    - Train supervisors to reach out and empower subordinate employees
    - Close the loop - tell employees what you did next and what they can expect as a result
    - Emphasize a culture that encourages all parties to continue, soften the power cues
  - Unsure I am correct, lack full knowledge
    - Create a culture in which failures and honest mistakes are not punished
  - Assume someone else will speak up, not caring, not feeling obligated
    - Enhance affective commitment to org
    - Emphasize a culture of personal responsibility

## Informal Communication

Characteristics of the Grapevine

- **Grapevine:** an organization's informal communication network.
  - Emails and social media can contribute to the transmission of information
  - May benefit or hinder effectiveness
  - Transmit information relevant to the performance of the organization as well as personal gossip.

Who Participates in the Grapevine and why?

- Personality characteristics play a role.
  - **Extraverts** are more likely to pass on information than **introverts**.
  - People who **lack self-esteem** might pass on information that gives them a personal advantage.
- **Physical location** of the members is related to their opportunity to receive and transmit news.
- Is a timely, inexpensive source of information that simply isn't available through other channels.
- Information can provide an alternative source of power and influence available to all.
- Grapevine material involves releasing pent-up emotions that can't otherwise be comfortably expressed.

### Pros of Grapevine

- Carries information rapidly
- Carries non-controversial information accurately
- Keeps employees informed about important organizational matters
- Helps clarify norms
- Provides a test of employee reactions to proposed changes without making formal commitments
- Services as a potent informal recruiting source

### Cons of Grapevine

- Disseminates rumour and partial information
  - **Rumours:** an unverified belief that is in general circulation.
    - Increasingly difficult global competition, staff reductions and restructuring have placed a premium on rumour control.
- Facilitates information distortion, especially personal information, emotionally charged information, and controversial information
- Leads to making hostility against the executives
- Distracts employee effort and causes distress when the info is threatening but inaccurate

### **The Verbal Language of Work**

- **Jargon:** specialized language used by job holders or members of particular occupations or organizations.
  - Can be an efficient way to communicate with peers, but also be served as a **barrier** to communicating with others.
  - The barrier that it presents to those outside of the organization or profession.
    - E.g., PC might mean placebo control in R&D, personal computer in IT, politically correct in HR.

### **The Non-Verbal Language of Work**

- The transmission of messages by some medium other than speech or writing.
  - E.g., raised eyebrows, empathetic shrug, abrupt departure.
- Body language and the manipulation of objects are major forms of non-verbal communication.

#### Body Language

- Non-verbal communication by means of a sender's bodily motions, facial expressions or physical location.
- Senders communicate liking and interest when they direct their torso toward the receiver, position themselves closely, maintain eye contact and lean forward during the interaction.
- Senders who are of higher status than the receiver act more relaxed.

### Props, Artifacts and Costumes

#### *Office Decor and Arrangement*

- A neat office signals that a professor is well organized and had time to talk to them.
- Personal decoration signals "I'm human."
- Neatness was a typical cue for **conscientiousness** and distinctive decor for **openness**.

#### *Does Clothing Communicate?*

- Clothing employees wear sends clear signals about their competence, seriousness and promotability.
- Receivers unconsciously attach certain stereotyped meanings to various clothing.
- Proper clothing may enhance **self-esteem and self-confidence** to a degree.

## Gender Differences in Communication

- Girls see conversations as a way to develop networks of connection and intimacy.
- Boys view conversations as a way to achieve status and to maintain independence.
- **One Up, One Down**
  - Men tend to be more sensitive to power dynamics and will use communication as a way to position themselves in an one-up situation.
  - Women are more concerned with rapport building, and they communicate in ways that avoid putting others down.
    - Since they find themselves often in a one-down position, it can have a negative effect on their career.
- Key differences in male and female communication styles that place women in a one-down position:
  - Getting Credit
  - Confidence and Boasting
  - Asking questions: men do not like to ask for directions when they are lost because they know it will put them in a one-down position
  - Apologies: women often apologize.
  - Feedback: men are more blunt and straightforward.
  - Compliments: women are more likely to provide a compliment.
  - Ritual opposition: men use it often as a form of communication and to exchange ideas, desire to be argumentative.
  - Managing up and down: men spend more time communicating with their superiors and talking about their achievements.
  - Indirectness: women tend to be indirect when giving orders.

## Cross-Cultural Communication

### Language Differences

- Common language can sometimes cause visitors to misunderstand or be surprised by legitimate cultural differences.
- Learning a second language should facilitate cross-cultural communication.
- Lack of common language itself, distinct from cultural differences, fostered misunderstanding and conflict, resulting in the rise of parallel information networks.

### Non-Verbal Communication Across Cultures.

#### *Facial Expressions*

- Can accurately detect anger, surprise, fear, and sadness.
- Paying particular attention to the face in cross-cultural encounters will often yield communication dividends.

#### *Gestures*

- Gestures do not translate well across cultures.
  - E.g. in the US, a raised thumb is used as a signal of approval, but in Greece, it is employed as an insult.

#### *Gaze*

- Cultural differences in the extent to which it is considered suitable to look others directly in the eye.
  - E.g. Latin Americans and Arabs favour an extended gaze, Europeans do not. East Asia, avoiding eye contact means showing respect.

#### *Touch*

- In some cultures, people tend to stand close to one another when meeting and often touch each other.
  - Common in Arab, Latin American and Southern European countries.



- Northern Europeans and North Americans prefer to keep their distance.

### Etiquette and Politeness Across Cultures

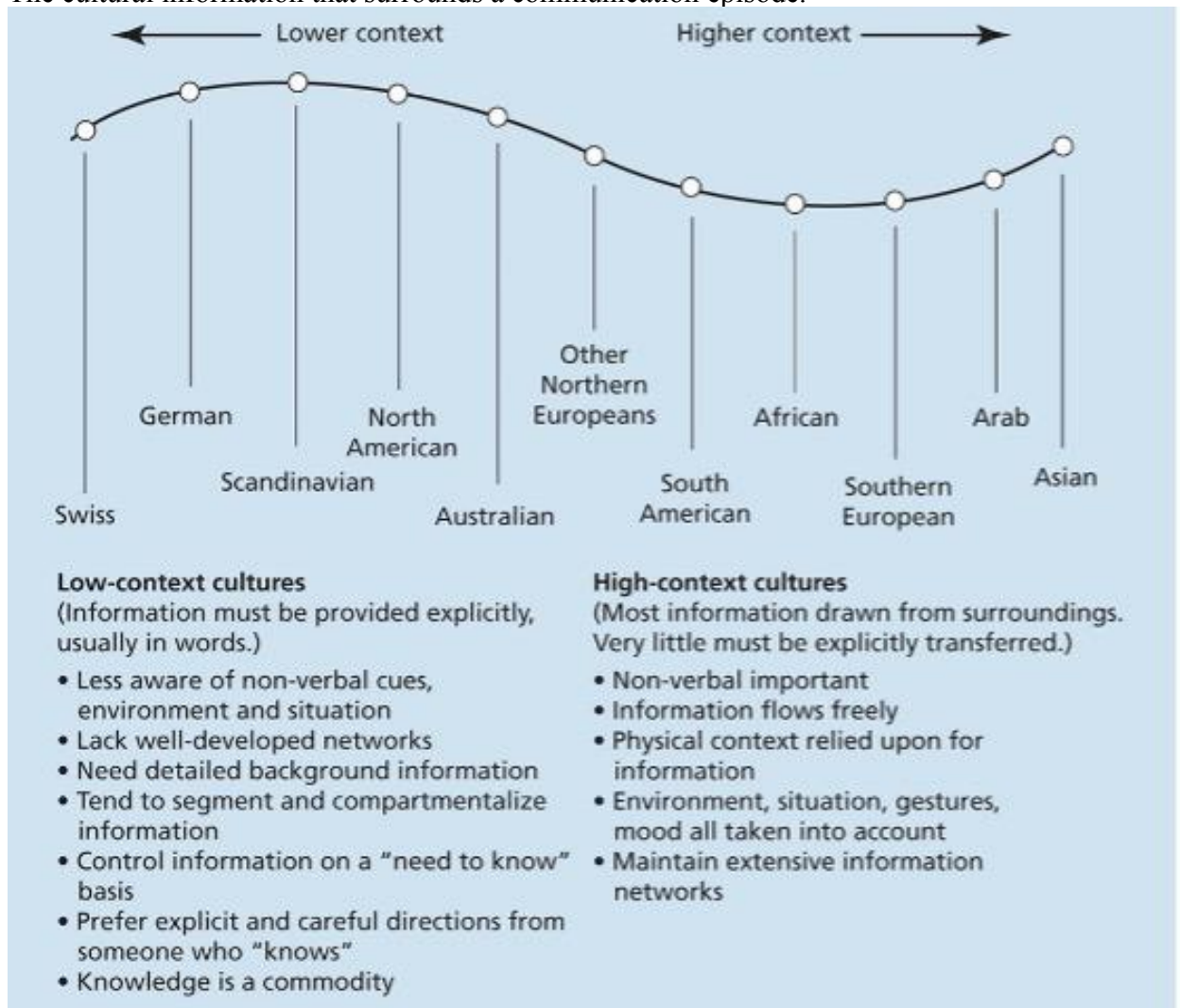
- Careful decoding is necessary to avoid confusion and embarrassment.
- Literal decoding will almost always lead to trouble.
- Swiss, Icelandic and American job applicants are most likely to fabricate flowing information and exaggerate their positive attributes.
- Japanese are particularly interested in maintaining feelings of interdependence and harmony.

### Social Conventions Across Cultures

- Greetings and how people say hello vary across cultures.
- Issues of directness.
- A proper degree of loudness for speech also varies across cultures.
- Proper punctuality also varies greatly around the world.

### Cultural Context

- The cultural information that surrounds a communication episode.



## Personal Approaches to Improving Communication

### Basic Principles of Effective Communication

- Take the Time
- Be accepting of the other person.
- Do not confuse the person with the problem
- Say what you feel
  - **Congruence**: a condition in which a person's words, thoughts, feelings, and actions all contain the same message.
    - Can be thought of as honesty or authenticity.
- Listen actively
  - Active listening includes:
    - Watch your body language
    - Paraphrase what the speaker means
    - Show empathy
    - Ask questions.
    - Wait out pauses
- Give Timely and Specific Feedback

### When in Rome....

People's basic skills can deteriorate when they get nervous about a cross-cultural encounter.

- Assume differences until you know otherwise.
- Recognize differences within cultures
- Watch your language

## Organizational Approaches to Improving Communication

- **Employer Branding**: promoting a clear and consistent image of the positive and distinctive features of an organization as an employer.
- Branding is used to attract and recruit new employees; it can also be effective in retaining existing employees by reinforcing their commitment.
  - Meant to convey the values of the organization.
  - Conveys both tangible and more symbolic aspects of the employment experience.
    - E.g. tangible - pay, location, responsibilities.
    - Symbolic - employer's prestige, innovation, social responsibility.

### Provision of Explanations

- Organizations sometimes have to enact controversial policies that have the potential to spark employee resistance.
  - E.g. restructuring, layoffs, pay rollbacks.
- Two factors are critical to the perceived fairness of controversial policies:
  - Adequacy of the explanation and the style in which it is delivered.

### 360-Degree Feedback

- Performance appraisal that uses the input of supervisors, employees, peers, and clients or customers of the appraised individual.
- Usually focuses on required behavioural competencies rather than bottom-line performance.
- Used for employee development rather than salary determination.

### Employee Surveys and Survey Feedback

- **Employee survey**: an anonymous questionnaire that enables employees to state their candid opinions and attitudes about an organization and its practices.

### Suggestion Systems

- **Suggestion systems**: programs designed to enhance upward communication by soliciting ideas for improved work operations from employees.
- Represent a formal attempt to encourage useful ideas and prevent their filtering.



- Programs that reward employees for suggestions.

#### Telephone Hotlines and Webcasts

- Hotlines use a news format to present company information.
- Companies use hotlines so that employees can report unethical or illegal behaviour.
- Corporate webcasting constitutes a rich communication medium that can reach employees located anywhere in the world.
- Multi-point webcasting allows for a number of presenters who can be located in multiple cities.

#### Management Training

- Managers who have confidence in how to handle delicate matters should be better able to handle the balance between social-emotional and task demands.

## Chapter 12 - Ethics in Organization

### The Bases of Individual Power

- **Power:** the capacity to influence others who are in a state of dependence
  - Power does not imply a poor relationship
  - Power can flow in any direction in an organization
  - Power is not always perceived (or accurately perceived) or exercised
  - Power applies to both individuals and groups
- **Influence:** the exercise of power to change the behaviour, attitudes and/or values of another individual or group

### Six Bases of Power

#### *Legitimate Power*

- Power derived from a person's **position or job** in an organization.
  - Constitutes judgement about who is formally permitted to influence whom, and it is often called **authority**
  - E.g. military has many levels of command, differentiating uniforms and rituals vs. academic hierarchy of universities tends to downplay differences in the legitimate power of lecturers, professors, chair people and deans.

#### *Reward Power*

- Power derived from the ability to provide **positive outcomes** and prevent negative outcomes.
- Often backs up legitimate power
  - Managers are given the chance to recommend raises, do performance evaluations, etc.

#### *Coercive Power*

- Power derived from the use of **punishment** and threat.
- Often a support for legitimate power.
  - Managers can dock pay, assign unfavourable tasks, or block promotions.
    - Not perfectly correlated with legitimate power
  - Lower-level organizational members can also apply their share of coercion
    - Slowing productivity
  - Should be used if you have A LOT OF legitimate power.

#### *Referent Power (Charisma)*

- Power derived from **being liked** by others.
- Is especially strong for two reasons:
  - Stems from identification with the power holder.
    - Represents a truer base of power than reward or coercion, which stimulates mere compliance to achieve rewards.
    - ANYONE in the organization may be well liked, irrespective of his or her other bases of power.

#### *Expert Power*

- Power derived from having **special information or expertise** that is valued by an organization.
- Long experience in dealing with clients, keeping records.

#### *Information Power*

- Power derived from possessing **valuable information** in which people in the organization need



### Response to Power

**Resistance:** the person is opposed to the request and tries to avoid it

- Coercive

**Compliance:** the person goes along with the request, putting in minimal effort

- Reward & Legitimate

**Commitment:** the person is enthusiastic about the request and carries the task out.

- Expert & Referent

More related to the position of the powerholder:

- Legitimate, reward, coercive

More related to personal characteristics:

- Expert, referent

More related to information possessed:

- Information

### **Influence Tactics - Putting Power to Work**

- **Influence tactics:** the ways people use to translate their power bases into specific actions and actual influences
- **Hard influence tactics:** force behaviour change through positional power (legitimate, rewards, and coercion)
- **Soft influence tactics:** rely more on personal sources of power (referent, expert) and appeal to the target person's attitudes and needs
  - **Emotional arousal**

### Tactics (effectiveness, from low to high)

- **Pressure:** refers to exerting undue influence on someone to do what you want or else something undesirable will occur. **LOW**
- **Assertiveness:** ordering, nagging (coercive power) **LOW**
- **Coalition tactics:** refers to a group of individuals working together toward a common goal to influence others. **LOW**

- Coalition Formation: seeking united support from other organizational members
- **Upward appeal:** making formal or informal appeals to organizational superiors for intervention. **MODERATE**
- **Exchange:** refers to give-and-take in which someone does something for you, and you do something for them in return. **MODERATE**
- **Ingratiation:** using flattery; acting friendly, polite (referent power) **MODERATE**
- **Rational persuasion:** includes using facts, data, and logical arguments to try to convince others that your point of view is the best. **MODERATE/HIGH**
  - Rationality: using logic, reason (expert)
- **Inspirational appeals:** seek to tap into our values, emotions, and beliefs to gain support for a request or course of action. **HIGH**
- **Consultation:** refers to the influence agent's asking others for help in directly influencing or planning to influence another person or group. **HIGH**

Tactic	Definition	Effectiveness
<i>hard</i> Pressure	Behavior includes demands, threats or intimidation to convince others to comply with a request or to support a proposal.	Low
Assertiveness	Behavior includes repeatedly making requests, setting timelines for project completion or expressing anger toward individuals who do not meet expectations.	Low
Coalition	Getting the support and aid of other parties to assist in influencing the target person.	Low
Upward Appeals	Seeking the approval/acceptance of those in higher positions within the organization prior to making a request of someone.	Moderate
Exchange	Making a promise that others will receive rewards or tangible benefits if they comply with a request or reminds others of a favor that should be reciprocated.	Moderate
Ingratiation	Getting others in a good mood or to think favorably of them before asking them to do something.	Moderate
Rational Persuasion	Using logical arguments and factual evidence to explain why a request or proposed activity is important for attaining shared objectives and why it is feasible.	Moderate/High
Inspirational Appeals	Making an emotional request or proposal that arouses enthusiasm by appealing to other's values and ideals, or by increasing their confidence that they can succeed.	High
<i>soft</i> Consultation	Seeking others' participation in making a decision or planning how to implement a proposed policy, strategy or change.	High

- **Self-promotion:** touting one's accomplishments, image enhancement (expert)
- **Personal appeal:** refers to helping another person because you like them, and they asked for your help.
- **Legitimizing tactics:** occur when the appeal is based on legitimate or position power.

Determinations of which influence tactics:

- **Bases** of power
- Dependent on whom you are trying to influence

- Subordinates are more likely to be the recipients of **assertiveness**
- Superiors is rational and ingratiation
- Self-promotion seems universally employed.

### Why does it happen (Power & Response to Power)?

- **Authority**: people conform to experts/formal positions of power.
- **Friendship/living**: the more we like other people or feel friendship for them; the more likely we are to comply with their requests or to accept other forms of influence from them
- **Social proof**: people rely on social cues from their peers on how to think/feel/act
- **Commitment/consistency**: once individuals have adopted a position of committed themselves to a course of action, they experience strong pressure to comply with requests that are consistent with these initial commitments
- **Scarcity**: requests that emphasize scarcity or the fact that some object, opportunity, or outcome will soon no longer be available, are difficult to resist.
- **Reciprocity**: individuals generally experience powerful pressures to reciprocate benefits they have received from others.

### **How do People Obtain Power?**

#### Doing the Right Things

##### *Extraordinary Activities*

- Excellent performance in unusual or non-routine activities.
- These activities include occupying new positions, managing substantial changes, and taking great risks.

##### *Visible Activities*

- People who have an interest in power are especially good at identifying visible activities and publicizing them.

##### *Relevant Activities*

- If nobody sees the work as relevant to the solution of important organizational problems, it will not add to one's influence.

#### Cultivating the Right People

##### *Outsiders*

- Establishing good relationships with key people outside one's organization can lead to increased power within the organization.

##### *Subordinates*

- An individual can gain influence if she is closely identified with certain up-and-coming subordinates.
- Cultivating subordinate interests can also provide power when a manager can demonstrate that he or she is backed by a cohesive team.

##### *Peers*

- Cultivating good relationships with peers is mainly a means of ensuring that nothing gets in the way of one's future acquisition of power.

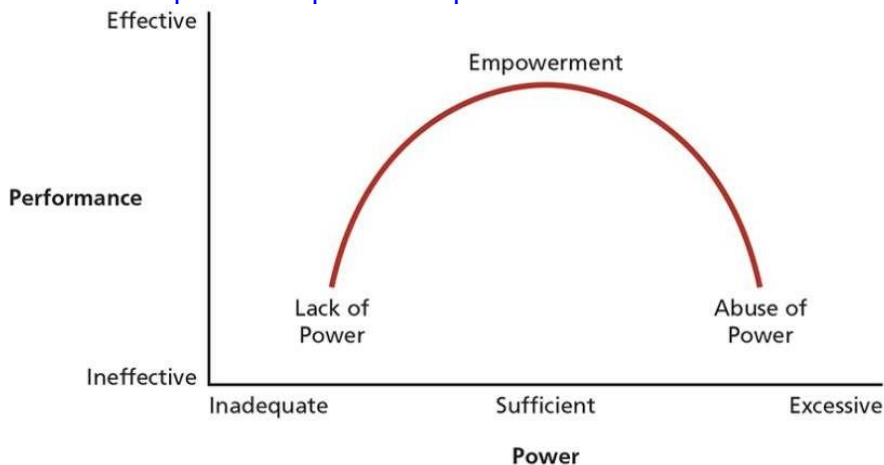
##### *Superiors*

- Liaisons with key superiors probably represent the best way of obtaining power through cultivating others.

## Empowerment - Putting Power where it is Needed

- **Empowerment:** giving people the authority, opportunity, and motivation to take initiative and solve organizational problems.
  - Having authority to solve organizational problems means having legitimate power.
  - Having opportunity usually means freedom from bureaucratic barriers and other system problems that block initiative.
  - The motivation part of the empowerment equation suggests hiring people who will be **intrinsically motivated** by power and opportunity and aligning extrinsic rewards with successful performance.
- People who are empowered have a strong sense of **self-efficacy**, the feeling that they are capable of doing their jobs well.
- Empowerment brings job satisfaction, commitment, OCB, and performance.
- Empowerment puts power where it is needed to make the organization effective
- E.g. a Taco Bell customer does not expect highly empowered counter personnel who offer to adjust the posted menu vs. the unempowered waiter in a fancy restaurant who is fearful of accommodating reasonable adjustments and substitutions can irritate customers.

### Relationship between power and performance



## Who Wants Power?

- Power seekers are neurotics who are covering up feelings of inferiority, striving to compensate for childhood deprivation, or substituting power for lack of affection.
- **McClelland's theory**; need for power.
  - People who are high in n Pow in its "pure" form conform to the negative stereotype - rude, sexually exploitative, abuse alcohol, and show a great concern with status symbols.
- Most effective managers have these attributes:
  - Have high in need for power
  - Use their power to achieve organizational goals
  - Adopt a participative or "coaching" leadership style
  - Are relatively unconcerned with how much others like them.
- **Institutional managers**
  - Use their power for the good of the institution
  - Refrain from coercive leadership and do not play favourites.
  - More effective than personal power managers (use their power for personal gain) and affiliative managers (who are more concerned with being liked than with exercising power)

## Controlling Strategic Contingencies - How **Subunits** Obtain Power

- **Subunits**: the degree of power held by various organizational subunits, such as departments.
- **Strategic contingencies**: critical factors affecting organizational effectiveness that are controlled by a key subunit.
  - Means that the work other subunits perform is contingent on the activities and performance of a key subunit.
  - Role of dependence in power relationships.

### Scarcity

- Differences in subunit power are likely to be magnified when resources become **scarce**.
- When there is plenty of money or office space or support staff for all subunits, they will seldom waste their energies fighting for power.
- If cutbacks occur, differences in power will become apparent.
- Subunits tend to acquire power when they can secure scarce resources.

### Uncertainty

- **Unanticipated events** are not ideal for organizations.
- Basic sources of uncertainty exist mainly in the organization's environment: government policies might change, sources of supply and demand might dry up, or the economy might take an unanticipated turn.
- Uncertainty → confusion → changes in power priorities as the organizational environment changes.
- Changes in the sources of uncertainty frequently lead to shifts in subunit power

### Centrality

- Subunits whose activities are most **central** to the mission or workflow of the organizations should acquire more power than those whose activities are more **peripheral**.
- A subunit's activities can be central in at least **three senses**
  - May influence the work of most other subunits
    - E.g. finance or account department affects every other department in the firm
  - A subunit has an especially crucial impact on the quality or quantity of the organization's key product or service.
  - When their impact is more immediate.

### Substitutability

- A subunit will have relatively little power if others inside or outside the organization can perform its activities
- A change in the **labour market** can result in a change in the subunit's influence.
  - When jobs are plentiful, professionals (scientists and engineers) command high salaries and high influence.
  - When jobs are scarce, this power lowers.

## Organizational Politics - Using and Abusing Power

- **Organizational Politics**: the pursuit of self-interest in an organization, whether this self-interest corresponds to organizational goals.
- Political activity is self-conscious and intentional



- Can conceive of politics as either individual activity or subunit activity.

### When is it ethical/unethical to engage in political behaviour?

#### Examples

- Putting a single advantage on an individual and disadvantaging the rest
- You and someone else are going for the same promotion and it should be merit based but you're trying to sway their opinions by bribing, etc.

#### Ethical Criteria:

- Mutuality: are all parties operating under the same understanding of the rules?
- Openness: are we willing to make our decisions public?
- Caring: does this action show care for the legitimate interest of others?

### Means and Ends Matrix

#### *Sanctions means/Sanctioned Ends*

- Power is used routinely to pursue agreed-on goals.
  - E.g. a manager agrees to recommend a raise for an employee if she increases her net sales by 30% in the next six months

#### *Sanctioned Means/Not-Sanctioned Ends*

- Acceptable means of influence are abused to pursue goals that the organization does not approve of.
  - E.g. a head nurse agrees to assign a subordinate nurse to a more favourable job if the nurse agrees not to report the superior for stealing medical supplies
  - While job assignment is often a sanctioned means of influence, covered up theft is not a sanctioned end.

#### *Not-Sanctioned Means/ Sanctioned Ends*

- Ends that are useful for the organization are pursued through questionable means.
  - E.g. Qatar officials were pursuing a sanctioned end, the alleged use of bribery and vote buying as a means of influence were not sanctioned tactics.

#### *Not-Sanctioned Means/Not-Sanctioned Ends*

- Most abuse of power since disapproved tactics are used to pursue disapproved outcomes.
  - E.g. to increase his personal power, the head of an already overstaffed legal department wishes to increase its size. He intends to hire his friends and falsifies workload documents and promises special service to the accounting department in exchange.

### The Facets of Political Skill

- **Political skill:** the ability to understand others at work and to use that knowledge to influence others to act in ways that enhance one's personal or organizational objectives.

#### Four Facets to political skill:

- **Social Astuteness:** good politicians are careful observers who are tuned in to others' needs and motives.
- **Interpersonal influence:** the politically skilled have a convincing and persuasive interpersonal style but employ it flexibly to meet the needs of the situation.
- **Apparent Sincerity:** influence attempts will be seen as manipulative unless they are accompanied by sincerity.
- **Networking ability:** networking involves establishing good relations with key organizational members or outsiders to accomplish one's goals.
- Political skill is positively related to individual job performance, job satisfaction and career success.



Several aspects to networking

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

### Machiavellianism

- A set of cynical beliefs about human nature, morality, and the permissibility of using various tactics to achieve one's ends.
- **"High Machs"** are more likely to advocate the use of lying and deceit to achieve desired goals and to argue that morality can be compromised to fit the situation in question.
  - They assume that many people are gullible and do not know what is best for them. Therefore, the high Machs acts in an exceedingly practical manner, assuming that the ends justify the means.
  - Seems to be able to insulate themselves from the negative social consequences of their tactics.
- Characteristics of high Machs:
  - Can deal face to face with those he/she is trying to influence
  - Interaction occurs under fairly emotional circumstances
  - The situation is fairly unstructured, with few guidelines for appropriate forms of interaction.

### Defensiveness - Reactive Politics

Defensive behaviours include:

- **Stalling**
- **Overconforming**
- **Buck passing**: having someone else act is an effective way to avoid doing it yourself.
  - "If you can't avoid action, avoid blame for its consequences"
- **Buffing**: carefully documenting information showing that an appropriate course of action was followed (e.g. "sign-offs", authorization)
- **Scapegoating**

## **Ethics in Organizations**

### What is “Ethics?”

- Code of moral principles and values that governs the behaviours of a person or group with respect to what is right or wrong.
- Systematic thinking about the moral consequences (potential for harm to any stakeholders) of decisions
- Ethical values set standards as to what is good or bad in conduct and decision making.
- Ethics are particularly apparent when we must make decisions

**Stakeholders:** people inside or outside of an organization who have the potential to be affected by organizational decisions.

- Managers invariably tend to see themselves as having higher ethical standards than their peers and sometimes their superiors.

### Themes and Examples of Ethical Behaviour:

- **Honest Communication**
  - Lying to employees in performance evaluation
  - Lying to the public or customers
  - Falsifying expense reports
- **Fair treatment**
  - Abusive behaviours
  - Discriminating against employees
  - Giving preference to suppliers with political connections
- **Special consideration**
- **Fair competition**
  - Bribing or offering anything of value to obtain business
  - Using inappropriate or falsifying information in advertising or labelling
- **Responsibility to organization**
  - Violating company policies related to internet use
  - Placing self-interests over the company's interest
  - Abusing substances at work
  - stealing
- **Corporate social responsibility**
  - Violating environmental regulations
  - Lacking concerns for employee/customer health and safety
- **Respect for law**
  - Violating labour laws
  - Violating tax laws

Orgs that take ethics seriously tend to be more successful.

### **Ethical Principles/Decision Criteria**

#### *Utilitarian*

- Behaviour is ethical if it delivers the greatest good to the greatest number of people
- Focus on outcomes, “the ends justify the means”
- “good” = the net benefits that accrue to all parties affected
  - E.g. you will lay off the highest ranking person, you will use the money that you paid that person to disperse the money to 10 other employees.
  - If you kill one person to save the lives of 10 other people because of organ donation.
- Advantages:
  - Promotes efficiency and productivity

- Disadvantages
  - o Ignores rights of some individuals (minorities)
  - o Difficult to apply to values that cannot be easily quantified (e.g. health, life, employment); difficult to define

### *Rights*

- Behaviour is ethical if it respects the fundamental rights shared by all human beings (moral rights, such as the right not to be enslaved) or protects entitlements that are limited to a particular legal system and jurisdiction (legal rights, such as the right of freedom of speech and religion)
- Charter of Rights and Freedom
- Advantages:
  - o Protects individuals from injury or harm consistent with freedom and privacy
- Disadvantages:
  - o May create overly legalistic environment
  - o May hinder productivity and efficiency

### *Justice*

- Behaviour is ethical if it is fair and impartial in its treatment of people (no discrimination)
- Impose and enforce rules fairly.
- Advantages:
  - o Protects interests of under-represented and less powerful
- Disadvantages:
  - o May encourage a sense of entitlement
  - o Difficult to agree on the definition of “fairness”
  - o Reduces risk-taking, innovation, and productivity

### Application of 3 principles

- Managers monitor employees’ computers, email, and internet usage
- Utilitarian
  - o Ensuring that employees are doing their jobs and not wasting time or company resources -> promotes efficiency and effectiveness for the org, which is good for all employees and the shareholders of the org
- Rights
  - o Are there relevant regulations? Do employees have a reasonable expectation of privacy in the workplace and with their use of company technology?
- Justice
  - o How are individual differences considered? For example, would employers inadvertently discriminate against those without internet access/a social network profile?

### Unethical People

- **Bounded ethicality**: the psychological process by which people come to engage in behaviour that violates their own ethical standards.
  - o They fail to see the signals that a course of action might be inappropriate

### **“Bad Apples” - Personality causes (evil in nature)**

- People that score high on these personality traits may be more likely to engage in unethical acts.

- Need of power
- Machiavellianism
  - a person so focused on their own interests they will manipulate, deceive, and exploit others to achieve their goals.
- Risk taking
- Weak moral identity

But we don't want to commit the fundamental attribution error and forget about situational causes.

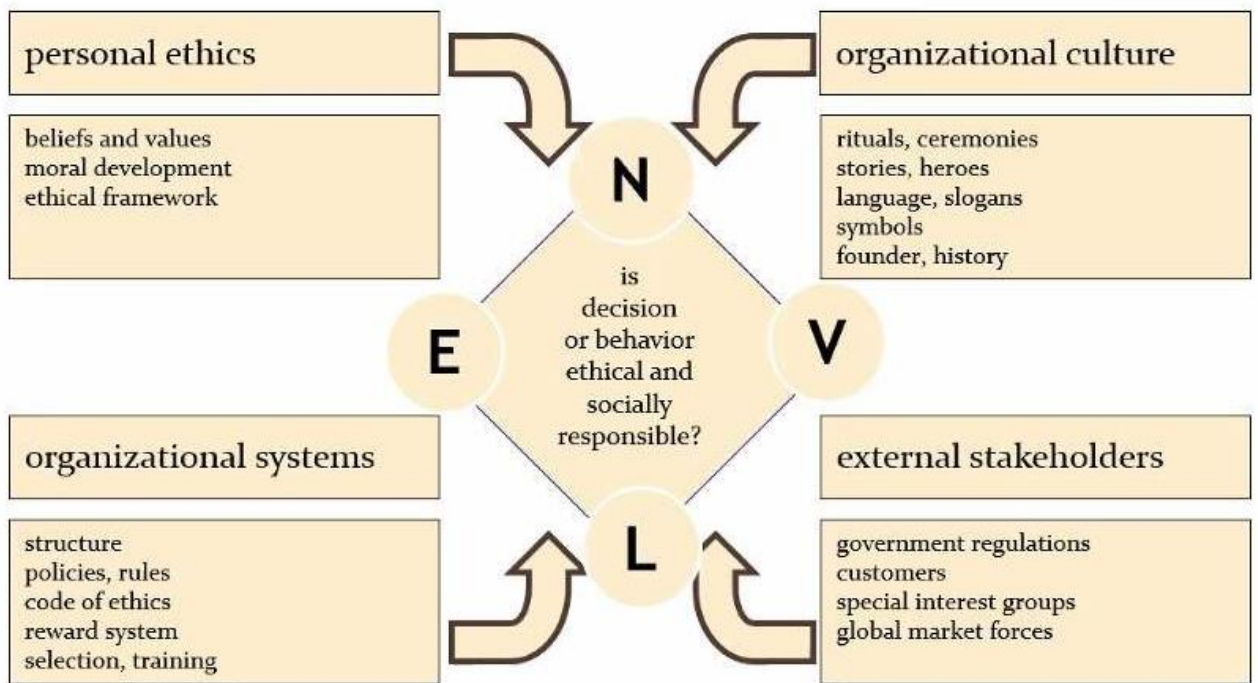
### **“Bad Barrel” - Situational Causes**

- These situational factors may influence good (and bad) people to do bad things
- Elements of the social environment can facilitate unethical behaviours and abuses of power
- From Zimbardo's Stanford prison experiment
  - Gain
    - You're anticipating a reward from your unethical behaviour.
    - People don't get caught from cheating in this professor's class, you will cheat too.
  - Role conflict
    - When you have a role as an employee and you're bound by these secrets, and then at home you're a family member, you will share those secrets.
    - Conflict of interest
  - Competition/Scarce Resources
    - Bribing to suit your company and you get that competitive advantage from other companies.
    - Price fixing
  - Pressures to conform
    - You have an unethical supervisor and they're getting you to do unethical things.
  - Social modeling
    - Leader has a lot of power; other members will be copying the actions of this leader/supervisor.
  - Anonymity/lack of accountability
    - Being anonymous (cyberbullying)
  - Organization/industry Culture

### Sources of Ethical Values in Organizations

- Personal ethics
  - Role of leaders (role model, “linking-pin”)
- Organizational culture
  - Embed ethical values
- Organizational systems
  - Employee selection, training, rewards
  - Presence of ethical codes
- External stakeholders
  - Rewards and value ethical behaviours

## Ethical Decision Making



## Responses to Unfavourable Conditions

Neglect, Exit, Voice, Loyalty

### What can Organizations do to Promote Ethical Behaviour?

- **Structure**
  - o Assigning ethics committee or ethics officer
  - o Train ethics committee members to avoid committing the fundamental attribution error when someone has done something unethical, investigate the situation
- **Code of ethics**
  - o Used by an increasing number of orgs
  - o Not enough to have a policy, must also be followed
- **Whistle-blower protection**
  - o Disclosure of illegitimate practice by a current/former organizational member to some person or organization that may be able to take action to correct these practices.
  - o Individuals occasionally step forward and "blow the whistle" on unethical actions.
- **Disclosure mechanisms**
  - o Visibly rewards ethical acts and punish unethical ones
  - o Provide protective mechanisms so that employees are able to discuss ethical dilemmas and report against the code of ethics
- **Employee training** (increase self-efficacy for ethical behaviours)

### *Making Ethical Decisions / Ethical decision-making strategies*

- **Identify the impact on people**
  - o Stakeholders
  - o What is the potential for harm?
  - o Costs and benefits
  - o Consider the relevant model expectations
- **Organizational systems**
  - o How does the org usually do business?
  - o What policies/procedures help? Norms, laws, ethical codes, etc.
- **Choices**
  - o What are the risks of behaving ethically (or unethically)?
  - o Discuss ethical matters with decision stakeholders.

### Ethics and Leadership

#### *Leaders:*

- Must be committed to values.
- Create and sustain a culture that emphasizes the importance of ethical behaviour
- Their behaviour filters down through the organization
- Ethics codes and training are worthless if leaders don't set and live up to high standards.

### When Good People do Bad Things

- When good people do bad things because of situational influences (as a result of gain, pressure, culture, etc.), they have to engage in a process of rationalization so that they can continue to think of themselves as good people
- Moral disengagement

### **Moral Disengagement Mechanisms:**

- Moral justification - unethical conduct is made acceptable by viewing it in terms of social values or morals
  - o “I’m telling this lie because I’m doing it for a good reason”
- Euphemistic Language - unethical conduct is made acceptable by using language that has most positive connotations
- Advantageous Comparison - unethical conduct is made acceptable by making it seem like it has little consequence
  - o Downloading an illegal movie vs. Stealing from a charity
  - o “It’s not as damaging”
- Displacement of Responsibility - viewing actions as resulting from social pressure or from orders of other people.
- Diffusion of Responsibility - denying individual responsibility for group actions/decisions
- Downplaying consequences - disregarding or distorting the consequences of unethical actions
- Blaming the victim - blaming victims for bringing suffering upon themselves.
- Dehumanization - seeing the victim as a worthless person.

### *Employing Ethical Guidelines:*

- Identify the stakeholders who will be affected by any decision
- Identify the costs and benefits of various decision alternatives to these stakeholders
- Consider the relevant moral expectations that surround a particular decision
- Be familiar with the common ethical dilemmas that decision makers face
- Discuss ethical matters with decision stakeholders and others

### Sexual Harassment - When Power and Ethics Collide

**Sexual harassment:** behaviour that derogates, demeans or humiliates an individual based on that individual's sex.

- Stems from the abuse of power and the perpetuation of a gender power imbalance.
- Managers who use their position, reward, or coercive power to request sexual favours are abusing their power and acting unethically.

Deal with allegations of sexual harassment:

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

# Chapter 13 - Conflict & Stress

## What is Conflict?

- **Conflict:** a process that occurs when one person, group, or organizational subunit frustrates the goal attainment of another.
- Conflict involves antagonistic attitudes and behaviours
  - As for attitudes, the conflicting parties might develop a dislike for each other, see each other as unreasonable and develop negative stereotypes of their opposites.
  - Antagonistic behaviors might include name-calling, sabotage, or even physical aggression.
  - In some organizations, the conflict process is managed in a collaborative way that keeps antagonism at a minimum.

## Causes of Organizational Conflict

### Group Identification and Intergroup Bias

- People tend to develop a more positive view of their own “in-group” and a less positive view of the “out-group”, of which they are not a member.
- Why does intergroup bias occur?
  - Self-esteem.
    - Identifying with the successes of one’s own group and disassociating oneself from out-group failures boosts self-esteem and provides comforting feelings of social solidarity.
  - People might identify with others based on personal characteristics, job function, or job level.
  - Differences between groups might be accentuated by real differences in power, opportunity, clients serviced and so on.

### Interdependence

- When individuals or subunits are mutually dependent on each other to accomplish their own goals, the potential for conflict exists.
  - E.g. the sales staff is dependent on the marketing department for sales leads and for infrastructure such as research, advertising, promotions and brochures.
  - If problems occur, stereotyping and name-calling can happen.
- Interdependence sets the stage for conflict for two reasons.
  1. Necessitates interaction between the parties so that they can coordinate their interests.
  2. Interdependence implies that each party has some power over the other.
- With more communication, it may lead to miscommunication



## Differences in Power, Status, and Culture

### *Power*

- If dependence is not mutual and is only one-sided, the potential for conflict increases.
  - E.g. quality control system in factories.
    - Production workers might be highly dependent on inspectors to approve their work, but this dependence is not reciprocated.

### *Status*

- People of lower status are dependent on those of higher status.
- Because of the design of the work, there are occasions when employees who technically have lower status find themselves giving orders to higher-status people.
  - E.g. restaurants: lower-status servers give orders to higher-status chefs.

### *Culture*

- When two or more very different cultures develop in an organization, the clash in beliefs and values can result in overt conflict.
- Hospital administrators who develop a strong culture centered on efficiency and cost-effectiveness might find themselves in conflict with physicians who share a strong culture based on providing excellent patient care at any cost.

### *Ambiguity*

- Ambiguous goals, jurisdictions or performance criteria can lead to conflict.
- It might be difficult to accurately assign praise for good outcomes or blame for bad outcomes when it is hard to see who was responsible for what.
  - E.g. if sales drop following the introduction of a new and improved product, design group might blame marketing.
- Ambiguous performance criteria are a frequent cause of conflict between managers and employees.

### *Scarce Resources*

- Limited budget money, administrative support, or lab space can contribute to conflict.
- Scarcity has a way of turning latent or disguised conflict into overt conflict.
  - E.g. two scientists who do not get along very well may be able to put up a peaceful front until a reduction in lab space provokes each to protect their domain.

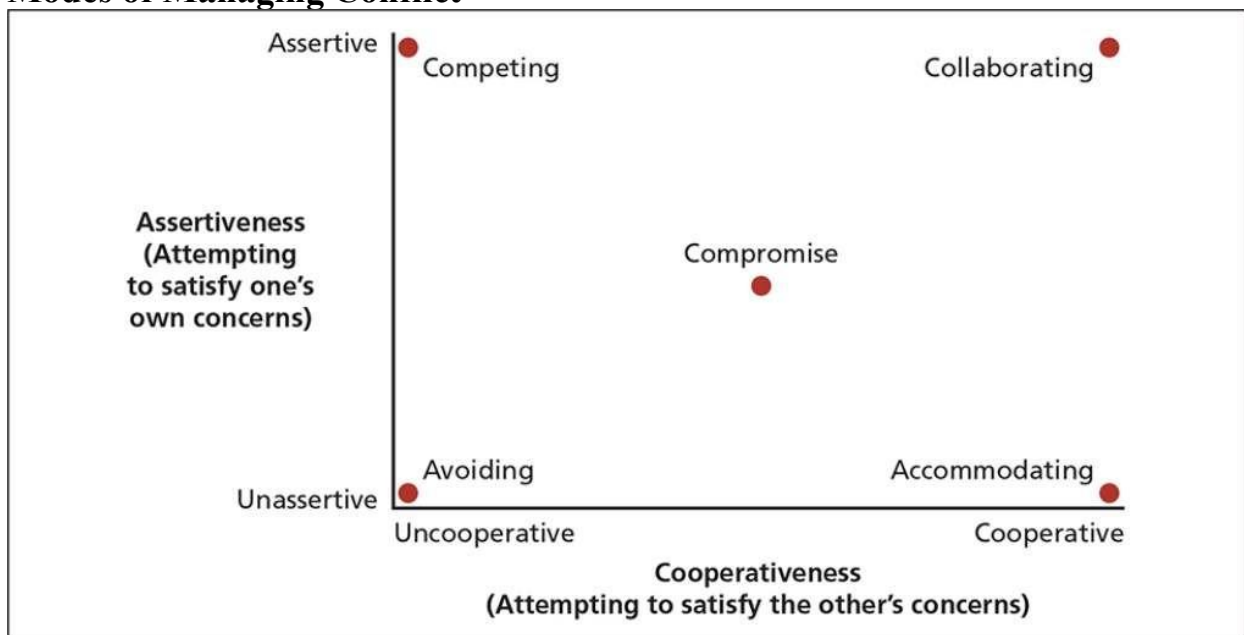
## **Types of Conflict**

- **Relationship Conflict:** interpersonal tensions among individuals that have to do with their relationship, not the task at hand.
  - E.g. personality clashes
- **Task Conflict:** disagreements about the nature of the work to be done.
  - E.g. differences of opinion about goals or technical matters
- **Process Conflict:** disagreements about how work should be organized and accomplished.
  - E.g. disagreements about responsibility, authority, resource allocation and who should do what.
- Such conflict prevents the development of cohesiveness but not all conflict is detrimental.

## Conflict Dynamics

- When conflict begins, we can see the signs:
  - Winning the conflict becomes more important than developing a good solution to the problem.
  - The parties begin to conceal information from each other or to pass on distorted information.
  - Each side becomes more cohesive. Strict conformity is expected.
  - Contact with the opposite party is discouraged.
  - The opposite party is negatively stereotyped and the image of one's own position is boosted.
  - More aggressive people who are skilled at engaging in conflict may emerge as leaders.

## Modes of Managing Conflict



### *Avoiding*

- A conflict management style characterized by low assertiveness of one's own interests and low cooperation with the other party.

### *Accommodating*

- A conflict management style in which one cooperates with the other party while not asserting one's own interests.

### *Competing*

- A conflict management style that maximized assertiveness and minimizes cooperation.

### *Compromise*

- A conflict management style that combines intermediate levels of assertiveness and cooperation.

### *Collaborating*

- A conflict management style that maximizes both assertiveness and cooperation.

## Is All Conflict Bad?

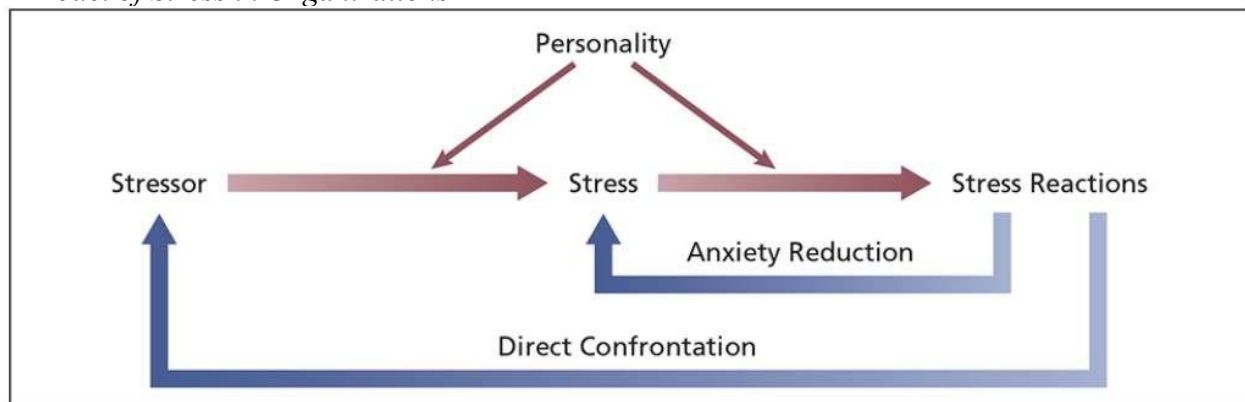
- The argument that conflict can be functional rests mainly on the idea that it can improve decision making and promote necessary organizational change.
- **Constructive conflict**: conflict for which the benefits outweigh the costs.
  - o Promotes good decisions and positive organizational change.
  - o Most likely when the tendency to avoid conflict is suppressed and the parties engage in open-minded discussion of their differences.
- **Conflict stimulation**: a strategy of increasing conflict to motivate change.
  - o How do managers know when some conflict might be a good thing?
    - The existence of a “friendly rut”, in which peaceful relationships take precedence over organizational goals.
    - When parties that should be interacting closely have chosen to withdraw from each other to avoid overt conflict.
    - When conflict is suppressed or downplayed by denying differences, ignoring controversy, and exaggerating points of agreement.

Causes of conflict (scarcity and ambiguity) can be manipulated by managers to achieve change.

When you are under stress:

- Physiological changes
  - o Blood pressure
  - o Heart rate
  - o Muscle tension
  - o Pains
  - o Sleeping problems
- Psychological changes
  - o Affective change: unstable mood, easily irritated
  - o Cognitive change: difficulty in concentrating, absence of passion/excitement, lack of confidence

### *A Model of Stress in Organizations*



### **Stressors**

- Environmental events or conditions that have the potential to induce stress - source of stress (i.e., any demands or changes)
- Perceived as threats by many
- Is a form of discomfort and you may take action to alleviate this discomfort.

*Stress*

- **Stress:** a psychological reaction to the demands inherent in a stressor that has the potential to make a person feel tense or anxious.

#### *Stress Reactions:*

- The behavioral, psychological, and physiological consequences of stress.

#### *When Stressors are Stressful:*

- A discrepancy between the desired state and the actual state that you are unable to reduce/eliminate
- A stressor will lead to a stress reaction when you can't properly address the stressor.
  - E.g. if you have a C but you say that you cannot get a higher mark, it will make you stressed; however, you can take control of your stress and reduce it by addressing the stress.
- Potential stressor → Actual/perceived efficacy to tackle stressor → stress reaction

#### **Physical stressors**

- Indoor climate: excessive heat/cold
- Noise and vibrations
- Office design
- Work shifts
- Air quality/pollution
- Physical stressors can be harmful because they force body systems to continuously compensate for conditions that are outside the normal range
  - Usually relate to work environment

#### **Interpersonal stressors**

- Interpersonal stressors at work are concerned with the demands of the normal course of social, personal, and working relationships in the organization
  - Status or power differences
  - Leadership styles
  - Team pressure and diversity
  - In-group/out-group dynamics and stereotyping
- Such as coworker rudeness, abusive leaders, and workplace bullying

#### **Role stressors**

- Roles: defined in terms of the behavioural expectations
- Role ambiguity: derive from unclear expectations or uncertainty about the consequences of certain role behaviours
- Role conflict: derive from inconsistent expectations

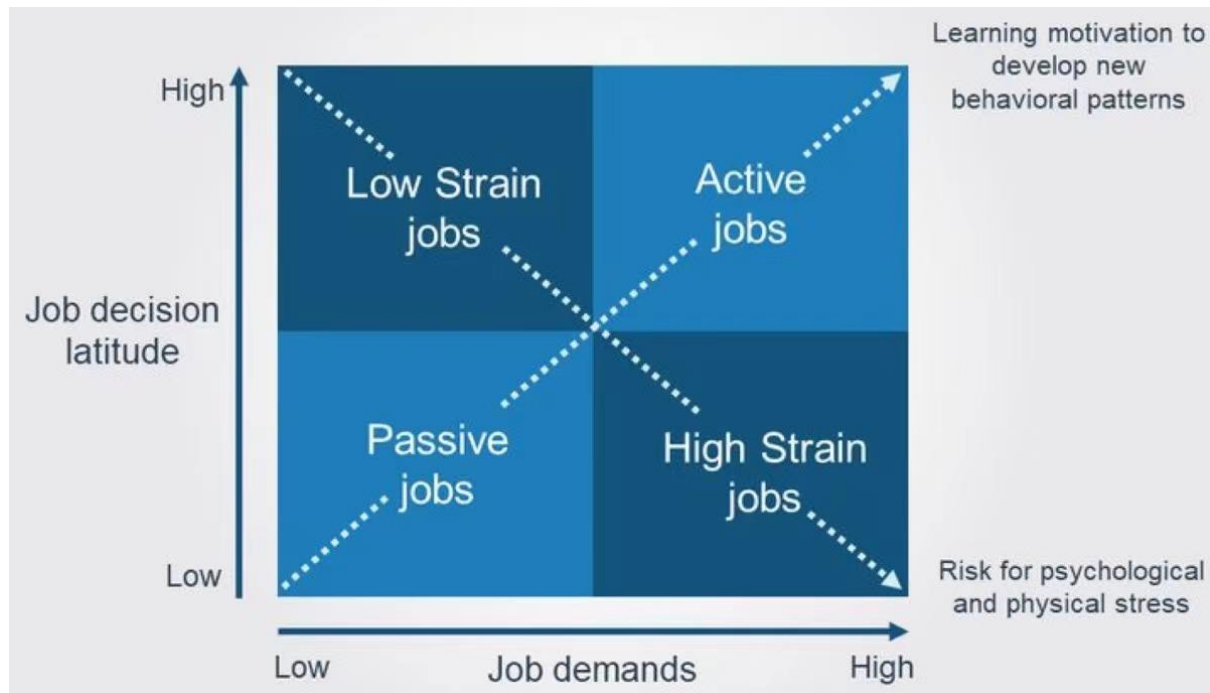
#### **Task stressors**

- Work overload
  - Quantitative overload
  - Qualitative overload
    - Do not feel that they have the required KSAs to accomplish the task
- Routine jobs: jobs that demand too little
  - Repetitive and under stimulating

#### **Work-family conflict**

- An inter-role conflict (role stressor)
- Work-to-family interference and family-to-work interference

- Time-based conflict
  - Work in the evening
- Strain-based conflict
  - Negative emotions
    - Had a bad day at work thus going home at night may cause people to bring the bad mood to home, and vice versa
- Behaviour-based conflict
  - Work role and family role conflicts
    - Assertive manager and caring dad



- Doctors have higher job decision latitude than nurses (more control over their work)
- Nurses have higher job demands
- Doctors = active jobs (high energy and motivation)
- Nurses = high strain jobs (worse combination)

## **Appraisal of stressors**

### **Primary and secondary appraisal**

- Relevance/significance of the stressor to the current goal
  - o Whether I care about the stressor
- Actual/perceived efficacy to control/tackle the stressor
  - o Once stress is evaluated as relevant, then it is about whether I have the resources to tackle the stress
  - o Can tackle? No stress.
  - o Cannot tackle? Stress!

### **Challenge and hindrance appraisal**

- Challenge: whether the stress have positive impacts
  - o Help me to learn and improve if I can tackle
  - o Low stress, high motivation
- Hindrance: whether the stress have negative impacts
  - o Even if I can tackle, I would just exhaust myself and would not improve.
  - o Limits how well I can do
  - o High stress, low motivation
- One person's challenge might be another person's hindrance

**Boundary roles**: employees are required to interact with both internal and external stakeholders.

- Service providers

## **Display rule as a stressor**

- "Service with a smile"
- **Surface acting**
  - o Emotional regulation of observed expression
  - o Suppressing negativity and faking positivity
  - o Positively related to job burnout, more detrimental to mental wellbeing
    - Constantly monitoring facial expressions, requires more energy
- **Deep acting** ("faking in good faith")
  - o Emotional regulation of underlying feeling
  - o Refocusing attention& reappraising
  - o Positively relates to deeper perceptions
    - Customers perceive them as more authentic, thus boosting satisfaction

## **Burnout as a stress reaction**

- Emotional exhaustion
  - o Feeling fatigued in the morning
  - o Being drained by the work
  - o Being frustrated by the day's events
- Depersonalization and cynicism
  - o Being cynical
  - o Distancing oneself from one's clients
  - o Treating clients as objects and lacking concerns for clients
- Low personal accomplishment
  - o Feeling low self-efficacy

## Coping with stress

- **Coping:** efforts that help individuals manage and reduce stress
  - Adaptive: coping reduces stress level
  - Maladaptive: coping (i.e., totally dwell on job, without seeing anything outside of it) leads to negative physiological, emotional, and behavioural outcomes
- **Problem-focused coping:** strategies focused on reducing or eliminating the stressor
  - People make efforts to change situation to less stressful
    - Avoid working with stressful people
  - Advantage
    - Tackles the stressor head on
    - Reduces the stressor and therefore the stress
  - Disadvantage
    - Might not be possible sometimes
    - Might cause more stress
- **Emotion-focused coping:** strategies focused on reducing or eliminating the experience of stress
  - More relevant when problem-solving is impossible
  - Advantage
    - Eases the stress of experience
    - Can help facilitate a problem-focused approach
  - Disadvantage
    - Does not eliminate the cause of stress
    - Could lead to other problems

## **Organizational Strategies for Managing Stress**

### *Job Redesign*

- Organizations can redesign jobs to reduce their stressful characteristics.
  - E.g. job enrichment and empowerment
- Overloaded executives might be given an assistant to reduce the number of tasks he or she must perform.
- Most formal job redesign efforts have involved enriching operative-level jobs.
- For service jobs, they are providing more autonomy in how service is delivered and how it can alleviate stress and burnout.
- Boundary role service jobs require a high degree of emotional regulation in any event, and some autonomy allows employees to cope with emotional labour by adjusting their responses to align with their own personalities.
- Stressful job designs often emerge from heavy-handed downsizing, restructuring and mergers
  - Common symptoms are:
    - Extreme role overload, increased responsibility without corresponding authority to act, and the assignment of tasks for which no training is provided.



### *“Family-Friendly” Human Resource Policies*

- Improves work-life balance.
- A welcome form of material support consists of corporate daycare centres.
- Flexibility is also important and includes flextime, telecommuting, job sharing and part-time work, as well as family leave policies.
  - o A common problem is convincing managers to encourage employees to use them in an era of downsizing and lean staffing.
  - o Another problem is the mismatch between the type of flexibility available and that needed.
    - E.g. lower-level employees might benefit the most from flextime, but it is often unavailable to them.
- Perceptions of flexibility, a reasonable workload, supportive supervision, and a supportive culture are associated with less work-family conflict and higher job satisfaction and organizational commitment.

### *Stress Management Programs*

- **Some programs help mentally** healthy employees prevent problems due to stress.
- Techniques: meditation, mindfulness training, muscle-relaxation exercises, biofeedback training to control physiological processes, training in time management, and training to think more positively and realistically about sources of job stress.
- Mindfulness training has received particular attention in recent years.
  - o Mindfulness is a state in which people are highly aware of and attentive to what is happening in the present.
  - o Makes people less sensitive to stressors, less inclined toward negative mood and faster to recover from stressful events.

### *Work-Life Balance, Fitness and Wellness Programs*

- Leisure activities combined with a healthy diet and physical exercise can reduce stress and counteract some of the adverse physiological effects of stress.
- Work-life balance programs and quality-of-life benefits have become a strategic retention tool.
  - o By providing them, they can increase commitment and reduce turnover.
- Fitness training is associated with improved mood, a better self-concept, reduced absenteeism, enhanced job satisfaction, and reports of better performance.

### Control-demand-support model

- Demands - stressors
- Control = decision latitude, an important type of resource in the workplace
- Support = a stress buffer, another important type of resource that helps decrease the detrimental impacts of stressors

### Personality and Stress:

#### *Locus of Control*

- A set of beliefs about whether one's behavior is controlled mainly by internal or external forces.
- Internals believe that they control their own behaviour, while externals believe that their behaviour is controlled by luck, fate, or powerful people.
- Externals are more likely to feel anxious in the face of potential stressors. (Less in control)
- Internals are more likely to confront stressors directly.

#### *Type A Behaviour Pattern*

- A personality pattern that includes aggressiveness, ambitiousness, competitiveness, hostility, impatience, and a sense of time urgency.

- Individuals are likely to exhibit elevated blood pressure, elevated heart rate and modified blood chemistry.
- Tend to have a strong need to control their work environment, a full-time task that stimulates their feelings of time urgency and leads them to overextend themselves physically.
- Physiological reactions are hostility and repressed anger
- **Workaholics**: an addiction to work in which one has an internal compulsion to work, thinks persistently about work, and works excessively.
  - These people tend to be stressed, burned out, dissatisfied, in poor health and they do not perform better than their more laid-back colleagues.

### *Negative Affectivity*

- The propensity to view the world, including oneself and other people, in a negative light.
- Tend to be pessimistic and downbeat.
- Tend to report more work stressors and feel more subjective stress.
- Factors:
  - A predisposition to perceive stressors in the workplace
  - Hypersensitivity to existing stressors
  - A tendency to gravitate to stressful jobs
  - A tendency to provoke stress through their negativity
  - The use of passive, indirect coping styles that avoid the real sources of stress.

## **Stressors in Organizational Life**

### Executive and Managerial Stressors

- Make key organizational decisions and direct the work of others.

#### *Role Overload*

- **Role Overload**: the requirement for too many tasks to be performed in too short a time period or to work too many hours.

#### *Heavy Responsibility*

- Executives are responsible for people as well as things, and this influence over the future of others has the potential to induce stress.

### Operative-Level Stressors

#### *Poor Physical Working Conditions*

- Operative-level employees may be exposed to physically unpleasant and even dangerous working conditions.

#### *Poor Job Design*

- Monotony and boredom can prove extremely frustrating to people who feel capable of handling more complex tasks.

### Boundary Role Stressors, Burnout, and Emotional Labour

- **Boundary Roles**: positions in which organizational members are required to interact with members of other organizations or with the public.
  - E.g. VP of Public relations is responsible for representing the company to the public; receptionists, sales reps, consultants.
- People are especially likely to experience stress as they straddle the boundary between the organization and its environment.
- **Burnout**: a syndrome of emotional exhaustion, cynicism, and reduced self-efficacy.
- These people are organizational clients who require special attention or who are experiencing severe problems.
  - E.g. teachers, nurses, paramedics, social workers and police.

- Might involve depersonalizing the clients, treating them like objects and lacking concern because they believe they are the cause of the exhaustion.
- Women are more likely to report depersonalization.
- People with high self-esteem, high conscientiousness, and internal control report less burnout.
- Consequences are experiencing guilt, staying put in their job and suffering, poor performance and excessive absenteeism.

### The Job Demands - Resources Model and Work Engagement

- **Work Engagement:** a positive work-related state of mind that is characterized by vigour, dedication, and absorption.
  - o Vigour involves high levels of energy and mental resilience at work
  - o Dedication means being strongly involved in your work
  - o Absorption refers to being fully concentrated on and engrossed in your work.
- **Job Demands-Resources Model:** a model that specifies how job demands cause burnout and job resources cause engagement.
- Job demands are physical, psychological, social, or organizational features of a job that require sustained physical or psychological effort that in turn can result in physiological or psychological costs.
  - o Common demands: work overload, time pressure, role ambiguity, role conflict.
- Job Resources refer to features of a job that are functional in that they help achieve work goals, reduce job demands and stimulate personal growth, learning, and development.
  - o Comes from the organization (pay, career opportunities, job security), interpersonal and social relations, the organization of work, and the task itself.
- Central assumption of the model is that high job resources foster work engagement, while high job demands exhaust employees physically and mentally and lead to burnout.

### Some General Stressors

#### *Conflict*

- Workplace **bullying**: repeated negative behaviour that is directed toward one or more individuals or lower power/status.
- **Abusive Supervision**: the bullying of subordinates by managers.
  - o Especially damaging to employee well-being because managers control resources of interest to employees and are a natural place to turn to for support.
- **Cyberbullying**: bullying via email, texting, etc.

#### *Job Insecurity and Change*

- Secure employment is a goal.

#### *Role Ambiguity*

- Having to deal with incompatible role expectations can provoke stress.
- Lack of direction for your job.

#### *Techno-Stressors*

- Stress from having to use and to master workplace information and communication technologies.
- Techno-overload: too many technology features.
- Techno-invasion: feeling that work demands have invaded non-work time
- Techno-uncertainty: technology is changing too often, messages are prone to misinterpretation
- Techno-insecurity: fear that others are more adept at adapting to and using new technology than we are and can threaten our job.

#### *Sexual Harassment*

- Negative effects include decreased morale, job satisfaction, organizational commitment and job performance and increased absenteeism, turnover, and job loss.

## Reactions to Organizational Stress

### Behavioural Reactions to Stress

#### *Problem Solving*

- Directed toward terminating the stressor or reducing its potency.
- Ways to problem solve:
  - Delegating, time management, talking it out, asking for help, searching for alternatives.

#### *Seeking Social Support*

#### *Performance Changes*

#### *Withdrawal and Presenteeism*

- Withdrawal from the stressor is one of the most basic reactions to stress.
- **Presenteeism**: attending work when ill, not working at full capacity.

#### *Use of Addictive Substances*

### Psychological Reactions to Stress

**Defense Mechanisms**: psychological attempts to reduce the anxiety associated with stress.

- Rationalization: attributing socially acceptable reasons or motives to one's actions so that they will appear reasonable and sensible.
  - E.g. male nurse who becomes angry and abusive when learning he will not be promoted, will justify his anger by claiming that the female head nurse discriminates against men.
- Projection: attributing one's own undesirable ideas and motives to others so that they seem less negative.
  - E.g. a sales exec who is undergoing conflict about a bribe to an official might reason that the official is corrupt.
- Displacement: directing feelings of anger at a "safe" target rather than expressing them where they may be punished.
  - E.g. a construction worker who is severely criticized by the boss might take out frustrations on the family.
- Reaction Formation: expressing oneself in a manner that is directly opposite to the way one truly feels rather than risking negative reactions to one's true position.
  - E.g. a low-status member might vote with the majority on a crucial issue.
- Compensation: applying one's skill in a particular area to make up for failure in another area.
  - E.g. a professor who is unable to get his or her research published might resolve to become a superb teacher.

### Physiological Reactions to Stress

- Physiological reactions to stress have concentrated on the cardiovascular system, specifically on the various risk factors that might follow with heart attacks.
  - E.g. work stress is associated with electrocardiogram irregularities and elevated levels of blood pressure, cholesterol and pulse.
- Stress is also associated with the onset of diseases such as respiratory and bacterial infections due to its ill effects on the immune system.

### Why is Stress difficult to prevent or treat?

- The same things might not be stressful for everyone
- People may not be able to pinpoint their stressors
- It may not be possible for the individual or the org to properly address stressors.
- Individuals may differ in their ability/motivation to properly address stressors
- There might be a large number of stressors

## Chapter 8 & Chapter 15 - Organizational Change and Culture

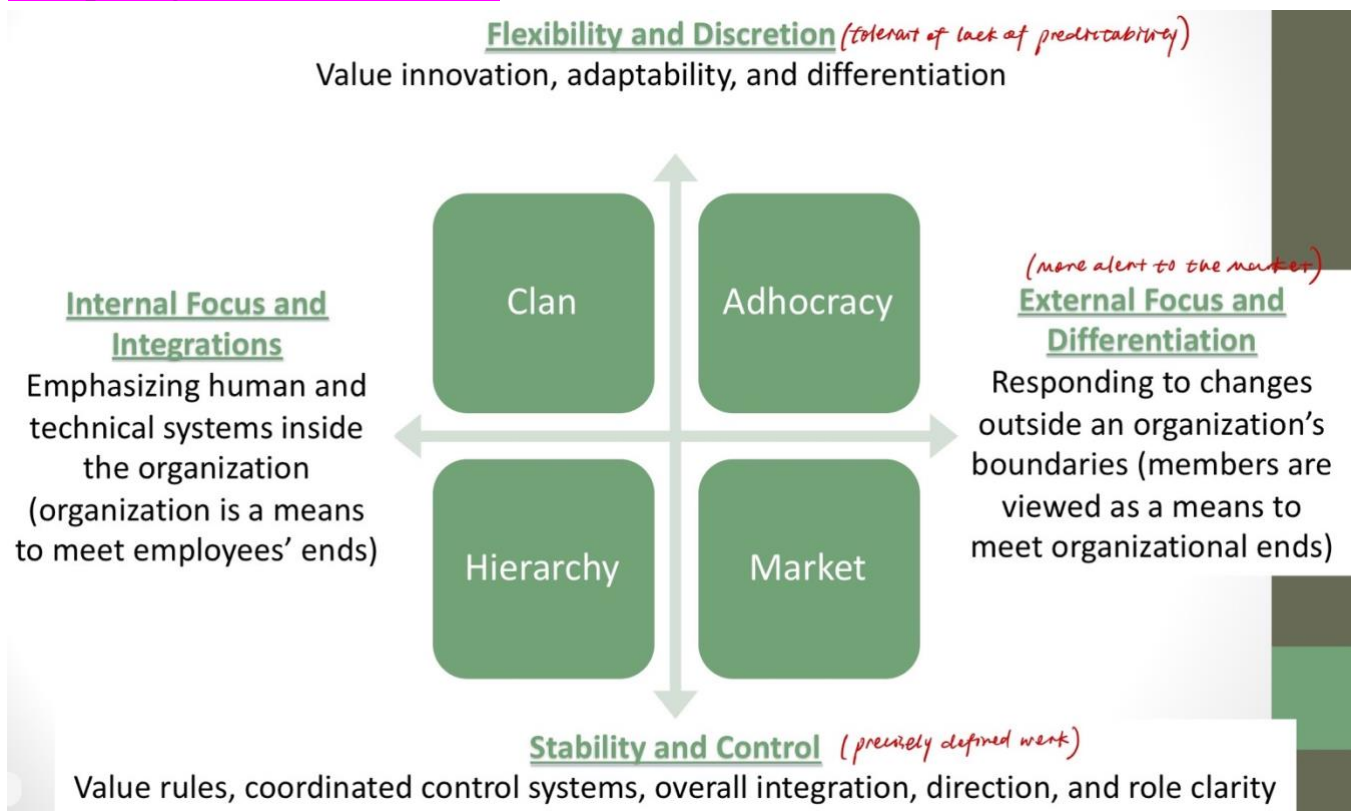
### Organizational culture

- The **shared** beliefs, values, and assumptions that exist in an organization
- Represents a true “way of life” for organizational members
  - o Describes what organization is like
  - o “How we do things around here”
  - o Similar to the “personality” of an organization
- Sometimes invisible; only becomes obvious when it is contrasted with other organizations or when it undergoes changes
- Tends to be fairly stable over time
- Can involve matters that are internal to the organization or external

### Levels of organizational culture

- From high to low visibility
  - o Artifacts and physical characteristics
  - o Espoused values and values-in-use
    - **Values:** hard to observe directly; available by interviewing key members or analyzing artifacts
      - Behavioural norms, belief systems, and espoused values
        - o What employees consider important, good, or right
        - o What employees think is true
        - o The behaviour that is considered appropriate and desirable
  - o Fundamental assumptions
    - Typically unconscious and taken for granted, but determining how members perceive, think, Feel, and behave
    - Deeply held, unconscious beliefs about reality - helping members interpret what different behaviours mean
    - Sample questions to ask in analyzing fundamental assumptions
      - **The nature of reality and truth:** derived from debates? Pragmatic tests? Reliance on wisdom? Social consensus?
      - **The nature of human nature:** good (must be nurtured) or evil (must be controlled)? Fixed or changeable?
      - **The nature of human relationships:** individualistic (competitive) or collective (cooperative)?

## Competing Values Framework



### Clan

- A **collaborative** orientation
- Leaders expected to be facilitators, mentors and team builders
- Assumption: human development & participation -> effectiveness
  - o Value cohesion, morale, and satisfaction
- Family business culture, companies with long history, low competition, and stable membership

### Adhocracy

- A **creative** orientation
  - o Value cutting-edge ideas
- Leaders expected to be innovators, entrepreneur, and visionary
- Assumption: vision and innovation -> effectiveness
- High tech companies, consulting, filming

### Hierarchy

- A **controlling** orientation
- Leaders expected to be organizers, coordinators, and monitors
  - o Make sure people follow rules and perform
- Assumption: control and efficiency with capable processes -> effectiveness
- Companies with mature history (CRA, accounting), with importance for error-free and stability

### Market

- A **competing** orientation
- Leaders expected to be hard driving, competitors, and producers
- Assumption: aggressively competing and customer focus -> effectiveness
- Mature companies in highly competitive market (traditional automobile), that value stability and respond to external changes

## Cultural artifacts

- **Symbols**
  - Indicators of corporate culture
  - Visible representations of values and beliefs
  - Examples
    - Office layout
    - Logos
    - Clothing/uniforms
    - Décor
    - Language/jargon
- **Rituals**
  - Rites, rituals, and ceremonies can convey the essence of a culture
  - Behaviours that are engaged in repeatedly by organization members
  - Examples
    - Chatting around the water cooler
    - Going out for happy hour
    - Celebrating birthdays
    - Casual Fridays
    - Monday meetings
    - Teasing the new guy
- **Stories**
  - Stories communicate “how things work” and reflect the uniqueness of organizational cultures
  - Narratives that are shared among organization members
  - Examples
    - Stories about how the company came into being
    - Folklore about the founder
    - Stories about employees who made mistakes

## Organizational culture

- **Strong culture**
  - An organizational culture with intense and pervasive beliefs, values, and assumptions
  - Provides great consensus concerning “what the organization is about” or how we do things
  - **Assets**
    - Eases communication and coordination
    - Eases conflict resolution by providing a common ground of agreement
    - Promotes member loyalty and true identity with org and its product and services
    - Socializes members’ transition into org & promotes role clarity
    - Leads to org effectiveness when the culture supports the mission, goals, and strategy
  - **Liabilities**
    - Resistance to change when missions, goals, and strategies change
    - Culture clash: strong cultures do not blend well when mergers or acquisitions occur
    - A strong culture can be a negative culture that is out of synchronization when org goals and strategies
- **Weak culture**
  - Beliefs, values, and assumptions are less strongly ingrained or less widely shared across the org
  - Tends to be fragmented and have less impact on organizational members



# The Concept of Organizational Change

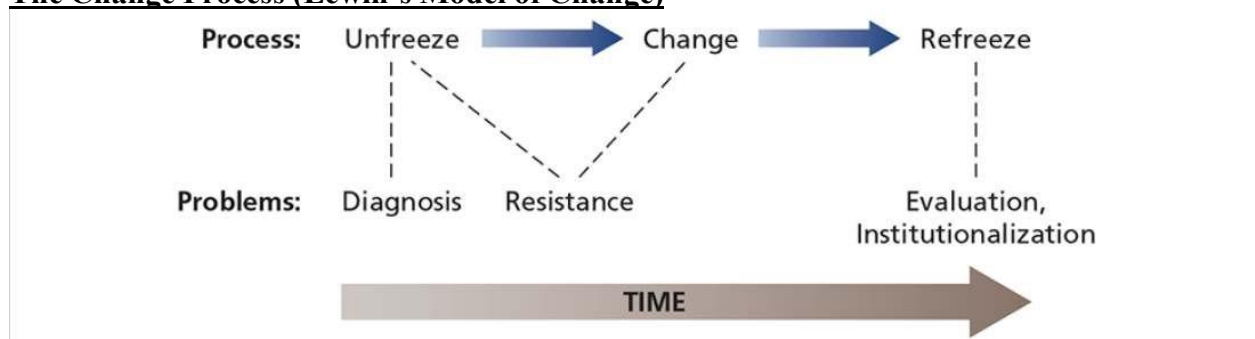
## Why Organizations Must Change

- All organizations face two basic sources of pressure to change - external and internal sources.
- Environmental changes must be matched by organizational changes if the organization is to remain effective.
  - o Impact of an external environment in stimulating organizational change is the increased competitiveness of business.
  - o Because of this, organizations become leaner and meaner, laying off thousands of employees.
  - o Mergers, acquisitions, and joint ventures with foreign firms have become commonplace.
- Change can also be provoked by forces in the internal environment.
  - o Low productivity, conflict, strikes, sabotage, and high absenteeism and turnover.
- Internal forces for change occur in response to organizational changes that are designed to deal with the external environment.
- Change almost always entails some investment of resources. Also, it almost always requires some modification of routines and processes.
  - o E.g. one of your authors observed a university program threatened by low enrolment.
  - o Involved faculty spent many hours revising the curriculum, but it still looked much like the old curriculum.
  - o Resources were invested, but the routines of teaching were not modified to counter the threat.

## What Organizations Can Change

- Goals and Strategies
- Technology
- Job Design: can offer more or less variety, autonomy, identity, significance, and feedback.
- Structure: modifications in rules, policies, and procedures.
- Processes: basic processes by which work is accomplished can be changed.
- Culture
- People: actual content of the membership can be changed through a revised hiring process.
- Changes in goals, strategies, technology, structure, process, job design and culture almost always require that organizations give serious attention to people changes.

## The Change Process (Lewin's Model of Change)



### *Unfreezing:*

- **Unfreezing:** the recognition that some current state of affairs is unsatisfactory.
- Reduce the forces maintaining the status quo
- Show that there is a gap between the current state and desired state → will motivate

people to engage change

- Realization that the present structure, task design or technology is ineffective, or that member skills or attitudes are inappropriate.
- Crises are especially likely to stimulate unfreezing
  - E.g. dramatic drop in sales, big lawsuit, unexpected strike.
  - Employee attitude surveys, customer surveys and accounting data are often used to anticipate problems and to initiate change before crises are reached.

#### *Change*

- The implementation of a program or plan to move the organization or its members to a more satisfactory state.
- People must have the capability and the opportunity and the motivation to change.

#### *Refreezing*

- **Refreezing**: the condition that exists when newly developed behaviours, attitudes, or structures become an enduring part of the organization.
- Stabilize the organization in a new state of equilibrium
- The change is reinforced by mechanisms like the culture, rewards and structures
- The effectiveness of the change can be examined and the desirability of extending the change further can be considered.
- Lewin's simple model of change.
  - Applies to firms in so-called hyper turbulent environments where constant, unpredictable, non-linear change is the norm.

#### The Learning Organization

- **Organizational learning**: the process through which an organization acquires, develops, and transfers knowledge throughout the organization.
- Two primary methods of organizational learning:
  - Knowledge acquisition: involves the acquisition, distribution and interpretation of knowledge that exists external to the organization.
  - Knowledge development: involves generating new knowledge internally through dialogue and experience.
- Occurs when members interact and share experiences and knowledge.
- **Learning organization**: an organization that has systems and processes for creating, acquiring, and transferring knowledge to modify and change its behaviour to reflect new knowledge and insights.
- Research suggests that failure is a more potent determinant of organizational learning than success because failure stimulates far greater information search and acquisition.
- **Four key dimensions** that are critical for a learning organization:
  - Vision/support: leaders must communicate a clear vision of the organization's strategy and goals.
  - Culture: has a culture that supports learning.
  - Learning systems/dynamics: employees are challenged to think, solve problems, make decisions and act according to a systems approach by considering patterns of interdependencies.
  - Knowledge management/infrastructure: learning organizations have established systems and structures to acquire, code, store, and distribute important information and knowledge.
- Example of a organization that excels at learning:
  - Singapore Airlines.
  - Company has created a culture that values extracting copious information from customers and using it in a systematic way to improve their customer service.
  - The airline also has a system in place to note and codify verbal complaints and

- suggestions made to aircrew personnel.
- Example of organization that failed to exhibit effective learning:
  - o Sears department store chain.
  - o Many observers attributed the failure to the parent company's weaknesses in implementing online shopping.
  - o Sears had a long history of successful mail catalog sales in rural areas, but they failed to develop and translate this acquired knowledge about virtual catalog shopping to the online environment.

## Issues in the Change Process

### Diagnosis

- The systematic collection of information relevant to impending organizational change.
- Initial diagnosis can provide information that contributes to unfreezing by showing that a problem exists.
- Once unfreezing occurs, further diagnosis can clarify the problem and suggest just what changes should be implemented.
- **Change agents:** experts in the application of behavioural science knowledge to organizational diagnosis and change.
- Obtain diagnostic information through a combination of observations, interviews, questionnaires and the scrutiny of records.

Clues to use in diagnosing a culture:

- Identify the values of the founder/leader
- Examine artifacts (symbols, rituals, stories)
- Observe interactions between members
- Identify the behaviours that are rewarded and punished (both formally and informally)
- Analyze how decisions are made and how people behave, particularly when a situation presents potentially competing values.

### Resistance

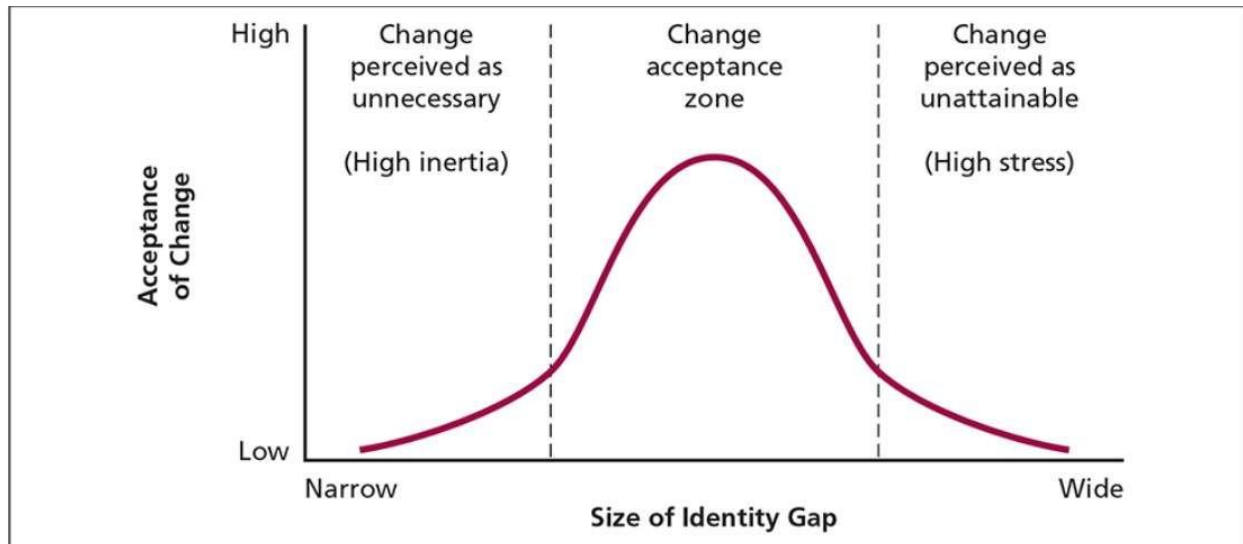
- Overt or covert failure by organizational members to support a change effort.

#### *Causes of Resistance*

- Politics and self-interest: people may think they will lose status, power and autonomy.
- Low individual tolerance for change: people can be uncomfortable with changes in established routines.
- Lack of trust: might not trust the motives of those proposing the change.
- Different assessments of the situation: targets of change might feel that the situation does not warrant the proposed change and think that the advocates of change have misread the situation.
  - o E.g. UPS, managers saw the introduction of scanning bar-coded packages as a way to help customers trace goods. Employees saw it as a way to track and spy on them.
- Strong emotions: change can induce strong emotions (helpless, resistant, stress and even ill)
- Strong organizational identification: people who identify strongly with an organization often resist change.
- A resistant organizational culture: organizational cultures have especially stressed and rewarded stability and tradition.

Two major themes:

1. Change is unnecessary because there is only a small gap between the organization's current identity and its ideal identity.
2. Change is unobtainable (and threatening) because the gap between the current and ideal identities is too large.



### *Time and Resistance*

- Some people are “champions” of change, welcoming it from the beginning and maintaining change-supportive perceptions over time.
- Others are “doubters”, resisting change from the beginning and persisting in their resistance.
- Employees are “converts” who are resistant at first but come to see the value of change.
- “Defectors” have initial change-supportive perceptions but become resistant over time.

### *Dealing with Resistance*

- If politics and self-interest are the reason, might be possible to co-opt the reluctant by giving them a desirable role in the change process or negotiate incentives.
- If misunderstanding, lack of trust or different assessments are the reason, good communication can pay off.

### Changing an Organization’s Culture

Factors inhibiting culture change:

- Culture develops over many years and becomes part of how the employees think and feel.
- Selection and promotion policies guarantee survival of culture
- Top management chooses managers likely to maintain culture
- Artifacts reinforce the culture.

Factors facilitating culture change:

- Organization faces a dramatic crisis
- Turnover in leadership
- Organization is young and small
- A weak culture

To change behaviour:

- Social Cognitive Theory:
  - Have top management exhibit the new values in their behaviour (role modelling)
  - Create new stories and rituals (observational learning)
  - Redesign the socialization process to teach the new values.
- Operant Learning Theory
  - Change the reward system to reinforce the new values

- Promote employees that adhere to the new values.
- Replace unwritten norms with formal rules that are enforced.

### Evaluation and Institutionalization

Thorough evaluation by considering a range of variables:

- Reactions: did participants like the change program?
- Learning: what knowledge was acquired in the program?
- Behaviour: what changes in job behaviour occurred?
- Outcomes: what changes in productivity, absence and so on occurred.
- Reactions measure resistance, learning reflects change, and behaviour reflects successful refreezing.
- If the outcome of change is evaluated favourably, the organization will wish to institutionalize that change.

### **Organizational Development: Planned Organizational Change**

- **Organizational development (OD):** a planned, ongoing effort to change organizations to be more effective and more human.
- Uses the knowledge of behavioural science to foster a culture of organizational self-examination and readiness for change.
- Fact that OD is planned distinguishes it from the haphazard, accidental or routine changes that occur in all organizations.
- Many OD programs extend over a long period of time, involving distinct phases of activities
  - If OD becomes institutionalized, continual re-examination and readiness for further change become permanent parts of the culture.
- OD gives recognition to the critical link between personal processes, such as leadership, decision making, and communication - and organizational outcomes, such as productivity and efficiency.
- Seeks to modify cultural norms and roles, uses behavioural science knowledge.
- A focus on interpersonal and group processes recognizes that all organizational change affects members and that their cooperation is necessary for implementation.