

Organizational Behavior and Leadership – Introduction

October/November 2023

Appointments and topics

Friday 20 st October, 18:15-21:30:	Kick-off; Introduction to Leadership
Saturday 21 st October, 9:00-17:00:	Excursion
Friday 27 th October, 18:15-21:30:	Leadership Brief introduction to organizational behavior
Saturday 28 th October, 9:00-16:30:	Culture Motivation Conflict
Friday 3 rd November, 18:15-21:30:	Power Groups and Teams Information on Examination

Didactical methods:

- Interaction
- Discussion
- Case studies
- Self-tests of leadership traits, skills etc.
- Excursion (Patrick van Veen)

Course materials:

- Slides
- Handouts with case studies

Recommended literature

Organizational Behavior:

Schermerhorn, John, Hunt, James, Osborn, Richard and Uhl-Bien, Mary: Organizational Behavior, 11th Edition, John Wiley 2013

Leadership:

Northouse, Peter G.: Leadership, 9th Edition, Sage Publications 2021

Assessment

- Essay (Deadline: 01.12.2023)
- Length: 8-10 pages excluding references, 12-point Times New Roman, 1.5 spacing.
- You can choose one out of two topics
 - Organizational Behavior
 - Leadership
- Details of the assessment will be discussed in the final session.
- Assessments will be graded by **Dr. Elena Gesang**
<https://www.orgaperso.hhu.de/unser-team/dr-elena-gesang>

Excursion

- Date: Saturday 21st October, 9:00-17:00
- Destination: Zoom Gelsenkirchen
- Bleckstraße 64, 45889 Gelsenkirchen (<https://www.zoom-erlebniswelt.de/>)
- Organizer: Patrick van Veen <https://www.apemanagement.nl/en-gb/home>



Leadership

Friday 20st October 2023

Agenda

- Definition and conceptualization of leadership
- Trait approach to leadership
- Skills approach to leadership
- Style approach to leadership
- Situational approach to leadership
- (Transformational leadership)

Before starting: Some discussion questions

Are you a born leader?

Can you learn leadership? Have you learned leadership?

Which characteristics has a good or effective leader?

Do you need to be charismatic to be a leader?

In which situations can you become a leader? How?

What is Leadership not?

Leadership \neq Management

Management = planning, organizing, staffing, *leading*, controlling

What is Leadership?

Leadership is a *process* whereby *an individual influences a group* of individuals *to achieve common goals*.

Components of Leadership

1. Leadership is a process.
2. Leadership involves influence.
3. Leadership occurs in groups.
4. Leadership targets to achieve common goals.

Basic tasks of leaders

1. Motivating people (followers), e.g. by incentives, participation
2. Coordinating and controlling of work-shared operations in organizations

Dimensions of leadership

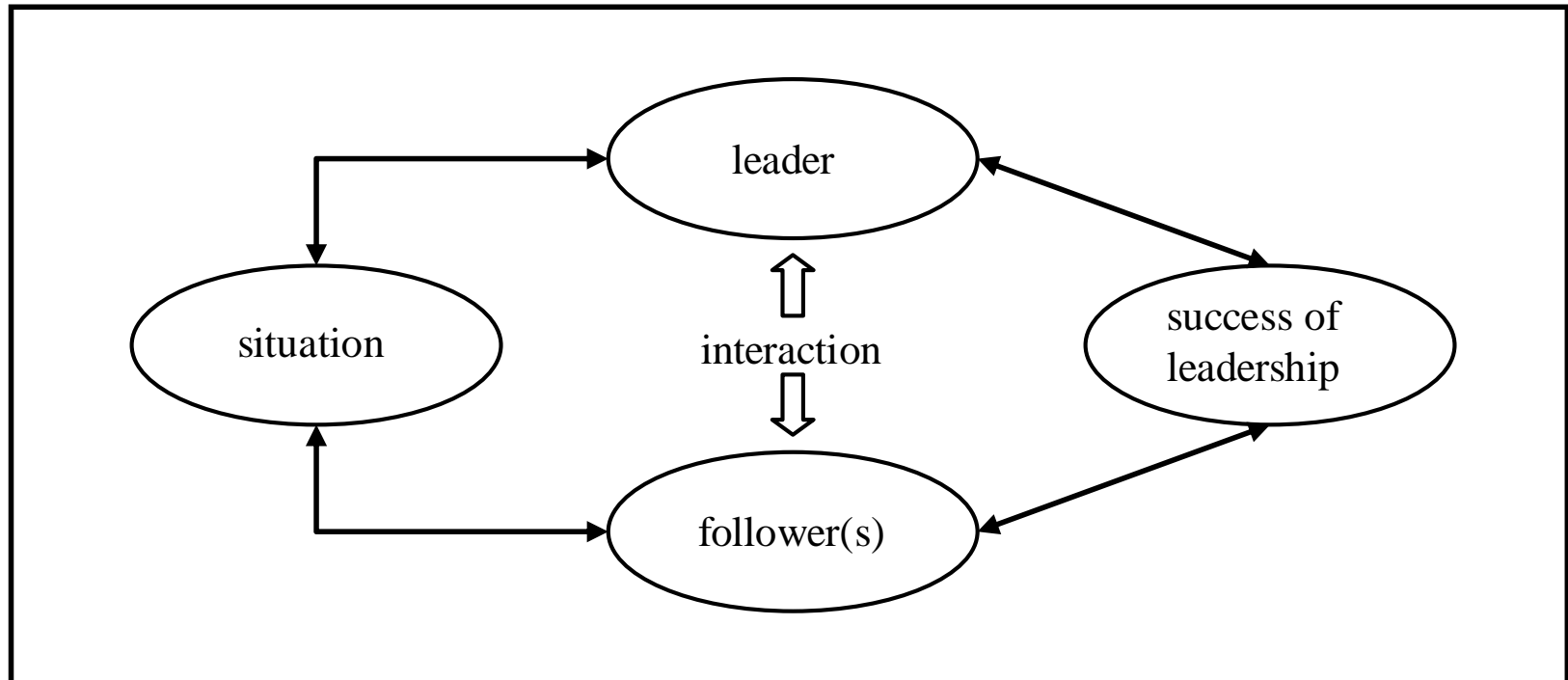
- (1) Interactive Dimension: influencing followers in a direct, interactive form
- (2) Structural dimension: influencing followers by general structures or systems, e.g. incentive-system, system to evaluate workers, management principles

⇒ structural dimension reduce demand for interactive dimension

⇒ structures are a frame for interaction

In practice: combination of both dimensions

Schema of Leadership



The interaction of leader and follower is influenced by power.

Leadership & Power

Power

- The capacity or potential to influence other people.
 - Ability to affect others' beliefs, attitudes & actions

Bases of Social Power French & Raven (1959)

- **Referent**
- **Expert**
- **Legitimate**
- **Reward**
- **Coercive**

Power is a relational concern for both leaders and followers.

Watch the following Video of Howard Schulz. Which bases of power is he (indirectly) addressing?

Case Study

“King of the Hill” (Northouse, Peter G.: Introduction to leadership, Thousand Oaks 2012, P. 8-9)

Read the case and mark all aspects that you found responsible for Denny Hill`s success?

Discuss the following statements in groups of two:

“Denny would have been successful in any circumstances.”

“Coaching is not the same as leading people in the workplace.”

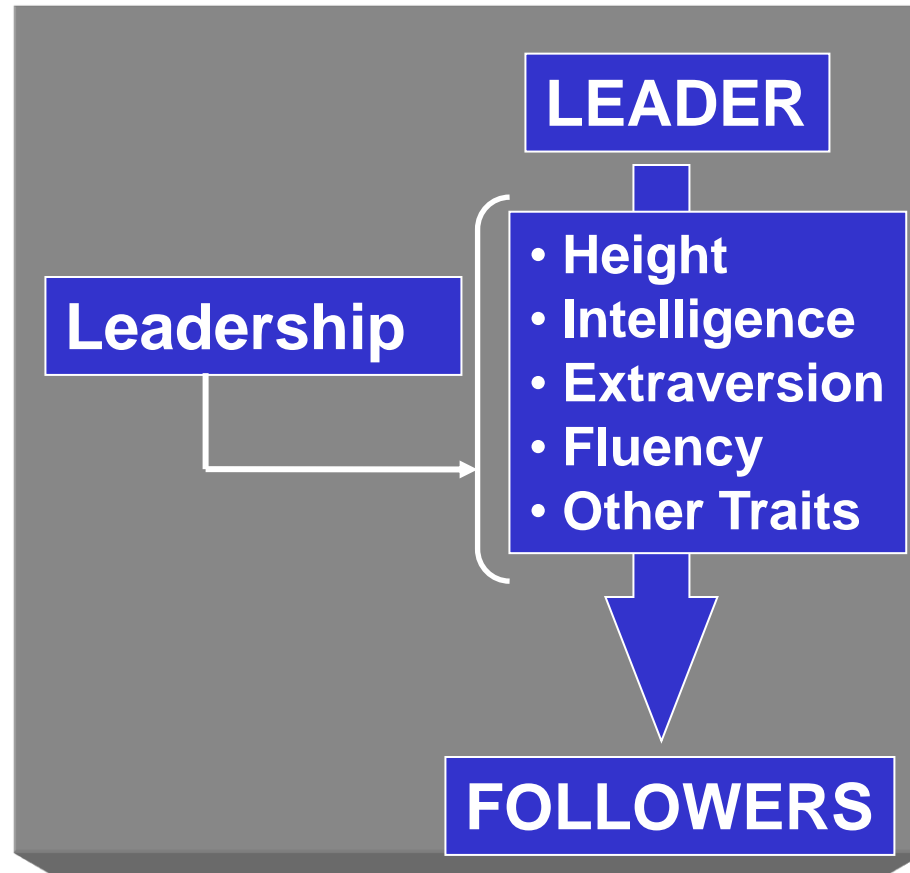
How do you view leadership?

1. When I think of leadership, I think of a person with special personality traits.
2. Much like playing the piano or tennis, leadership is a learned ability.
3. Leadership requires knowledge and know-how.
4. Leadership is about what people do rather than who they are.
5. Followers can influence the leadership process as much as leaders.
6. Leadership is about the process of influencing others.
7. Some people are born to be leaders.
8. Some people have the natural ability to be leaders.
9. The key to successful leadership is having the right skills.
10. Leadership is best described by what leaders do.
11. Leaders and followers share in the leadership process.
12. Leadership is a series of actions directed toward positive ends.
13. A person needs to have certain traits to be an effective leader.
14. Everyone has the capacity to be a leader.
15. Effective leaders are competent in their roles.
16. The essence of leadership is performing tasks and dealing with people.
17. Leadership is about the common purposes of leaders and followers.
18. Leadership does not rely on the leader alone but is a process involving the leader, followers, and the situation.
19. People become great leaders because of their traits.
20. People can develop the ability to lead.
21. Effective leaders have competence and knowledge.
22. Leadership is about how leaders work with people to accomplish goals.
23. Effective leadership is best explained by the leader-follower relationship.
24. Leaders influence and are influenced by followers.

Different views of Leadership: (1) Trait approach

- one of the first systematic attempts to study leadership
- Bases on the question: Which traits differentiate leaders from nonleaders?
- “Great man” - theories:
Idea: Certain individuals have special innate characteristics or qualities that differentiate them from nonleaders.
- Discussion question: Which traits differentiate a leader from nonleaders?

Visualization of the trait approach



Studies of Leadership Traits and Characteristics

Stogdill (1948)	Mann (1959)	Stogdill (1974)	Lord, DeVader, and Alliger (1986)	Kirkpatrick and Locke (1991)
Intelligence	Intelligence	Achievement	Intelligence	Drive
Alertness	Masculinity	Persistence	Masculinity	Motivation
Insight	Adjustment	Insight	Dominance	Integrity
Responsibility	Dominance	Initiative		Confidence
Initiative	Extroversion	Self-confidence		Cognitive ability
Persistence	Conservatism	Responsibility		Task knowledge
Self-confidence		Cooperativeness		
Sociability		Tolerance		
		Influence		
		Sociability		

Major Leadership Traits

Traits needed if one seeks to be perceived by others as a leader:

- Intelligence
- Self-Confidence
- Determination
- Integrity
- Sociability

Discussion question

- What are some leadership challenges today?
- Which of the leadership traits on the tables we have seen are most relevant to address that challenge?
- Are any traits needed by leaders today that aren't listed here?

Focus of Trait Approach

Leader

Focuses **exclusively** on leader

- Which traits leaders exhibit?
- Who has these traits?

Personality Assessments

Organizations use personality assessments to find “right” people

- **Assumption** - will increase organizational effectiveness
- Specify characteristics/traits for specific positions
 - Personality assessment measures for “fit”
 - Instrument: e.g. LTQ

Problems of the trait approach

- No defined list of leadership traits
 - Endless lists have emerged
- Does not take into account **situational effects**
 - Leaders in one situation may not be leaders in another situations
- list of most important leadership traits is **highly subjective**
 - Much subjective experience & observations serve as basis for identified leadership traits
- research fails to look at traits in relationship to leadership **outcomes**
- not useful for **training & development**, possibly useful for selection

Application of trait approach

- Provides direction as to which traits are needed if one aspires to a leadership position
- Through various tests and questionnaires individuals can determine whether they have the selected leadership traits
- Can be used by managers to assess how they stand within their company and what is needed to strengthen their position

Case Study “Bill Gates“

1. Please read the biography of Bill Gates.
2. Identify the major leadership traits of Bill Gates.
3. What differences do you observe between Gates and leaders in your company?
4. Which leadership traits do you have?

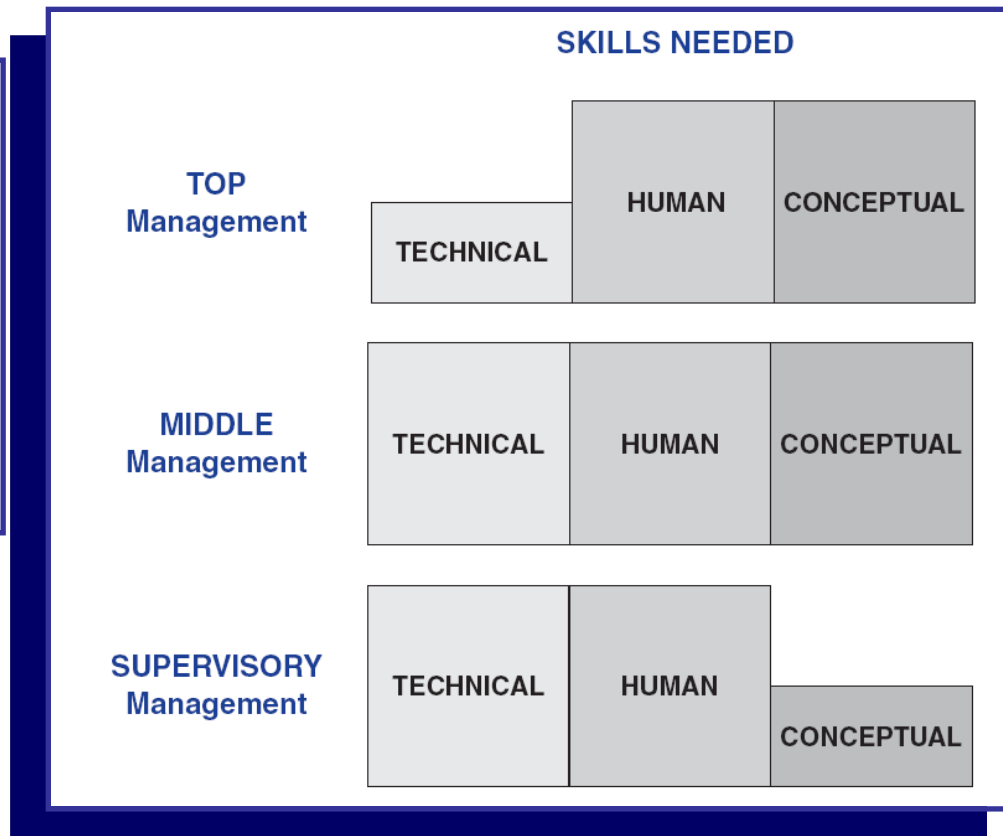
Different views of Leadership: (2) Skills approach

- Leader oriented perspective
- Emphasis on skills and abilities that can be learned and developed
- is primarily descriptive – describes leadership from a skills perspective
- Provides structure for understanding the nature of effective leadership
- Definition of Leadership skills:
The ability to use one's knowledge and competence to accomplish a set of goals and objectives
- Discussion question: Which skills do you need to lead / to be an effective leader?

Basic Administrative Skills – Katz (1955)

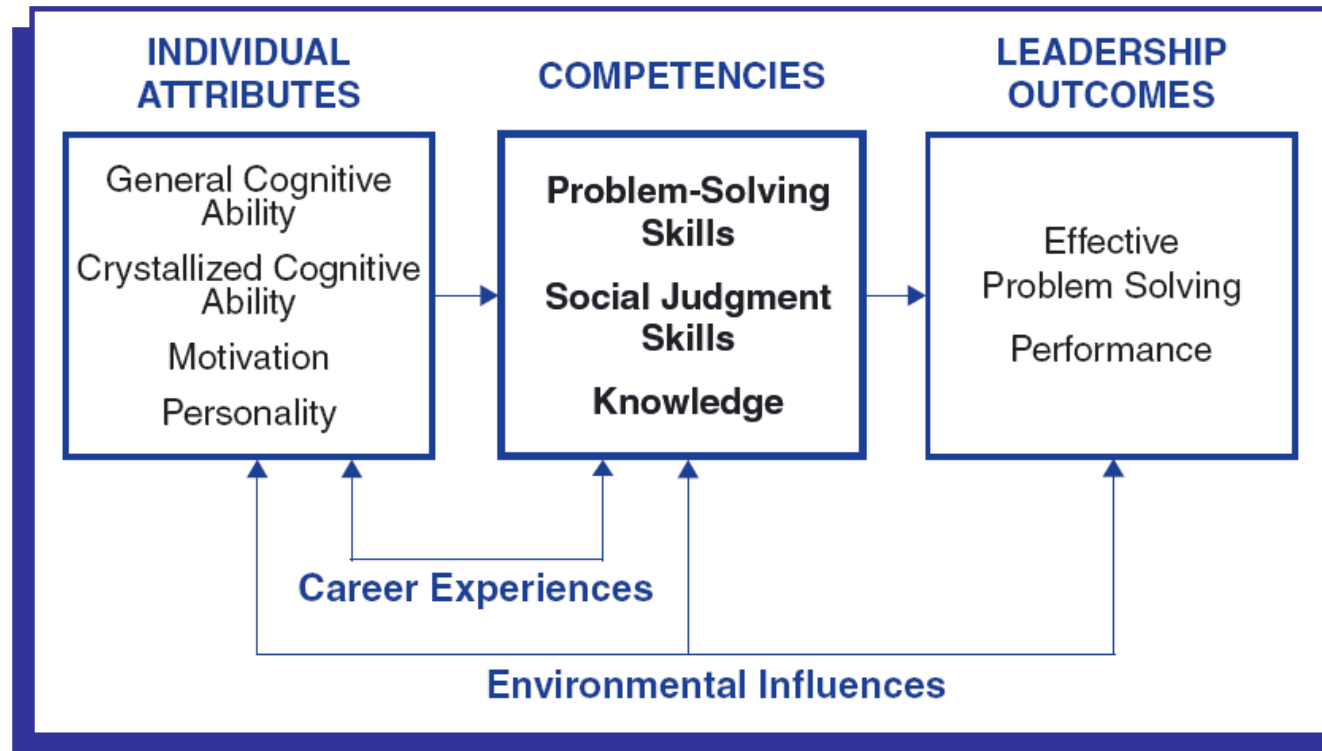
Management Skills Necessary at Various Levels of an Organization

❖ Leaders need all three skills – but, skill importance changes based on level of management

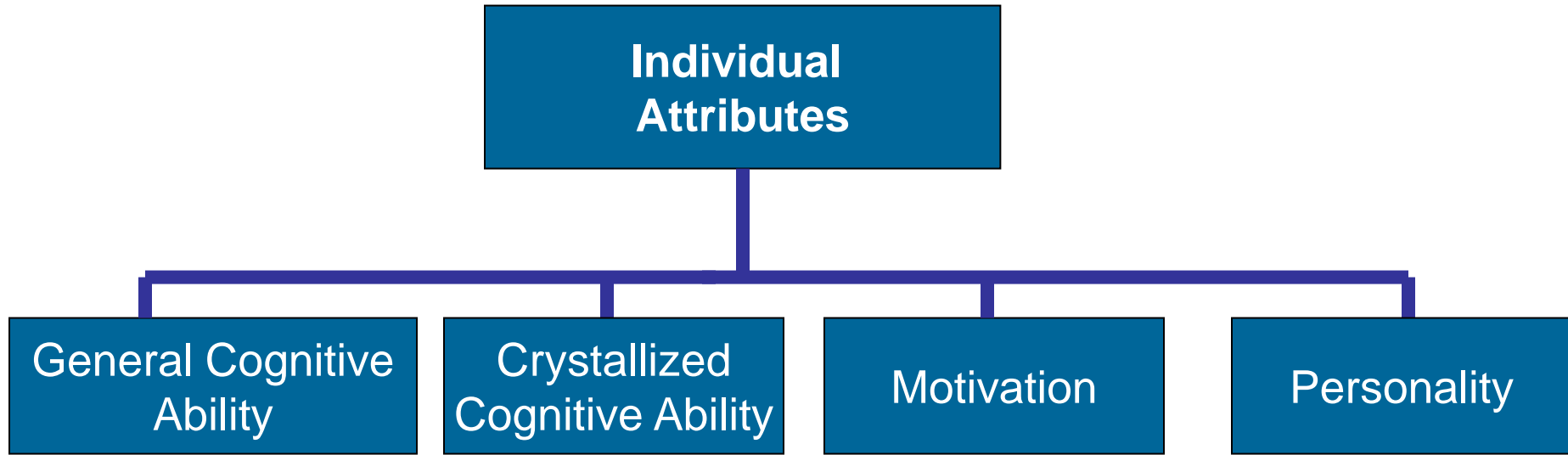


Up-To-date Skills Model

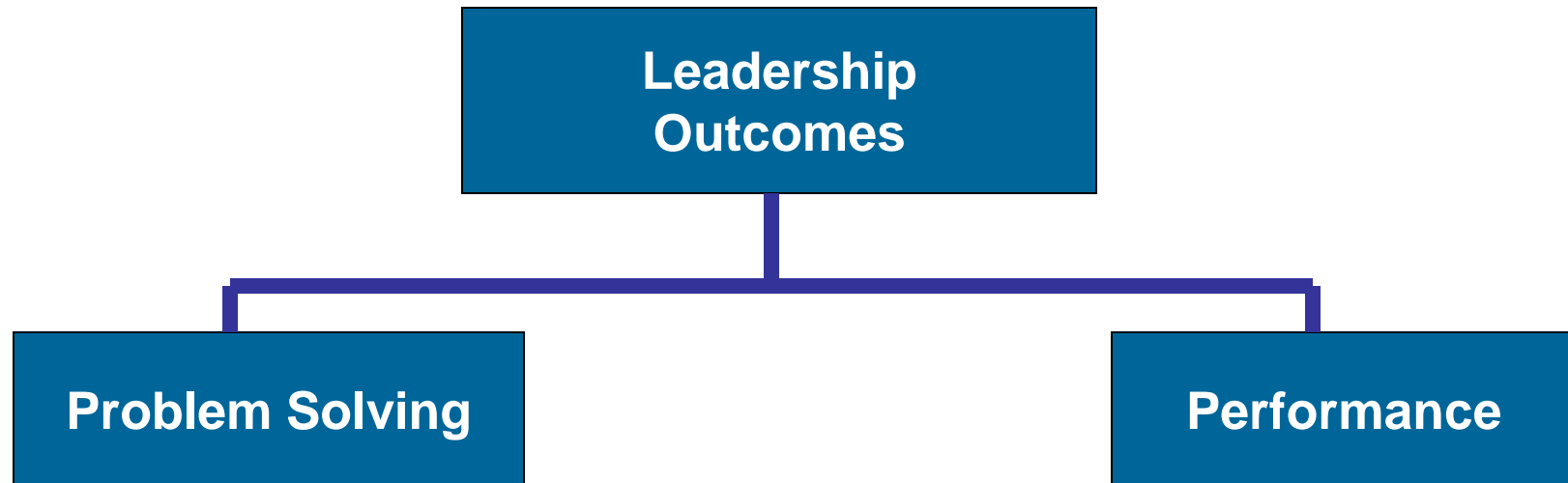
Three Components of the Skills Model: suggests leadership outcomes are a direct result of leader's skills in (1) problem solving, (2) social judgment and (3) knowledge



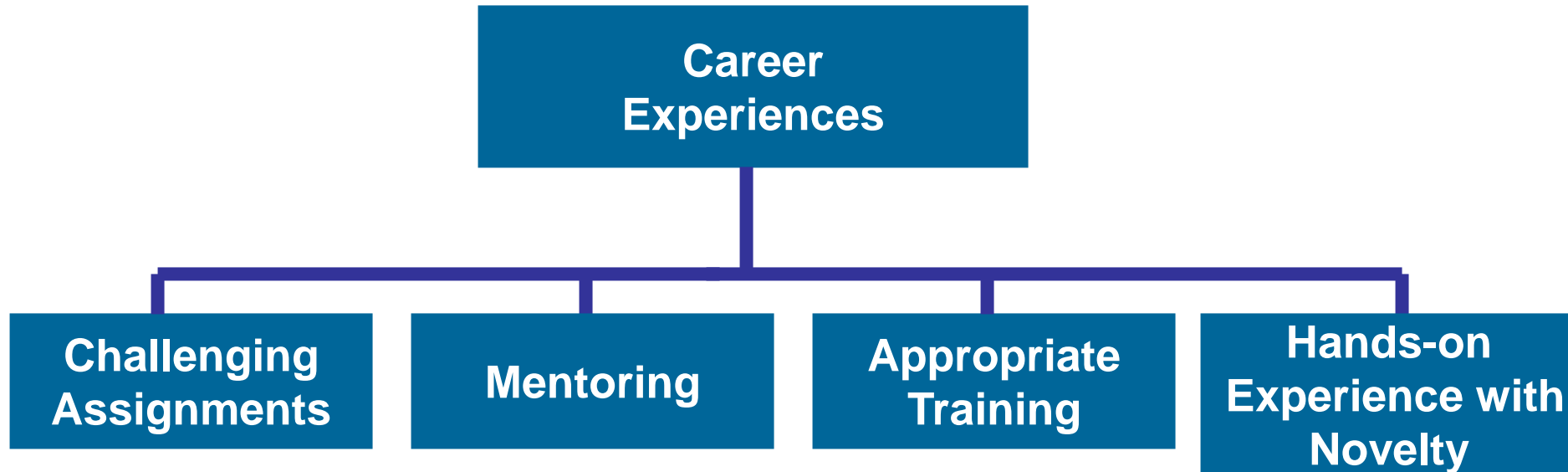
Individual Attributes



Leadership Outcomes



Career Experience



Environmental Influences = Factors in a leader's situation that lie beyond the leader's competence, characteristics, and experience

Strengths

- First approach to conceptualize and create a **structure** of the process of leadership around skills
- Describing leadership in terms of skills makes leadership **possible for everyone**
- Provides an **extensive view** of leadership that incorporates a wide variety of components (i.e., problem-solving skills)
- Provides a structure **consistent** with leadership education programs

Criticism

- Breadth of the skills approach making it less precise
- Weak in predictive value; does not explain how skills lead to effective leadership performance
- Skills model includes individual attributes that are trait-like

Application and discussion

- Self-test of your leadership skills with the Skills inventory

Reflection of the results

- Based on what you know about yourself and the scores you received on the Leadership Skills Questionnaire in the three areas: How would you describe your leadership skills? Which skills are your strongest, which are your weakest? What impact do you think your leadership skills could have on your role as a leader?
- The questionnaire divides leadership into three kinds of skills. Do you think, some of these skills are more important than others? Do you think this depends on the situation and/or on the level of leadership?

Case Studies (as regards trait and skills approach)

- a) Choosing a New Director of research
- b) A remarkable Turnaround
- c) Andy's Recipe

Tasks:

- Work in groups (20 min).
- Read the case.
- Discuss and answer the questions.

In the plenum:

- Sum up the case for the other students.
- Give your answers to the questions. Constitute your answers.

Different views of Leadership: (3) Style approach

- Emphasizes the behavior of the leader
- Focuses exclusively on what leaders do and how they act
- Style approach is based on empirical studies
 - Leadership Behavior Description Questionnaire (LBDQ)
 - Identify specific behavior with 150 questions
 - different backgrounds of participants (e.g. military, industrial, educational)
 - Results: Particular clusters of behavior were typical for leaders
- Discussion question: Which style must an effective leader have?

Results of different empirical investigations

(1) Ohio-State-Studies

⇒ two general types of leader behavior

- Initiating structure – Leaders provide structures for subordinates
- Consideration – Leaders nurture subordinates

(2) University of Michigan Studies

⇒ two types of leadership behavior conceptualized as opposite ends of a single continuum

- Employee orientation
- Production (company) orientation

Discussion about leadership styles leads to **Managerial Leadership Grid (Blake/Mouton)**

- developed in early 1960s
- used extensively in organizational training & development
- aim: Designed to explain how leaders help organizations to reach their objectives

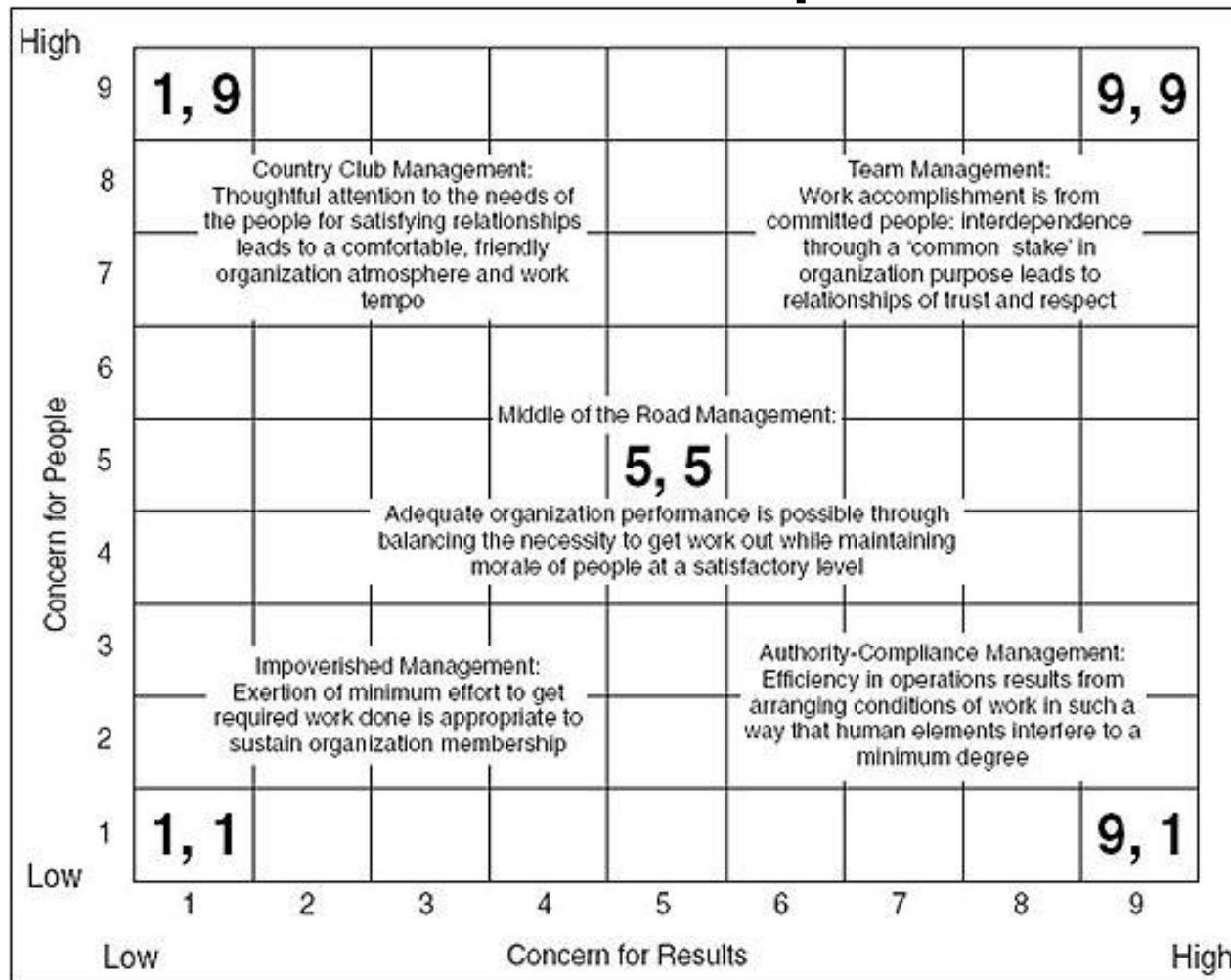
A) Concern for company/organization

How a leader focuses on achieving organizational tasks

B) Concern for people

How a leader can support the members of the organization who are trying to achieve its goals

The Leadership Grid



The Leadership Grid

Leadership styles

- Authority-Compliance (9,1)
- Country Club Management (1,9)
- Impoverished Management (1,1)
- Middle-of-the-Road Management (5,5)
- Team Management (9,9)

Discussion question

- Does a leader's motivation for adapting his or her leadership style have any effect on followers? In other words, would a leader with a high concern for task differ from a leader with a high concern for relationships?
- Who is the best leader you know? Who is the worst? To what extent does the style approach account for the differences between these leaders?
- If a leader uses a different style of leadership with each of his followers, how might that lead to perceptions of favoritism? What could a leader do to avoid such impressions while still being adaptable to follower needs?

Criticism

- style approach is based on a broad range of studies on leadership style
- style approach is heuristic - leaders can learn a lot about themselves and how they are perceived by others
- Research has not adequately demonstrated how leadership styles are connected to company's performance
- No universal style of leadership that could be effective in almost every situation
- Implies that the most effective leadership style is High-High style (i.e., high task/high relationship); nearly impossible to reach this style

Different views of Leadership: (4) Situational approach

- Relativization of leadership styles depends on the situation
- Emphasizes adapting style – different situations demand different kinds of leadership
- Idea: Leadership styles include directive (task) behavior and supportive (relationship) behavior (if they are needed in a concrete situation). The “best” style in a specific situation depends on the **developmental level of the followers.**

Development Levels of followers

Definition

- The degree to which subordinates have the competence and commitment necessary to accomplish a given task or activity

Dimension Definitions

D1

Low Competence
High Commitment

D2

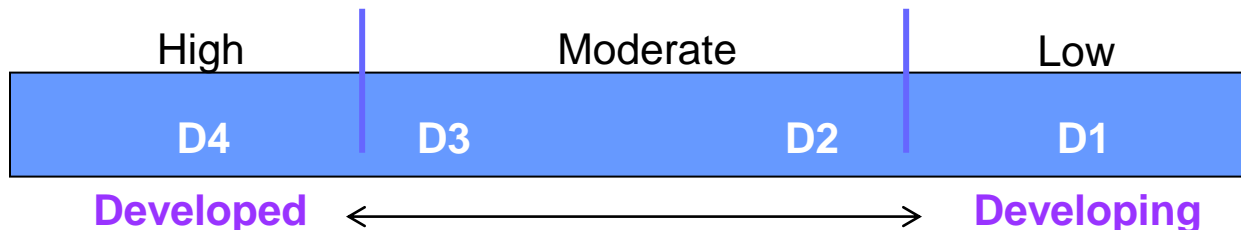
Some Competence
Low Commitment

D3

Mod-High Competence
Low Commitment

D4

High Competence
High Commitment



Four leaderships styles

- S1 - Directing Style
- S2 - Coaching Style
- S3 - Supporting Style
- S4 - Delegating Style

How Does The Situational Approach Work?

Employees Developmental level

Leaders Leadership style

D1 *Low* Competence
High Commitment



S1 – Directing
High Directive-Low Supportive

D2 *Some* Competence
Low Commitment



S2 – Coaching
High Directive-High Supportive

D3 *Mod-High* Competence
Low Commitment



S3 – Supporting
High Supportive-Low Directive

D4 *High* Competence
High Commitment



S4 – Delegating
Low Supportive-Low Directive

Situational Leadership

Look at the four leadership situations and indicate the development level in each situation and the needed leadership style.

Case Studies (as regards style and situational approach)

- a) A Drill Sergeant at First
- b) Eating Lunch Standing Up

Tasks:

- Work in groups (20 min).
- Read the case.
- Discuss and answer the questions.

In the plenum:

- Sum up the case for the other students.
- Give your answers to the questions. Justify your answers.

Different views of Leadership: (5) Transformational Leadership

Short description

Process: TL is a process that changes and transforms individuals

Influence: TL involves an exceptional form of influence that moves followers to accomplish more than what is usually expected

Core elements: TL is concerned with emotions, values, ethical standards, and long-term goals

Encompassing approach: TL describes a wide range of leadership influence where followers and leaders are bound together in the transformation process

Discussion questions

1. Which possibilities does a leader have to lead his/her followers in a transformational way?
2. Is “charisma” helpful to be an effective leader?
3. What means charisma/charismatic leadership?
4. Do you know a charismatic person? Why do you think, he/she has charisma?

Types of Leadership defined by Burns (1978)

❖ Leader is attentive to the needs and motives of followers and tries to help followers reach their fullest potential.

Focuses on the
exchanges
that occur
between leaders
and their followers

TRANSACTIONAL

Process of
allying with others
to create a connection that
increases
motivation and morality in
both the leader and the
follower

TRANSFORMATIONAL

Transformational Leadership & Charisma

What does charisma mean?

- **Charisma** - A special personality characteristic that gives a person superhuman or exceptional powers and is reserved for a few, is of divine origin, and results in the perception of this person as a leader (Weber, 1947)
- **Charismatic Leadership Theory (House, 1976)**
Charismatic leaders act in unique ways that have specific charismatic effects on their followers

Personality Characteristics, Behaviors, and Effects on Followers of Charismatic Leadership

"Steve went into a deep depression," Sculley said. As a result, "Steve came to me and he said, 'I want to drop the price of the Macintosh and I want to move the advertising, shift a large portion of it away from the Apple 2 over to the Mac.'"

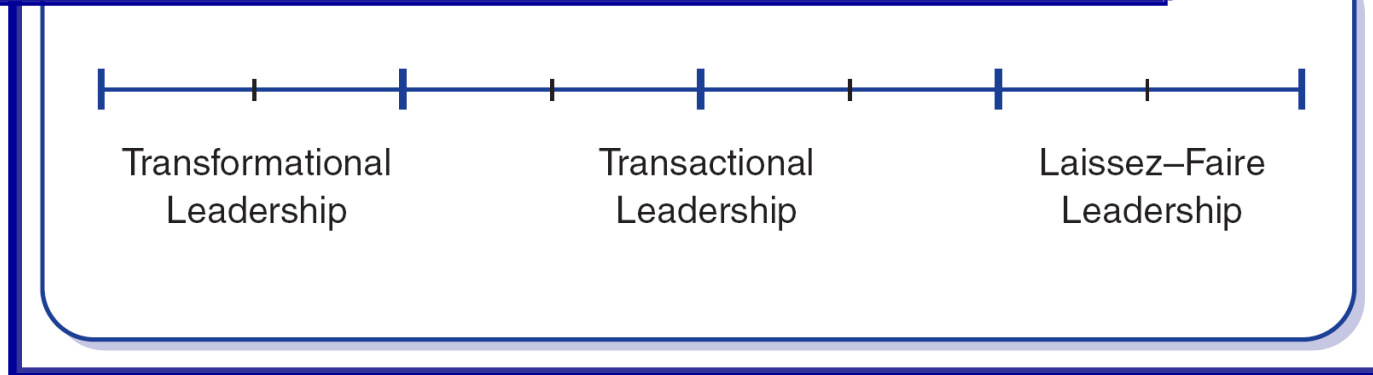
"I said, 'Steve, it's not going to make any difference. The reason the Mac is not selling has nothing to do with the price or with the advertising. If you do that, we risk throwing the company into a loss.' And he just totally disagreed with me."

"And so I said, 'Well, I'm gonna go to the board. And he said, 'I don't believe you'll do it. And I said: Watch me.'"

Transformational Leadership Model (Bass)

- Expanded and refined version of work done by Burns and House. It included:
 - More attention to followers' rather than leader's needs
 - Suggested that TL could apply to outcomes that are not positive
 - Described transactional and transformational leadership as a continuum
- Extension of House's work by:
 - Giving more attention to emotional elements & origins of charisma
 - Suggested that charisma is a necessary but not the only condition for TL

Leadership Continuum From Transformational to Laissez-Faire Leadership



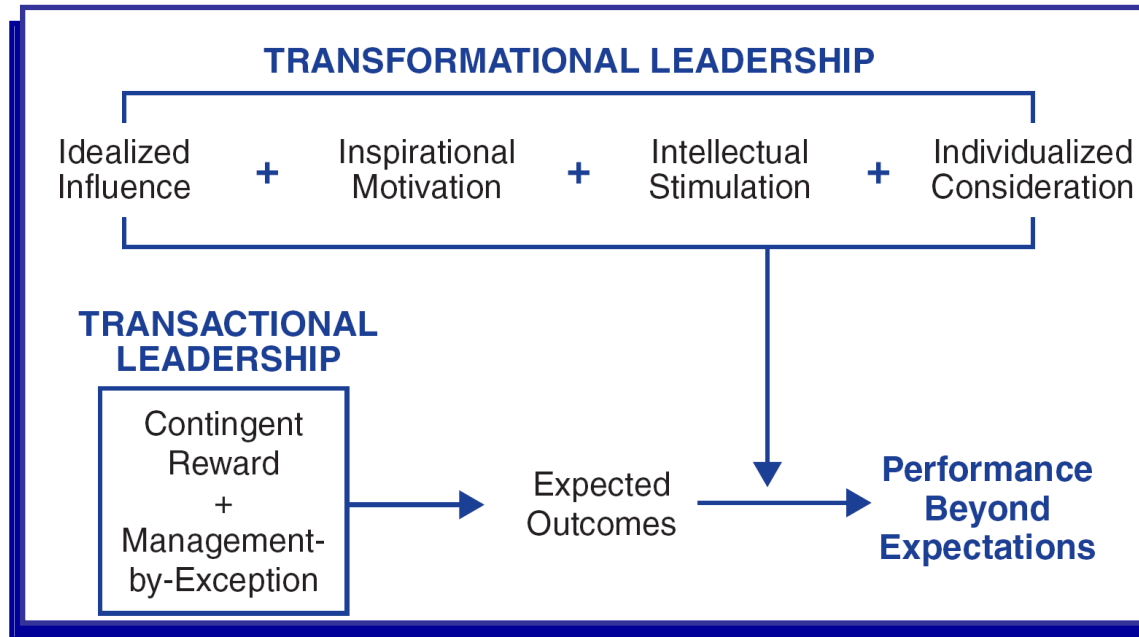
TL motivates followers beyond the expected by:

- raising awareness about the value and importance of specific and idealized goals
- transcending self-interest for the benefit of the team or organization
- addressing higher-level needs

Transformational Leadership Factors: The 4 “I”s

- Idealized Influence
- Inspirational Motivation
- Intellectual Stimulation
- Individualized Consideration

Additive Effect of Transformational Leadership



Discussion question: Is this model realistic?

So much more Leadership...

- Followership
- Team/Shared Leadership
- Rotating Leadership
- Virtual Leadership
- ...

Organizational Behavior

Brief Introduction to Organizational Behavior

Friday 27nd October 2023

Agenda

- What is organizational behavior?
- Why and for whom is organizational behavior important?
- Who is responsible for organizational behavior?

What is organizational behavior?

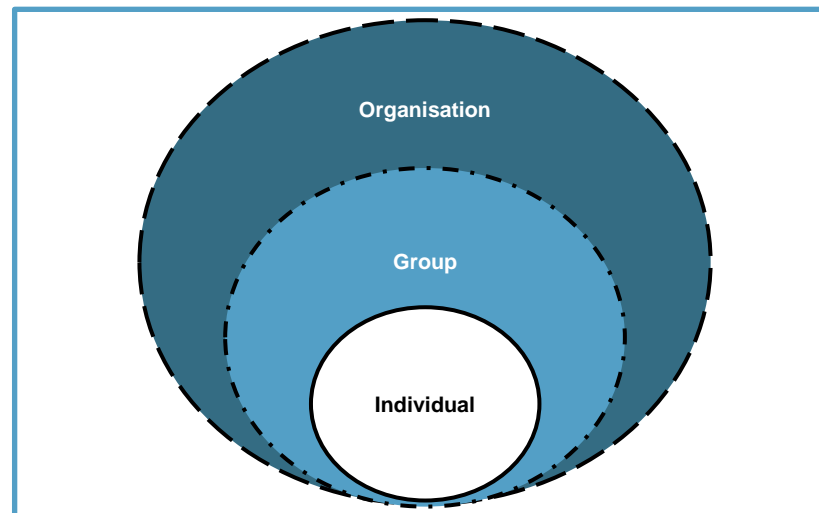
The field of organizational behavior:

- deals with *human behavior in organizations*
- provides us with a *set of tools* that help people understand, analyze and describe what goes on in organizations and why
- focuses on three levels of analysis: *individual, group, organization*
- can be used by scientists to *understand human behavior* in organizations
- can be used by practitioners to *enhance organizational effectiveness and individual well-being*
- is *multidisciplinary* in nature

Basics of Organizational Behavior

These levels have to be considered as

- intertwined,
- interdependent and
- affecting each other reciprocally.

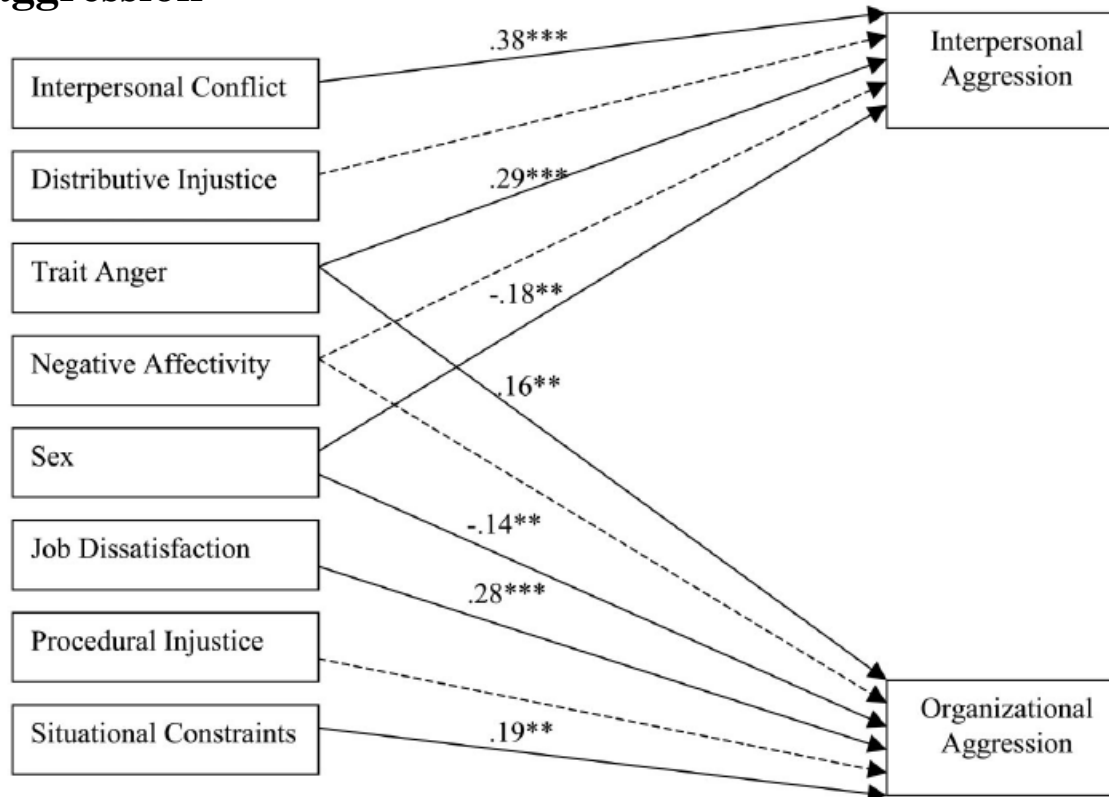


Basics of Organizational Behavior

- Behavior as core of organizational behavior
- Number of behaviors as well as their formation is manifold,
- Ranging from everyday behavior (e.g., deciding to go to work)
- over more event-based behavior (e.g., communicating problems, ideas and concerns)
- long-term strategic choices (e.g., recruitment practices)

Basics of Organizational Behavior

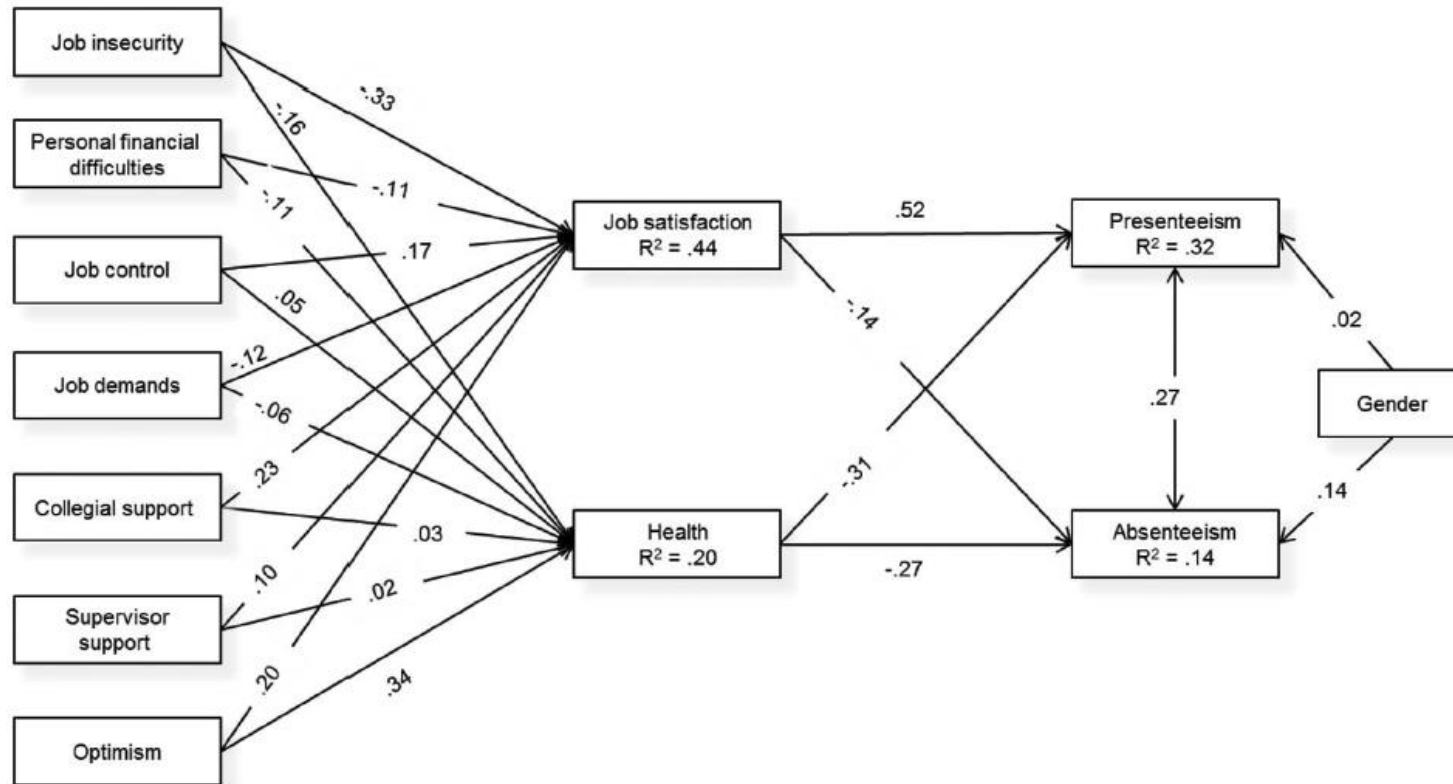
Workplace aggression



Hershcovis, M. S., Turner, N., Barling, J., Arnold, K. A., Dupré, K. E., Inness, M., ... & Sivanathan, N. (2007). Predicting workplace aggression: a meta-analysis. *Journal of applied Psychology*, 92(1), p. 234

Basics of Organizational Behavior

Presenteeism & Absenteeism



Miraglia, M., & Johns, G. (2016). Going to work ill: A meta-analysis of the correlates of presenteeism and a dual-path model. *Journal of Occupational Health Psychology*, 21(3), 270.

What makes organizations more effective and their people more productive and satisfied?

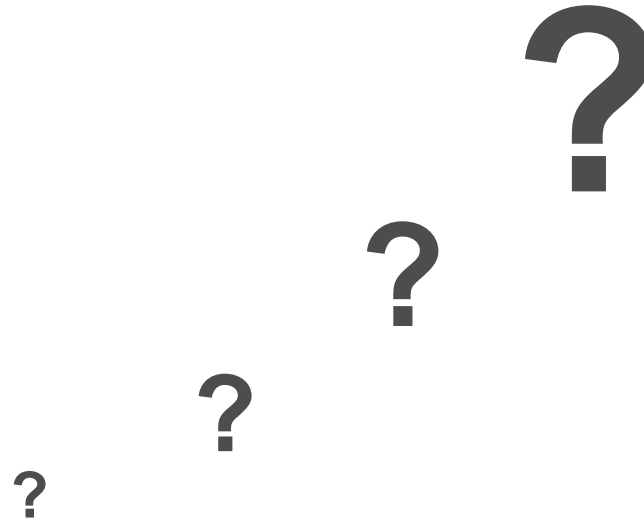
- What is the best motivator – money or the nature of the job?
- Individual motivation is greatest if a person has set himself/herself goals that are difficult to achieve
- People generally shy away from challenges on the job

Organizational behavior – the bottom line

Research has shown that:

- People who are satisfied with the way they are treated on the job are generally more pleasant to their colleagues and bosses and are less likely to quit than those who are dissatisfied with the way they are treated
- Employees who believe they have been treated unfairly on the job are more likely to steal from their employers and to reject the policies of their organization than those who believe they have been fairly treated
- People who are mistreated by their supervisor experience more mental and physical illnesses than those who are treated with respect.
- Companies who accurately appraise the work of their employees enjoy lower costs and higher productivity than those that appraise less accurately
- Companies that offer good employee benefits and have friendly conditions are more profitable than those who are less people oriented

Who is responsible for organizational behavior?



Organizational Behavior in an International Context

Saturday 28th October 2023

Culture

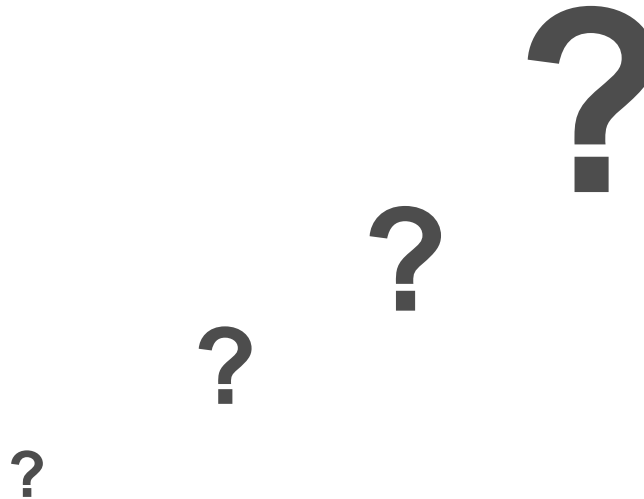
Think about differences between a typical ‚German‘ and a typical ‚American‘

How would you contrast both to a typical ‚Indian‘?

How do you come to this conclusions?



What is national culture?

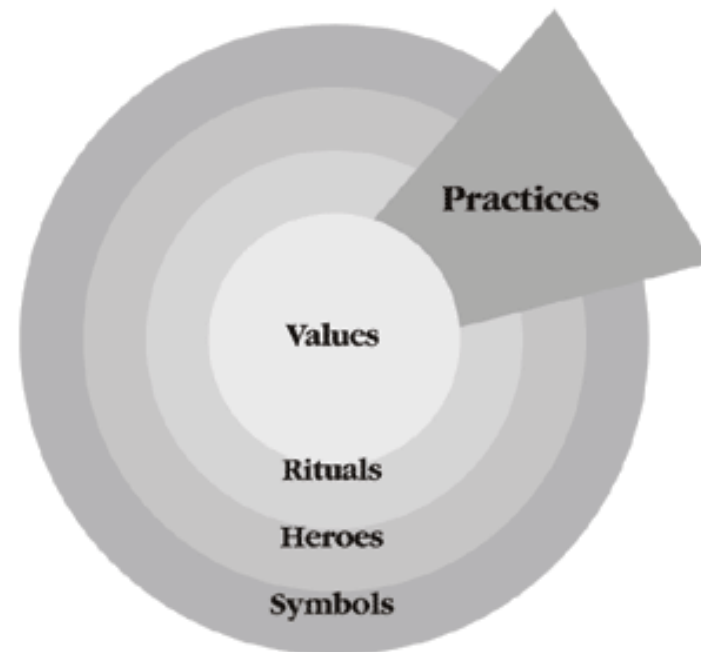


Culture is....

“Culture is more often a source of conflict than of synergy. Cultural differences are a nuisance at best and often a disaster”

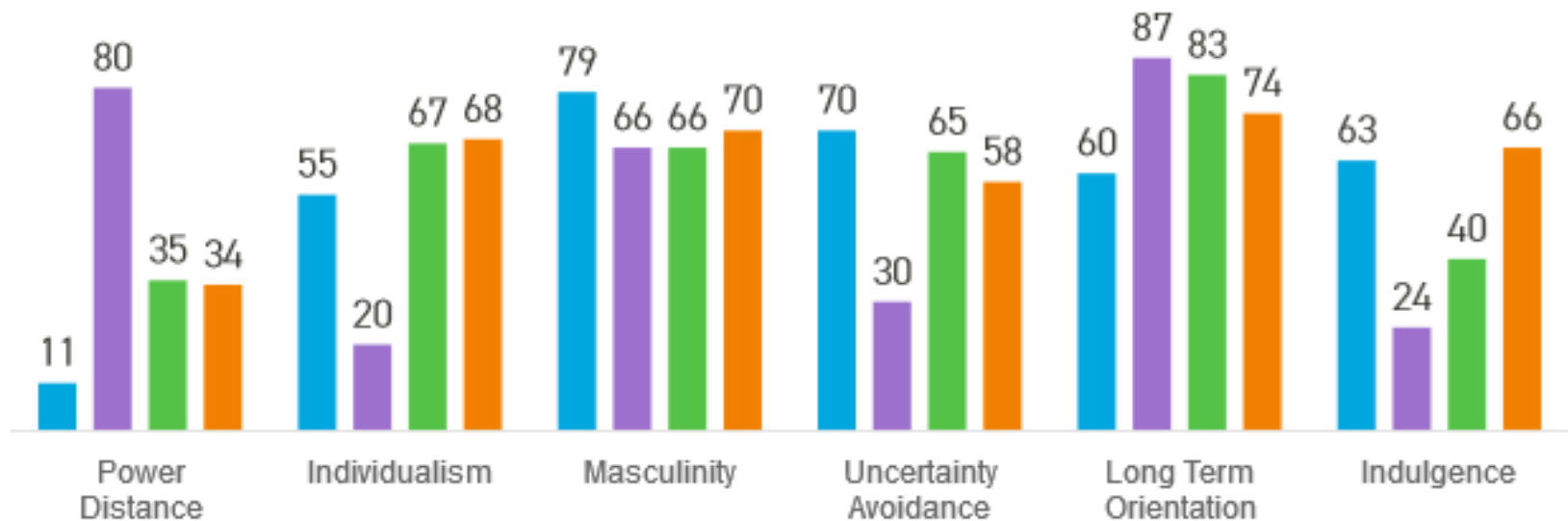
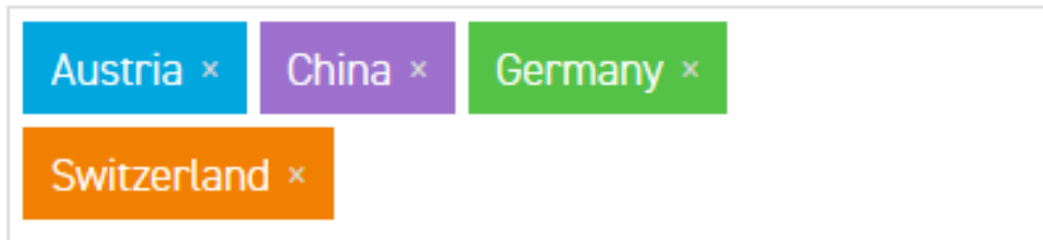
Geert Hofstede, Emeritus Professor, Maastricht University.

- Learned
- Shared
- Trans-generational
- Symbolic
- Patterned
- Adaptive



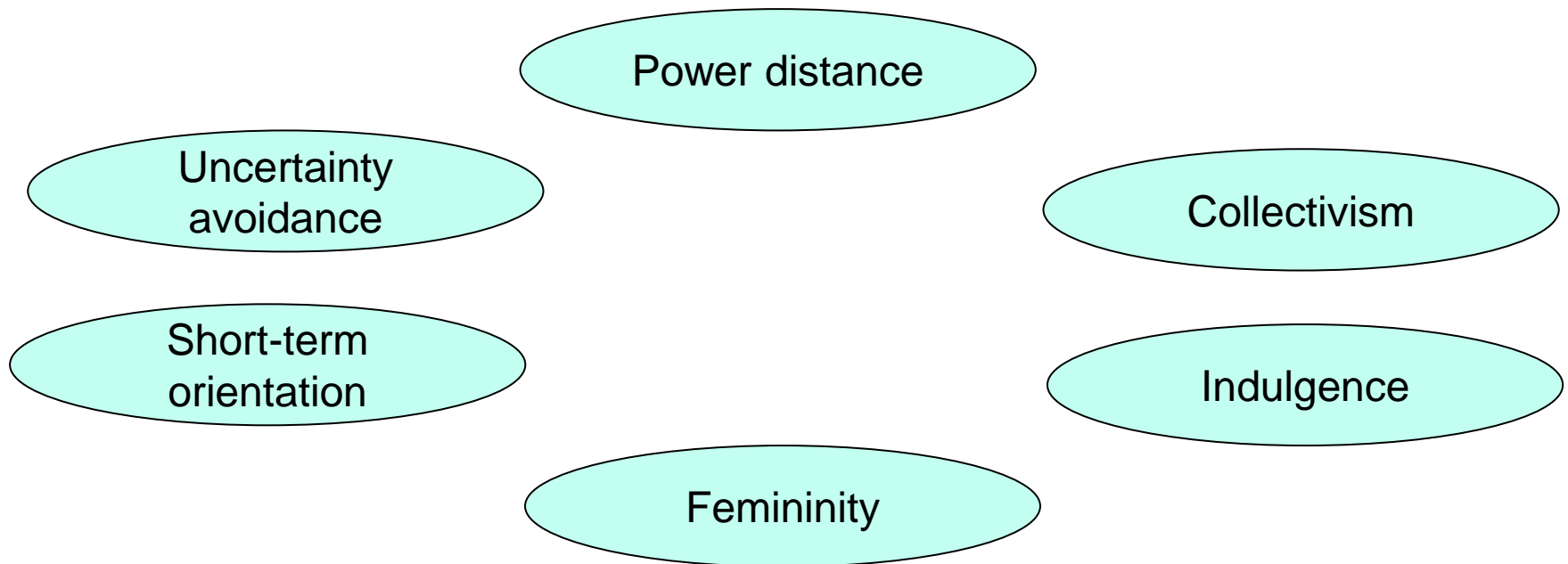
Hofstede's study of culture

- Culture – ‘collective programming of the mind’
- Focus on cultural values – beliefs about what is desirable
- Cultural values are deep-seated and enduring, vary systematically between societies and condition what is acceptable (organizational) practice
- Tool to understand that the values held by employees in different countries vary – effects on employee attitude and behavior – implications for communication, performance, motivation, satisfaction, leadership
- Cultural dimensions based on survey data from 116,000 employees of IBM in over 40 countries (1968; 1972)
 - Power distance
 - Masculinity versus femininity
 - Uncertainty avoidance
 - Individualism versus collectivism
 - Long-term versus short-term orientation (1980s)
 - *Indulgence*



Apply your knowledge!

Think about the different dimensions of culture and how they might impact leadership or an individual's behavior in an organization.



Discuss your findings with the person next to you.

Where do you (dis-)agree?

Culture

Power Distance

- Amount of perceived power differential between authority figures and subordinates
- Impacts the relationship between supervisors and subordinates

Small Power Distance

- Less centralization
- Flatter organization pyramids
- Smaller proportion of supervisory personnel
- Smaller wage differentials
- High qualification of lower strata
- Manual work same status as clerical work

Large Power Distance

- Greater centralization
- Tall organization pyramids
- Large proportion of supervisory personnel
- Large wage differentials
- Low qualification of lower strata
- White-collar jobs valued more than blue-collar jobs

Culture

Uncertainty Avoidance

- Degree of comfort one has with ambiguous or risky situations, versus situations in which the outcome is assured
- Impacts the relationship between individuals and change

Uncertainty Acceptance

- Flexible
- Less structuring of activities
- Fewer written rules
- More generalists
- Managers more involved in strategy
- Managers more interpersonal oriented and flexible in their style

Uncertainty Avoidance

- Rigid
- More structuring of activities
- More written rules
- Larger number of specialists
- Managers more involved in details
- Managers more task-oriented and consistent in their style

Culture

Individualism versus Collectivism

- Degree to which personal needs are valued over the needs of the group
- Impacts the relationships within groups

High Individualism

- Involvement primarily calculative
- Organizations are not expected to look after employees from the cradle to the grave
- Organization has moderate influence on members' well-being
- Employees are expected to defend their own interests

High Collectivism

- Involvement of individuals with organizations primarily moral
- Employees expect organization to look after them like a family Organization has great influence on members' well-being
- Employees expect organization to defend their interests

Culture

Masculinity versus Femininity

- Tough values such as competition and achievement versus tender values such as interpersonal relationships and care for others
- Impacts the relationship between supervisors and subordinates

Masculinity

- Performance is what counts
- You live in order to work
- Money and things are important
- Independence is the ideal
- Ambition provides the drive
- One admires the successful achiever

Femininity

- Quality of life is important
- You work in order to live
- People and environment are important
- Interdependence is the ideal
- Service provides the motivation
- One sympathizes with the unfortunate

Culture

Long-term versus short-term orientation

- Refers to orientation toward savings, thrift and future plans versus a need for immediate gratification
- Impacts the rewards and motivation of employees

Short-term orientation

- Focus on short-term results
- Employees are evaluated and rewarded on basis of immediate achievements

Long-term orientation

- Focus on long term strategy
- Employees are evaluated and judged on basis of long-term performance

Culture

Indulgence

- Extent to which people try to control their desires and impulses, based on the way they were raised.
- Impacts the perception of work

Low Indulgence

- suppressing impulses and desires
- meaning of life primary in achievement
- skeptical attitude
- higher degree of importance of work

High Indulgence

- following impulses and desires
- enjoying life and having fun
- positive attitude and tendency towards optimism.
- higher degree of importance on leisure time
- spend money as they wish.

Culture

Importance of culture

- Globalization leads to contact between different national cultures.
 - a central influencing factor of international corporate activity
 - Country culture influences e.g.
 - Organizational Structures
 - Decision-making
 - Working and negotiating style
 - Leadership
- Success therefore depends on the intercultural skills of employees.
- Culture impacts expectations and actions of
 - customers,
 - business partners,
 - and employees!

Culture

Limitations of cultural research

- Culture as broad generalization, not as predictor for a single individual (cultural dimensions versus individual personalities!)
- Culture can change over time
- Dimensions of culture are often not independent
- Other factors exist that explain culture
- Cultural background of the researcher

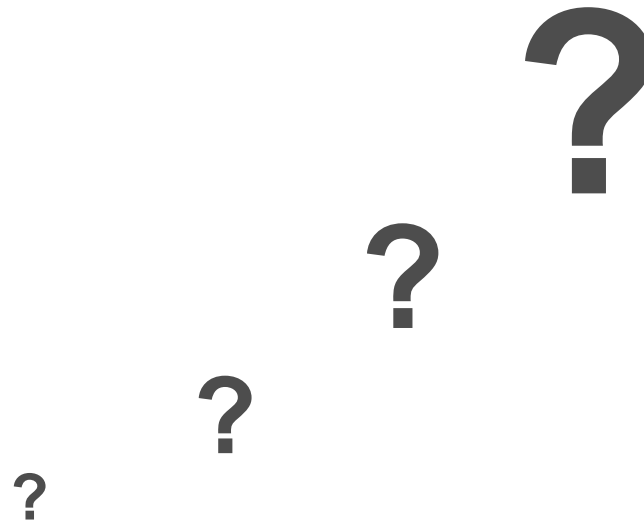
Motivation

Saturday 27th October 2023

Agenda

- Introduction to motivation
- Selected theories of motivation
- Case study: The best-laid incentive plans

What is motivation?



What is motivation?

Motivation defined:

Motivation refers to the individual forces that account for the ***direction***, ***level*** and ***persistence*** of a person's effort expended at work

- Direction – individual's choice when presented with a number of possible alternatives (e.g. quantity of work, quality of work, both)
- Level – amount of effort a person gives to their work
- Persistence – length of time a person gives to action (e.g. keeps trying or gives up when something is difficult to attain)

What is motivation?

But motivation is not the same as performance

$$[\text{performance} = f(\text{ability} \times \text{motivation})]$$

As work motives of employees affect their performance, an important task of management is to channel employee motivation towards achieving goals

Key questions for management:

- What drives behavior?
- Which direction does behavior take?
- How can desired behavior be maintained?

Intrinsic and extrinsic motivation

Intrinsic motivation

- Source of motivation is actually performing the behavior
- Behavior performed for its own sake

Extrinsic motivation

- Source of motivation is acquisition of material or social rewards or to avoid punishment

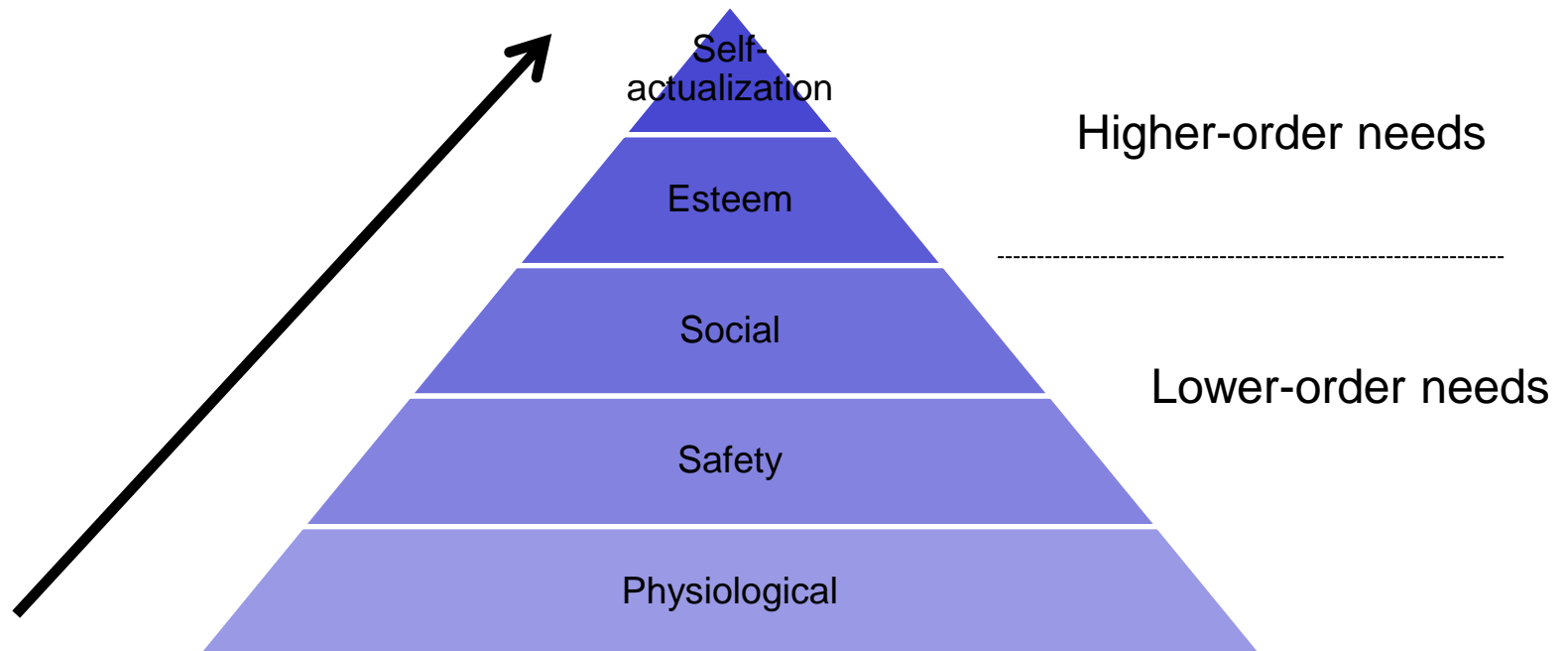
Challenges of motivation for management and organizations

- Motives can only be inferred, they cannot be seen
- Needs, desires and expectations may change and may conflict with each other
- Considerable differences exist in people's motivations and the energy with which people respond to them

The motivation 'toolkit'

- **Content theories**
 - help us to understand what people want
 - focus on different needs that may motivate individual behavior
 - try to explain work behavior based on path-ways to needs satisfaction
- **Process theories**
 - help us to understand the motivation process
 - focus on the thought or cognitive processes that take place within peoples' minds and that influence their behavior
 - try to explain why a person decides to behave in a particular way to achieve a goal and relative to available rewards and work opportunities

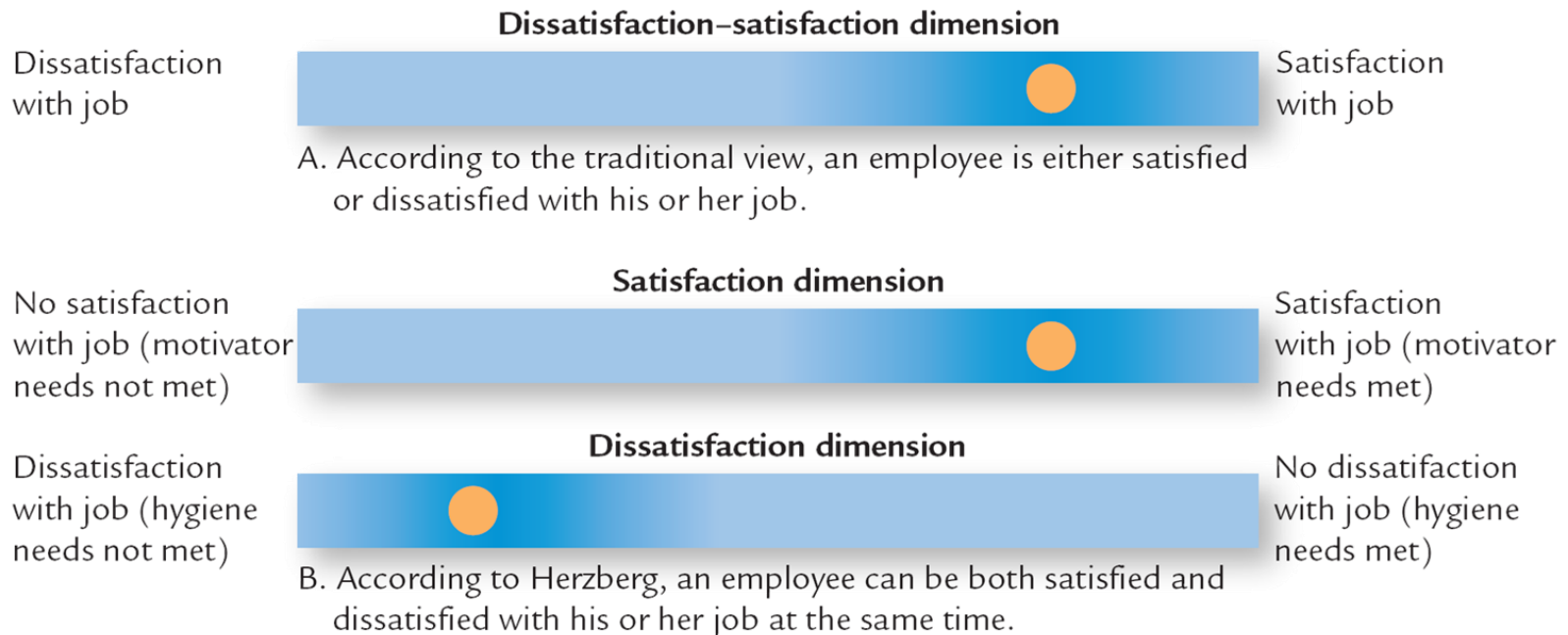
Content theories of Motivation: Maslow's need hierarchy model



Herzberg's motivator-hygiene model

- Frederick Herzberg conducted interview research with engineers and accountants to determine factors responsible for job satisfaction and job dissatisfaction
- He found separate and distinct clusters of factors associated with satisfaction and dissatisfaction
- Argued that dissatisfaction and satisfaction are not opposite but are separate feelings

Two Views of Job Satisfaction



Dissatisfaction and satisfaction

Dissatisfaction – hygiene factors

- Negative events
- Associated with *work context of environment* (company policy, salary, relations with supervisors, working conditions)
- Linked to question – ***why work here?***
- Hygiene factors could lead to high levels of dissatisfaction. Improving these factors can reduce dissatisfaction but won't produce higher satisfaction

Satisfaction – motivators

- Positive events
- Associated with *content of task* (achievement, recognition, characteristics of work responsibility and advancement)
- Linked to question – ***why work harder?***
- Motivators could lead to high levels of satisfaction but their absence would not produce dissatisfaction

Process theories of motivation

Equity theory

Developed by J. Stacy Adams

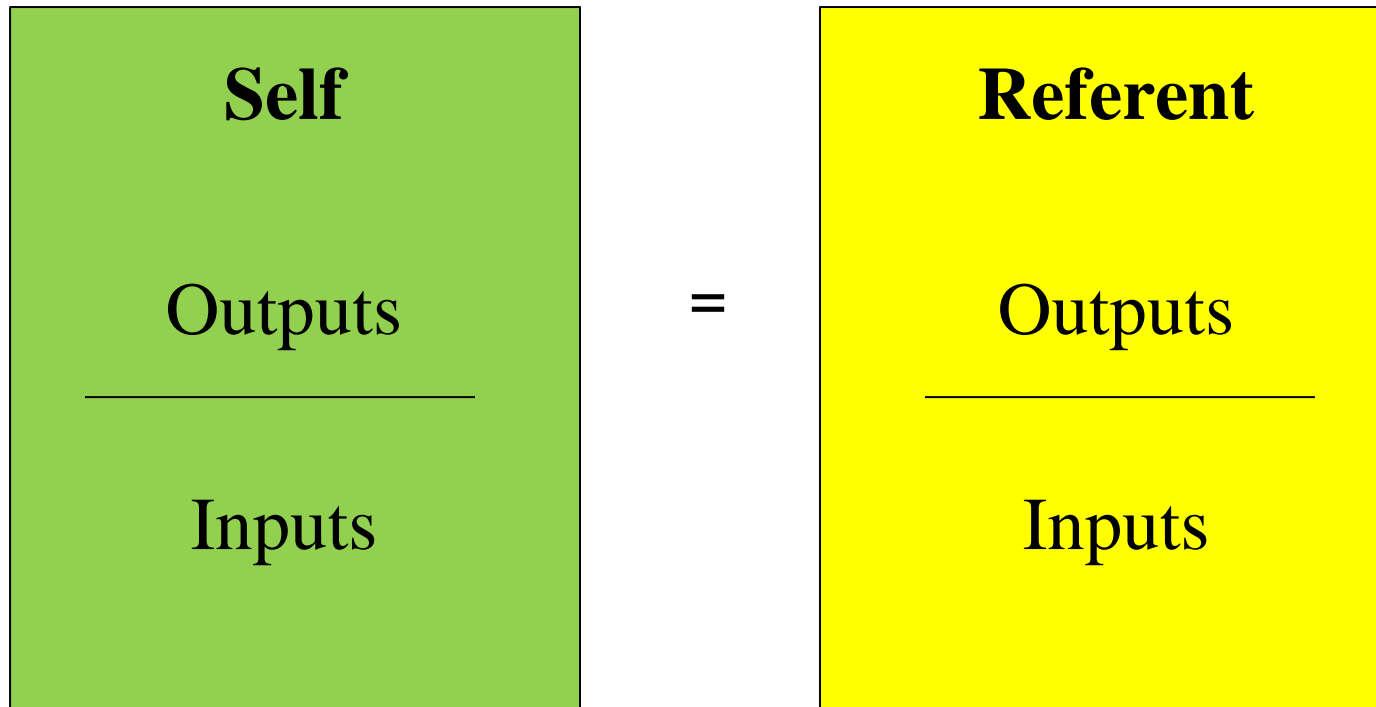
Proposes that people are motivated to maintain fair (equitable) relationships between themselves and others and to avoid relationships which are unfair

To make judgments of equity people compare themselves with others by focusing on two variables:

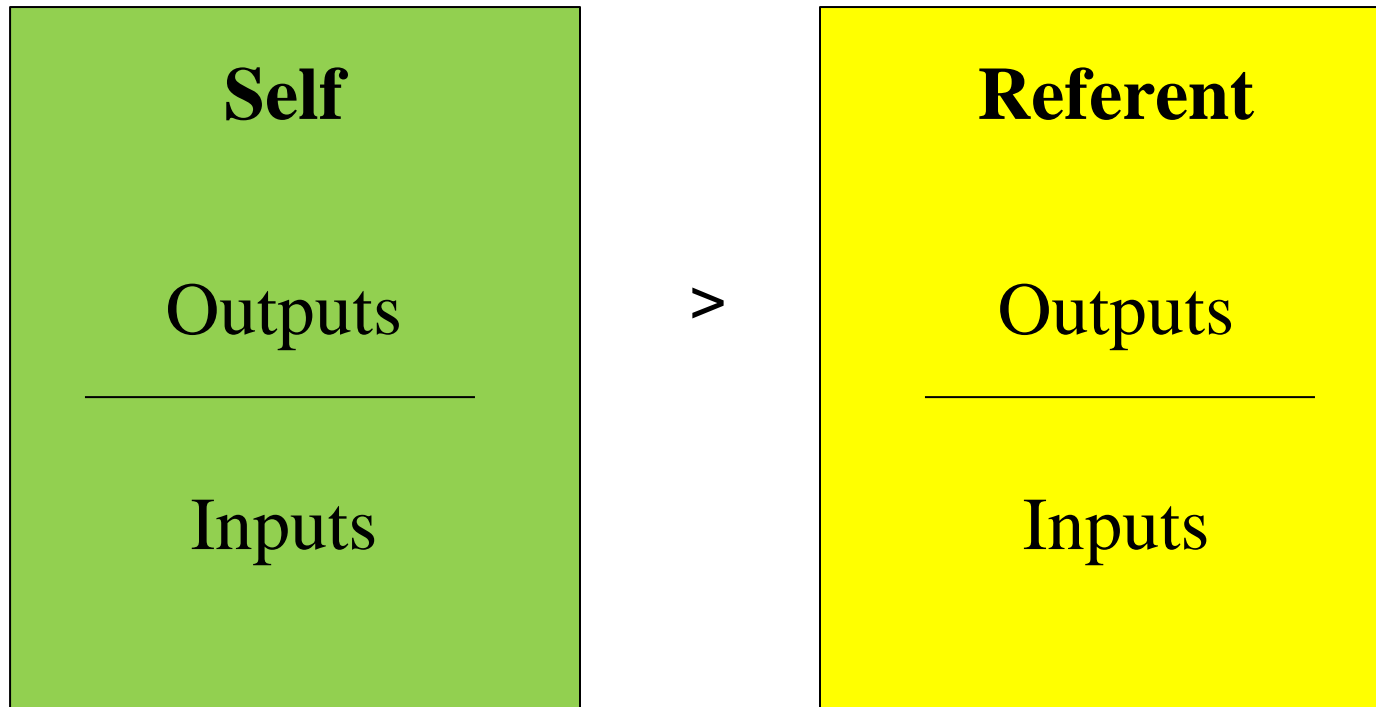
- Job Inputs – effort, qualifications, experience, competence
- Job Outcomes – pay, benefits, recognition, prestige

Perceived outputs and inputs compared to *referent*

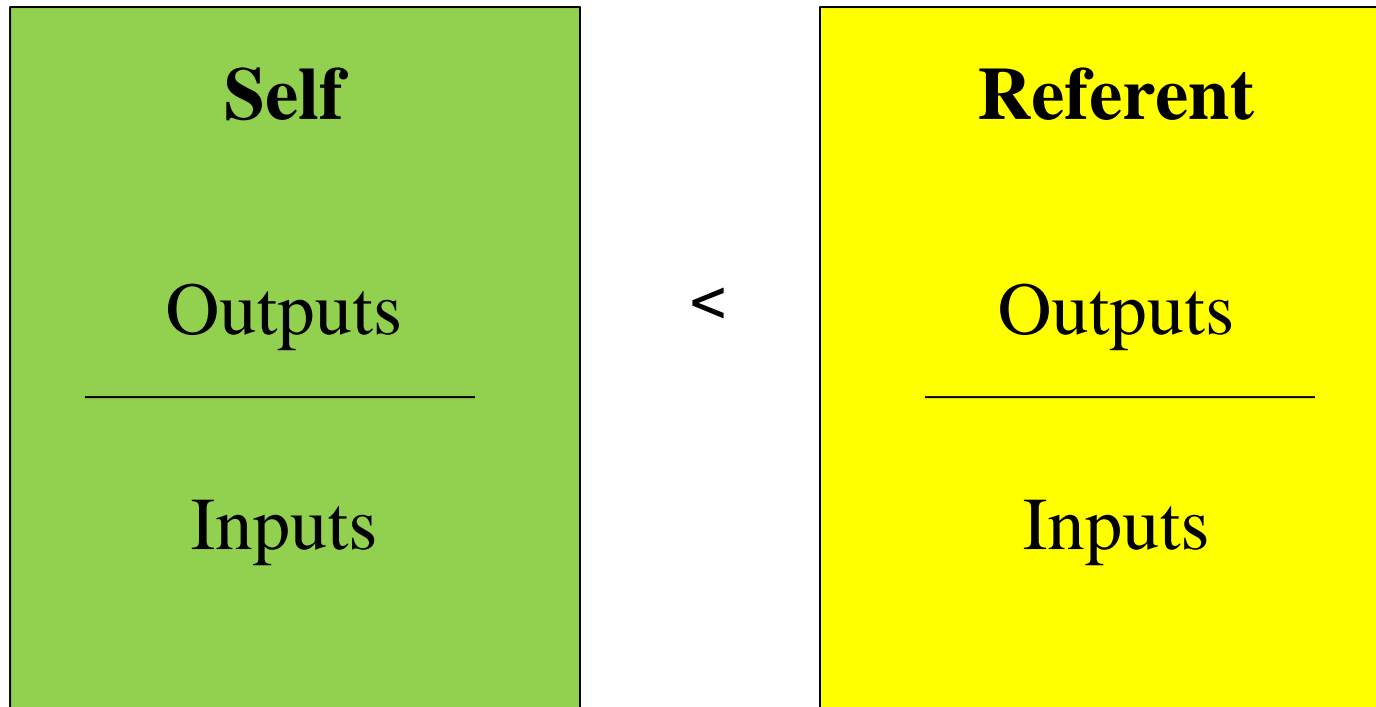
State of equity – situation perceived as fair



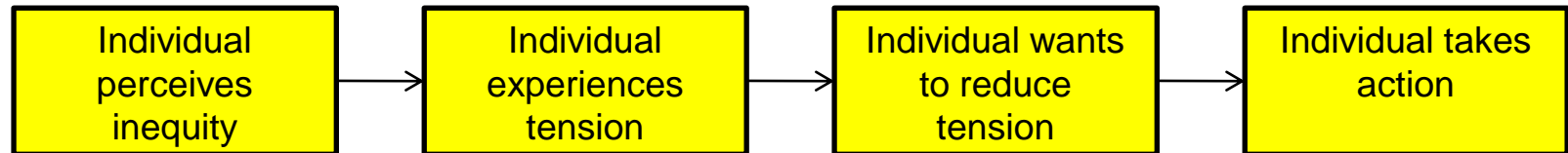
State of positive inequity – “overpayment”



State of negative inequity – “underpayment”

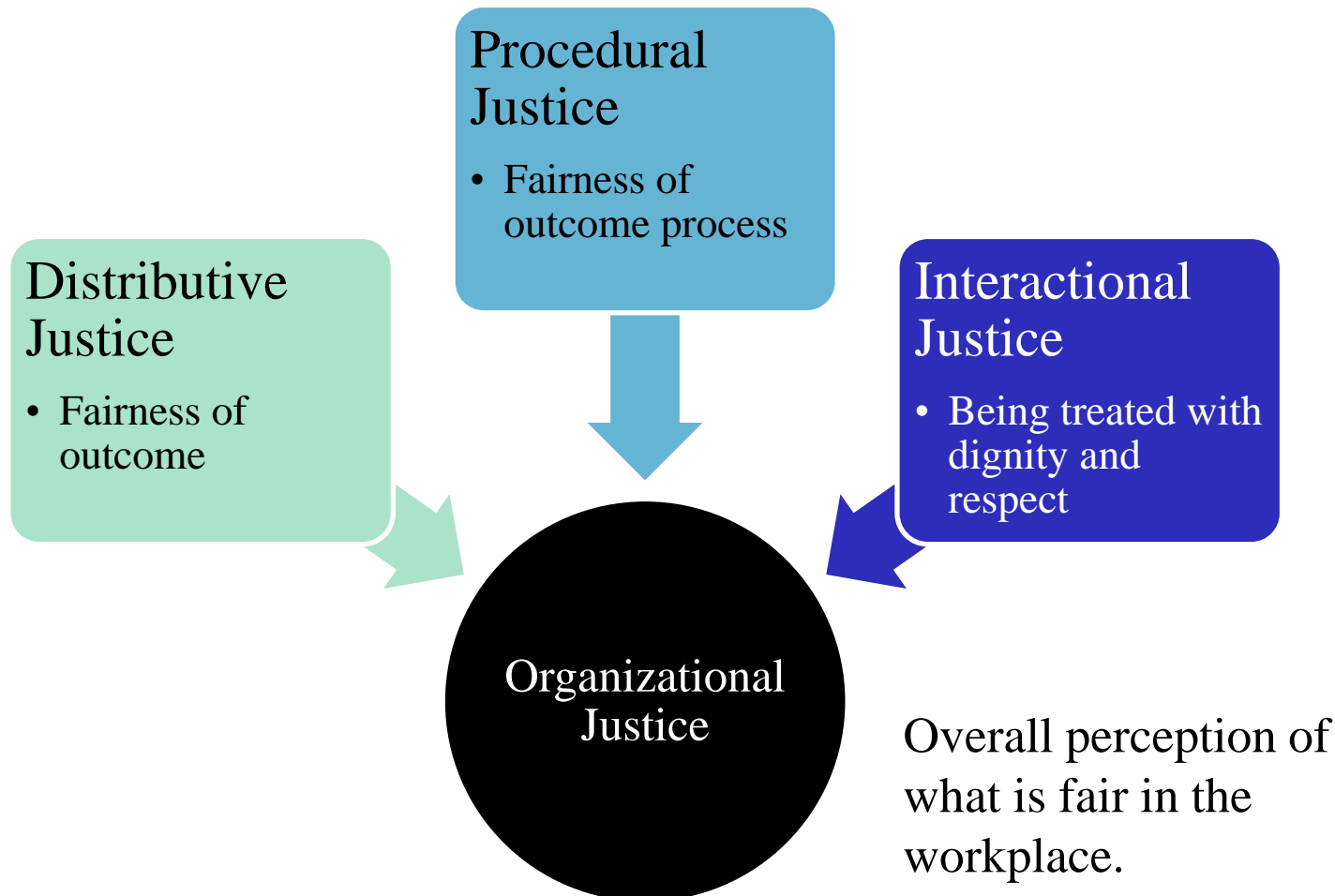


Responses to inequity



- Change inputs
 - Negative inequity – reduce effort or quality of work
 - Positive inequity – increase effort or quality of work
 - Withdrawal (permanent – quit; temporary – absenteeism)
- Change outputs: ask for increase in pay or status symbols
- Change reference groups
- Cognitively distort inputs and outputs
 - Change perceived importance of own or other's job/skills

Expanding Equity Theory



Evaluation of equity theory

Introduces idea that feelings of equity and inequity influence behavior of individuals at work

Traditionally applied to *distributive justice*, but can also be applied to *procedural justice* – whether procedures such as appraisal, promotion and pay for performance are perceived as being fair

Remains unclear:

- How comparable individuals are chosen?
- How inputs and outputs are selected and how do they combine and weight inputs and outputs to arrive at totals?
- How do employees handle conflicting equity signals e.g. from unions versus managers?

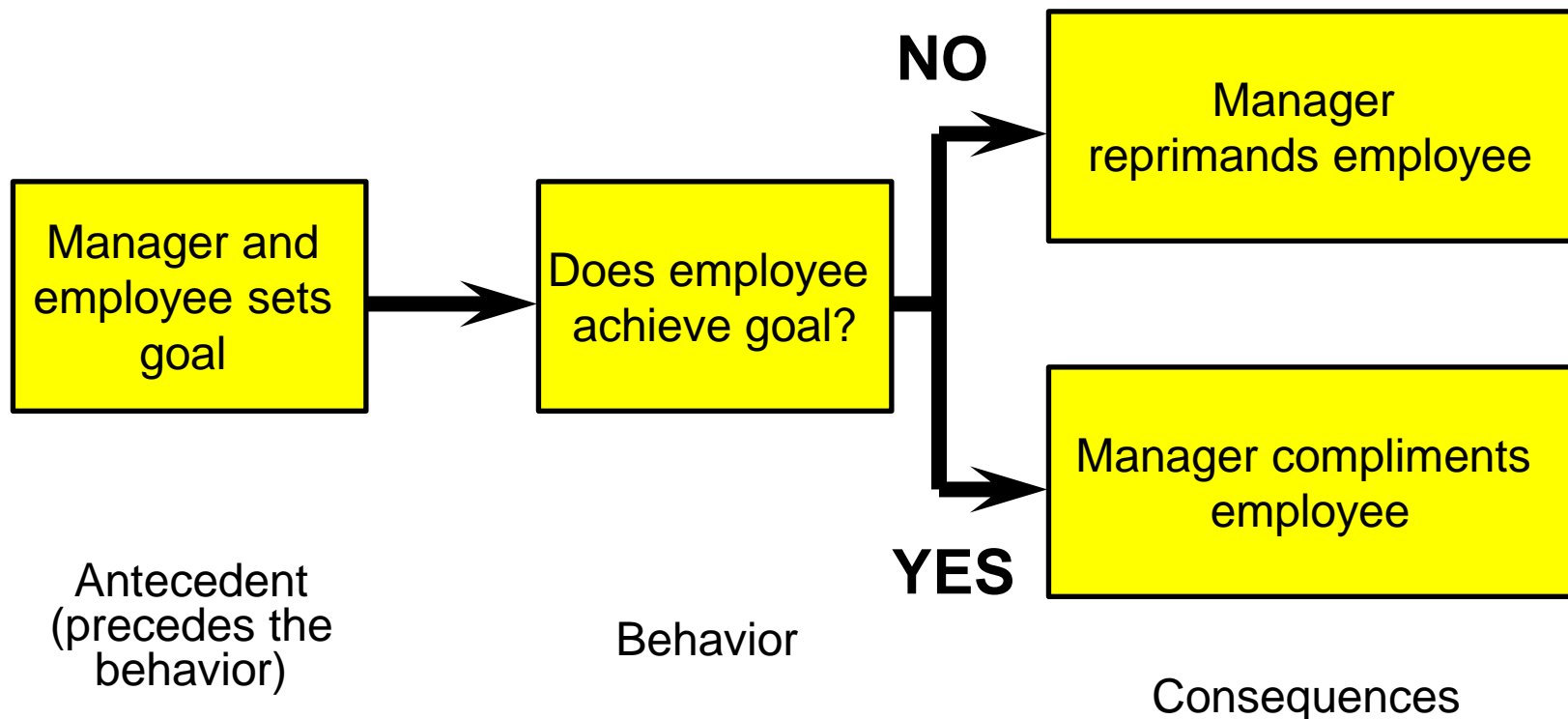
Process theories of motivation

Organizational behavior modification

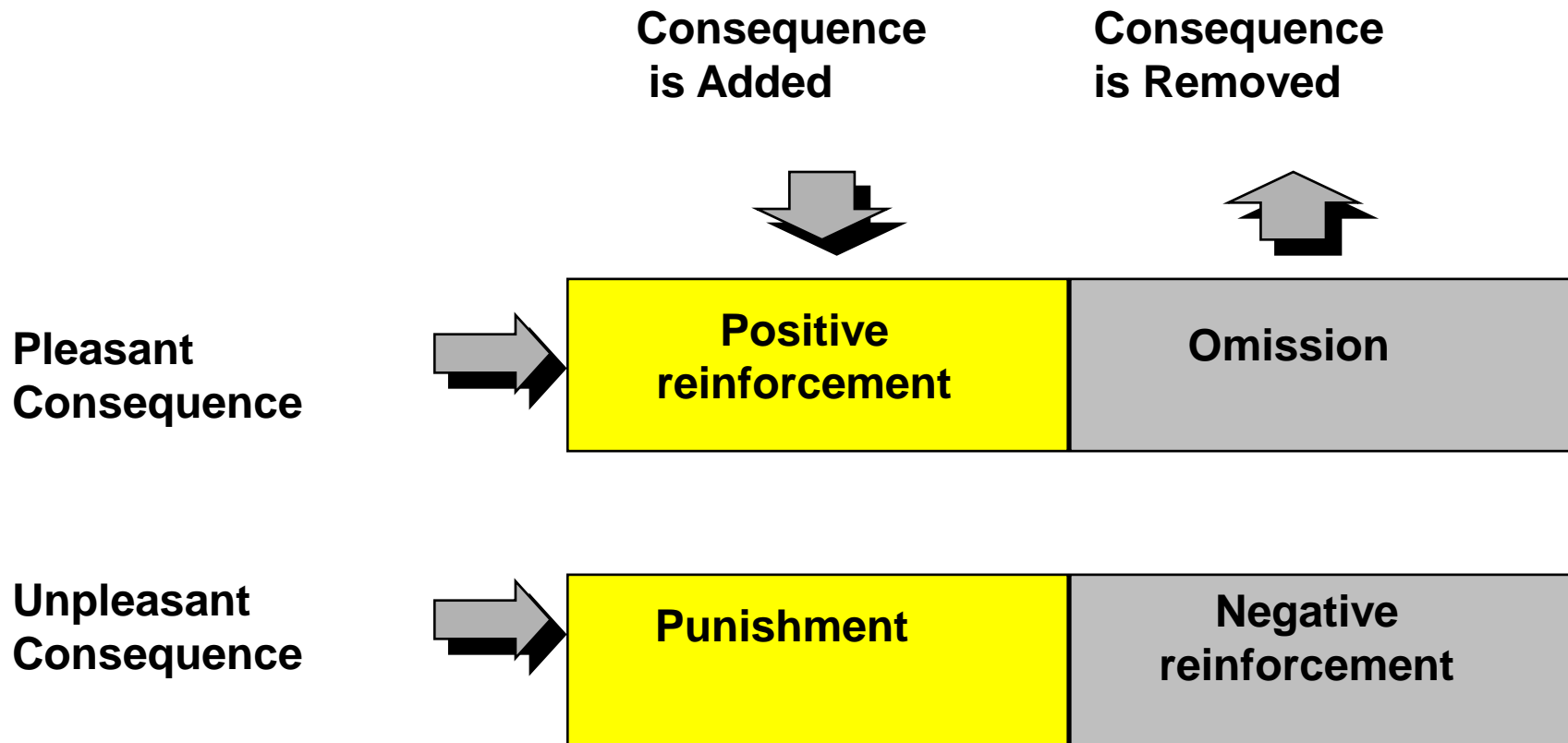
- Behavioristic approach pioneered by B.F. Skinner
- Argues that behavior is environmentally caused and ignores the inner state of an individual
- Focuses on observable behavior – what happens to a person when he/she takes some action
- It argues that behavior is controlled by reinforcers – any consequence that, when immediately following a response, increases the probability that the behavior will be repeated
- Identifies how behavior can be modified through rewards and punishments
- Assumes that:
 - People go towards positive/pleasant outcomes (rewards)
 - People avoid negative/unpleasant outcomes (punishments)

How behavior can be modified

- Behavior can be shaped (modified) by adding or removing pleasant or unpleasant consequences



Approaches to modifying behavior



Positive Reinforcement

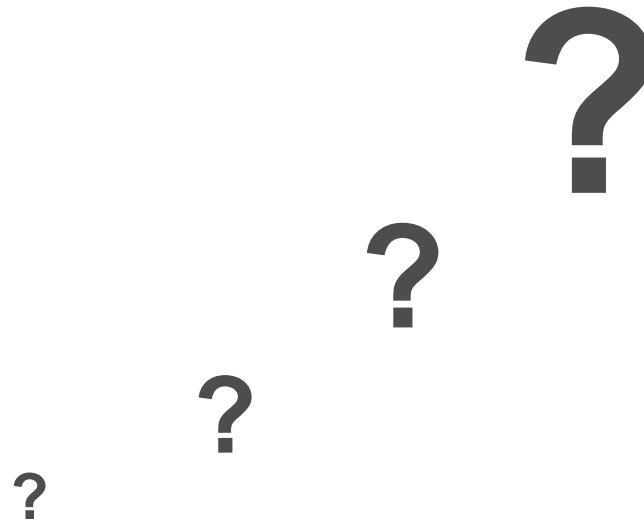
- Adds a positive consequence to increase the frequency or strength of desirable behavior
- Example: praise, recognition, sales commissions
- Increases the likelihood that a person will repeat the behavior in the future

Punishment

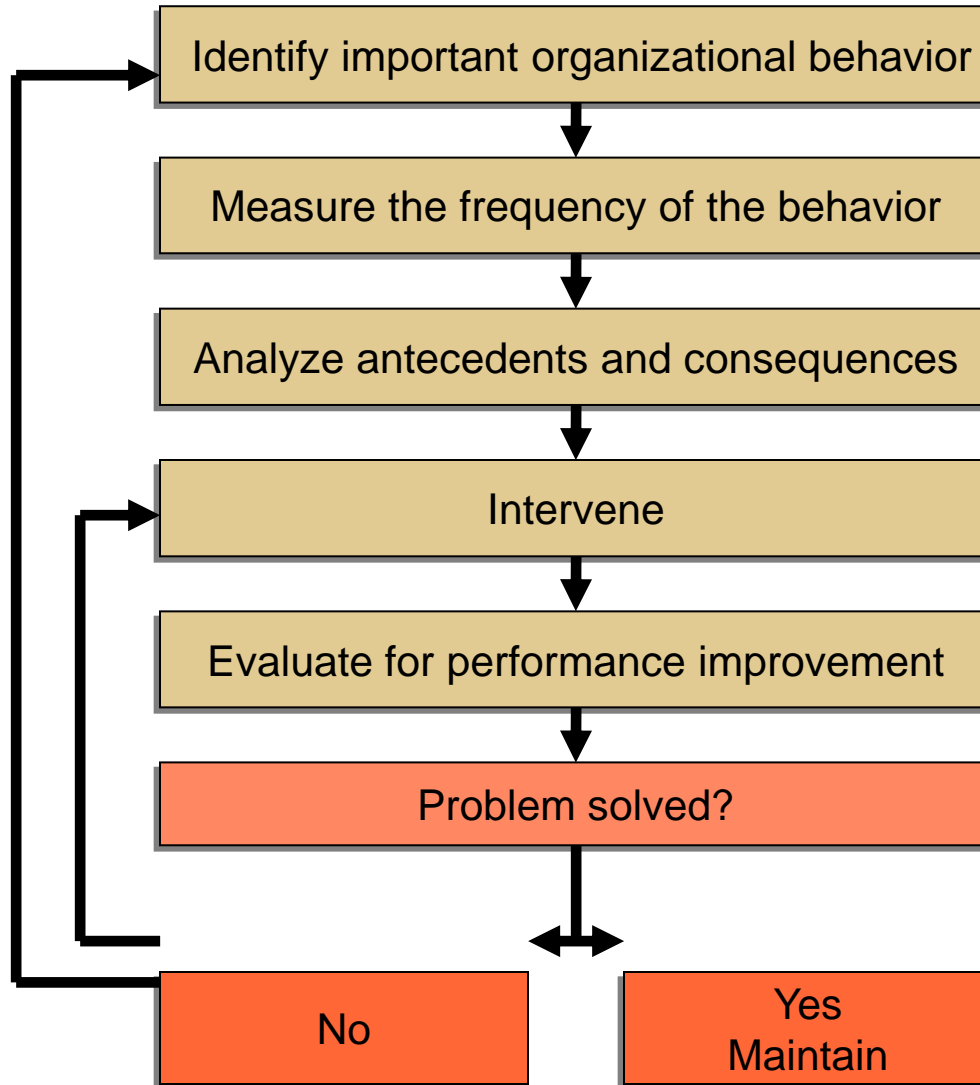
- Adds a negative consequence to decrease the frequency of undesirable behavior
- Examples: reprimand, time off without pay

Punishment

- Are positive reinforcement and punishment equally effective in changing behavior?
- What are the potential negative effects of punishment?



Steps in OB Modification



Evaluation of organizational behavior modification

- Management often misuses rewards, thus wasting them by reinforcing the wrong behaviors or no behaviors at all. Organizational behavior modification encourages managers to carefully examine the relationship between the behaviors they want and the rewards they actually give.
- Can organizational behavior modification be applied effectively to all types of jobs?
- Do the same kinds of rewards have equally strong effects on behavior for routine as well as managerial and professional work?
- In its pure form, organizational behavior modification ignores feelings, attitudes, expectations and other cognitive variables which affect behavior.

Case study: The best-laid incentive plans

Read the case – “The best-laid incentive plans”

The case focuses on performance management systems and motivation.

Note down the problems you identified in the described case. Which aspects were not properly considered by the management?

Discuss the following questions:

Should Rainbarrel revisit its approach to performance management?

Conflict

Defining Conflict

- Conflict is a process in which people disagree over significant issues, therefore creating friction.
- For conflict to exist, several factors must be present:
 - People must have opposing interests, thoughts, perceptions and feelings
 - Those involved must recognize the existence of different points of view
 - The disagreement must be ongoing rather than a singular occurrence
 - People with opposing views must try to prevent one another from accomplishing their goals.

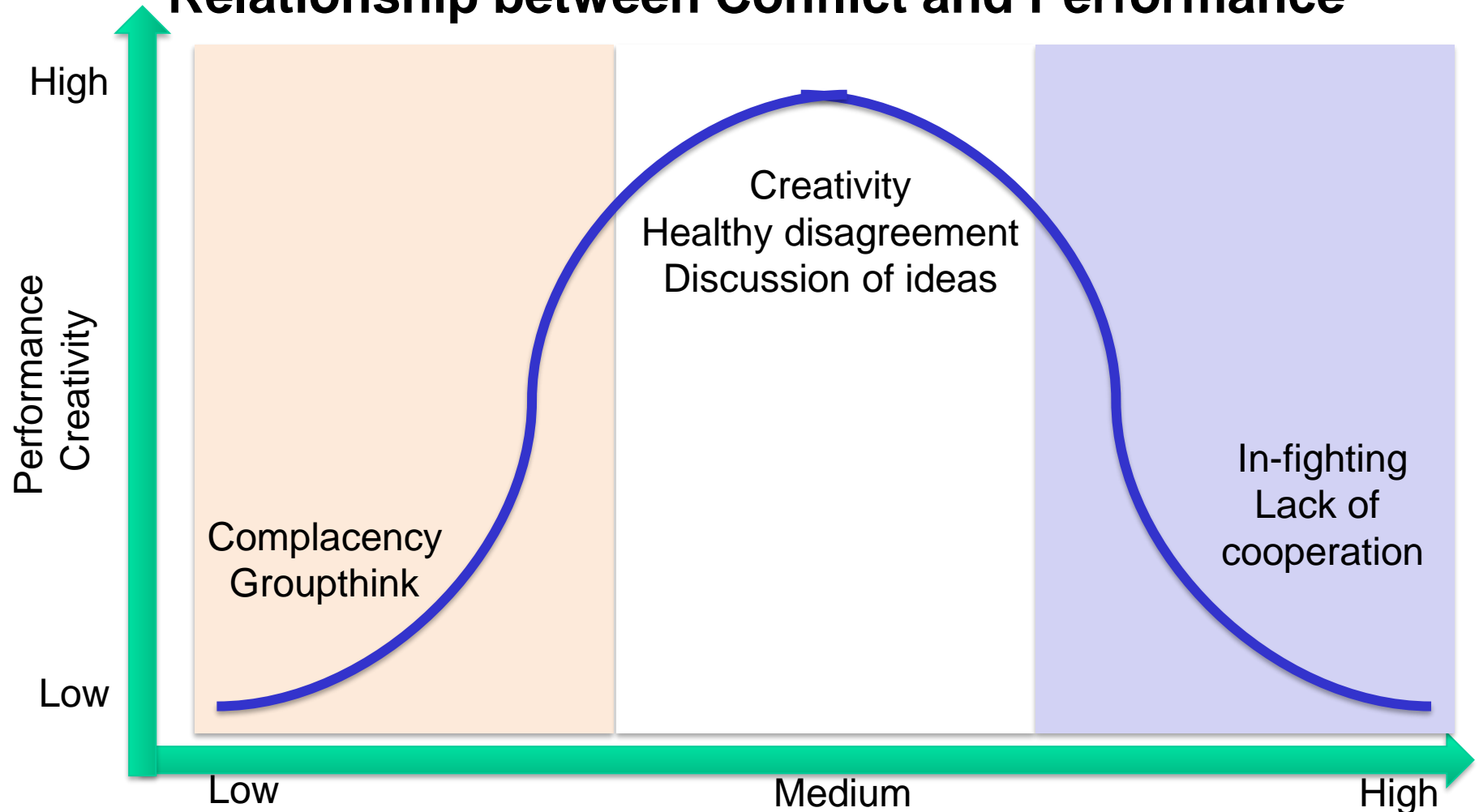
Types and Levels of Conflict

- **Interpersonal** conflict refers to conflict that arises because two or more people who are required to interact and who have different goals, values, or styles.
- **Intragroup** conflict refers to conflict within a work group over goals or work procedures.
- **Intergroup** conflict occurs when groups within and outside an organization disagree over various topics.
- **Horizontal conflict** takes place between department or groups at the same level of the organization.
- **Vertical conflict** occurs between groups at different levels of the hierarchy.

Views of Conflict

- There are two views of conflict.
 1. conflict can be considered a negative force and dysfunctional—that it makes people feel uncomfortable and, consequently, makes them less productive.
 2. conflict can be viewed as a natural part of organizational life and beneficial to the workplace.
- Some levels and types of conflict are healthy; others are not.

Relationship between Conflict and Performance



Consequences of Conflict

Advantages

- High energy
- Focus on the task
- Stimulate innovation
- Increased in-group communication
- In-group cohesion
- Discussion of issues

Disadvantages

- Focus on conflict
- Concern with winning at all costs
- Distorted judgment
- Lack of cooperation
- Loser effect

Sources of Conflict

Personal sources of conflict:

- personality
- style
- culture

Organizational sources of conflict:

- goal Incompatibility
- resource scarcity
- reward systems

Behavioral Methods of Conflict Prevention and Reduction

- The manager is using enforcement of rules and policies and separation as methods of resolving conflict.
- **However:** The source of the conflict is not addressed and the conflict is not solved; the conflict is simply suppressed.
- Clarifying tasks can also help reduce conflict.
- This behavioral method is effective when the conflict is caused by a lack of clarity concerning work procedures or goals.

Attitudinal Methods of Conflict Prevention and Reduction

- Compared to the behavioral approaches, attitudinal methods of conflict resolution aim not only at changing people's behavior, but also at changing how they think (cognition) and feel (emotion) about the conflict and one another.
- Attitudinal approaches focus on finding and resolving the root causes of the conflict.
- This approach tends to result in longer-term resolution compared to the behavioral approach.

Stimulating Conflict

- Managers can stimulate conflict by introducing change to a team or department.
- Managers can also increase ambiguity. Not having a clear path generally leads to disagreement, creates conflict, and increases creativity.
- Conflict can also be stimulated by creating interdependence among employees and departments.
- The simplest method of conflict stimulation is to create internal competition.

Power

Friday 3rd November 2023

Power in Organizations

- Power is the ability to influence others.
- Power is related to politics, which refers to the use of power and authority to influence organizational outcomes.
- Power and organizational politics in the contemporary environment often are more subtle and are exercised in relationships that are more egalitarian.

Early Voices on Power

- **Machiavelli:** The strength of a leader's power is measured by the degree to which he or she is independent of others and maintains domination.
- **Max Weber:** Three views on power
 - **Charismatic** - power and control are derived from the personal magnetism of the power wielder.
 - **Traditional** - power is granted through family lineage from one generation to the next.
 - **Legal-rational** - laws and constitutional processes create legitimate authority.

Changing Perspectives on Power

- A key idea that has guided how we understand power in organizations is the recognition that it is latent.
- This means that power is the perceived potential to influence, rather than the actual act of influencing.
- When used, it becomes visible as authority, persuasion, force, or coercion.
- Because power is latent, from a practical point of view, how much power you have depends in large measure on how much power people think you have.

Sources of Power for Individuals

- **Legitimate power** arises from people's values and beliefs that someone has the right to exert influence over them and that they have an obligation to comply.
- **Reward power** is arising from our ability to reward other people for behaving as we want them to.
- **Coercive power** is based on our ability to apply sanctions or punishments for the failure of others to behave as we want them to.
- **Expert power** is drawn from having a special expertise that is needed or valued in an organization.
- **Referent power** depends on the degree to which others desire to have a relationship or identify with us.

Equalizing or Balancing Power

- People with less power use four different ways to equalize or balance power in a relationship:
 - Decrease their needs or demands (need less or be less dependent).
 - Increase their alternative sources of getting what they want, thereby gaining independence.
 - Increase other people's needs or demands for us, thereby making them more dependent.
 - Decrease other people's alternative sources, again making them more dependent.

Positive and Negative Aspects of Power

Positive

- Essential to survival
- Essential to conflict resolution
- Critical to leadership
- Necessary for learning

Negative

- Self-serving
- Potential for destructive outcome
- Subject to abuse
- Can decrease engagement and involvement

Groups and Teams

Friday 3rd November

Teamwork

- Think about the following question (Raven, 1998):

“A man bought a horse for \$60 and sold it for \$70. Then he bought it back for \$80 and sold it again for \$90. How much money did he make or lose in the horse business?”

- Write down your answer.
- Discuss the result in class and come up with a single answer.
- What effect do groups have in decision-making?

Defining Groups and Teams

- Groups are three or more people who interact in an organized manner to perform a task or activity to achieve a common goal.
- A team is a mature group with a high degree of interdependence geared toward the achievement of a goal.
- As opposed to groups, teams have a strong common purpose, complementary skills, and mutual accountability to work.

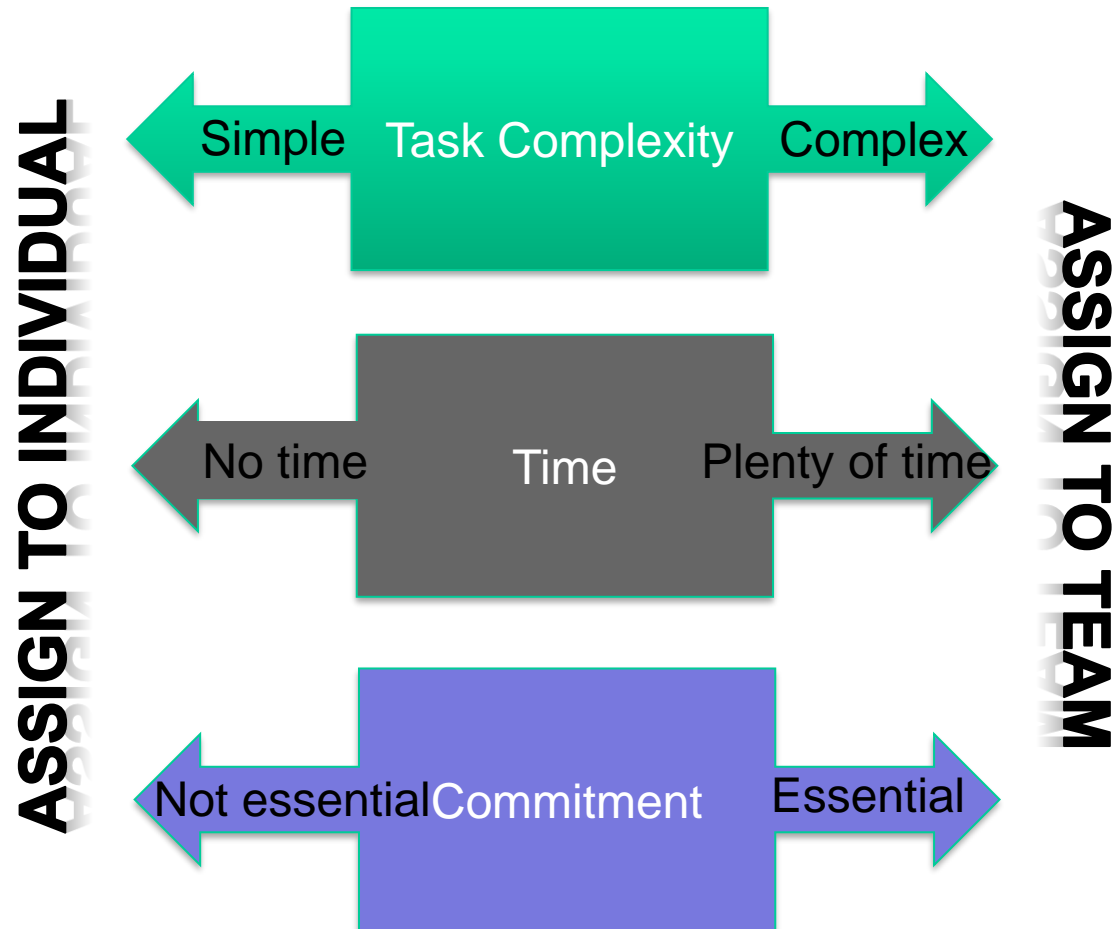
Types of Teams

- Top management team
- Project team
- R&D team
- Cross-functional team
- Cross-cultural team
- Process-improvement team
- Self-directed team
- Virtual team
- ...

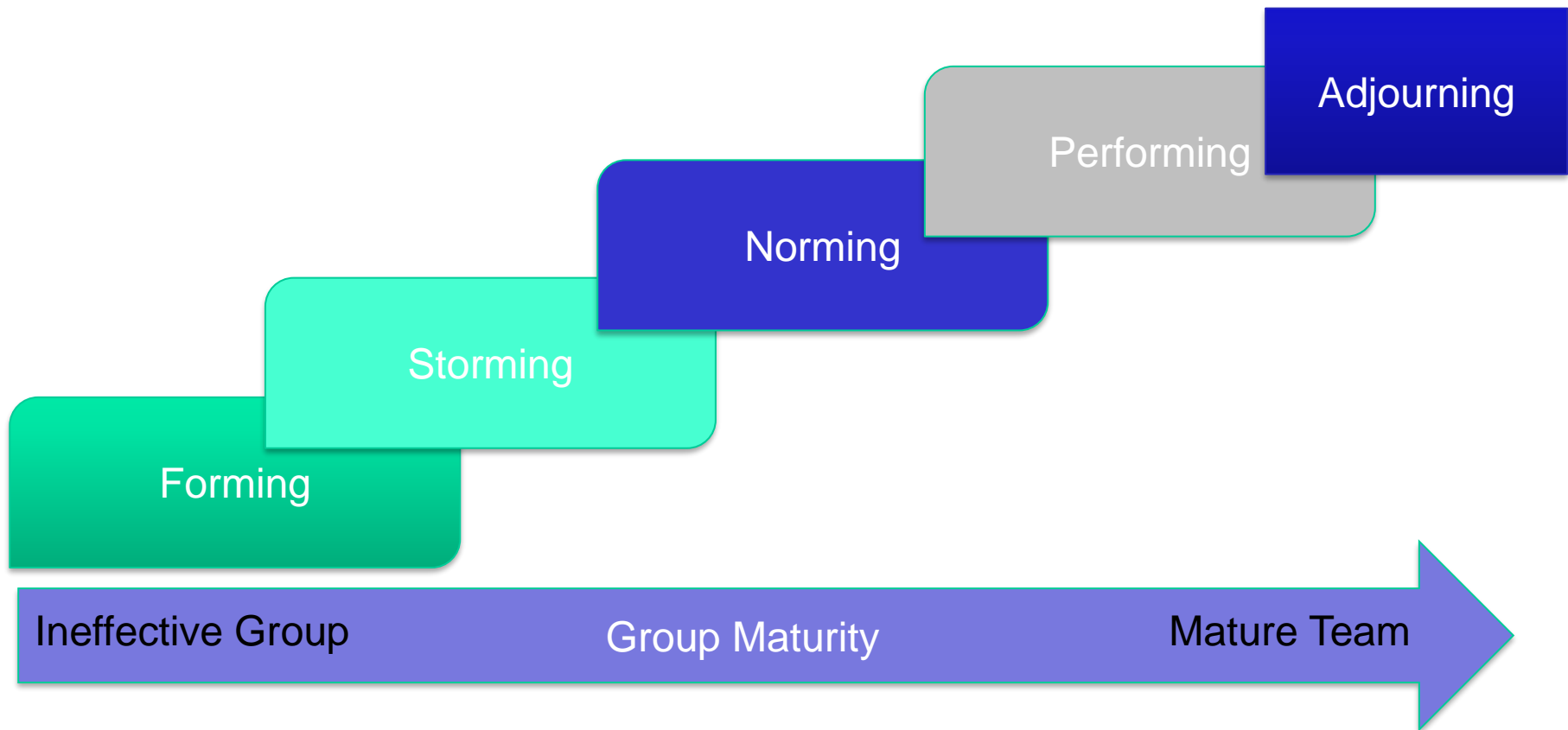
Advantages of Teamwork

- Teams produce a greater number of ideas and pieces of information
- Teams improve understanding and acceptance among individuals involved in problem solving and decision making.
- Teams have higher levels of motivation and performance than individuals acting alone due to the effects of “social facilitation”.
- Teams offset personal biases and blind spots that inhibit effective problem analysis and implementation.

Work Assignment – Teams vs. Individuals



Stages in Group Development



Group Development

Forming: Members meet, and develop and agree on the goals of the team. It is important that team members feel safe to bring up critical topics.

Storming: In this stage, disagreement and conflicts arise among team members. These issues must be resolved before team members can work together effectively.

Norming: Team members share a common goal. Also, team members accept each other and common norms have developed within the group.

Performing: Team members can focus on team goals and start performing their tasks within the team.

Adjourning: The team breaks up after it has accomplished its goals.

Characteristics of Effective Teams

- They have a sense of urgency, demanding performance standards, and direction.
- Members are selected for skills, not personality.
- Attention is paid to first meetings and actions.
- Rules of conduct are developed at the outset.
- Teams seize upon immediate performance-oriented tasks and goals.
- The group is challenged regularly.
- Spend lots of time together to develop trust.
- Team members are provided positive feedback, recognition, and reward.

Cohesion and Conformity

- Cohesion is the degree to which members of the group are attracted to the group and to one another.
- In cohesive groups, members voluntarily conform to the norms, values and rules of a team.
- If the group norms include high productivity and performance, then members of such a cohesive group will be more productive.
- Cohesion can be a problem, if group norms go against the organization.
- Cohesive groups can also lose some of their creativity, even fall prey to groupthink if the members are more worried about not rocking the boat, than about being innovative.

Positive and Negative Aspects of Cohesion

Positive

- increased satisfaction
- increased motivation
- supportive environment for learning
- strong norms and culture

Negative

- focus on team rather than the organization
- loss of creativity
- groupthink

Risks of Teamwork

- The larger the team, the higher the complexities in the interactions (e.g., 45 possible interactions if team size = 10; 105 possible interactions if team size = 15)
- Increasing dynamic of processes in groups (e.g., groupwork can create or intensify conflicts between employees)
- Difficulties to measure individual contributions to team outcomes
- Leaders lose the control over the group to some extent, because groups tend to self-direct the work
- Leading a group is more complicated than leading individuals, because group processes are often difficult to observe for leaders, and it is more difficult to motivate groups than individuals
- Biases in decisions making (e.g., groups have the tendency to make riskier decisions than individuals, groupthink)

Helping Teams Become Effective

- Clear Goals
- Building Cohesion and Handling Diversity
- Developing Trust
- Team Leadership
- Training
- Managing Team Conflict
- Reward Structure
- Building an Ethical Collaborative Culture

Information on Examination