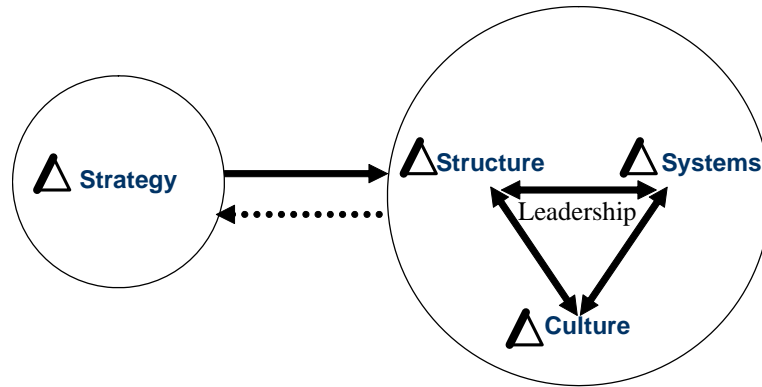


People and Organizations



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The Exam

Basic Theme: Look at a history of theories as they evolve to explain the concepts of P&O

How to Pass : FIRST – THEY LOOK TO PASS YOU so demonstrate you attended the lectures, read the readings and know how to apply the theory with evidence from the case.

To get an A, show distinction:

- Examples from other businesses (with evidence)
- Academic references
- Creative analysis

Key point – get yourself to 50 by presenting the essence of your argument
Theory - evidence – explanation

Identify concept – back it up (each point) with evidence from the case

Learn some standard forms off by heart

Demonstrate the Evolution of ideas of the theory – how one theory builds on another (distinction)

Decisions

Traps and Biases

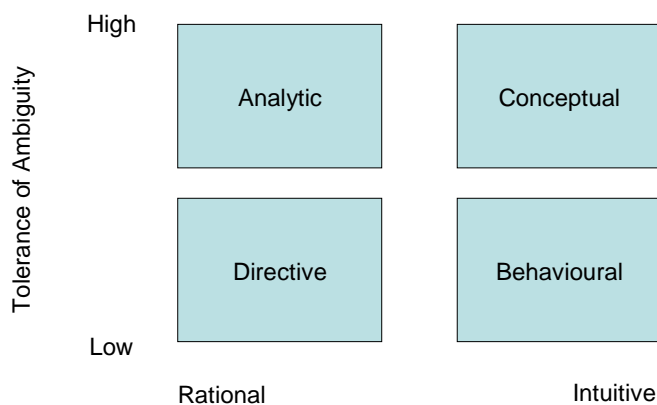
Decision Making

- **TRAPS**
 - Sunk Cost,
 - Anchoring,
 - Framing,
 - Status Quo,
 - Confirming Evidence,
 - Estimating and Forecasting
- **BIASES**
 - Self-serving
 - Availability
 - Halo effect
 - Contrast effect
 - Selective perception
 - Sales execs vs. others (Dearborn et al)

Bounded rationality: Good buzzword

Decision Styles

Rowe et al: Decision Styles



People / Personality

Five Dimensions

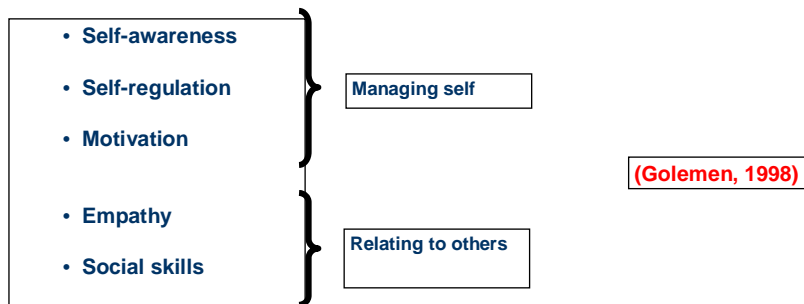
- **Emotionality**
- **Extraversion**
- **Openness**
- **Agreeableness**
- **Conscientiousness**

Locus of Control

- Internal tend to be self-starters
- External tend to have more routine roles

Emotional Intelligence (Goleman)

Goleman: Emotional Intelligence



High => tend to perform better as managers / be more adaptive
Can be improved and coached.

Motivation & Needs

Taylor vs. Human Relations

- **Taylor / Scientific View**
 - People are lazy
 - Measure and reward
- **Human Relations View**
 - Group sets norms
 - People react to group

Herzberg Two Factor Theory

Herzberg Two Factor Theory: Hygiene Factors vs Motivators

Hygiene Factors

- Company Policy and Administration
- Supervision
- Interpersonal Relations
- Working Conditions
- Pay

Motivators

- Achievement
- Advancement
- Recognition
- Responsibility
- Work Itself

Maslow's Need Hierarchy

Maslow's Needs Hierarchy



Teams

Group Think (Janis)

- Deterioration of mental efficiency, reality testing, and moral judgement that results from in-group processes – Janis 1982
- Examples:
 - Challenger disaster
 - Sales teams must believe...
- Get around group think
 - Assigned devil's advocate
 - High priority to airing doubts
 - Experts
 - External people / reality test

Truckman's Five Stages of Teams

Truckman's 5 Stages of Teams

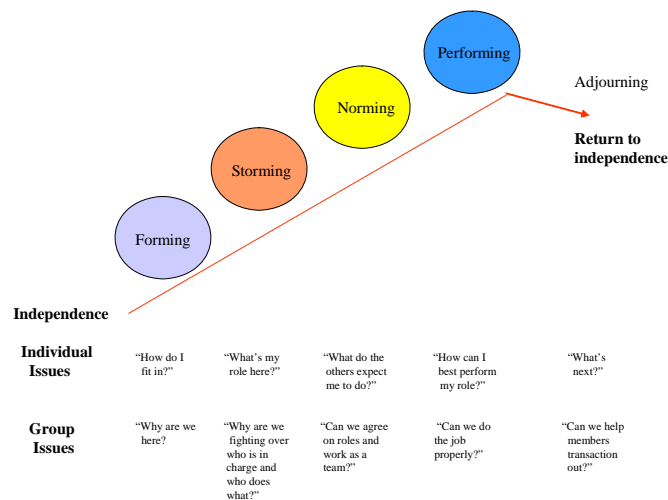
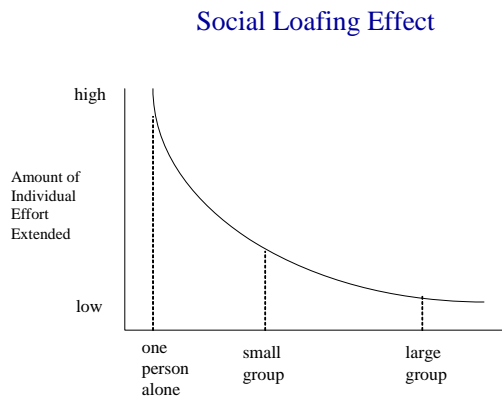


Figure Tuckman's Five Stage Theory of Group Development

Social Loafing

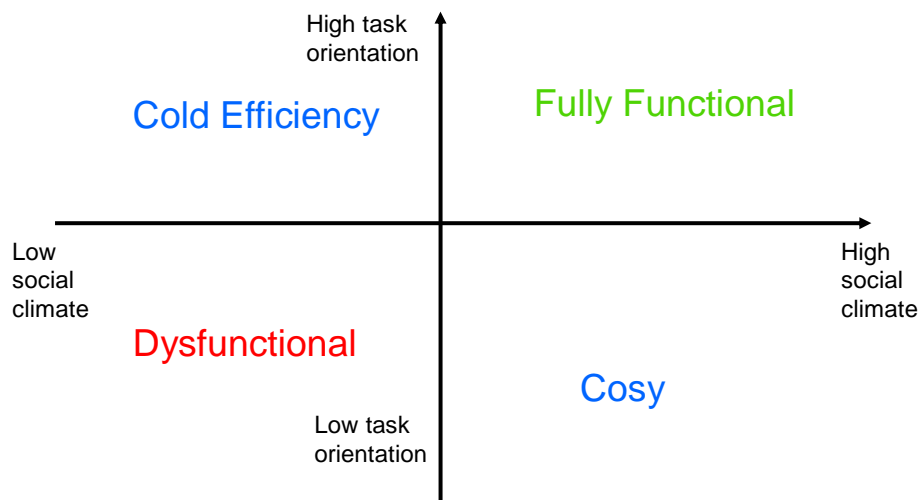
Social Loafing



- Some ways to reduce loafing
 - Increase identifiability
 - Promote involvement
 - Clear vision
 - Right size of team
 - Team cohesion and identity

West: Team Types

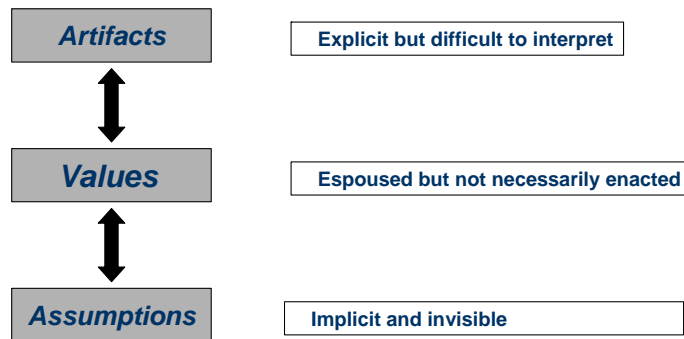
West: Team Types



Culture

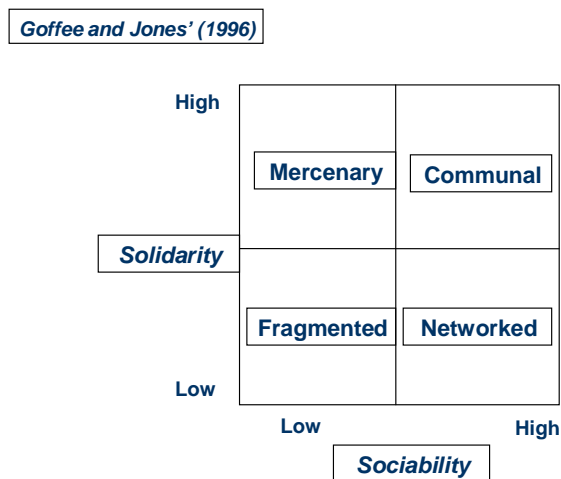
Schein's Model of Defining Culture

Schein: Model for Defining Culture



Goffee and Jones' Typology of Cultures

Goffee & Jones' Typology of Culture



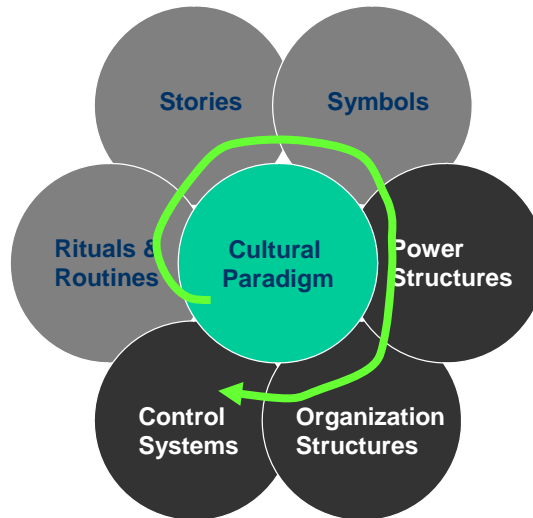
Johnson's Culture Web

Culture is hard to change since it is made up of numerous interlocking pieces.

Johnson's Culture Web

Mnemonic

- Johnson
- Crossed
- Roads
- Singing
- Sweetly (&)
- Playing
- On (a)
- Clarinet



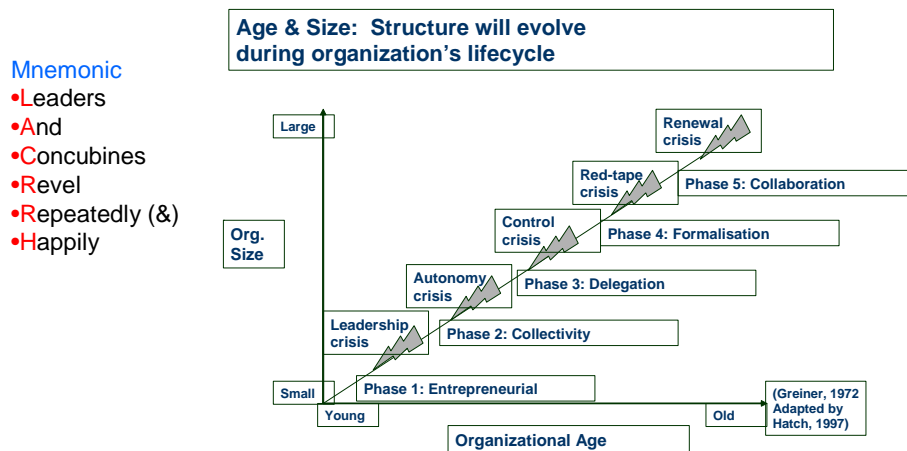
Structure

Five Dimensions of Org Design

1. **Specialisation** what is extent of division of labour?
2. **Departmentalisation** functions, processes, products, markets?
3. **Stratification** how many levels? extent of span of control?
4. **Centralisation** responsibility for strategic & operational decisions?
5. **Formalisation** do uniform rules and procedures govern activities?

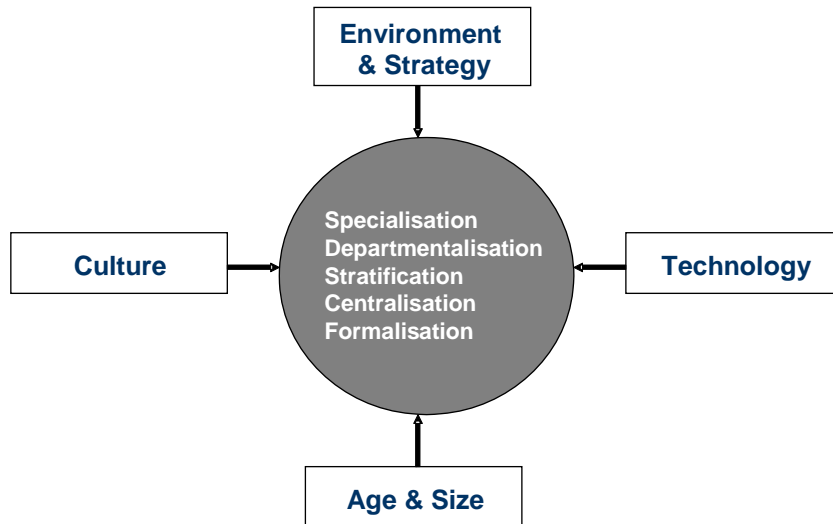
Greiner: Org Design as Company Grows

Greiner: Organisational Structure Change as Company Grows

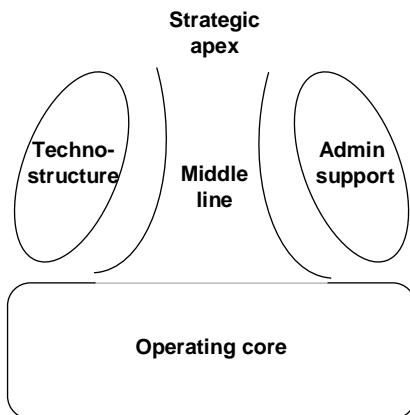


Mintzberg: Organizational Drivers and Structure

Mintzberg: Factors Driving Change



Mintzberg: Structural Elements & Forms



- Simple Structure
- Machine Bureaucracy
- Divisional Form
- Professional Bureaucracy
- Adhocracy

Change

Drivers of Change

Economic Value (Cut Costs)

- Change to structures and systems
- Planned, measured, programmatic
- Short-medium term
- Top down
- Leads to performance related bonus, job security

Develop Org. Capabilities (Grow Revenues)

- Develop culture
- Evolutionary/experimental
- Medium-long term
- Driven at all levels (support from top)
- Improved quality of work-life

Success Factors – 30% Don't Pay for Themselves (Nohria)

- Clear vision/strategy
- Structural
- Systematic
- Cultural
- Communication and involvement

Change Agents

- Openly critical
- Keen to put own ideas into effect
- Previous experience of change
- Committed to firm (but able to leave)
- Emotionally intelligent

Leadership

Trait-based Theories

- Traits tend to indicate the likelihood of success, but don't guarantee it.
- Traits tend to work better as predictors in *weak* situations rather than *strong* (strong situations have strong rules and norms)

Behaviour-based Theories

Ohio State Uni, Stogdill & Coons (1951)

- **Initiating Structure**
 - Tendency to define structure and roles
 - Tends to define standards of performance
- **Consideration**
 - Job relationships, trust, respect for ideas and feelings, etc.
- High-high tend to do better than High-Low, etc.

U- of Michigan Studies

- **Employee Oriented**
 - Interpersonal skills, interest in needs of employees
- **Production Oriented**
 - Technical or task oriented
- 9 x 9 grid. **9-9 is deemed to perform better** (Blake and Moulton, 1982) though there is little real evidence to say it's the best style in ALL situations (Larson, et al 1976)
- **Development oriented (based on studies in Scandinavia)**
 - Original behaviour-oriented studies were originally done in a (relatively) static environment
 - Likelihood to encourage change and innovation.

Contingency Theories

Behaviour is not enough on its own. Need to take into account behaviour in context of the surroundings.

Fielder contingency model

- *Leader-member relations* are the degree of confidence and trust, etc. team members have for the leader
- *Task structure* is the degree to which job assignments are formalized
- *Position power* is the degree to which power to hire-and-fire, etc. sits with the leader.
- **Highly favourable or highly un-favourable** situations favour **task-oriented** leaders
- **Moderately favourable** environments favour **relationship-oriented** leaders (Fielder et al, 1977)

Fielder Cognitive Resource Theory

	Experience	Intelligence
High Stress	+ve	-ve
Low Stress	-ve	+ve

Hersey & Blanchard's Situational Theory

Looks at the “followers” and says that the best approach is contingent on their readiness:

	Unable	Able
Unwilling	Clear and specific instructions	Use supportive, participative style
Willing	Display high task-orientation to make up for follower's inability	Don't need to do much...

Not much support for this theory. Ambiguity?

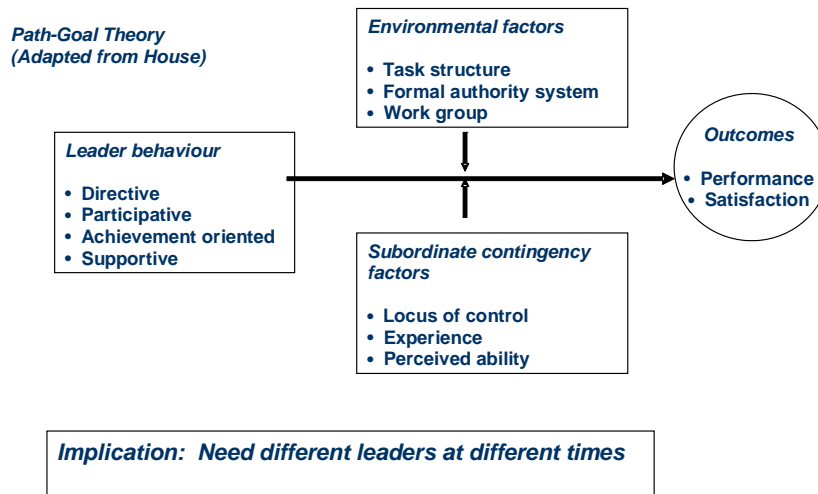
Leader-member Exchange (LMX) Theory

Basically, leaders build groups of similar people around them. These people are trusted, listened to, coached. These people tend to do better than non—in-group people. Self fulfilling?

House's Path-Goal Theory

- Leader's job is to assist team members in achieving their goals
- Four behaviours
 - Directive
 - Supportive (friendly)
 - Participative (consults)
 - Achievement orientation (sets tough goals)

House: Path Goal Theory



Goffee and Jones article (Harvard Business Review, 2000)

Above the usual factors of vision, energy, etc. leaders share four basic characteristics:

- Reveal vulnerability
- Rely on intuition
- Tough empathy
- They are *different*