Hellow, future RPm!

Doubt is definitely going to eat you this review season. I just want you to know that it is very VALID to feel that way. But always remember to go back to the reason why you are doing this.

May this reviewer help you pass the boards like it did to me and to many people that I know <3

We will be remembered ✨

Organizational Theory (20)
Organizational Theories, Models, and Concepts
Organizational Theory

o **Organization** – collectivities of parts that cannot accomplish their goals effectively if they operated separately
  - a tool people use to coordinate their actions to obtain something they desire or value to achieve a goal
  - social entity, made up of people that agree on, and work towards goals
  - org creates value, or else the "die"
  - How do org create value? Environment (Customers, Suppliers) > Input (Raw Materials, IT, HR) > Process (Machines, Computers, KSAOs) > Output (Products, Services)
o **Organizational Theory** – set of propositions that explains or predicts how group and individuals behave in varying organizational structures and circumstances

Classical Theory/Classical Organizational Theory

o **Classical Organizational Theory** – organizations exists for economic reasons and to accomplish productivity goals
o The basic ingredient of any organization and then addresses how organizations should best structured to accomplish its objectives
  ✓ System of differentiated activities – activities that are linked to each other
  ✓ People – perform tasks and exercise authority
  ✓ Cooperation toward a goal – unity of purpose in pursuit of their common goals
  ✓ Authority – ensures cooperation among people pursuing their goals
o There is a "right" structure for an organization

o Assumes there is one best configuration to accomplish goals
o Scientific Analysis will identify the **one** best way to organize for production
o Deal with the formal organization and concepts to increase management efficiency
o Both people and organizations act in accordance with rational economic principles
o To be successful in this new economy, industrial and mechanical engineers are needed to organize production systems to keep the machines busy and work flowing
o **Functional Principle** – concept behind division of labor, that is, organizations should be divided into units that perform similar functions into areas of specialization
o **Scalar Principle** – deals with the organization's vertical growth and refers to the chain of command that grows with levels added to the organization
  - Each subordinate should be accountable to only one superior (unity of command)
o **Line/Staff Principle**

Line Functions: have primary responsibilities for meeting the major goals of the organization, like the production department
Staff Function: support the line's activities but are regarded as subsidiary in overall importance to line functions

o **Span-Of-Control Principle** – refers to the number of subordinates a manager is responsible for supervising
  - Large Span-of-Control produce flat organizations, whilst, smaller Span-of-Control produce taller organizations

A. **Scientific Management by Frederick Taylor**
  - The organization is a machine, a pragmatic machine whose focus is to simply run more effectively
  - Taylor believed that scientific principles could be applied to the study of work behavior to help increase worker efficiency and productivity
  - Based on the concept of planning of work to achieve efficiency, standardization, specialization, and simplification
  - The advantages of productivity improvement should go to workers
  - Physical stress and anxiety should be eliminated
  - Capabilities of workers should be developed through training
  - Traditional boss concept should be eliminated

- Mainly associated with high levels of job specialization and standardization
- conducted time and motion studies and analyzed temperature, illumination, and other conditions of work, all while looking at the effects of these conditions on productivity and efficiency
- Taylorism: has a premise that there is one best way to get the job done
- Management gathers data from the workers, who are in the best position to understand the job duties and tasks
- Workers are selected carefully or scientifically and trained so that they become more efficient than ever
- Scientific selection, data collection, and training are combined to enhance efficiency
- The work itself is redistributed, with management taking over tasks previously left to subordinated
- The most effective companies have detailed procedures and work practices developed by engineers, enforced by supervisors, and executed by employees
- Taylor, along with Frank and Lillian Gilbreth implemented the principles of scientific management
- Worker efficiency would lead to greater managerial efficiency
- Scientific Selection of the worker
- Management and labor cooperation rather than conflict
- Scientific training of the worker

B. **Bureaucracy by Max Weber**
- Described the structure, organization, and operation of many efficient organization
- ideal form of organization
- includes formal hierarchy, division of labor, and a clear set of operating procedures
- Well-defined authority hierarchy with strict rules for governing behavior, with few members with highest status on the top
- Increase productivity by reducing inefficiencies in organizational operations

Characteristics of a Bureaucratic Organization
Specialization of labor
Well-defined Authority Hierarchy
Formal Rules and Procedures
Impersonality – behavior is based on logical reasoning rather than emotional thinking

Employment decisions based on merit
Emphasis on written records

- *Division of Labor:* each job is a specialized position with its own set of responsibilities and duties; division of tasks performed in an organization
- One potential difficulty involves the coordination of various tasks handled by various employees
- Tend to be **top-down** pyramidal organization
- *Delegation of Authority:* approach whereby supervisors assign tasks to separate employees and hold them responsible for completing these tasks (Micromanagers); information about which lower-level employees report to higher-level employees
- *Structure:* formal way an org is designed in terms of division of labor, delegation of authority, and span of control
- Characterized by Span of Control (number of subordinates who report to a given supervisor

Principles of Scientific Approach
Structure – hierarchy, top-down, and uses legitimate power
Specialization – functional basis, separated according to specialization
Predictability and Stability – there must be rules and regulations
Rationality – equal treatment, no bias/subjective in selection
Democracy – ability to vote

C. **Administrative Management by Henri Fayol**
- Aims to improve organizational productivity by focusing on methods that managers can use to synchronize internal processes

Elements of Administrative Theory
Line & Staff
Committee
Function of Management
Principles
1. Division of Specialization – employees can become more proficient in the accomplishment of a limited set of activities – thus, improving their output
- *Employed:* working in the person's chosen field of specialization
- *Underemployed:* employed in a field that is not under a person's specialization
- *Unemployed:* no work

2. Authority and Responsibility – managers should have the authority of issue commands, but it comes with responsibility to ensure the work gets done

3. Discipline – subordinates must fully obey instructions from superiors (discipline through management)

4. Unity of Command – only one executive wherein the employees get instructions

5. Unity of Direction – each workgroup or department is working under a singular plan that coordinates effort (guided by one supervisor)

6. Subordination of Individual interest – interests of individuals are subordinate to the general interests of the group or department of company

7. Remuneration of Personnel – compensation is used to incentivize worker performance

8. Centralization – decision-making should be either centralized or decentralized, depending upon the characteristics of the organization and worker competency

9. Scalar Chain – there must be a hierarchy of authority that places workers below managers in the reporting structure

10. Order – there must be a designed rules and standards for the work environment and work responsibilities

11. Equity – org must run based upon principles of fairness

12. Stability of tenure of Personnel – low turnover; allows employee to learn their jobs, develop skills, and acquire loyalty

- *Progressive Discipline:* method of discipline that uses graduated steps for dealing with problems related to an employee's conduct or performance that do not meet clearly defined standards and policies

13. Initiative – must promote initiative by allowing employees to create plans and carry them out

14. Esprit De Corps – establishing a sense of belonging within the organization creates a sense of unity and moral

- ▪ Managerial practices are the key to driving efficiency in organizations
- ▪ Seeks to heighten managerial performance instead on individual worker efficiency
- ▪ Proposed the creation of work groups and functional departments wherein distinct activities are performed which contribute to the accomplishment of greater tasks

Functions of Management
Planning
Organizing
Staffing
Coordinating
Directing
Reporting
Budgeting

Structural Theory

- o Harry Mintzberg proposed how organizations evolve to reach a certain form and shape (structure) which permits the organization to function in its surroundings
- o The structure of an organization is an adaptive mechanism that permits the organization to function in its surroundings

Seven Basic Parts of an Organization
Operating Core – responsible for conducting basic work duties that give the organization its defining purpose; transform raw goods into a sellable products
Strategic Apex – responsible for the overall success of the entire organization; associated with executive leadership
Middle Line – ensures that overall goals set by strategic apex are being carried out by the operating core
Technostructure – possess specific technical expertise that facilitates overall operation of the organization; accounting, HR, IT, law departments
Support Staff – aid the basic mission of the organization and typically includes the mailroom, security, and janitorial services
Ideology – belief system that compels commitment to a particular value; organizations should have singularly devoted to a particular mission, and all its actions are in pursuit if that mission; employees behave in accordance with their sincere conviction in the ideology of the organization, and can perform their work relatively independent of each other
Politics – side effect of ideology, causes divisiveness and conflict; the basis is the use of power that is neither formally authorized or widely accepted in the organization

Neoclassical Theory

- o **Neoclassical Theory** – recognizes the importance of individual or group behavior and emphasized human relations
- o also known as *Behavioral Theory of Organization*, *Human Relations*, or *New Classical Theory of Management*

- o Based on Elton Mayo, Chester Barnard, and Herbert Simon's Theories
- o Adds a personal or human element to the study of organization, considering the interrelationship between an organization's requirements and the characteristics of its members
- o Productivity was achieved as a result of high morale, which was influenced by the amount of individual, personal, and intimate attention workers received
- o Introduced informal organization and emphasized the: individual, work group, and participative management
- o Neoclassical: Group, Humanistic: Individual

1. Elton Mayo's <u>Hawthorne Experiment</u>
  - ▪ Conducted in Western Electric Company Hawthorne, Chicago
  - ▪ Study if the workers would be more productive depending on the levels of illumination in the factory
  - ▪ Increased productivity when lighting conditions improved
  - ▪ Workers motivation increased due to interest shown by the company in them and their well-being

2. Chester Barnard's <u>Comprehensive Theory of Behavior in Formal Organizations</u>
  - ▪ People in executive roles must foster a sense of purpose, moral codes, ethical visions, and create formal and informal communication systems
  - ▪ People should cooperate, thus making no place for conflicts among workers

3. Herbert Simon's <u>Application of Classical Theories to current situations of his time</u>
  - ▪ Contradicted Henri Fayol's Administrative Management
- o **Human Relations Movement –** social and psychological factors are important in determining worker productivity and satisfaction
  - ▪ Efficient leaders are employee-centric, democratic, and follow a participative style
- o **Behavioral Movement –** proposes ideas how managers should behave to motivate the employees

4. McGregor's Theory X and Theory Y

5. Argyris' Growth Perspective
- o Growth was a natural and healthy experience for an individual
- o Organizations that acknowledged and aided this growth would be more likely to prosper than those that are ignored or actively inhibited this growth

- o Passive to active organisms

Humanistic Theory
- o **Humanistic Theory –** organizational success in terms of employee motivation and the interpersonal relationships that emerge within the organization
  - ▪ **Theory X and Theory Y (McGregor) –** managers' beliefs and assumptions about their employees determine how they behave towards those employees
  - ▪ **Self-Fulfilling Prophecy –** employees, over time, learn to act and believe in ways consistent with how managers think they act and believe

Theory X
- employees are viewed to be lazy, selfish, uninterested in work, lack in ambition, and not very intelligent
- managers control and direct employees in order to make outputs
- employees is <u>passive</u> and unresponsive to organization needs
- most prevalent set of beliefs about employees from the birth of industry
- <u>lack of focus would lead to apathy and resistance</u>

Theory Y
- much more <u>humanistic and developmental</u> orientation, emphasizing not only the inherent goodness, capacity, and potential of employees but also their readiness to develop those inherent characteristics
- emphasizes <u>management's responsibility for nurturing those qualities and providing employees with opportunities to develop their inherently positive characteristics</u> in the workplace
- without unduly constraining organizational or managerial controls

- o **Motivation –** the internal force that drives a worker to action as well as the external factors that encourage that action
  - ▪ Ability and skill determines whether the worker can do the job, but motivation determines whether a worker can do it properly

Three Individual differences traits that are most related to work motivation

1. **Self-Esteem –** the extent to which a person views himself as valuable and worthy
- Employees <u>high in self-esteem are more motivated</u> and will perform better than employees low in self-esteem

- *Consistency Theory*: <u>employees who feel good about themselves are motivated to perform better</u> at work than employees who do not feel that they are valuable and worthy people
- Employees try to perform at levels consistent with self-esteem is compounded by the fact that employees with low self-esteem tend to underestimate their actual ability and performance
- *Chronic Self-Esteem*: person's <u>overall feeling</u> about himself
- *Situational Self-Esteem*: person's feeling about himself in a <u>particular situation</u>
- *Socially Influenced Self-Esteem*: how a person feels about himself on the basis of the <u>expectations of others</u>
- To increase self-esteem, employees can attend workshops in which they are given insights into their strengths
- *Experience-with-Success*: employee is given a task so easy that he will almost certainly succeed
- *Galatea Effect*: the relationship between <u>self-expectations and performance</u>
- Train supervisors to communicate a feeling of confidence in an employee
- *Pygmalion Effect/Rosenthal Effect*: if an employee <u>feels that the manager has confidence in him, his self-esteem will increase</u>
- *Golem Effect*: occurs when <u>negative expectations of an individual cause a decrease in that individual's actual performance</u>

2. **Intrinsic Motivation** – they will seek to perform well because they either <u>enjoy performing the actual tasks</u> or enjoy the challenge of successfully completing the task
- **Extrinsic Motivation** – they don't particularly enjoy the tasks but are motivated to perform well to receive <u>some type of reward or to avoid negative consequences</u>
- **Work Preference Inventory** – measures the <u>intrinsic and extrinsic motivation</u>

3. **Needs for Achievement and Power** – employees differ in the extent to which they are motivated by the need for achievement, affiliation, and power
- Employees who have strong <u>need for achievement</u> are motivated by jobs that are <u>challenging and over which they have some control</u>, whereas employees who have minimal achievement needs are more satisfied when jobs involve little challenge and have a <u>high probability of success</u>

- Employees who have a strong <u>need for affiliation</u> are motivated by jobs in which <u>they can work with and help other people</u>
- Employees who have strong <u>need for power</u> are motivated by a <u>desire to influence others</u> rather than simply to be successful
  o   Other Humanistic/Motivational Theories:
1. **Job Expectations Theory** – a discrepancy between what an employee expected a job to be like and the reality of the job can affect motivation and satisfaction
  ▪   When expectations from the job was not met,
  ▪   the employee might feel unmotivated
  ▪   Realistic Job Preview is really important
2. **Hackman and Oldham's Job Characteristics Theory/Model -** employees desire jobs that are <u>meaningful</u>, provide them opportunity to be <u>personally responsible for the outcome of their work</u>, and provide them with <u>feedback of the results of their efforts</u>
  ▪   Jobs will have motivation potential if they allow employees to <u>use a variety of skills and to connect their efforts to an outcome</u> which has meaning, is useful, or is appreciated by coworkers as well as by others in society
  ▪   **Job Diagnostic Survey**
  ▪   *Job Enrichment:* redesigning jobs to give workers greater responsibility in the planning, execution, and evaluation of their work, raises the level of responsibility

| Core Job Characteristics |
|---|
| **Skill Variety:** use of different skills and talents to complete a variety of work activities |
| **Task Identity:** the degree to which a job requires completion of a whole or identifiable piece of work |
| **Task Significance:** the degree to which the job affects the organization and/or larger society |
| **Autonomy:** provide freedom, independence, and discretion in scheduling the work and determining the procedures to be used to complete the work |
| **Feedback:** employees can tell how well they are doing from direct sensory information from the job itself |
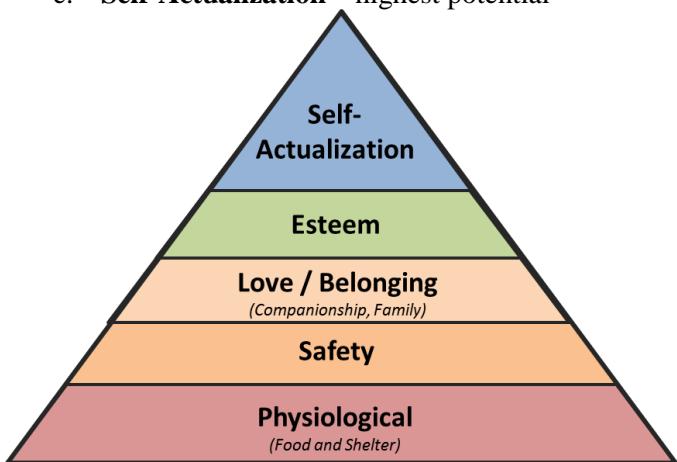
3. **Abraham Maslow's Need Hierarchy -** employees would be motivated by and satisfied with their jobs at any given point in time if certain needs were met
  ▪   This model condenses a long list of previously studied drives into five basic categories (primary needs)
  ▪   Proposed that human beings are motivated by several primary needs (drives) at the same time,

but the strongest source of motivation is the lowest unsatisfied need
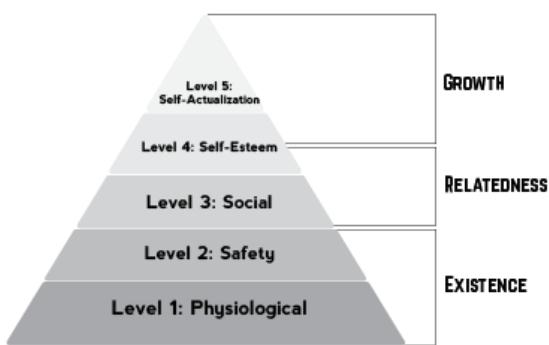
- As the person satisfies a lower-level need, the next higher need in the hierarchy becomes the next strongest motivator and remains so even if never satisfied
- Motivation can be shaped by human thoughts

a. **Physiological Needs** – food, air, water, shelter
b. **Safety Needs** – physical, psychological, and financial needs
c. **Belongingness/Social needs** – interaction with others
d. **Ego Needs** – recognition and success
e. **Self-Actualization** – highest potential

4. Clayton Alderfer's ERG Theory – states that individuals can be motivated by multiple levels of need at the same time, and that the level which is most important to them can change over time

- Individual's priorities and motivations may be fluid and can move between existence, relatedness, and growth

ERG THEORY OF MOTIVATION

5. Frederick Herzberg's Two-Factor Theory – some factors seemed to cause job satisfaction and dissatisfaction

a. **Motivators** – related to the work itself, the type of work, level of responsibility, and the chances for recognition, advancement, and personal achievement
b. **Hygiene** – related to the context in which people perform the job, e.g., benefits, working conditions, type of supervision, salary, company policies

- Eliminate job dissatisfaction by providing basic hygiene factors (compensated properly, treated well, and provided with job security)

6. David McClelland's Achievement Motivation Theory – three needs are central to work motivation: needs for achievement, power, and affiliation

Need for Achievement – drive to success and get the job done; love the challenges of work, task-oriented, preferring situations offering moderate levels of risk or difficulty
Need for Power – need to direct and control the activity of others and to be influential - *Personal Power:* used toward personal ends - *Institutional Power:* power that is oriented toward organizational objectives
Need for Affiliation – desire to be liked and accepted by others

7. Four-Drive Theory – emotions are the source of human motivation and that these emotions are generated through four innate and universal drives

1) **Drive to acquire** – seek out, take, control, and retain objects and personal experiences
2) **Drive to bond** – variation of the need for belonging and affiliation, motivates the people to cooperate and, essentially, for organizations and societies
3) **Drive to Comprehend** – need to know, discover answers to unknown
4) **Drive to defend** – protect ourselves physically, psychologically, and socially

8. Self-Regulation Theory - employee monitor their own progress toward attaining goals and then make the necessary adjustments: that is to self-regulate

9. Reinforcement Theory – draws principles of operant conditioning and states simply that behavior is motivated by consequences

- Operant Conditioning – employees will engage in behaviors for which they are rewarded and avoid behaviors for which they are punished

Factors the must be considered in determining the effectiveness of incentive programs

Timing of incentive – reinforcer or punisher is most effective if it occurs soon after the performance of the behavior

Contingency of the consequences – if it is not possible to immediately reward or punish a behavior, it should at least be clear that the employee understands the behaviors that brought reward or punishment
- Reward and punishment must be made contingent upon performance, and this contingency of consequence must be clear to employees if we want them to be motivated

Type of incentive used – supervisors should have access to and be trained to administer different types of reinforcers
- *Premack Principle*: reinforcement is relative and that a supervisor can reinforce an employee with something that on the surface does not appear to be a reinforcer
- *Financial Rewards:* can be used to motivate better worker performance either by making variable pay an integral part of an employee's compensation package or by using financial rewards as a bonus for accomplishing certain goals
- *Recognition:* reward through recognition program
- *Social Recognition:* consists or personal attention, signs of approval, and expressions of appreciations; informal recognitions
- *Travel:* offer travel rewards rather than financial rewards

Use of individual-based versus group-based Incentive
1. Individual Incentive Plans – designed to make high levels of individual performance financially worthwhile and the research is clear monetary incentive increase performance over the use of a guaranteed hourly salary
- *Pay For Performance:* also called as earnings-at-risk (EAR) plans, pay employees according to how much they individually produced
- *Merit Pay:* base their incentives on performance appraisal scores rather than on such objective performance measures as sales and productivity
2. Group Incentive Plans – get employees participate in the success or failure of the organization
- *Profit Sharing:* provide employee with percentage of profits above a certain amount

- *Gainsharing:* ties groupwide financial incentives to improvements in organizational performance
- *Stock Options:* employees are given the opportunity to purchase stock in the future

Use of positive incentives versus negative incentives – instead of rewarding employees, punish those who did wrong
- For punishment to be effective, the employee must understand why he is being punished and be shown alternative ways of behaving that will result in some type of desired reinforcement

Fairness of the reward system
- **Reinforcement** – increases behavior
a. **Positive** – addition of something to increase behavior
b. **Negative** – removing something to increase behavior
- **Punishment** – decreases behavior

4 types of Schedules

Fixed Interval

Fixed Ratio

Variable Interval

Variable Ratio

* ratio – responses
* interval – time

- **Organizational Behavior Modification** – certain target behaviors are specified, measured, and rewarded

10. Edwin Locke's <u>Goal Setting Theory</u> – emphasized the role of specific, challenging performance goals and worker's commitment to those goals as key determinants of motivation
- Difficult or challenging goals will also result in greater levels of motivation, if the goals have been accepted by the workers
- Specific, Measurable, Attainable, Relevant, Time-Bound

11. J. Stacey Adam's <u>Equity Theory</u> – based on the premise that our levels of motivation and job satisfaction are related to how fairly we believe we are treated in comparison with others
- **Inputs** – those elements that we put into our jobs
- **Outputs** – elements we receive from our jobs
- Employees subconsciously list all their outputs and inputs and then compute an input/output ratio by dividing the output value by input value
- When an employee's ratio is lower than those of others, he will become dissatisfied and be

motivated to make the ratios equal in one or more ways
- Our motivation decreases when our input/output ratios are lower than others

11. Vroom's Expectancy Theory – also known as VIE Theory

Valence – desirability of a particular outcome to an individual
- extent to which an employee value a particular consequence
- "gusto ko yumaman"
- gaano mo ka-gusto yung outcome

Instrumentality – relationship between the performance of a particular behavior and the likelihood that a certain outcome will result
- link between one outcome and another outcome
- outcome of a worker's performance, if noticed, results in a particular consequence
- the extent to which the performance will result to the desired outcome
- "kapag bae to yung ginawa ko, yayaman ako?"

Expectancy
- perceived relationship between the amount of effort an employee puts in and the resulting outcome
- the extent to which the effort an employee exerted resulted to the outcome she wanted
- "nag-aral ako ng mabuti, nag-trabaho ako ng maayos kaya eto mayaman na ako"

13. Organization Justice Theory – if employees are treated fairly, they will be more satisfied and motivated
- Focused on fairness of many aspects such as the process of decision making, outcome of decisions, and how it is communicated to employees
- **Distributive Justice** – fairness of the decision itself
- **Procedural Justice** – fairness of the procedures used to arrive with the decision

14. MARS Model of Individual Behavior and Performance – Performance is predicted by the Motivation, Ability, Role Perception, and Situational Factors
- All 4 factors are critical influences on an individual's voluntary behavior and performance, if one is low in a given situation, then, the employee will perform poorly
- Motivation, ability and role perception is clustered together as they are located within the person

Motivation – represents the forces within a person that affect his or her direction, intensity, and persistence of voluntary behavior
- *Direction:* path along which people steer their effort
- Motivation is goal-oriented
- *Intensity:* amount of effort allocated to the goal
- *Persistence:* refers to the length of time that the individual continues to exert effort toward an objective

Ability – includes both the natural aptitudes and the learned capabilities

Role Perceptions – how clearly people understand their job duties

Situational Factors – any context beyond the employee's immediate control

15. Costa & McCrae's Five Factor Model of Personality – the most researched and respected clustering of personality traits

Conscientiousness – organized, dependable, goal-focused, thorough, disciplined, methodical, and industrious

Agreeableness – trusting, helpful, good-natured, considerate, tolerate, selfless, generous, and flexible

Neuroticism – people who tend to be anxious, insecure, self-conscious, depressed, and temperamental

Openness to Experience – imaginative, creative, unconventional, curious, nonconforming, autonomous, and aesthetically perceptive

Extraversion – outgoing, talkative, energetic, sociable and assertive

- Conscientiousness stands out as the best overall predictor of proficient task performance for most job, followed by Extraversion

16. IMPACT Theory - each leader has one of six behavior styles: informational, magnetic, position, affiliation, coercive, or tactical

Informational (Ignorance) provides info in a climate of ignorance, where important information is missing from the group

Magnetic (Despair) leads through energy and optimism but characterized by low morale

Position (Instability) leads through energy and optimism but characterized by low morale

Affiliation (Anxiety) leads by liking and caring about others

Coercive (Crisis) leads by controlling and punishment

Tactical (Disorganization) leads through strategy

17. Path-Goal Theory – a leader can adopt one of four behavioral leadership styles to handle each situation

Instrumental – calls for planning, organizing, and controlling the activities of employees
Supportive – shows concern for employees
Participative – shares information with employees and lets them participate in the decision making
Achievement-Oriented – challenging goals and rewards increases in performance

18. Situational Leadership Theory – a leader typically uses one of the 4 behavioral styles:
1. Delegating – willing and able
2. Directing – unwilling and unable
3. Coaching – willing but unable
4. Supporting – unwilling but able

19. Leader-Member Exchange Theory (Vertical Dyad Linkage Theory) – concentrates on the interactions between leader and subordinates
- Leaders develop different roles and relationships with other people under them and thus act differently with different subordinates
- *In-Group:* HQ relationship with the leader, developed trusting and friendly relationship
- *Out-Group:* LQ relationship with the leader, developed

20. Ryan and Deci's Self-Determination Theory – defined as the person's ability to make choices and manage their own life
- You feel in greater control, as opposed to being non-self-determined, which can leave you feeling that your life is controlled by others
- People are motivated to grow and change by three innate psychological needs
- The tendency to be either proactive or passive is largely influenced by the social condition which we are raised
- Intrinsic motivation plays an important role

Autonomy – people need to feel in control of their own behaviors and goals
Competence – people need to gain mastery of tasks and learn different skills
Connection or Relatedness – people need to experience a sense of belonging and attachment to people

Modern Organization Theory

- **Modern Organization Theory** – based on the concept that the organization is a system which has to adapt to changes in its environment'

o Organization is defined as a designed and structured process in which individuals interact for objectives

Systems Approach – considers organization as systems – a *system* is an organized or complex whole – an assemblage or combination of things or parts which form a complex unitary whole
- *Subsystems:* different parts of the system, which are interrelated
- *Open:* interact with the environment
- *Closed:* no interaction with the environment
- offer an open-system view of an organization and recognizes its environmental interface
- adopts multi-level and multi-dimensional approach, which considers both macro and micro aspects
- focuses on the internal dynamics of an organization's structure and behavior
- applicable to all situations

3 Basic Elements:
1. **Components** – individual, formal and informal structure in an organization, physical environment
2. Linking Process – communication, balance, decision analysis
3. Goals of Organization – growth, stability, interaction

Socio-Technical Approach – based on the premise that every organization consists of the people, the technical system, and the environment
- people use tools, techniques, and knowledge to produce goods or services valued by consumers or users
- equilibrium among the social system, technical system, and the environment is necessary to make the org more effective
- *Joint Optimization:* the idea that the social and technological systems should be designed to fit one another as well as possible
- *Unit Control of Variance:* concerns who handles work problems when they arise
- enhances the motivation, self-efficacy, and skills of the employee, and it saves the time of the specialist and supervisor
- very useful because of the trend of downsizing in favor of advanced equipment/machinery/gadgets
- reduces lag time associated with topo many moving parts

Contingency or Situational Approach – based on the belief that there cannot be universal guidelines suitable for all situations, thus, different environment requires different organizational relationships for

optimum effectiveness, taking into consideration various social, legal, political, technical, and economic factors
- Herbert Simon
- Decision Theory
- focuses on external determinants of the organization's behavior and structure
- works on the prescription which says that "it all depends,"

Open System Theory by Katz & Kahn

o **Open System Theory** – organization develop and change over time as a result of both external and internal forces
  - Must interact with the environment in order to survive

3 Key Elements of Open System Theory
Inputs – raw materials, human resources, energy, machinery
Throughputs – production processes, service, training
Outputs/Feedback – products, services, knowledge

o The interplay between internal reality of an organization and the external reality of its environment and history
o Organization must be open to its environment to be effective
o Organizations thrive only as long as there is a continuous flow of energy from the external environment into the system and continuous export of products out of the system
o Too much **Negative Entropy** (all forms of organization move towards disorganization or death, so orgs must avoid this movement)
o The negative feedback loop provides information about where and how the organization is getting off-course; therefore, they could correct or adjust the course
o **Equifinality** – a system can reach the same end state in different ways (there isn't just one way to achieve a particular outcome)
o Surviving open systems are characterized by a balance in energy exchange
o Open systems move toward more specialized functions
o Bringing the system together as a unified process is necessary for the system to continue
o The most effective organizations are those that are able to adapt to their environment

  - They anticipate events occurring in the world that may impact their activities and outcomes
  - *Static Environments:* relatively stable or predictable
  - *Dynamic Environment:* constant state of fluitdity or fluctuations

Contingency Theory

o The "it depends" theory
o Behavior must be selected to fit the particular circumstance
o This answers the problem of both classical and neoclassical theories

A. Joan Woodward's Contingency Model – for maximal performance, org structure needed to match the type of production technology
  - 3 types of manufacturers: *Small-batch*, *mass production*, and *continuous production*
  - Producers of small batches of specialty products required a span of control that was moderate in size and a short chain of command
  - Mass Production, large span of control and long chain of command
  - Continuous process, largest span of control
  - Deals only with manufacturing organizations

B. Lawrence and Lorsch's Model – asserted that two processes determine the company's ability to keep up with external changes: differentiation and integration
  - Proposed that the stability of the environment dictates the most effective form of organization
  - Depends on the environment of the company
  - *Mechanistic Organization:* an organization that depends on formal rules and regulations, makes decisions at higher levels of the organization and has smaller spans of control (for stable environments)
  - *Organic Organization:* organization with a large span of control, less formalized procedures, and decision-making at middle levels (for unstable environments)
  - *Differentiation:* complexity of the org structure – number of units, various orientations and philosophies of the managers, and the goals and interests of the organization's members
  - *Integration:* amount and quality of collaboration

C. Fiedler's Contingency Model – any individual's leadership style is effective only in certain situations
D. Mintzberg's Contingency Model – argued that one could describe an organization by looking at several categories of characteristics

- the key mechanism used by the organization for coordinating its efforts
- functions and roles of people in the organization
- the context in which the organization operates
- the priority level depends on the goals
- *Operating Core:*

Basic Forms of Coordination
Mutual Adjustments based on Informal Comms
Direct Supervision
Standardization of Work Process
Standardization of KSAOs
Standardization of Outputs
Standardization of norms (Culture)

Seven Basic Parts of an Organization
Operating Core – responsible for conducting basic work duties that give the organization its defining purpose; transform raw goods into a sellable products
Strategic Apex – responsible for the overall success of the entire organization; associated with executive leadership
Middle Line – ensures that overall goals set by strategic apex are being carried out by the operating core; mid-levels managers
Technostructure – possess specific technical expertise that facilitates overall operation of the organization; accounting, HR, IT, law departments
Support Staff – aid the basic mission of the organization and typically includes the mailroom, security, and janitorial services
Ideology – belief system that compels commitment to a particular value; organizations should have singularly devoted to a particular mission, and all its actions are in pursuit if that mission; employees behave in accordance with their sincere conviction in the ideology of the organization, and can perform their work relatively independent of each other
Politics – side effect of ideology, causes divisiveness and conflict; the basis is the use of power that is neither formally authorized or widely accepted in the organization

Organizational Models

A. Lewin's Change Model – change as a matter of modifying those forces that are acting to keep things stable

o Any behavioral situation is characterized both by forces operating to maintain stability or equilibrium and by forces pushing for change
o *Intervention:* the program or initiative suggested or implemented by the change agent

o *Evolutionary Change:* continual process of upgrading or improving processes
o *Revolutionary Change:* drastic changes
o *Change Agent:* initiates the change, usually external to the organization, people who enjoy change and often make changes just for the sake of it
o *Client:* recipient of the change effort
o *Change Resistant:* individuals who prefer to keep things the way they are
o *Change Analysts:* not afraid to change or make changes but want to make changes only if the changes will improve the organization
o *Receptive Changers:* people who probably will not instigate change but are willing to change
o *Reluctant Changers:* not instigate or welcome change, but they will change if necessary
o Planned for change to occur in organizations with the least amount of tension and resistance

3 Steps of Change Process
Unfreezing
- forces that maintains the status quo are broken down, and the system is opened up for change   - started by pointing out behaviors and outcomes prevalent in the organization that are not consistent with its goals and objectives
Moving
- real org change begins to happen
Refreezing
- changes become stabilized, and the organization reaches a new level of equilibrium

B. Action Research Model – social problems that needed to be addressed from both methodological and social perspective
- Cyclical nature
- Initial research about the organization
- Results from the research could be the guide for further activities
- *Sensemaking:* what employees do to gain a better understanding of their workplace

C. Perrow's Model – examined information technology, which refers to all aspects of jobs
- The structure of the organization adjusts to the technology
- among the various units of the organization

D. Kotter's Change Model – proposed an eight-stage model that essentially broke down Lewin's 3 steps into subcomponents based on common mistakes he saw organizations make when trying to change
1) Increase Urgency

2) Build Guiding Team
3) Develop the Vision
4) Communicate the Vision
5) Empower Action, Remove Obstacles
6) Create Short-Term Wins
7) Build on Wins
8) Embed changes into culture

E. Adam Smith's <u>Invisible Hand Theory</u> – individuals are driven by self-interest and rationality will make decisions that lead to positive benefits for the whole economy

- *Rational Choice Theory:* individuals use rational calculations to make rational choices and achieve outcomes that are aligned with their own personal objectives
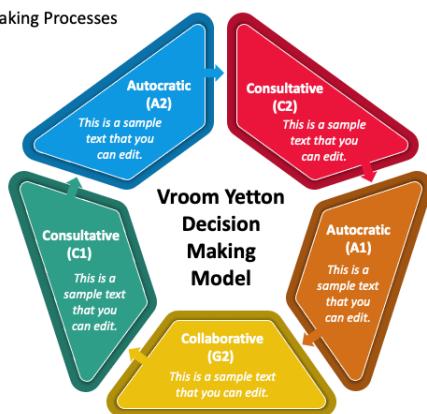
F. Peter and Waterman's <u>Well-Managed Model</u> – aims at formulating a descriptive model of choice which focuses on the expressive character of decision making in the organization

- Based on empirical perception of how successful organizations are being run

G. <u>Vroom-Yetton Model</u> – provide a flowchart that can tell a leader process to go through when making a decision

VROOM YETTON DECISION MAKING MODEL
5 Decision-Making Processes

Organizational Concepts

Components of Social Systems

o **Social System** – structuring events or happenings, it has <u>no formal structure</u>, apart from its functioning
  - Sometimes referred to as *informal* component of an organization

1. <u>Roles</u> – <u>expectations of others</u> about appropriate behavior in a specific position
  - Impersonal
  - <u>related to task behaviors</u>

- difficult to pin down, <u>some people might define your role differently as how you define it or the other way around</u>
- learned quickly and <u>can produce major behavior changes</u>
- roles and jobs are not the same, some people have several roles in one job (e.g., Head Manager, also specifically watches the production department, a mother)
- *Role Conflict:* when an individual is faced with <u>incompatible or competing demands</u>
- *Role Ambiguity:* <u>uncertainty about the behaviors to be exhibited in a role</u>, or boundaries that define a role
- *Role Overload:* when an individual feels <u>overwhelmed</u> from having too many responsibilities
- *Role Differentiation:* the extent to which <u>different roles are performed by employees</u> in the same subgroup

2. <u>Norms</u> – <u>shared group expectations</u> about appropriate behavior
- Establish the behavior expected of everyone in the group
- *Descriptive norms:* developed through a <u>process of observation</u>
- *Injunctive norms:* developed through a process of <u>conforming to gain social approval</u>
- There is "oughtness" or "shouldness"
- Usually more obvious for behavior judged to be important for the group
- <u>Norm must be first defined and communicated, either explicitly or implicitly</u>
- The group must be able to monitor behavior and judge whether the norm is being followed
- Group must be able to reward conformity and punish nonconformity

3. <u>Organizational Climate and Culture</u>

Organizational Climate – <u>shared meaning</u> organizational members <u>attach to the events, policies, practices, and procedures they experience</u> and the behaviors they see being rewarded, supported, and expected - <u>how things are done within an organization</u>
Organizational Culture – <u>languages, values, attitudes, beliefs, and customs of an organization</u> - complex pattern of variables that, when taken collectively, <u>gives each organization its unique "flavor"</u>

3 Layers:
1. **Observable Artifacts** – symbols, language, narratives, and practices
2. **Espoused Values** – values endorsed by the management
3. **Basic Assumptions** – unobservable and are the core of the org

- *Organizational Culture Profile* – organizational reps sort 54 "value statements" describing such things as organizational attitudes toward quality, risk taking, and the respect the organization gives to workers into meaningful categories to provide a descriptive profile of the organization
- *Organizational Practices Scale* – designed specifically to measure organizational structure assesses the company's culture in terms of dimensions such as whether the organization is "process versus result oriented," etc.

Person-Organization Fit
o **Person-Organization Fit (Person-Organization Congruence) –** process of gauging the degree of fit between the two parties is mutual
  ▪ People populating the organization who most define its culture

Downsizing, Outsourcing, Offshoring
Downsizing – decision to cut jobs, one of the most radical and tumultuous ways an organization can change in response to pressures
- reducing cost
- reduction-in-force
- greatest losses come from middle line, technostructure, and support staff
- *Horizontal Cut:* involves the loss of jobs within a department, but the department remains within the organization
- *Vertical Cut:* involves elimination of all jobs in the department

Outsourcing – company use external employees to perform internal functions which known to be less costly than hiring its own employees to perform these services

Offshoring – work performed domestically is exported to cheaper labor markets in overseas countries

Mergers and Acquisition
Organizational Merger – marriage of two organizations of equal status and power

Acquisition – procurement of property by another organization
- *Hostile Takeover:* dominant organization thus acquires an unwilling partner to enhance its financial status
- *Parent:* acquiring organization
- *target:* organization being acquired

3 Phases:
1. **Precombination** – emphasis on financial issues
2. **Combination** – clash between people as they focus on differences between partners
3. **Postcombination** – integrating two cultures

Organizational Structure
o **Organizational Structure** – arrangement of positions in an organization and the authority and responsibility relationships among them
o The division of labor as well as patterns of coordination, communication, workflow, and formal power that direct organizational activities
o **Division of Labor** – subdivision of work into separate jobs assigned to different people
  ▪ Leads to job specialization to increase work efficiency
  ▪ An organization's ability to divide work among people depends on how well those people can coordinate with each other

Coordinating Mechanisms in Organizations
Informal Communication – sharing information on mutual tasks; forming common mental models to synchronize work activities

Formal Hierarchy – assigning legitimate power to individual, who then use this power to direct work processes and allocate resources

Standardization – creating routine patterns of behavior or output

o **Elements of Organizational Structure:**
  1. **Chain of Command**
  2. **Span of Control**
  3. **Centralization and Decentralization**
  4. **Formalization**
  5. **Mechanistic vs. Organic Structure**
o **Traditional** – have formally defined roles for their members, very rule driven, and are stable and resistant to change
  a. **Bureaucracy**
  b. **Line-Staff Organizational Structure (Principle)**

- o **Nontraditional** – less formalized work roles and procedures (organic)
  - Generally, have fewer employees and may also occur as a small organization that is a subunit of a larger, more traditionally structured organization

Team Organization – workers have defined jobs, not narrowly specialized positions common to traditionally structured organizations, collaborate among workers, and share skills and resources (e.g., group of psychologists working on a single case)

Project Task Force – temporary, nontraditional organization of members from different departments or positions within a traditional structure who are assembled to complete a specific job or project (e.g., Avengers)

Matrix Organization – structured of both product and function simultaneously

- o **Tall** – managers have smaller span of control, longer chain of command, provide a clear, distinct layers with obvious lines of responsibility and control and a clear promotion structure
- o **Flat** – span of control is larger, fewer management levels, focused on empowering employing rather than adhering to the chain of command by encouraging autonomy and self-direction; common when the task is repetitive and requires minimal supervision
- o **Functional** – divides the organization into departments based on the functions or tasks performed
  - Creates job specialists but overly focused on their own department and area of specialization
  - E.g., HR Dept., Executive, Judiciary, Production Dept., Sales
- o **Divisional** – based on type of products or clients
  - Can easily expand products or services merely by adding new division but there is a duplication of areas of expertise
  - E.g., LVMH, houses Tiffany & Co., Dior, Fendi, Celine, Givency, Bulgari, Loewe, Louis Vuitton
- o **Centralization** – the degree to which decision-making authority is concentrated at the top of the organizational hierarchy
- o **Decentralization** – process of taking the decision-making power out of the hands of the top level and distributing it to lower levels
- o **Formalization** – the degree to which organizations standardize behavior through rules, procedures, formal training, and related mechanisms

- o **Mechanistic** – characterized by narrow span of control and high degree of formalization and centralization
  - Have many rules and procedures, limited decision making at lower levels, tall hierarchies of people in specialized roles, and vertical rather than horizontal communication
  - Operate better in rapidly changing environments
- o **Organic** – operate with a wide span of control, decentralized decision-making, and little formalization
  - Tasks are fluid, adjusting to new situations and organizational needs
- o **Departmentalization** – specifies how employees and their activities are grouped together
  - Establishes chain of command
  - Focus people around common mental models or ways of thinking
  - Encourages specific people and work units to coordinate through informal communication
  - a) **Simple** – few people minimal hierarchy
  - b) **Functional** – organizes employees around specific knowledge or other resources
  - c) **Divisional** – group employees around geographic areas, outputs, or clients
  - d) **Team Based** – built around self-directed teams that complete an entire piece of work
  - e) **Matrix** – overlays two structures to leverage the benefits of both
  - f) **Network** – design and build a product or serve a client though an alliance of several organizations

Organizational Development

- o **Organizational Development** – planned, organization-wide effort to increase organizational effectiveness through behavioral science knowledge and technology
  - ✓ Involve the total organization
  - ✓ Be supported (and initiated) by top management
  - ✓ Entail diagnosis of the organization, as well as implementation plan
  - ✓ Be long-term processes
  - ✓ Focus on changing attitudes, behaviors, and performance of groups/team
  - ✓ Emphasize the importance of goals, objectives, and planning
- o Change process through which employees formulate the change that's required and implement it, often with the assistance of trained consultants

o Systematic approach for improvement of an organization by <u>analyzing past experience, current business situation, and future objectives</u>

o When OD fails, it is often because the characteristics mentioned above has been ignored in favor of superficial changes that have very little impact on the organization's effectiveness and result in greater stress and lower morale at the company

o "*is an effort (1) <u>planned</u>, (2) <u>organization-wide, and (3) managed from the top</u>, to (4) <u>increase organization effectiveness and health through</u> (5) <u>planned interventions</u> in the organization's processes, using behavioral science knowledge*," (Beckhard, 1969)

o Planned ahead of time (<u>*Revolutionary*</u> (abrupt) and <u>*Evolutionary*</u> (gradual))

o Often involves <u>altering the organization's works structure or influencing workers' attitudes or behaviors to help the organization to adapt to fluctuating external and internal conditions</u>

| 1. identify significant problems |
| 2. appropriate interventions are chosen to deal with the problems |
| 3. implementation |
| 4. evaluation |
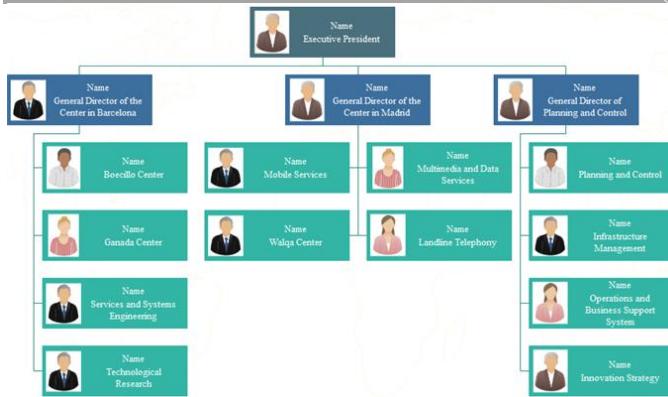
o Change Agent = OD practitioner

o **Action Research Model** – social problems that needed to be addressed from both methodological and social perspective
- Cyclical nature
- <u>Initial research about the organization</u>
- Results from the research could be the <u>guide for further activities</u>
- *Sensemaking:* what employees do to gain a better understanding of their workplace

o Effective Interventions:
✓ Fit the needs of the organization
✓ Based on the causal knowledge of intended outcomes; and,
✓ Transfer change-management competence to organization members

1. **Survey Feedback** – involves <u>systematic collection data</u>, widely used intervention strategy

2. **Team Building** – develop teams or to enhance the effectiveness of the existing teams
- In order to be successful, <u>the members must collaborate and be interdependent</u>
- Must be <u>initiated to correct existing problems</u>
- Combined with other interventions

- Strongly supported by the members
- Implemented in a participative management climate
- Performance was measured at the group level
- *Outdoor Experiential Training:* makes use of outdoors and entails various physical and mental exercises

3. **Total Quality Management** – also known as *continuous improvement* or *quality management*
- Focuses on <u>employee involvement in the control of quality</u> in organizations
1) Senior management must receive training on what TQM is, how it operates, and what their responsibilities are
2) Employees are trained in quality methods such as statistical process control (identifying problems reflective of a low-quality product or service)
3) Employees identify not only the areas in which their department or division excels but also deviations (output variation) from quality standards
4) Self-Comparison analysis, whereby the org compares its effectiveness to that competitors that set the benchmark for the industry
5) <u>Rewards are linked to achievement of intervention goals</u>

4. **Gainsharing** – involves <u>paying employees a bonus based on improvements in productivity</u>
- Link between pay and performance lead to increased employee involvement and job satisfaction

5. **Technostructural Interventions** – focus on the technology and structure of organizations
- **Functional Organizational Design** – most basic, <u>structured according to the various functions of the employees</u>, groups employees to various departments based on their expertise; create job specialist and overly focused on their own department and are of specialization

- **Product-Based Organizational Design (Divisional Structure)** – organized <u>based on their product output</u>, allows the managers of a particular division to focus exclusively on that division, creating greater commitment and cohesion within the division; <u>operates as a separate entity</u>
- **Matrix Structure** – <u>combined function and products structures</u>
- **Reengineering (business process redesign)** – involves <u>fundamental rethinking and redesign of business processes to improve critical performance as measures by cost, quality, service, and speed</u>

Fundamental
Examination of what the company does and why
Radical
Willingness to make crucial and far-reaching organizational changes rather than superficial ones
Dramatic
Making striking performance improvements rather that slight ones
Processes

- **Information Technology** – <u>science of collecting, storing, processing, and transmitting information</u>

6. **Positive Organizational Development**
   - **Positive Psychology** – scientific study of the strengths and virtues of individuals and institutions rather than their weaknesses and impairments
   - **Appreciative Inquiry** – <u>engages employees by focusing on positive messages</u>, the best of what employees have to offer, and the <u>affirmation of past and present strengths and successes</u>
   1) **Discovery** – determine the strengths (research)

2) **Dream** – information gathered from *discovery* is analyzed and elaborated upon to arrive at a <u>vision statement or focused intent</u> (brainstorming)
3) **Design** – <u>designing innovative ways</u> to identify where the organization should be going (planning)
4) **Destiny** – the <u>design is maintained or sustained</u> in this stage (execution)

7. **Organizational Transformation** – any intervention primarily directed toward <u>creating a new vision for an organization</u> and <u>changing its beliefs, purpose, and mission</u>
   - Rigid and fast approach to stabilize or improve the organization by <u>analyzing the current business condition</u>
   - Usually involves the <u>top management only</u>
   - Depends on organizational development
   - <u>Rapid and fast</u>
   - *Culture Change:* <u>alteration of a pattern of beliefs, values, norms, and expectations</u> shared by organizational members
   - *Knowledge Management:* organizations enhance their operations through attempts to generate, transform, disseminate, and use their knowledge
   - *Organizational Change:* process of <u>altering organizations to be more adaptive and congruent with their business environment</u>

8. **T-groups** – sensitivity training, <u>use of unstructured group interaction to help workers gain insight into their motivations and their behavior patterns in dealing with others</u>

Power in the Organization

- **Power** – refers to the <u>ability to get an individual or group to do something</u> or change in some way
- **Politics** – <u>process to achieve power</u>
- **Organizational Politics** – involves any action taken to <u>influence the behavior of others to reach personal goals</u>
- **Ingratiation** – <u>increasing one's personal appeal through such tactics as doing favors, praising, or flattering another</u> (#sipsip)
- **Assertiveness** – <u>making orders or demands</u>
- **Rationality** – using <u>logic</u> to convince someone
- **Sanction** – <u>withholding salary</u>, threaten firing someone
- **Exchanges** – <u>offering something</u> in exchange for another
- **Upward Appeals** – obtaining the support of <u>superiors</u>

- o **Blocking** – threatening to stop working with the other person
- o **Coalition** – obtaining co-workers' support of a request
- o **Organization Power** – comes from an individual's position in the organization and from the control over important organizational resources conveyed by that position
- o **Individual Power** – derived from personal characteristics that are of value to the organization and its members

Power Bases
Coercive Power – ability to punish or threaten to punish others
Reward Power – ability to give something positive
Legitimate Power – formal rights or authority that an individual possesses by virtue of a position in an organization
Expert Power – possession of some special, work-related knowledge, skill, or expertise
Referent Power – an individual is respected, admired, and liked by others

Communication in the Organization

- o **Horizontal Communication** – aims at linking related tasks, work units and divisions in the organization; among co-workers with the same level or similar hierarchical positions
- o **Downward Communication** – provides information from the higher levels to lower levels
- o **Upward Communication** – serve as a control system for the organization wherein subordinates communicate to the higher levels

Organizational Decision Making

1. Setting Organization Goals
2. Establish Performance Criteria
3. Classifying and defining the problem
4. Developing criteria for a successful solution
5. Generating Alternatives
6. Comparing Alternatives to criteria
7. Choosing an alternative
8. Implementation
9. Evaluation

Types of Individual Behavior

Task Performance – individual's voluntary goal-directed behaviors that contribute to organizational objectives - *Proficient Task Performance:* refers to performing the work efficiently and accurately
- *Adaptive Task Performance:* refers to how well employee modify their thoughts and behaviors to align with and support a new or changing environment - *Proactive Task Performance:* refers to how well employees take the initiative to anticipate and introduce new work patterns that benefit the organization
Organizational Citizenship Behaviors – various forms of cooperation and helpfulness to others that support the organization's social and psychological context
Counterproductive Behavior – voluntary behaviors that have the potential to directly or indirectly harm the organization or its stakeholders
Joining/Staying with the Organization
Maintaining Attendance

Perceptual Effects

- o **Halo Effect** – occurs when our general impression of a person, usually based on prominent characteristic, distorts our perception of other characteristic of that person
  - ▪ Most likely to occur when important information about the perceived target it missing or we are not sufficiently motivated to search for it
- o **False-Consensus Effect (Similar-to-Me Effect)** – occurs when people overestimate the extent to which others have similar beliefs or behaviors to our own
  - ▪ We are comforted by the thought of other people are similar to us
  - ▪ We interact more with people who have similar views and behaviors
  - ▪ We are more likely to remember information consistent to our own views and selectively screen out information that is contrary to our beliefs
- o **Primacy Effect** – tendency to rely on the first information we receive about people to quick form an opinion of people of them
- o **Recency Effect** – occurs when the most recent information dominates our perception

Organizational Commitment

- o **Organizational Commitment** – the extent to which an employee identifies with and is involved with an organization

Affective Commitment – the extent to which an employee wants to remain with the organization, cares about the organization, and is willing to exert effort on its behalf

Continuance Commitment – the extent to which an employee believes she must remain with the organization due to the time, expense, and effort that she has already put into it or the difficulty she would have in finding another job

Normative Commitment – the extent to which an employee feels obligated to the organization and, as a result of this obligation, must remain with the organization

Leadership

- **Leadership** – influencing, motivating, and enabling others to contribute toward the effectiveness and success of the organizations of which they are members
  - Motivate others through persuasion and other influences tactics
- High Openness, Conscientiousness, and Extraversion = great leaders
- High Self-Monitors = leaders

Motivation to Lead

Affective Identity Motivation – become leaders because they enjoy being in charge and leading others

Noncalculative Motivation – seeking leadership position that will result to personal gain

Social-Normative Conditions – becomes leaders out of a sense of duty

- **Leadership Motive Pattern** – high need for power and a low need for affiliation
- **Person-Oriented leaders** – acts in warm and supportive manner and show concern for their subordinates
  - Believe that employees are intrinsically motivated, seek responsibility, are self-controlled, and do not necessarily dislike work
  - Consult their subordinates before making decisions, praise their work, ask about their families, and etc.
  - Socially withdrawn
  - Appreciate humor
  - Have satisfied employees
  - Basically, Leni
- **Task-Oriented Leaders** – define and structure their own roles and those of their subordinates to attain the group's formal goals
  - See their employees as lazy, extrinsically motivated, wanting security, undisciplined

- Manage or lead by giving directives, setting goals, and making decisions without consulting their subordinates
- Under pressure, they become anxious, defensive, and dominant
- Produce humor
- Productive employees

Team – both task- and person-oriented

Middle-Of-The-Road – moderate amounts of both orientations

Impoverished – neither task- nor person-oriented

- **Transactional Leadership** – consists of many task-oriented behaviors
- **Transformational Leadership** – focus on changing or transforming the goals, values, ethics, standards, and performance of others
  - Visionary, charismatic, and inspirational
  - Confident, have need to influence others, and hold a strong attitude that their beliefs and ideas are correct
  - Charisma, intellectual stimulation, individual consideration
  - Basically, Leni nga
- **Shared Leadership** – exists when employee champion the introduction of new technologies and produces
  - when employee engage in organizational citizenship behaviors to assist the performance and well-being of co-workers and the overall team
  - flourishes in organizations where formal leaders are willing to delegate power and encourage employees to take initiative and risks without fear of failure
- **Managerial Leadership** – daily activities that support and guide the performance and well-being of individual employees and the work unit toward current objectives and practices
  - Assumes the organization's objectives are stable and aligned with the external environment
  - Micro-focused
- **Servant Leadership** – an extension or variation of people-oriented leadership because it defines leadership as serving others

Determine the focus and differences of Organization Theories

Classical Org Theory
- views an organization as a machine with centralized authority, labor specialization, and incentives to

optimize productivity in an organization, and in turn, drive profits
- each employee must be efficient to increase efficiency
- rigid and static view of organization
- no interaction with the environment
- more on structural and technical aspects of organizations
- oversimplified and mechanistic assumptions
- work as well as the economic needs of the workers
- more mechanical and impersonal
- results to work alienation and dissatisfaction
- authoritarian and bureaucratic

Neo-Classical Org Theory
- emphasized human relations
- humans are the focus of the theory and social relationships and interactions are instrumental to organizational efficiency
- introduced an informal organization structure
- the most irrational behavior is when they seek rewards from work
- human beings are interdependent, one can predict their behavior by looking at the social and psychological factors
- integrates the classical model with behavioral science and even considers the environment it's in
- small groups and human behavior
- resulted to more satisfied and efficient employees
- democratic and participative

Modern Org Theory
- tend to be based on the concept that the organization is a system which must adapt to changes in its environment
- an organization is defined as designed and structured process in which individuals interact for objectives

Contingency Theory
- no particular managerial action or organizational design that is appropriate for all situations
- also known as situational theory
- situational variables
- result to dynamic management style – since it adapts to what is needed

Motivation Theory
- what drives an employee towards a particular goal or outcome
- motivated employee = more productive = more profitable

Open Systems Theory

- organizations are strongly influenced by their environment (whether political, economic, or social in nature)
- environment provides key resources that sustain the organization and lead to change and survival

Importance of Organizational Theories
o Help study an organization, its corporate designs, structures and behaviors of individual or groups
o Aim to provide an overview of how an organization functions and the things needed to improve efficiency and profitability

Organizational Structures and Systems (20)
Pros and Cons of different types of Organizational Structures

Pros	Cons
Hierarchical	
- helps establish a clear line of authority and reporting within the organization - clarifies employee roles and responsibilities - establishes a clear career path for employees which can in turn keep them motivated - allows employees to be in-depth specialists as they are more likely to have niche positions	- slow decision-making - disconnected lower and top-level management - inconsistencies in communication - restricted information due to the very little downward flow of information to the lower-level employees
Functional	
- promotes skill specialization - reduces duplication of scarce resources and uses resources full time - enhances career development for specialists within large departments - facilitates communication and performance because superiors share expertise with their subordinates - exposes specialists to others within the same specialty	- emphasizes routine tasks, which encourages short-time horizons - fosters parochial perspectives by managers, which limit their capabilities for top-management positions - reduces communication and cooperation between departments - multiplies the interdepartmental dependencies, which can make coordination and sched
Multidimensional/Divisional	

Advantages	Disadvantages
- easily expand products or services merely by adding new division - each division operates as a separate entity, thus greater accountability - growth relatively easily - outcome-focused - direct employee attention to customers and products rather than to their own specialized knowledge - recognizes sources of interdepartmental dependencies - foster an orientation toward overall outcomes and clients - allows diversification and expansion of skills and training - ensures accountability by departmental managers and so promotes delegation of authority and responsibility - heightens departmental cohesion and involvement in work	- duplication of areas of expertise - workers with similar skills and expertise may not be able to benefit from professional interaction with each other because they are housed in different divisions - expertise is spread across several autonomous business units, which reduces the ability and perhaps motivation of the people in one division to share their knowledge with other counterparts in other divisions - may use skills and resources inefficiently - limits career advancement by specialists to movements out of their departments - impedes specialists' exposure to others within the same specialties - puts multiple-role demands on people and so creates stress - may promote departmental objectives, as opposed to overall organizational objectives

Simple	
- minimal hierarchy - highly flexible and minimizes the walls that form between employees	- insufficient economies of scale to assign them to specialized jobs - difficult to operate as the company grows and become more complex

Flat Structure	
- greater interaction between top and bottom of the organization - focuses resources on customer satisfaction	- offer few promotional opportunities - supervision may not always be adequate since

Advantages	Disadvantages
- improves speed and efficiency - adapts to environmental change rapidly - increases ability to see total workflow - enhances employee involvement - lower costs because of less overhead structure	many workers report to the same supervisor - can threaten middle managers and staff specialists - requires changes in command-and-control mindsets - duplicate scarce resources - requires new skills and knowledge to manage lateral relationships and teams - may take longer to make decisions in teams - can be ineffective if wrong processes are identified

Tall	
- may offer lower-level employees many different promotional opportunities throughout their careers - adequate supervision since each supervisor is only responsible for a few employees	- workers at the bottom level may feel cut-off from those who are above because they are separated by many levels - can become "top heavy" with administrators and managers, because the ratio of line workers to supervisors is very low - executives tend to receive lower-quality and less-timely information - high overhead costs – necessarily have more people administering the company - employees feel less empowered and engaged in their work

Matrix	
- highly flexible and adaptable - high levels of performance in dealing with complex, creative work products	- do not work well with all types of tasks or workers - best suited for projects and products that requires creativity and innovation but less suited for routine tasks

- greater work communication and job satisfaction - makes very good use of resources and expertise - improves communication efficiency, project flexibility, and innovation - makes specialized, functional knowledge available to all projects - uses people flexibly, because departments maintain reservoirs of specialists - maintains consistency between different departments and projects by forcing communication between managers - recognizes and provides mechanisms for dealing with legitimate, multiple sources of power in the organization - can adapt to environmental changes by shifting emphasis between project and functional aspects	- report to two bosses simultaneously can cause confusion and conflict - increases conflict among managers who share equal power - can be very difficult to introduce without a preexisting supportive management climate - increases role ambiguity, stress, and anxiety by assigning people to more than one department - without power balancing between product and functional forms, lowers overall performance - makes inconsistent demands, which may result in unproductive conflicts and short-term crisis management - may reward political skills as opposed to technical skills	- allows quicker and more informed decision-making	

Project Task Force/Network	
- offer flexibility to realign their structure with changing environmental requirements - enable flexible and adaptive response to dynamic environments - creates best of the best organization to focus resources on customer and market needs - enables each organization to leverage a distinctive competency - permits rapid global expansion - can produce synergistic results	- they expose the core firm to market forces - information technology makes worldwide communication much easier, but it will never replace the degree of control organizations have when manufacturing, marketing, and other functions are in-house - managing lateral relations across autonomous organizations is difficult - motivating members to relinquish autonomy to join the network is troublesome - sustaining membership and benefits can be problematic - may give partners access to proprietary knowledge/technology - when work is outsourced, secret information about the organization may be breached

Team Organization/Team-Based	
- collab with other workers to get the job done - each worker is viewed as knowledgeable and skilled - team members have considerable input into organizational decision making - less emphasis on organizational status - more flexible and responsive in turbulent environments - reduce costs	- intragroup conflict arises but it could turn into productive, functional outcome - costly to maintain due to the need for ongoing interpersonal skills training

Centralized	
- uniformity, each department should operate with some average level of quality and efficiency - more efficient operations	- may limit individuals to adjust to special circumstances - inefficiencies in decision-making

Decentralized	
- can make their own decisions - decision making and problems are solved at lower levels, more	- poor decision making could backfire

authority to lower-level employees (<u>sense of empowerment</u>)
- <u>quicker decisions</u>, greater level of procedural fairness

Mechanistic

- more flexible and responsive to the changes - <u>formal comms channel</u>	- <u>limited decision making at lower levels</u> - tasks are <u>rigidly defined</u> and are <u>altered only by higher authorities</u> - limited autonomy and self-determination which could <u>lower intrinsic motivation of workers</u>

Organic

- <u>emphasize information sharing</u> and an <u>empowered workforce</u> rather than hierarchy and status - <u>communication decentralized</u> down to teams and individuals - <u>opportunities for creativity</u> - more open comms - <u>better employee satisfaction</u> - fewer formal procedures - <u>deeper employee relationships</u>	- may <u>lower productivity</u> - <u>too many ideas</u> - slower decision-making - <u>less-regulated work</u> - <u>slower adaptation</u> for new employees

Describe the elements that create organizational structure and their distinct relationships: Job Design, Departmentation, Delegation, Span of Control, and Chain of Command

o   **Organizational Structure** – <u>defined structure as the arrangement and interrelationship of component parts</u> and positions in an organization
o   Provides guidelines on:
   ✓ Division of work into activities
   ✓ Linkage between different functions
   ✓ Hierarchy
   ✓ Authority Structure
   ✓ Authority Relationships
   ✓ Coordination with the Movement

Components of the Structure in an Organization

Complexity – <u>degree to which activities within org are differentiated</u>

3 Dimensions:
1. *Horizontal:* based on the orientation of members, the <u>nature of tasks</u> they perform and <u>their education and training</u>
2. *Vertical:* characterized by the <u>number of hierarchical levels in the organization</u>
3. *Spatial:* <u>location of the org's offices</u>, facilities, and personnel are geographically distributed

Formalization – extent to which jobs within org are <u>specialized</u>

Centralization – <u>where the decision-making is concentrated</u>

Principles of Organizational Structure

Specialization – facilitates <u>division of work into units</u> for efficient performance
- accdg. to classical theories, work can be performed much better if it is divided into components and people are encouraged to specialize by components
- enables <u>application of specialized knowledge</u> which betters the quality of work and improves organizational efficiency
- can also <u>influence fundamental work attitudes, relationships, and communication</u>

Coordination – <u>integrating the objectives and activities of specialized departments</u> to realize broad strategic objectives
- *Hierarchy* facilitates vertical coordination of various departments and their activities

Principles of Hierarchy:
1. **Unity of command** – every person in an organization should be responsible to <u>one superior and receive orders from that person only</u>
2. **Scalar Principle** – decision-making authority and the chain of command in an organization <u>should flow in a straight line from the highest level to the lowest</u>
3. **Responsibility and Authority Principle** – <u>responsibility must be accompanied by proper authority</u>
4. **Span of Control** – <u>number of specialized activities or individuals</u> supervised by one person

Departmentalization – process of horizontal <u>clustering of different types of functions and activities on any one level of the hierarchy</u>

Functional Departmentalization:
- ✓ Easier communication with sub-units
- ✓ Application of high technical knowledge for solving problems
- ✓ Greater group and professional identification
- ✓ Less duplication of staff activities
- ✓ Higher product quality
- ✓ Increased organizational efficiency

Product-Based Departmentalization:
- ✓ Less conflict between major sub-units
- ✓ Easier communication between subunits
- ✓ Less complex coordination mechanisms
- ✓ Providing a training ground of top management
- ✓ More customer orientation
- ✓ Greater concern for long-term issues

Decentralization and Centralization

Line and Staff Relationship

Line Authority – refers to the scalar chain or the superior-subordinate linkages that extend throughout the hierarchy
- *Line:* achieve objectives
- *Staff:* support the line employees

Type of Staff
1. **Specialized Staff** – conduct technical work that is beyond the time or knowledge capacity of top management, such as conducting market research and forecasting
2. **General Staff** – consists of staff assistants to whom managers assign work
3. **Organization Staff** – provide services to organization as a whole; their role is to integrate different operations across departments

Job Design

- o **Job Design** – developing new jobs or adding responsibilities to existing jobs
  - ▪ Interview questions, training plans, development plans, career implications, performance reviews, and compensation, tie into the job design
  - ▪ Process of assigning tasks to a job, including interdependency of those tasks with other jobs
  - ▪ Allows a company to more easily reach its goals by having more employees perform more tasks within the organization
  - ▪ May involve developing a new position or simply adjusting set of tasks that a current position encompasses
  - ▪ Creates clear and effecting communication process throughout the company since it clearly

define tasks and form them into natural work units to organize duties
- ▪ Structuring the content and size of jobs for efficient task performance, flexibility, and worker satisfaction and defining their component tasks, conditions, and competency requirements for recruitment, appraisal, reward, and a number of other HR Processes
- ▪ Assignment of goals and tasks that are to be accomplished by employees
- o **Job Specialization** – occurs when the work required is subdivided into separate jobs assigned to different people to improve work efficiency
- o **Job Enrichment** – an employee assumes more responsibility over the tasks
  - ▪ Help improve motivation and morale for employees who remain following organizational downsizing
  - ▪ Combining highly interdependent tasks into one job (*Natural Grouping*)
  - ▪ Feel sense of ownership, therefore, increase job quality
  - ▪ Putting employees in direct contact with their clients rather than using another group or the supervisor as the liaison between employee and the customer (*Establishing Client Relationships*)
- o **Job Rotation** – workers are rotated among variety of jobs, spending certain length of time at each
  - ▪ Exposing workers to as many areas of organization as possible so they can gain a good knowledge of its workings and how the various jobs and departments fit together
  - ▪ Increases worker flexibility, eliminates boredom, and increases worker satisfaction
- o **Job Enlargement** – adding tasks to an existing job
  - ▪ Might involve combining two or more complete jobs into one or just adding one or two more tasks to an existing job
  - ▪ Significantly improve work efficiency and flexibility
  - ▪ Employees are motivated when they perform a variety of tasks and have the freedom and knowledge to structure their work to achieve the highest satisfaction and performance
- o **Re-engineering** – fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical contemporary measures of performance, such as costs, quality, service, and speed

- Rethinking and redesigning its business system to become more competitive
- Focuses on the overall aspects of job designs, org structures, and management systems
- o **Duty Allocation** – company creates a team or group of departments, with each having a specific role
- o **Job Crafting** – informal changes that an employee makes in their jobs
  - Obtain additional responsibilities in their role over time
  - **Organizational Citizenship Behaviors** – motivated to help the org and colleagues by doing little things they are not required to do
- o **Hackman and Oldham's Job Characteristics Theory/Model** - employees desire jobs that are meaningful, provide them opportunity to be personally responsible for the outcome of their work, and provide them with feedback of the results of their efforts

Core Job Characteristics
Skill Variety: use of different skills and talents to complete a variety of work activities
Task Identity: the degree to which a job requires completion of a whole or identifiable piece of work
Task Significance: the degree to which the job affects the organization and/or larger society
Autonomy: provide freedom, independence, and discretion in scheduling the work and determining the procedures to be used to complete the work
Feedback: employees can tell how well they are doing from direct sensory information from the job itself

Departmentation/Departmentalization

- o **Departmentalization** – specifies how employees and their activities are grouped together
  - Process of horizontal clustering of different types of any functions and activities on any one level of the hierarchy

Simple – few people minimal hierarchy
Functional – organizes employees around specific knowledge or other resources e.g., LVMH's HR, Finance, Marketing, Executive Departments
Divisional – group employees around geographic areas, outputs, or clients e.g., LVMH's Subsidiaries: LV, Dior, Celine, Fendi

Team Based – built around self-directed (specialty) teams that complete an entire piece of work e.g., Dior's seamstresses gathered together to put up a customized dress for Anya Taylor Jane's wedding
Matrix – overlays two structures to leverage the benefits of both
Network – design and build a product or serve a client though an alliance of several organizations e.g., designers from Dior, LV, Fendi gathered together to build a customized bag for Anna Wintour

Delegation

- o **Delegation (of Authority)** – supervisors, rather than doing everything by themselves, assign particular tasks to separate employees and hold them responsible for completing tasks
  - Strategic, focuses on outcomes, provides learning opportunities
- o **Micromanagers** – try to take charge of everything that goes on in the organization rather than holding employees responsible for individual tasks

Span of Control

- o **Span of Control** – number of subordinates who report to a given supervisor
- o Also known as *Span of Management*
- o Narrow span of control exists when very few people report directly to a manager, whereas a wide span exists when a manager has many direct reports
- o Wider span of control is possible when employees perform routine jobs because they require less direction or advice from supervisor
- o Narrow span of control is necessary when employees perform novel or complex tasks, because these employees require supervisory decisions and coaching
- o Narrow span of control is necessary highly interdependent jobs became employees tend to experience more conflict with each other, which requires more of a manager's time to resolve
- o **Tall** – managers have smaller span of control, longer chain of command, provide a clear, distinct layers with obvious lines of responsibility and control and a clear promotion structure
- o **Flat** – span of control is larger, fewer management levels, focused on empowering employing rather than adhering to the chain of command by encouraging autonomy and self-direction; common when the task is repetitive and requires minimal supervision

Chain of Command

o **Chain of Command** – number of authority levels in a particular organization
o Follows the lines of authority and status vertically through the organization

Importance of Aligning the Org Structures with Business strategy

o Organizational Structure improves operational efficiency by providing clarity to employees at all levels of a company
o In a flat structure, front-line employees are empowered to make a range of decisions on their own and information flows quickly from bottom-level employees to top-level employees
o In tall structure, information generally flows one-way from top to bottom-level employees
o Organizational Structures provide a clear organization chart that helps business keep track of their human resources

4 Business Elements

Product – offerings that solve specific problems or services of doing things	
Market – who will be the potential clients	
Money – funds	
People – make the business work	

Human Resource Development and Human Resource Management (25)

Differentiating Human Resource Development and Human Resource Management, Human Resource Development and Organizational Development, HRD and Employee Training

Human Resource Development vs. Human Resource Management

HRM	HRD
- process of acquiring, training, appraising, and compensating employees, and of attending to their labor relations, health and safety, and fairness concerns - focused on the present needs of the organization and its members	- refers to an assortment of training programs that help people adjust to their new roles and learn more about the organization and its culture - specifically deals with training and development of the employees in the organization - Includes training a person after he/she is first hired, providing opportunities to learn new skills etc. - Employees develop their personal and organizational skills, knowledge, and abilities - focused on the future needs of the organization and its members
- both are beneficial for the organization and the employees for the productivity - some activities overlap: appraisal/training	

Human Resource Development vs. Organizational Development

HRD	Org Dev
- mainly concerned with the training and overall development of employees - this also includes performance appraisal of each employee	- planned, organization-wide effort to increase organizational effectiveness through behavioral science knowledge and technology

Human Resource Development vs. Employee Training

HRD	Employee Training
- refers to various activities that helps people to adjust to the organization/workplace and its culture - deals, not only with the training, but also the development of their employees overall - Includes training a person after he/she is first hired, providing opportunities to learn new skills etc. - focused on the future needs of the organization and its members	**-** provides learners with knowledge and skills needed for their present job - training only

Activities involved in HR Development

o **Training and Development (T&D)** – heart of a continuous effort designed to improve employee competency and organizational performance
  ▪ Includes training, career development, organizational development, and organizational learning

o **Training** – provides learners with knowledge and skills needed for their present job
o **Development** – involves learning that goes beyond today's job and has a more long-term focus
  ▪ Prepares employees to keep pace with the organization as it changes and grows
o Some possible strategic benefits of T&D: employee satisfaction, improved morale, higher retention, lower turnover, improved hiring etc.

1. Determining Specific Training and Development needs – Analyzing training needs

Organizational Analysis – determine those organization factors that either facilitate or inhibit training effectiveness
- focus on the goals the org want to achieve, the extent to which training will achieve those goals, the organization's ability to conduct training, and the extent to which employees are willing and able to be trained
- training will only be effective if the org is willing to provide supportive climate for training, it can afford an effective program, employees want to learn, and the goals of a program are consistent with those of the organization

Task Analysis – use of the job analysis to identify the tasks performed by each employee, the condition under which these tasks are performed, and the competencies needed to perform the tasks under identified conditions
- interviews, observations, task inventories

Person Analysis – determining which employees needs training and which areas
- not every employee needs further training for every task performed
- based on performance appraisal scores, surveys, interviews, skill and knowledge tests, and critical incidents

2. Establish Specific T&D Objectives – must have clear and concise objectives and be developed to achieved organizational goals, designing the overall training program
  ▪ Includes designing the training program by setting learning objectives, creating a motivational learning environment, making the learning meaningful, making skill transfer obvious and easy, reinforcement, and ensure the transfer of learning

3. Select T&D Methods and Delivery Systems – developing the course

Training Methods
Classroom Method – instructor physically stands in front of students - instructors may convey a great deal of information in a relatively short time - common training method - seminar, lecture, workshop
E-Learning – online instruction using technology-based methods such as DVDs, company intranets, and the internet
Case Study – trainees study the information provided in the case and make decisions based on it - provide trainees with the opportunity to sharpen critical thinking skills
Behavior Modeling and Tweeting – permits a person to learn by copying or replicating the behavior of others - tweeting = twitter - ideal behavior rather than the behavior they might normally perform
Simulation – allow the trainee to practice newly learned skills and work with equipment under actual working conditions
Role Playing – participants are required to respond to specific problems they may encounter in their jobs by acting out real-world situations - learning by doing the task - perform necessary interpersonal skills by acting out simulated roles - practice what is being taught
Training Games – games are cost effect means to encourage learner involvement and stimulate interest in the topic, thereby enhancing employees' knowledge and performance - *Business Games:* permits participants to assume roles such as president, controller, or marketing vice president of two or more hypothetical orgs and compete against each other
In-Basket Training – asked to establish priorities for and then handle a number of business papers, e-mails, tests, memoranda, reports, and telephone messages, that would typically cross a manager's desk
On-The-Job Training – informal T&D that permits an employee to learn job tasks by actually performing them - to transfer knowledge from highly skills experienced worker to a new employee, while maintaining the productivity of both workers

Apprenticeship – combines classroom method with OJT

Team Training – focuses on imparting knowledge and skills on individuals who are expected to work collectively toward meeting common objective
- *Team Coordination Training:* educates team members how to orchestrate the work they do to complete the tasks
- *Cross-Training:* educates team members about the other members' jobs so that they may perform them when a team member is absent, which could raise flexibility, communication, morale, and interdepartmental relations

Coaching – takes in two forms: experienced employees and professional coaches

Mentoring – a veteran in the organization takes special interest in a new employee and helps him not only to adjust to the job but also in the organization

Delivery Systems

Corporate University – provided under the umbrella of the organization

College and Universities – primary delivery system for training professional, technical, and management employees

Online Higher Education – formal educational opportunities including degree and training programs that are delivered, either entirely or partially, saves employees time because it reduces their need to commute to school

Vestibule System – takes place away from the production area on equipment that closely resembles equipment actually used on the job

Video Media – cds, DVDs

Simulators – comprised of devices or programs that replicate actual job demands

Social Networking

4. Implement T&D Programs – a perfectly conceived program will fail if management cannot convince participants of its merits
- o Thus, participants must believe that the program has value and will help them achieve their personal and professional goals

5. Evaluate T&D Programs

Reactions – the extent to which the trainees liked the training program related to its usefulness, and quality of conduct

Learning – the extent to which the principles, facts and techniques were understood and retained in memory by the employee

Behavior Change – changes in job-related behaviors or performance that can be attributed to training
- *Transfer of Training:* the extent to which an employee generalizes knowledge and skill learned in training to the workplace, as well as maintains the level of skill proficiency or knowledge learned in training

Organizational Results – refer to such outcomes as enhanced productivity, lower costs, and higher product or service quality
- ROI is an important results criterion
- *Benchmarking:* process of monitoring and measuring a firm's internal processes, such as operations, and then compare the data with information from companies that excel in those areas

o Factors influencing T&D:
1. Top Management Support
2. Shortage of Skilled Workers
3. Technological Advances
4. Global Complexity
5. Leaning Styles

Orientation (On-Boarding) – inform new employees about the company, the job, and the work group
- it also familiarizes them with the corporate culture and helps them to quickly become productive
- Employee Handbook

o **Career** – general course that a person chooses to pursue throughout his working life
- ▪ *Career Path:* a flexible line of movement through which a person may travel during his or her work life

Traditional Career Path – employee progresses vertically upward in the organization

Network Career Path – contains both vertical sequence of jobs and series of horizontal opportunities
- recognizes the interchangeability of experience at certain levels and the need to broaden experience at one level before promotion to a higher level

Lateral Skill Path – allows for lateral moves within the firm, taken to permit an employee to become revitalized and find new challenges
- learning a different job, an employee can increase his or her value to the organization and also become rejuvenated and re-energized
- job enlargement, job enrichment

Dual-Career Path – recognizes that technical specialists can and should be allowed to contribute their expertise to a company without having to become managers

- advises without entering the management due to specialization to a certain knowledge

Adding Value to Your Career – an individual's knowledge must be ever expanding, and continual personal development is a necessity

Demotion – process of moving a worker to a lower level of duties and responsibilities, typically involves a reduction in pay

Free Agents – people who take change of all or part of their careers by being their own bosses or by working for others in ways that fit their particular needs or wants

- o **Career Management** – process of enabling employees to better understand and develop their career skills and interests, and to use these skills and interests more effectively
- o **Career Development** – formal approach used by the organization to ensure that people with proper qualifications and experiences are available when needed
  - Lifelong series of activities that contribute to a person's career exploration, establishment, success, and fulfillment
  - Must be closely parallel individual career planning if a firm is to retain its best and brightest workers
  - *Formal:* includes short-term training programs, education, certifications, workshops, or seminars that can help build skills sets for a particular job or industry
  - *Informal:* includes mentorship opportunities, networking events, online courses, internships, and volunteering experiences

Manager/Employee Self-Service – providing managers with the online ability to assist employees in planning their career paths and developing required competencies

Discussions with Knowledgeable Individuals – such as HR, psychologists, counselors etc.

Company Material – tailors to the firm's special needs

Workshops – employees define and match their specific career objectives with the needs of the company

- o **Career Planning** – on-going process whereby an individual sets career goals and identifies the means to achieve them
  - Self-Assessment, Formal Assessment

- o **Management Development** – consists of all learning experiences provided by an organization resulting in upgrading skills and knowledge required in current and future managers
  - any attempt to improve managerial performance by imparting knowledge, changing attitudes, or increasing skills
  - *Succession Planning:* involves developing workforce plans for the company's top positions
  - *Mentoring:* approach to advising, coaching, and nurturing for creating a practical relationship to enhance individual career, personal, and professional growth and development
  - *Coaching:* responsibility of the immediate boss, who provides assistance, but the primary focus is about performance
  - *Reverse Mentoring:* process in which older employees learn from younger ones

Program Manager – supervisees long-term strategies that consists of multiple smaller projects
- program strategy
- long-term
- implement strategies, oversee collaboration, and define success metrics
- measured by the success of program strategies, ROI, and company-wide objectives

Project Manager – supervisees individual projects that meet program objectives
- work coordination
- short-term
- coordinate work, organize projects, and track progress
- measured by the success of individual projects, timelines, and budget compliance

- o **Performance Appraisal** – means evaluating an employee's current and/or past performance relative to his or her performance standards
  - For base pay, promotion, and retention decisions and continuously ensure that each employee's performance makes sense in terms of the company's overall goals
  - Provide an opportunity to review the employee's career plans in light of his or her exhibited strengths and weakness
  - (1) Setting Work Standards; (2) Assessing the Employee's actual performance relative to those standards; (3) Providing feedback to eliminate performance deficiencies or to continue to perform above par

Who will Evaluate the Performance?

Supervisors – most common type of performance appraisal

Peers – often see the actual behavior since they work directly with the employee
- employees tends to react worst to negative peer evaluation

Subordinates – also called upward feedback
- Difficult because of the fear of backlash if they unfavorable rate their supervisor
- Correlate highly with upper-management ratings of supervisors' performance

Customers/Clients – provide feedback on employee performance by filling complaints or complimenting the manager about one of her employees
- *Secret Shoppers:* current customers who have been enlisted by a company to periodically evaluate the service their receive

Self-Appraisal – allowing an employee to evaluate her own behavior and performance
- Suffer from leniency and correlate moderately to actual performance
- Most accurate when the self-appraisal will not be used for such administrative purposes as raises or promotions
- Accurate when employees understand the performance appraisal system and when employees believe that an objective record of their performance is available with which supervisor can compare the self-appraisal

Rating Committees – consists of employee's immediate supervisor and three or four other supervisors
- help cancel out problems such as biases and provide a way to include in the appraisal the different facets of an employee's performance observed by different appraisers

360-Degree Feedback – employer collects performance information all around an employee – from his or her supervisors, subordinates, peers, and internal or external customers

Techniques for Appraising Performance

Graphic Rating Scale – simplest and the most popular method
- list several job dimensions and range of performance values for each trait, then supervisors rate each subordinate by circling or checking the score that best describes the subordinate's performance

Alternation Ranking Method – ranking employees from best to worst on a trait or traits is another option

Paired Comparison – for every trait, you compare every employee with every other employee
- $n(n-1)/2$

Forced Distribution – manager places pre-determined percentages of ratees into performance categories

Critical Incident Method – supervisor keeps a log of positive and negative examples of a subordinate's work-related behaviors

Narrative Forms/Report – helps the employee understand where his or her performance was good or bad, and how to improve that performance

Behaviorally Anchored Rating Scales – anchors numerical rating scale with specific illustrative examples of good and bad performance
- based on critical incidents

Management by Objectives – usually refers to a multistep company wide goal-setting and appraisal program
- requires manager to set specific, measurable, organizationally relevant goals with each employee, and then periodically discuss the latter's progress toward these goals

Computerized and Web-Based Performance Appraisal – compiles computerized notes on subordinates during the year, and then merge these with ratings for the employee on several performance traits

Electronic Performance Monitoring – systems use computer network technology to allow manager to monitor their employee's computers

Conversation Days – no explicit performance ratings, just manager-employee conversations about improvement and growth

Rating Errors

Unclear standards – might result in unfair appraisals, because the traits and degrees of merits are ambiguous

Halo Effect – influence of a rater's general impression on ratings of specific ratee qualities

Central Tendency Error – rating all employee average

Leniency Error – rater is very lenient and gave the employees higher scores, rates at the higher end of the scale

Strictness Error – rater is very strict and gave the employees lower scores, rates at the lower end of the scale

Recency Effects – rating the employee based on their recent performance rather than their overall performance over the year

o Raters who scored higher on conscientiousness, tend to have stricter scoring

o Raters who scored higher on agreeableness are more lenient

o **Performance Management** – continuous process of identifying, measuring, and developing the performance of individuals and teams, and aligning their performance with the organization's goals

o **Turnover** – the rate at which employees leave the firm

- *Voluntary Turnover:* employees voluntarily leave the organizations, maybe due to dissatisfaction etc.
- Effectively conduct exit interviews to provide useful insights into turnover problem areas
- To boost employee retention the org must raise pay, hire smartly, discuss careers, provide direction, offer flexibility, use high-performance HR Practices, counteroffer (if another company offered their employees)

o **Job Withdrawal** – actions intended to place physical or psychological distance between employees and their work environment

- Absences and voluntary turnover
- *Job Withdrawal Process:* tends to be incremental, often evolving from daydreaming to absences to quitting

o **Promotions** – traditionally refer to advancement to positions of increased responsibility

- Usually mean more pay, responsibility, and job satisfaction
- *Glass Ceiling:* a metaphorical invisible barrier that prevents certain individuals from being promoted to higher positions
- *Glass Cliff:* women being likelier than men to achieve leadership roles during periods of crisis or downturn, when the risk of failure is highest

o **Turnover** – describes the number of workers that leave an organization, whether by the termination of the contract, resignation, or any other reason

o **Transfer** – move from one job to another, usually with no change in salary or grade

o **Dismissal** – involuntary termination of employee's employment with the firm

Unsatisfactory Performance
Misconduct

Lack of Qualification for the Job
Changed requirements of the Job
Insubordination – unwillingness to carry out manager's orders and disrespectful behavior

1) Allow the employee to explain why he or she did what he did
2) Have formal multistep procedure and appeal process (Progressive Discipline)
3) The person who does the dismissing is important
4) Dismissed employees who feel they've been treated unfairly are more likely to sue

- *Statutory Exceptions:* include federal and state equal employment and workplace laws that prohibit certain dismissals
- *Common Law Exceptions:* employee handbooks promising termination only "for just cause" may create an exception
- *Public Policy Exception:* against a well-established public policy
- *Wrongful Discharge:* occurs when an employee's dismissal does not comply with the law or with contractual arrangement stated or implied by the employer

o **Termination Interview** – for employee dismissal

o **Human Resource Development Manager** – empower their employees so that they can become a major asset of the company

- Give employees training and opportunities for career growth with the hope that they will use what they learned for the organization
- In charge of retaining talent

Scope, Coverage, and Processes across the different areas of HRD

Training - provides learners with knowledge and skills needed for their present job

Career Development – formal approach used by the organization to ensure that people with proper qualifications and experiences are available when needed

Talent Management – the system or strategy used by an organization to effectively recruit, hire, develop, and retain employees
- strategic endeavor to optimize the use of human capital, which enables an organization to drive short- and long-term results by building culture, engagement, capability, and capacity, through integrated talent acquisition, development, and deployment processes that are aligned to business goals

- refers to the attraction, selection, and retention of employees
- management of turnovers

Performance Appraisal – means evaluating an employee's current and/or past performance relative to his or her performance standards

Employee Engagement – an individual's emotional and cognitive motivation, particularly a focused, intense, persistent, and purposive effort toward work-related goals
- High level of absorption in the work, the experience of focusing intensely on the task with limited awareness of an events beyond that work
- Building an engage workforce calls on MARS model, building affective commitment, motivation practices, organizational-level communication, and leadership

Empowerment – psychological experience represented by four dimensions: self-determination, meaning, competence, and the impact of the individual's role in the organization

Org Activities involved in HRM

- o **Manager** – someone who is responsible for accomplishing the organization's goals, and who does so by managing the efforts of the organization's people

Manpower Planning/HR Planning/Workforce Planning

- o **Strategic Planning** – the process by which top management determines overall organizational purposes and objectives and how they are achieved
  - ▪ Emphasizes that workforce planning be actually embedded in the strategic planning process of the organization
  - ▪ Characterized by having senior leaders participate in the process to come up with general workforce directions
- o **Manpower Planning/HR Planning/Workforce Planning** – primary source for any company, process of estimating the optimum number of people required for completing a project, task or goal within time
  - ▪ systematic process of matching the internal and external supply of people with job openings anticipated in the organization over a specific period of time
  - ▪ process of deciding what positions the firm will have to fill, and how to fill them
  - ▪ *Organizing:* giving each subordinate a specific tasks, establishing departments, delegating

authority to subordinates, establishing channels of authority and communication, coordinating the work of subordinates

- o **Human Capital Planning** – has specific aspects that distinguishes it as a workforce planning methodology:
  1. *Segmentation:* classifying job according to their importance to the business, and then matching these segments with specific workforce actions
  2. *Less Specificity:* level of analysis in HCP is job roles, families, or functions
  3. *Time Frame:* timeframe of the plan to be generated is 3 to 5 years

Strategy and Workforce Planning – workforce/employment planning is best understood as an outgrowth of the firm's strategic and business planning
- personnel needs (demands), supply of the inside candidates, and one for the supply of outside candidates
- analyzing the supply/demand gap and creating a plan to address future staffing needs
- *Statistical Regression:* using historical data to predict the required staffing level given certain variables which the organization would deem critical
- *Staffing Ratio:* numerical relationships between work volumes or output and the number of staff required to do that work or produce that output

3 Types of Gaps:
1. *Staffing Levels*
2. *Gaps in Skills or Capabilities*
3. *Mix of both*

Forecasting Personnel Needs (Labor Demands) – how many people with what skills will we need?
- *Trend Analysis:* studying variations in the firm's employment levels over the past few years
- *Ration Analysis:* making forecast based on historical ratio between (1) some causal factor and (2) the number of employees required
- *Scatter Plot:* shows graphically how two variables are related

Forecasting the Supply of Inside Candidates – determining which current employees are qualified or trainable for the projected openings
- *Markov Analysis:* forecast availability of internal job candidates

Forecasting the Supply of Outside Candidates – turning to outside candidates when there is no enough inside candidates to fill the anticipated openings

Predictive Workforce Monitoring – paying continuous attention to workforce planning issues
Matching Projected Labor Supply and Labor Demand
Succession Planning – ongoing process of systematically identifying, assessing, and developing organization leadership to enhance performance

Staffing/Workforce Planning

o **Staffing** – determining what type of people should be hired, recruiting prospective employees, selecting employees, setting performance standards, compensating employees, evaluating performance, counselling, training, and developing employees
  - Execution of the plans from Manpower Planning
  - Deciding what positions the firm will have to fill and how to fill them
  - Identify and address the gaps between the employer's workforce today, and its projected workforce needs
o **Trend Analysis** – studying variations in the firm's employment levels over the past few years
o **Ratio Analysis** – means making forecasts based on the historical ratio between (1) some causal factor and; (2) the number of employees required
  - Assumes that things like productivity remains about the same
o **Scatter Plot** – shows graphically how two variables, such as sales and your firm's staffing levels, are related
o **Managerial Judgment** – to adjust the forecast
o Forecasting starts within the organization (Internal Recruitment)
  - *Personnel Replacement Charts:* show the present performance and promotability for each position's potential replacement
  - *Markov Analysis:* mathematical process to forecast availability of internal job candidates
o **Job Analysis** – systematic process for collecting and analyzing information about a job
  a. Tasks or work activity
  b. KSAOs
  c. Level of Job Performance
  d. Workplace Characteristics
o Job Analysis is the cornerstone of personnel selection
o Every essential knowledge, skill, and ability identified in the job analysis that is needed on the first day of the job should be tested, and every test must somehow relate to the job analysis

o **Recruitment** – attracting people with right qualifications to apply for the job
  - *Internal:* within the org, enhance employee morale and motivation
  - Done thru Job Postings or rehiring a employee who already left the organization
  - *External:* outside the org
  - *Recruiting Yield Pyramid:* gauge the staffing issues it needs to address
o **Schneider's Attraction-Selection-Attrition (ASA) Framework** – proposes that the three interrelated processes of attraction-selection-attrition determine the kind of people in an organization, and consequently defines the organization's culture, structures and processes
  - Similar people are selected and attracted by organizations, while dissimilar people are likely to leave these organizations due to attrition
  - Individuals are attracted to orgs whose members are similar to themselves in terms of personality, values, interests, and other attributes. And so, orgs select those who possess similarities to their existing members
  - People find orgs differentially attractive as a function of their implicit judgment of the alignment between those of the org's goals and their own personalities
  - *Selection:* refers to the formal and informal procedures used by companies in the recruitment and hiring people with attributes they desire
  - *Attrition:* people leaving the organization

Media Advertisements – Newspaper Ads, Blind Box, Electronic Media, Situation-Wanted Ads, Point-of-Purchase Methods, Recruiters
Employee Agencies and Search Firms - *Employee Agencies:* outsourced agencies that helps the company for recruitment - *Executing Search Firms:* the jobs they represent tend to be higher-paying, non-entry level positions - *Public Employment Agencies:* designed primarily to help the unemployed find work, but they often offer services such as career advisement and resume preparation
Employee Referrals – current employees recommend someone for hiring - most effective but at risk for possible discrimination
Direct Mail – an employer obtains a mailing list and send help-wanted letters or brochures to people through the mail

Internet – <u>employer-based websites</u>, internet recruiters
Job Fairs – designed to <u>provide information in a personal fashion to as many applicants as possible</u>
Nontraditional Population – developing recruitment strategies for <u>minorities</u>, <u>inmates</u>, <u>PWDS</u> etc.
Passive Applicants – recruiters try to find ways to <u>identify hidden talent</u> and convince them to apply for a job with their company e.g., kpop casting managers

- o **Interviews** – <u>most commonly used method</u> to select employees
  - ▪ *Clarifiers:* allow the interviewer to <u>clarify information</u> in the resume, cover letter, and application, fill in gaps, and obtain necessary information
  - ▪ *Disqualifiers:* questions that <u>must be answered a particular way or the applicant is disqualified</u>
  - ▪ *Skill-Level Determiners:* <u>tap an interviewee's level of expertise</u>
  - ▪ *Future-Focused Questions/Situational Questions:* ask <u>what they would do in a particular situation</u>
  - ▪ *Past-Focused Questions/Patterned Behavior Description Interviews/Behavioral Questions:* <u>focused on previous behavior</u>
  - ▪ *Organizational-Fit Questions:* tap <u>the extent to which the applicant will fit into the culture</u> of an organization or with the leadership of a particular supervisor

Structure
Structured – source is <u>job analysis</u>, all participants are <u>asked with the same questions</u> and there is a <u>standardized scoring key</u> - more reliable and valid
Unstructured – <u>freely asking anything they want</u> - *Primacy Effects:* <u>first impression</u> affected the evaluation - *Contrast Effects:* the <u>interview performance of one applicant may affect the interview score given to the next applicant</u> - *Negative-Information Bias:* <u>negative information apparently weighs more heavily</u> that positive information - *Interviewer-Interviewee Similarity:* interviewee will receive a <u>higher score if she is similar to the interviewer</u> in terms of personality, attitude, gender, or race

Style
One-on-One – <u>one interviewer, one applicant</u>
Serial - <u>series of single interviews</u> - e.g., first interview with recruitment manager, then HR head, to immediate supervisor, then CEO
Return – similar to serial interviews with <u>difference being a passing of time</u> between the first and subsequent interviews - e.g., returning the next day for another interview
Panel – <u>multiple interviewers, one applicant</u>
Group – <u>multiple applicants were interviewed at the same time</u>
Serial-Panel-Group – <u>series of panel and group interviews</u>

Medium
Face-to-Face - both the applicant and interviewer are at the same room
Telephone – often used to screen applicants but do not allow the use of visual cues
Videoconference – the applicant and the interviewer can hear and see each other, but the interview is remote
Written – involve the applicant answering a series of written questions

- o **Resume** – summaries of an applicant's professional and educational background
  - ▪ Views as a <u>history of your life or an advertisement of your skills</u>

Chronological – lists <u>previous jobs in order from the most to least recent</u>
Functional – organizes jobs <u>based on skills</u> required to perform them rather than the order they were worked
Psychological – contains the <u>strengths of both chronological and functional styles</u>

  - ▪ *Averaging versus Adding Model of Impression Formation:* implies that activity <u>quality is more important than quantity</u>
- o **Taylor-Russell Tables** – designed to estimate the <u>percentage of future employees who will be successful in the job if an organization uses a particular test</u>
- o **Proportion of Correct Decisions** – the only info needed is employee test scores and scores on criterion
  - ▪ *Type 1 Error:* False Positive (Q3)
  - ▪ *Type II Error:* false negative (Q1)
  - ▪ *True Positive* (Q2)
  - ▪ *True Negative* (Q4)

- o **Lawshe Tables** – probability that a particular applicant will be successful (Content Validity Ratio)
- o **Brogden-Cronbach-Gleser Utility Formula** – computing the amount of money an organization would save if it used the test to select employees

Top-Down Selection – applicants are rank-ordered on the basis of their test scores
Rule of Three – the names of top three scorers are given to the person making the hiring decision
Passing Scores – determines the lowest score on a test that is associated with acceptable performance on the job
Multiple-Cutoff Approach – the applicants would be administered all of the test at one time - simultaneous
Multiple-Hurdle Approach – applicant is administered one test at a time - one at a time
Banding – attempts to hire the top scorers while allowing some flexibility for affirmative action

Developing, Monitoring, Maintaining, Managing Relationships

- o **Leading** – getting others to get the job done, maintaining morale, and motivate subordinates
- o **Controlling** – setting standards such as sales quota, quality standards, or production levels, checking to see how actual performance compared with the standards, taking corrective action as needed

Evaluation

- o **Performance Appraisal** – evaluating an employee's current and/or past performance relative to his or her performance standards

(1) setting work standards
(2) assessing the employee's performance relative to those standards
(3) providing feedback

- o **Criteria** – ways of describing employee success
  - *Trait-Focused:* concentrates on such employee attributes such as dependability, honest, and courtesy
  - *Competency-Focused:* concentrate on employee's knowledge, skills, and abilities (KSAOs)
  - *Task-Focused:* organized by the similarity of tasks that are performed
  - *Goal-Focused:* based on the goals accomplished by the employee

- *Contextual Performance:* the effort an employee makes to get along with peers, improve the organization, and perform tasks that are needed but are not necessarily an official part of the employee's job description (OCBs)

Compare the role of HRM and HRD in an Org

- o Human Resource MANAGEMENT is about WHOM and HOW to employ for the best outcome
- o Human Resource DEVELOPMENT is about making the employee BEST ASSET for the best outcome

Team Dynamics (15)

Team Dynamics

- o **Group** – two or more people who perceive themselves as a group and interacts with each other
  - Must involve some degree of structure and permanency
  - Collection of people to be called group, the following criteria must be met: (a) the members of the group must see themselves as a unit; (b) the group must provide rewards to its members; (c) anything that happens to one member of the group affects every other members; and (d) the members of the group must share a common goal. (Gordon, 2001)
  - Groups must have multiple members
  - 2 (Dyad), 3 (Triad), 4 to 20 people (Small Group)
  - an event that affects one group member should affect all group members (*Corresponding Effects*)
- o **Formal Groups** – subunits that the organization has established
- o **Informal Group** – no to little interdependence and no organizationally mandated purpose
  - They exist due to the fact that humans are social animals and have a drive to bond with others, they define themselves by their group affiliations, and to accomplish personal objectives
  - Develop apart from the official structure of the organization and exist relatively independent of it
- o **Work Group** – interdependent collection of individuals who share responsibility for specific outcomes for their organization
- o **Team** – consists of interdependent workers with complimentary skills working toward a shared goal or outcome

- Groups of two or more people who interact with and influence each other, that is: (1) to fulfill some purpose; (2) held together by their interdependence and need for collaboration; (3) influence each other; and, (3) perceive themselves to be a team
- *Team Permanence:* how long that team exists
- *Skill Diversity:* each member possesses different skills and knowledge
- *Authority Dispersion:* the degree that decision-making responsibility is distributed throughout the team
- *Identification:* extent to which group members identify with the team rather than in other groups
- *Interdependence*: one member does greatly influence what another member does
- *Power Differentiation:* overstepping roles, challenge opinions, interrupt each other, gives orders, and use sarcasm
- *Social Distance:* an imaginary space that separates two colleagues such as treating them formally and very politely rather than being casual
- Team members respond to conflict by collaborating, try to understand the other's views, makes attempt to compromise, and use nonthreatening tones
- Members negotiate in a win-win style in which the goal is for every person to come out ahead

---

Departmental Teams – consists of employees who have similar or complimentary skills and are located in the same unit of a functional structure
- usually minimal task interdependence because each person works with clients or with employees in other departments

Self-Directed Teams – teams whose members are organized around work processes that complete an entire piece of work requiring several interdependent tasks and have substantial autonomy over the execution of those tasks

Task Force (Project) Teams (Cross-Functional) – members are usually drawn from different disciplines to solve a specific problem, realize an opportunity, or design a product or service

Production Teams – frontline employees producing tangible outputs

Management Teams – corporate executive teams, coordinate other work units under their direction

Service Teams – attend the needs of the clients

Advisory Teams (Parallel Teams)– solve problems and recommend solutions

- **Process Losses** – teams have additional costs and resources expended on the team development and maintenance rather than on performing the task
  - Refers to any nonmotivational element of a group situation that detracts from the group performance
  - Amplified when more people are added or replace others on the team
  - *Brooks' Law:* adding more people on a project team when the project is already on-going, the project will more likely finished longer than in shorter span of time
- **Social Facilitation** – involves positive effect of presence of others on individual's behavior
  - *Social Inhibition:* involves the negative effects of other's presence
  - *Audience Effects:* takes place when a group of people passively watch an individual
  - Audience size, proximity, and status affects the performance of the group
  - *Coaction:* the effect on behavior when two or more people are performing the same task in the presence of one another
  - Mere presence of others naturally produces arousal
- **Social Loafing** – considers the effect on individual performance when people work together on a task; exerting less effort in group work than individual work (Max Ringelmann)
  - Occurs on tasks with low in attractiveness
  - Less likely to occur in cohesive groups
  - *Social Enhancement:* occurred among group members who were working on a task that was high in attractiveness
  - **Free-Rider Theory** – when things are going well, a group member realizes that his effort is not necessary, and this does not work hard as he would if he were alone
  - **Sucker Effect** – social loafing occurs when a group member notices that other group members are not working hard and does are "playing him for a sucker", then decide that they will no longer be played for a sucker and thus reduce their effort
  - **Social Compensation** – when individual increase their efforts on collective tasks because they don't anticipate much help from their group members
  - To minimize social loafing:

- ✓ Form <u>smaller groups</u> so each member's performance is noticeable and important and it <u>increases individual commitment</u> and identity with the team
- ✓ Specialize tasks to <u>easier observe</u> when each member performs differently
- ✓ <u>Measure individual performance</u>
- ✓ <u>Increase Job Enrichment</u> so it could have high motivation potential
- ✓ Select motivated, team-oriented employees, who are also known to have <u>at least moderately high conscientiousness and agreeableness</u>
- o If the leader or group member has an accurate solution to a problem the group is trying to solve, the group will probably perform at a high level
- o **Groupthink** – members become <u>cohesive</u> and <u>like-minded that they make poor decisions</u> despite contrary information that might reasonably lead them to other options
- o **Mindguard** – a member of a cohesive group whose job it is to <u>protect the group from the outside information that is inconsistent with the group's views</u>
- o Team members tend to work together more effectively when they receive some <u>team-based rewards</u>, when the organization's structure assigns discrete clusters of work activity to teams
- o <u>External competition also increases motivation for teams to work together</u>
  - ▪ Groups that are pressured by outside forces also tend to become highly cohesive
  - ▪ *Psychological Reactance:* when we believe that <u>someone is trying to intentionally influence us to take some particular action, we often react by doing the opposite</u>
- o Smaller size of group, more cohesive
  - ▪ *Additive Tasks:* those for which the group's performance is <u>equal to the sum of the performances by each group member</u>; each contribution is important
  - ▪ *Conjunctive Tasks:* group performance depends on the <u>least effective group member</u>
  - ▪ *Disjunctive Tasks:* group performance is based on the <u>most talented group member</u>
  - ▪ *Social Impact Theory:* If the <u>group is already stable and cohesive, adding another member might be disruptive</u> (Brook's Law)
- o The higher group status, the greater cohesiveness
- o It's important to believe that a group has higher status

- o Groups with high-ability members outperform those with low-ability members
- o Confidence is the key to success
- o Groups whose members <u>have task-related experience and score high in the personality dimensions of openness to experience, and emotional stability</u> will perform better than groups with no such characteristics
- o Good Communication is also the key
- o **Mental Model** – <u>organized knowledge structure that enhance the interaction of an individual</u> with his or her environment
  - ▪ *Shared Mental Models:* organized structures <u>combining the knowledge, beliefs, and understandings of two or more individuals</u> that help coordinate their efforts
- o **Group Roles** – extent to which its <u>members assume different roles</u>
  - ▪ *Task-Oriented Roles:* involves behaviors such as <u>offering new ideas, coordinating activities, and finding new information</u>
  - ▪ *Social-Oriented Roles:* involve <u>encouraging cohesiveness and participation</u>
  - ▪ *Individual Role:* <u>blocking group activities</u>, calling <u>attention to oneself</u>, and <u>avoiding group interaction</u>

5 C's of Effective Team Member Behavior
Cooperating – share resources, accommodate others
Coordinating – align work with others, keep the team on track
Communicating – share info freely, efficiently, respectfully, and listen actively
Comforting – show empathy, provide emotional comfort, build confidence in others
Conflict Handling – diagnose conflict sources, use best conflict-handling style

- o **Group Homogeneity** – extent to which its members are <u>similar</u>
  - ▪ *Homogenous Group:* members are similar in some or most ways
  - ▪ *Heterogenous Group:* members are more <u>different than alike</u>
  - ▪ The best working groups consist primarily of <u>similar people but have dissimilar person adding tension and a different vantage point</u>
  - ▪ Main advantage of diverse teams is that they <u>make better decisions</u> in some situations because they see a problem from different angles

- Diverse teams also have broader pool of technical abilities and provide better representation of the team's constituents
- o **Role** – set of behaviors that people are expected to perform because they hold formal or informal positions in a team and organization
  - *Role Differentiation:* process by which group or organization establishes distinct roles for various members of the group, accomplished through formal job descriptions, rules, task requirements, etc.
- o **Conflict** – friction that emerges in the team
  - *Relationship Conflict:* tension in interpersonal relationships
  - *Task Conflict:* results when team members have different ideas, beliefs, viewpoints
  - *Process Conflict:* when group members have incompatible ideas about how the work should be completed
- o **Team Building** – consists of formal activities to improve the development and functioning of a work team
  - a) **Team Volunteering events**
  - b) **Team Scavenger Hunt/Treasure Hunt**
  - c) **Team Sports/Exercise Competitions**
  - d) **Team Music Ensemble Events**
- o **Norms** – informal rules and shared expectations that groups establish to regulate the behavior of their members
  - *Descriptive Norm:* define what most people tend to do, feel, or think in a particular situation
  - *Prescriptive Norms:* what people should do, feel, or think in a particular situation
- o **Team Cohesion** – refers to the degree of attraction people feel toward the team and their motivation to remain members
  - Attracted to the team, committed to the team's goals, tasks, and feel a collective sense of team pride
  - the extent to which group members like and trust one another, are committed to accomplishing a team goal, and share a feeling of group pride
  - *Similarity-Attraction Effect*: occurs when people assume that people are more trustworthy and more acceptable if they are similar to them
  - Members that are similar with each other have higher cohesion
  - More cohesive the group is, the greater: performance, decision quality, member

satisfaction, member interaction, employee courtesy
- Cohesiveness also lose the sight of organization goals (e.g. putting their colleagues first before their client)
- The greater stability, the greater cohesiveness
- Groups in which members remain for long periods of time are more cohesive and perform better than groups that have high turnover
- Groups that are isolated or located away from other groups tend to be highly cohesive
- Smaller groups are more cohesive and when they interact regularly
- The more elite a team is, the more prestige it confers to the members, and the more they tend to value their membership = higher cohesion
- Teams with higher cohesion tend to perform better than those with lower cohesion
- o **Team Trust** – refers to positive expectations one person has toward another person in situations involving risk
  - *Calculus-Based Trust:* logical calculation that other team members will act appropriately because they face sanctions if their actions violate reasonable expectations (based on your calculation kung magagawa ba nila yung trabaho)
  - *Knowledge-Based Trust:* based on the predictability of another team member's behavior; you would not trust someone who tends to engage in harmful or dysfunctional behavior (based sa pagkakakilala mo sa kanila, for example, she has a tendency work slower, so you wont trust her to finish her work by the end of the day kasi mabagal progress niya)
  - *Identification-Based Trust:* based on mutual understanding and an emotional bond among team members; occurs when team members think, feel, and act like each other (since you are similar, you know how she works because that's how you work to, thus you trust her bec you know her tendencies)

Self-Directed Teams – cross-functional groups organized around work processes that complete an entire piece of work requiring several interdependent tasks and have substantial autonomy over the execution of those tasks
- closed knit group of employees who depend on each other to accomplish individual tasks

- substantial autonomy over the execution of tasks with little to no direct involvement of a higher-status supervisor

Virtual Teams – teams whose members operate across space, time, and organizational boundaries and are linked through information technologies to achieve organizational tasks
- members are not usually co-located
- depend on information technology rather than face-to-face interaction to communicate

Stages of Team Development

o Teams typically go through 5 developmental phases, according to Tuckman:
  1. **Forming** – team members get to know each other and decide roles, discover expectations, test boundaries of behavior
  2. **Storming** – begins to disagree with each other; frustration starts individually
  3. **Norming** – easing the tension from the previous stage, developing cohesion, agree on team objectives
  4. **Performing** – begins to accomplish the goals, high cooperation and trust, conflicts resolved quickly
  5. **Adjourning** – when the team is about to disband
o **Punctuated Equilibrium** – rather than forming in stages, teams develop direction and strategy in the first meeting, follow this direction for a period of time, and then drastically revise their strategy about halfway through

Group Processes that affect Team Effectiveness

3 Major Dimensions of Work-Team Effectiveness

Team Performance – concerns how well the team is performing and includes such variables such as productivity, quality of output, and the degree to which costs are controlled in this process

Attitudes – reflect such variables as quality of work life, trust in management, organizational commitment, and job satisfaction

Withdrawal Behaviors – turnover, absence and tardiness

Diversity – members differ on one or more attributes

o **Taskwork** – involves the task-oriented aspects of work; entails specific individual behaviors required for success
o **Teamwork** – involves the process-oriented aspects of work; includes wide range of activities aimed at maintaining and enhancing team performance

▪ Revolves around communication and coordination among team members, feedback, team cohesion, and norms

Predictors of Work-Team Effectiveness	
Organizational Context	Rewards, goals and feedback, training
Group Composition and Size	Cognitive Ability of group members, personality traits, and demographic characteristics
Group Work Design	Member task interdependence Member goal interdependence
Intragroup Processes	Group Cohesion Group Efficacy or communication processes
External Group Processes	Communication outside the group External Interaction Patterns

Norms

o Norms directly reinforced through praise from high-status members, more access to valued resources, or other rewards available to the team
o The more closely the person's social identity is connected with the group, the more the individual is motivated to avoid negative sanctions from that group

Cohesion

o Members of highly cohesive team spend more time together, share information more frequently, and are more satisfied with each other
o When conflict arises, they tend to resolve their differences swiftly and effectively
o Team cohesion has less effect on team performance when the team has low task interdependence (the need to cooperate or interact)
o Teams with high cohesion perform better when their norms are aligned with the organization's objectives, whereas higher cohesion can potentially reduce team performance when norms are counterproductive

Trust

o Trust tends to decrease rather than increase over time
o Employees become less forgiving and less cooperative toward others as their level of trust

decreases and this undermines team and organizational effectiveness

Common problems that occur in teams

Constraints on Team Decision Making

o **Production Blocking** – teams take longer than individuals to decide because they require time to build rapport, agree on rules and norms, and understand each other's ideas

o **Evaluation Apprehension** – based on individual's desire to create a favorable self-presentation and need to protect self-esteem
   ▪ Team members are often reluctant to mention ideas that seem silly because they believe that other team members are silently evaluating them

o Team cohesion leads employees to conform to the team's norms, thus, depending on the opinions that others hold to validate an individual's views
   ▪ If coworkers disagree, they begin to question their opinions even with overt peer pressure

o **Team Efficacy** – collective confidence on how well they work together and the likely success of their team effort
   ▪ Although high efficacy teams set more challenging goals and are more motivated to achieve them, teams could make worse decisions if they are overconfident
   ▪ They become less vigilant when making decisions and engage in less constructive debate

Why Teams Don't Always Work

1. The team is not a team
2. Excessive meeting requirements
3. Lack of Empowerment
4. Lack of Skill
5. Distrust of the Team Process
6. Unclear Objectives

Group Conflict

o **Conflict** – psychological and behavioral reaction to a perception that another person is keeping you from reaching a goal

o **Dysfunctional Conflict** – keeps people from working together, lessens productivity, spreads to other areas, and increases turnover

o **Functional Conflict** – moderate levels of conflict can stimulate new ideas, increase friendly competition, and increase team effectiveness

Types of Conflicts

A. **Interpersonal Conflicts** – occurs between two individuals

B. **Individual-Group Conflicts** – usually occurs when the individual's needs are different from the group's needs, goals, or norms

C. **Group-Group Conflict** – occurs between two or more groups

Causes of Conflict

1. Competition for Resources
2. Task interdependence – group members depends on the performance of other group members
3. Jurisdictional Ambiguity – geographical boundaries or lines of authority are unclear
4. Communication Barriers
5. Beliefs
6. Personalities

Conflict Styles

A. **Avoiding Style** – ignore conflict and hope it will resolve itself
   ▪ *Triangling:* occurs when an employee discusses the conflict with a third party

B. **Accommodating Style** – a person is so intent on settling a conflict that he gives in and risks hurting himself

C. **Forcing Style** – handles conflict in a win-lose fashion and does what it takes to win, with little regard for the other person

D. **Collaborating Style** – wants to win but also wants the other person win as well

E. **Compromising Style** – adopts give-and-take tactics that enable each side to get some of what it wants

Resolving Conflicts

o When conflict first occurs, two parties should be encouraged to resolve the conflict on their own

o **Dispute** – when they can't agree to resolve the conflict

o **Cooperative Problem Solving** – all department reps come over to solve the problem

o **Third-Party Intervention**
   a. **Mediation** – neutral third party is asked to help both parties reach agreeable solution to the conflict
   b. **Arbitration** – neutral third party listens to both sides and make decision

Individual versus Group Performance

o **Nominal Group** – when several people individually work on a problem but do not interact

o **Interacting Group** – when individuals interact to solve a problem

o **Brainstorming** – group members are encouraged to speak out their ideas

- o **Brainwriting** – removing conversations during idea generation
- o **Group Polarization** – group members will shift their beliefs to a more extreme version of what they already believe individually

Organizational Change and Development (20)

Differentiate: Org Change vs. Org Dev, Org Dev. vs. Org Transition

Organizational Change – refers to the actions in which a company or business alters a major component of its organization, such as culture, technology, infrastructure, etc.
- process of guiding organizational change to a successful resolution
- *Evolutionary Change:* continual process of upgrading or improving processes
- *Revolutionary Change:* drastic changes
- process of altering organizations to be more adaptive and congruent with their business environment
- an organization achieving a desired future state from its current state with minimal disruption or negative impact to the organization

Organizational Development – change process through which employees formulate the change that's required and implement it
- planned, organization-wide effort to increase organizational effectiveness through behavioral science knowledge and technology
- how an organization achieve its purpose/change through design, function, structure, and processes
- addresses change and how it affects organizations and the individuals within those organizations

Organizational Transformation – intended to move your organization from where it is currently to a desired future state
- allows the business to act strategically, staying ahead of events and being the agent of change

Different factors driving Org Change

1. Technology – adoption and diffusion of computers into work life
2. Cultural Diversity
3. Emergence of advanced communication technologies
4. Globalization
5. Global Competition
6. Redistribution of economic power
7. Consumer needs
8. Government deregulation
9. Environmental Standards

12 different types of Large-Scale Organizational changes

Transformational Change – seeks to create significant, fundamental shifts in how an organization operates and organizes itself
- involves introducing new strategies, processes, systems, and structures that shift the way the company operates
- more radical – it can involve overhauling existing operations or introducing larger, systemic solutions that may span across multiple departments
- requires deep level of commitment from leaders and employees alike as it often requires them to let go of traditional ways of doing things in order to embrace new systems and procedures

Incremental Change – introduces small, but meaningful changes to an organization's systems, processes, and structures
- can help businesses increase their efficiency and effectiveness
- focused on small, targeted adjustments

Developmental Change – seeks to build on existing processes, structures, and capabilities of an organization in order to bring about meaningful improvements
- involves introducing new systems, technologies, and tools that enable greater efficiency and effectiveness in the workplace
- focuses on building upon existing systems, processes, and structures to bring about meaningful improvements

Remedial Change – involves making corrections or improvements to existing systems, processes and structures in order to bring about more efficient and effective operations
- troubleshooting and problem-solving

Process and System Change – making adjustment to existing processes and systems in order to improve efficiency and effectiveness
- introduction of new technologies, systems, and tools

People and Culture Change – focuses on transforming organization's culture, values, and behaviors in order to drive greater efficiency and effectiveness
- introducing new corporate policies, procedures, and systems that help create an environment where employees feel supported, valued, and empowered
- frutas

Structural Change – alters the way an organization is structured in order to improve efficiency and effectiveness
- involves introducing new policies, procedures, and systems that help to streamline operations and eliminate areas of waste
- re-organizing departments and teams in order to better align the organization's goals, objectives, and strategies

Merger and Acquisition Change – involves merging or acquisition of two or more business
- combining resources, personnel, and operation from multiple organizations into one

De-merger Change – involves splitting of an organization into two or more separate entities
- when an organization has grown too large, and there is a need to streamline operations and simplify structures in order to improve efficiency

Downsizing – reducing the size of an organization
- involves cutting costs and reducing personnel in order to achieve greater efficiency and productivity

Relocation Change – moving of an organization or parts of it to a new location
- take advantage of new opportunities in different geographic regions, cultures, and countries

Rebranding Change – making modifications to organization's brand or public image, in order to create a more compelling and attractive image

Different types of Org Interventions used to enhance org effectiveness, well-being, and productivity

Human Process Interventions – related to interpersonal relations, group, and organization dynamics
- *Process Consultation:* creation of a relationship that permits the client to perceive, understand, and act on the process events that occur in [his or her] internal and external environment in order to improve the situation as defined by the client
- works to help managers, employees, and group assess and improve human processes, such as communication, interpersonal relations, decision-making, and task performance

Group Process
1. Communication
2. Functional Roles of Group Members
3. Group Problem Solving and Decision-Making
4. Group Norms
5. The Use of Leadership and Authority

Basic Process Interventions
1. Individual Intervention – help people be more effective in their communication with others
2. Group Interventions
a. *Process interventions:* sensitize the group to its own internal processes and generate interest in analyzing them; relationships among group members, problem-solving and decision-making, and identity and purpose of the group
b. *Content Interventions:* comments, questions, or observations about group memberships, agenda setting, review, and testing procedures, interpersonal issues, and conceptual inputs on task-related topics
c. *Structural Interventions:* help the group examine the stable and recurring methods it uses to accomplish tasks and deal with external issues

- *Team Building:* refers to a broad range of planned activities that help groups improve the way they accomplish tasks, help members enhance their interpersonal and problem-solving skills, and increase team performance
- *Confrontation Meeting:* intervention designed to mobilize the resources of the entire organization to identify problems
- *Microcosm Groups:* consists of small number of individuals who reflect the issue being addressed (e.g., minorities, marginalized groups)
- *Large-Group Interventions:* referred to variously as "Search conferences," "open-space meetings," "open-systems planning" etc.; focuses on issues that affect the whole organization or large segments of it

Technocultural Interventions – targeted toward structural and technological issues such as organization design, work redesign, and employee engagement
- structural design, re-engineering, downsizing

Employee Involvement Applications
1. Parallel Structures – involve members in resolving ill-defined, complex problems, and build adaptability into bureaucratic organizations
2. Total Quality Management – emphasizing quality control and represents a long-term effort to orient all of an organization's activities around the concept of quality
3. High Involvement Organizations – members receive extensive training in problem-solving

techniques, plant operation, and organizational policies

Human Resource Management Interventions – impact areas such as performance management, talent development, DEIB, and well-being in the workplace
- *Performance Management:* process of defining, assessing, and reinforcing employee work behaviors and outcomes
- *Goal Setting:* managers and subordinates in jointly establishing and clarifying employee goals
- *Performance Appraisal:* feedback system that involves direct evaluation of individual or work-group performance by supervisor, manager, or peers
- *Reward Systems:* incentives for improving employee and work-group performance
- Coaching, Mentoring, Training, etc.

Strategic Change Interventions – revolves around transformational change, restructuring, and uniting two or more organizations together during a merger

Different strategies and techniques org use to manage change, and/or cope with change to achieve org efficiency

Motivating Change
1. Creating Readiness for Change – creating a felt need for a change by making people so dissatisfied with the status quo
2. Overcoming Resistance to Change
- *Technical Resistance:* comes from the habit of following common procedures and the consideration of sunk costs invested in the status quo
- *Political Resistance:* org changes threatens powerful stakeholders
- *Cultural Resistance:* takes the form of systems and procedures that reinforce the status quo, promoting conformity to existing values, norms, and assumptions

3 Major Strategies for Dealing with Resistance to change
1. Empathy and Support
2. Communication
3. Participation Involvement

Creating a Vision – to provide valued direction for designing, implementing, and assessing organizational changes
- can also energize commitment to change by providing members with a common goal and a compelling rationale for why change is necessary and worth the effort

Developing Political Support – by assessing change agent power, identifying key stakeholders, and influencing them

Managing the Transition
1. Activity Planning – making a roadmap for change, citing specific activities, and events that must occur if the transition is to be successful
2. Commitment Planning – identifying key people and groups whose commitment is needed for change to occur and formulating a strategy for gaining their support
3. Change-Management Structures – should include people who have the power to mobilize resources to promote change, the respect of the existing leadership and change advocates, and the interpersonal and political skills to guide the change process
4. Managing Learning Process

Sustaining Momentum – by building a support system for change agents, developing new competencies and skills, reinforcing new behaviors, and staying in the course

Additional Info

Types of Authority

1. Legal – based on legal position or rank within the hierarchy
- e.g., CEO

2. Traditional – came from a traditionally recognized power holding family
- e.g., royal family

3. Charismatic – special power or an appeal that a leader possess

o **Organizational Transition** – implementation of change through systematic planning, organizing and implementation of change to reach desirable future state without affecting continuity of business

end

Congratulations for reaching the end of this reviewer! <3

*Remember to **take rest** if you need to and **be less harsh** to yourself. **Reward yourself**, you deserve it. You **can never learn everything** but at least **you still did learn something**. **Progress is progress.** The most important thing is **you will get there**!*

Claim that license!

*Congratulations, Future **RPm**!*