LEcTUrE 1 - MANAGERS AND MANAGEMENT

1.1 Tell who managers are and where they work. Managers are individuals who work in an organization directing and overseeing the activities of other people. Managers are usually classified as top, middle, or first-line. Organizations, which are where managers work, have three characteristics: goals, people, and a deliberate structure.

1.2 Define management. Management is the process of getting things done, effectively and efficiently, with and through other people.

1.3 Describe what managers do. What managers do can be described using three approaches: functions, roles, and skills. The functions approach says that managers perform four functions: planning, organizing, leading, and controlling. Mintzberg’s roles approach says that what managers do is based on the 10 roles they use at work, which are grouped around interpersonal relationships, the transfer of information, and decision making. The skills approach looks at what managers do in terms of the skills they need and use. These four critical skills are conceptual, interpersonal, technical, and political. All managers plan, organize, lead, and control although how they do these and how much they do these may vary according to level in the organization, whether the organization is profit or not-for-profit, the size of the organization, and the geographic location of the organization.

1.4 Explain why it’s important to study management. One reason it’s important to study management is that all of us interact with organizations daily so we have a vested interest in seeing that organizations are well managed. Another reason is the reality that in your career you will either manage or be managed. By studying management you can gain insights into the way your boss and fellow employees behave and how organizations function.

1.5 Describe the factors that are reshaping and redefining management. In today’s world, managers are dealing with changing workplaces, ethical and trust issues, global economic uncertainties, and changing technology. Two areas of critical importance to managers are delivering high-quality customer service and encouraging innovative efforts.

LEcTUrE 2 – THE MANAGEMENT ENVIRONMENT

2.1 Describe the new economy and how it’s affecting the way organizations are managed. The main characteristic of the new economy is the global economic crisis. Foreclosures, financial recession, a huge public debt, and widespread social problems from job losses are a few of its features. Also, this new economy is characterized by public anger at business leaders, which has led to a lack of trust in business. Experts believe that when the economy emerges from recession, it will be a “new” normal. The biggest change is likely to be in the role of government in financial markets and consumer protection and in increased enforcement and oversight of regulations. This new economy will affect organizations in the way they do business globally, how they deal with the expectations of society to act responsibly and ethically, how they treat their workforce, and how they deal with skeptical and demanding consumers.
2.2 **Explain globalization and its impact on organizations.** Organizations are considered global if they exchange goods and services with consumers in other countries, if they use managerial and technical employee talent from other countries, or if they use financial sources and resources outside their home country. Businesses going global are usually referred to as multinational corporations (MNCs). As an MNC, they may operate as a multidomestic corporation, a global corporation, or a transnational or borderless organization. When a business goes global, they may start with global sourcing, move to exporting or importing, use licensing or franchising, pursue a global strategic alliance, or set up a foreign subsidiary. In doing business globally, managers need to be aware of different laws and political and economic systems. But the biggest challenge is in understanding the different country cultures. Two cross-cultural frameworks that managers can use are Hofstede’s and GLOBE.

2.3 **Discuss how society’s expectations are influencing managers and organizations.** Society expects organizations and managers to be responsible and ethical. An organization’s social involvement can be from the perspective of social obligation, social responsiveness, or social responsibility. Whether a manager behaves ethically depends on several factors including personal morality, values, personality, and experiences; the organization’s culture; and the ethical issue being faced. Organizations attempt to reduce the ambiguity over what is ethical by using codes of ethics. However, managers also need to be good ethical role models in words and in actions.

2.4 **Discuss how the workforce is changing and its impact on the way organizations are managed.** The workforce continues to reflect increasing diversity. Other trends include changes in racial and ethnic composition, an aging baby boom generation, and an expanding cohort of Gen Y workers. Organizations and managers are responding with work/life balance programs, contingent jobs, and recognition of generational differences.

2.5 **Explain the role that managers play in creating outstanding customer service.** As customers have become increasingly skeptical, cautious, frugal, and more difficult to please, customer service is ever more critical. To create outstanding customer service, organizations and managers are relying on several activities such as creating a customer-responsive culture, continually improving quality, and reengineering work processes.

**LECTURE 3 - FOUNDATIONS OF DECISION MAKING**

3.1 **Describe the decision-making process.** The decision-making process consists of eight steps: (1) identify problem, (2) identify decision criteria, (3) weight the criteria, (4) develop alternatives, (5) analyze alternatives, (6) select alternative, (7) implement alternative, and (8) evaluate decision effectiveness. As managers make decisions, they may use heuristics to simplify the process, which can lead to errors and biases in their decision making. The 12 common decision-making errors and biases include overconfidence, immediate gratification, anchoring, selective perception, confirmation, framing, availability, representation, randomness, sunk costs, self-serving bias, and hindsight.

3.2 **Explain the three approaches managers can use to make decisions.** The first approach is the rational model. The assumptions of rationality are as follows: The problem is clear and unambiguous, a single, well-defined goal is to be achieved, all alternatives and consequences are known and the final choice will maximize his or her economic payoff. The second approach, bounded rationality, says that managers make rational decisions but are bounded (limited) by their ability to process information. In this approach, managers
3.3 Describe the types of decisions and decision-making conditions managers face. Programmed decisions are repetitive decisions that can be handled by a routine approach and are used when the problem being resolved is straightforward, familiar, and easily defined (structured). Nonprogrammed decisions are unique decisions that require a custom-made solution and are used when the problems are new or unusual (unstructured) and for which information is ambiguous or incomplete. Certainty is a situation when a manager can make accurate decisions because all outcomes are known. Risk is a situation when a manager can estimate the likelihood of certain outcomes. Uncertainty is a situation where a manager is not certain about the outcomes and can’t even make reasonable probability estimates.

3.4 Discuss group decision making. Groups offer certain advantages when making decisions—more complete information, more alternatives, increased acceptance of a solution, and greater legitimacy. On the other hand, groups are time-consuming, can be dominated by a minority, create pressures to conform, and cloud responsibility. Three ways of improving group decision making are brainstorming (utilizing an idea-generating process that specifically encourages any and all alternatives while withholding any criticism of those alternatives), the nominal group technique (a technique that restricts discussion during the decision-making process), and electronic meetings (the most recent approach to group decision making, which blends the nominal group technique with sophisticated computer technology).

3.5 Discuss contemporary issues in managerial decision-making. As managers deal with employees from diverse cultures, they need to recognize common and accepted behavior when asking them to make decisions. Some individuals may not be as comfortable as others with being closely involved in decision making, or they may not be willing to experiment with something radically different. Also, managers need to be creative in their decision making since creativity allows them to appraise and understand the problem more fully, including “seeing” problems that others can’t see.

LECTURE 4 - FOUNDATIONS OF PLANNING

4.1 Discuss the nature and purposes of planning. As the primary management function, planning establishes the basis for all the other things that managers do. The planning we’re concerned with is formal planning; that is, specific goals covering a specific time period are defined and written down and specific plans are developed to make sure those goals are met. There are four reasons why managers should plan: (1) it establishes coordinated efforts, (2) it reduces uncertainty, (3) it reduces overlapping and wasteful activities, and (4) it establishes the goals or standards that are used in controlling work. Although criticisms have been directed at planning, the evidence generally supports the position that organizations benefit from formal planning.

4.2 Explain what managers do in the strategic management process. Managers develop the organization’s strategies in the strategic management process, which is a six-step process encompassing strategy planning, implementation, and evaluation. The six steps are as follows: (1) Identify the organization’s current mission, goals, and strategies; (2) Do an external analysis; (3) Do an internal analysis—steps 2 and 3 together are called SWOT analysis; (4) Formulate strategies; (5) Implement strategies; and (6) Evaluate results. The
end result of this process is a set of corporate, competitive, and functional strategies that allow the organization to do what it’s in business to do and to achieve its goals.

4.3 Compare and contrast approaches to goal setting and planning. Most company’s goals are classified as either strategic or financial. We can also look at goals as either stated or real. In traditional goal setting, goals set by top managers flow down through the organization and become subgoals for each organizational area. Organizations could also use management by objectives, which is a process of setting mutually agreed-upon goals and using those goals to evaluate employee performance. Plans can be described in terms of their breadth, time frame, specificity, and frequency of use. Plans can be developed by a formal planning department or by involving more organizational members in the process.

4.4 Discuss contemporary issues in planning. One contemporary planning issue is planning in dynamic environments, which usually means developing plans that are specific but flexible. Also, it’s important to continue planning even when the environment is highly uncertain. Finally, because there’s little time in a dynamic environment for goals and plans to flow down from the top, lower organizational levels should be allowed to set goals and develop plans. Another contemporary planning issue is using environmental scanning to help do a better analysis of the external environment. One form of environmental scanning, competitive intelligence, can be especially helpful in finding out what competitors are doing.

LECTURE 5 - Organizational Structure and Culture

5.1 Describe six key elements in organizational design. The first element, work specialization, refers to dividing work activities into separate job tasks. The second, departmentalization, is how jobs are grouped together, which can be one of five types: functional, product, customer, geographic, or process. The third—authority, responsibility, and power—all have to do with getting work done in an organization. Authority refers to the rights inherent in a managerial position to give orders and expect those orders to be obeyed. Responsibility refers to the obligation to perform when authority has been delegated. Power is the capacity of an individual to influence decisions and is not the same as authority. The fourth, span of control, refers to the number of employees a manager can efficiently and effectively manage. The fifth, centralization and decentralization, deals with where the majority of decisions are made—at upper organizational levels or pushed down to lower-level managers. The sixth, formalization, describes how standardized an organization’s jobs are and the extent to which employees’ behavior is guided by rules and procedures.

5.2 Identify the contingency factors that favor the mechanistic model or the organic model. A mechanistic organizational design is quite bureaucratic whereas an organic organizational design is more fluid and flexible. The strategy-determines structure factor says that as organizational strategies move from single product to product diversification, the structure will move from organic to mechanistic. As an organization’s size increases, so does the need for a more mechanistic structure. The more non-routine the technology, the more organic a structure should be. Finally, stable environments are better matched with mechanistic structures, but dynamic ones fit better with organic structures.

5.3 Compare and contrast traditional and contemporary organizational designs. Traditional structural designs include simple, functional, and divisional. A simple structure is one with low departmentalization, wide spans of control, authority centralized
in a single person, and little formalization. A functional structure is one that groups similar or related occupational specialties together. A divisional structure is one made up of separate business units or divisions. Contemporary structural designs include team-based structures (the entire organization is made up of work teams); matrix and project structures (where employees work on projects for short periods of time or continuously); and boundaryless organizations (where the structural design is free of imposed boundaries). A boundaryless organization can either be a virtual or a network organization.

5.4 Discuss the characteristics and importance of organizational culture. Organizational culture refers to the shared values, principles, traditions, and ways of doing things that influence the way organizational members act. Cultures are assessed using seven dimensions: attention to detail, outcome orientation, people orientation, team orientation, aggressiveness, stability, and innovation and risk taking. The culture comes from the founders but is learned by employees through stories, rituals, material symbols, and language. Strong cultures—those in which the key values are deeply held and widely shared—have more of an impact on how organizations are structured and on the way work is done.

LECTURE 6 - MANAGING HUMAN RESOURCES

6.1 Describe the key components of the human resource management process and the important influences on that process. The HRM process consists of eight activities that will staff an organization with competent, high-performing employees who are capable of sustaining their performance level over the long term.

The first three HR activities involve employment planning and include recruitment, downsizing, and selection. The next two steps involve helping employees adapt to the organization and ensuring that their skills and knowledge are kept current, and include the HR activities of orienting and training. The last steps involve identifying performance goals, correcting performance problems, and helping employees sustain high levels of performance. These are done using the HR activities of performance appraisal, compensation and benefits, and safety and health. The main influences on the HRM process are legal although other environmental conditions such as restructuring, downsizing, diversity, and so forth can impact it as well.

6.2 Discuss the tasks associated with identifying and selecting competent employees. The first task is employment planning, which involves job analysis and the creation of job descriptions and job specifications. Then, if job needs are indicated, recruitment involves attempts to develop a pool of potential job candidates. Downsizing is used to reduce the labor supply. Selection involves determining who is best qualified for the job. Selection devices need to be both reliable and valid. Managers may want to give potential employees a realistic job preview.

6.3 Explain how employees are provided with needed skills and knowledge. New hires must be acclimated to the organization’s culture and be trained and given the knowledge to do the job in a manner consistent with the organization’s goals. Orientation—job, work unit, and organizational—provides new employees with information to introduce them to the job. Training is used to help employees improve their ability to perform on the job.

6.4 Describe strategies for retaining competent, high-performing employees. Two HRM activities that play a role in this are managing employee performance and developing an
appropriate compensation and benefits program. Managing employee performance involves establishing performance standards and then appraising performance to see if those standards have been met. There are various performance appraisal techniques managers can use. If an employee’s performance is not up to par, managers need to assess why and take action. Compensation and benefits programs can help attract and retain competent and talented individuals. Managers have to determine who gets paid what and what benefits will be offered.

6.5 Discuss contemporary issues in managing human resources. Downsizing is the planned elimination of jobs and must be managed from the perspective of layoff victims and job survivors. Workforce diversity must be managed through HRM activities including recruitment, selection, and orientation. Sexual harassment is a significant concern of organizations and managers, which mean programs and mechanisms must be in place to educate all employees about it. Workplace spirituality involves attempts by organizations to make work more meaningful to employees. Finally, organizations are looking for ways to control HR costs, especially health care costs and pension costs.

LECTURE 7 - MANAGING CHANGE AND INNOVATION

7.1 Define organizational change and compare and contrast views on the change process. Organizational change is any alteration of an organization’s people, structure, or technology. The “calm waters” metaphor of change suggests that change is an occasional disruption in the normal flow of events and can be planned and managed as it happens using Lewin’s three-step change process (unfreezing, changing, and freezing). The “whitewater rapids” view of change suggests that change is ongoing, and managing it is a continual process.

7.2 Explain how to manage resistance to change. People resist change because of uncertainty, habit, concern about personal loss, and the belief that a change is not in the organization’s best interests. Techniques for managing resistance to change include education and communication (educating employees about and communicating to them the need for the change), participation (allowing employees to participate in the change process), facilitation and support (giving employees the support they need to implement the change), negotiation (exchanging something of value to reduce resistance), manipulation and co-optation (using negative actions to influence), selecting people who are open to and accept change, and coercion (using direct threats or force).

7.3 Describe what managers need to know about employee stress. Stress is the adverse reaction people have to excessive pressure placed on them from extraordinary demands, constraints, or opportunities. The symptoms of stress can be physical, psychological, or behavioral. Stress can be caused by personal factors and by job-related factors. To help employees deal with stress, managers can address job-related factors by making sure an employee’s abilities match the job requirements, improve organizational communications, use a performance planning program, or redesign jobs. Addressing personal stress factors is trickier, but managers could offer employee counseling, time management programs, and wellness programs.

7.4 Discuss techniques for stimulating innovation. Creativity is the ability to combine ideas in a unique way or to make unusual associations between ideas. Innovation is turning the outcomes of the creative process into useful products or work methods. An innovative environment encompasses structural, cultural, and human resource variables. Important structural variables include an organic type structure, abundant resources, frequent
communication between organizational units, minimal time pressure, and support. Important cultural variables include accept ambiguity, tolerate the impractical, keep external controls minimal, tolerate risk, tolerate conflict, focus on ends not means, use an open-system focus, and provide positive feedback. Important human resource variables include high commitment to training and development, high job security, and encouraging individuals to be idea champions.

LECTURE 8 - FOUNDATIONS OF INDIVIDUAL BEHAVIOR

8.1 Identify the focus and goals of organizational behavior (OB). OB focuses on three areas: individual behavior, group behavior, and organizational aspects. The goals of OB are to explain, predict, and influence employee behavior. Six important employee behaviors are as follows: Employee productivity is a performance measure of both efficiency and effectiveness. Absenteeism is the failure to report to work. Turnover is the voluntary and involuntary permanent withdrawal from an organization. Organizational citizenship behavior (OCB) is discretionary behavior that’s not part of an employee’s formal job requirements but which promotes the effective functioning of an organization. Job satisfaction is an individual’s general attitude toward his or her job. Workplace misbehavior is any intentional employee behavior that’s potentially harmful to the organization or individuals within the organization.

8.2 Explain the role that attitudes play in job performance. Attitudes are evaluative statements concerning people, objects, or events. The cognitive component of an attitude refers to the beliefs, opinions, knowledge, or information held by a person. The affective component is the emotional or feeling part of an attitude. The behavioral component refers to an intention to behave in a certain way toward someone or something. There are four job-related attitudes: job satisfaction, job involvement, organizational commitment, and employee engagement. Job satisfaction refers to a person’s general attitude toward his or her job. Job involvement is the degree to which an employee identifies with his or her job, actively participates in it, and considers his or her job performance to be important to his or her-self-worth. Organizational commitment is the degree to which an employee identifies with a particular organization and its goals and wishes to maintain membership in that organization. Employee engagement is when employees are connected to, satisfied with, and enthused about their jobs. According to cognitive dissonance theory, individuals try to reconcile attitude and behavior inconsistencies by altering their attitudes, altering their behavior, or rationalizing the inconsistency.

8.3 Describe different personality theories. The MBTI® measures four dichotomies: social interaction, preference for gathering data, preference for decision making, and style of making decisions. The Big Five model consists of five personality traits: extraversion, agreeableness, conscientiousness, emotional stability, and openness to experience. Another way to view personality is through the five personality traits that help explain individual behavior in organizations: locus of control, Machiavellianism, self-esteem, self-monitoring, and risk-taking.

Finally, how a person responds emotionally and how they deal with their emotions is a function of personality. A person who is emotionally intelligent has the ability to notice and to manage emotional cues and information.

8.4 Describe perception and the factors that influence it. Perception is how we give meaning to our environment by organizing and interpreting sensory impressions. Attribution theory helps explain how we judge people differently. It depends on three
factors. Distinctiveness is whether an individual displays different behaviors in different situations (that is, is the behavior unusual). Consensus is whether others facing a similar situation respond in the same way. Consistency is when a person engages in behaviors regularly and consistently. Whether these three factors are high or low helps managers determine whether employee behavior is attributed to external or internal causes. The fundamental attribution error is the tendency to underestimate the influence of external factors and overestimate the influence of internal factors. The self-serving bias is the tendency to attribute our own successes to internal factors and to put the blame for personal failure on external factors. Shortcuts used in judging others are selective perception, assumed similarity, stereotyping, and the halo effect.

8.5 Discuss learning theories and their relevance in shaping behavior. Operant conditioning argues that behavior is a function of its consequences. Social learning theory says that individuals learn by observing what happens to other people and by directly experiencing something. Managers can shape behavior by using positive reinforcement (reinforcing a desired behavior by giving something pleasant), negative reinforcement (reinforcing a desired response by withdrawing something unpleasant), punishment (eliminating undesirable behavior by applying penalties), or extinction (not reinforcing a behavior to eliminate it).

8.6 Discuss contemporary issues in OB. The challenge of managing Gen Y workers is that they bring new attitudes to the workplace. The main challenges are over issues such as appearance, technology, and management style. Workplace misbehavior can be dealt with by recognizing that it’s there; carefully screening potential employees for possible negative tendencies; and most importantly, by paying attention to employee attitudes through surveys about job satisfaction and dissatisfaction.

LECTURE 9 - UNDERSTANDING GROUPS AND MANAGING WORK TEAMS

9.1 Define a group and describe the stages of group development. A group is two or more interacting and interdependent individuals who come together to achieve specific goals. Formal groups are work groups that are defined by the organization’s structure and have designated work assignments and specific tasks directed at accomplishing organizational goals. Informal groups are social groups. The forming stage consists of two phases: joining the group and defining the group’s purpose, structure, and leadership. The storming stage is one of intragroup conflict over who will control the group and what the group will be doing. The norming stage is when close relationships and cohesiveness develop as norms are determined. The performing stage is when group members began to work on the group’s task. The adjourning stage is when the group prepares to disband.

9.2 Describe the major concepts of group behavior. A role refers to a set of behavior patterns expected of someone occupying a given position in a social unit. At any given time, employees adjust their role behaviors to the group of which they are a part. Norms are standards shared by group members. They informally convey to employees which behaviors are acceptable and which are unacceptable. Status is another factor to know since status can be a significant motivator and it needs to be congruent. Also, group size affects group behavior in a number of ways. Smaller groups are generally faster at completing tasks than are larger ones. However, larger groups are frequently better at fact finding because of their diversified input. As a result, larger groups are generally better at
problem solving. Finally, group cohesiveness is important because of its impact on a group’s effectiveness at achieving its goals.

9.3 Discuss how groups are turned into effective teams. Effective teams have common characteristics. They have adequate resources, effective leadership, a climate of trust, and a performance evaluation and reward system that reflects team contributions. These teams have individuals with technical expertise as well as problem-solving, decision-making, and interpersonal skills and the right traits, especially conscientiousness and openness to new experiences. Effective teams also tend to be small, preferably of diverse backgrounds. They have members who fill role demands and who prefer to be part of a team. And the work that members do provides freedom and autonomy, the opportunity to use different skills and talents, the ability to complete a whole and identifiable task or product, and work that has a substantial impact on others. Finally, effective teams have members who believe in the team’s capabilities and are committed to a common plan and purpose, specific team goals, a manageable level of conflict, and a minimal degree of social loafing.

9.4 Discuss contemporary issues in managing teams. The challenges of managing global teams can be seen in the team composition factors, especially the diverse cultural characteristics; in team structure, especially conformity, status, social loafing, and cohesiveness; and in team processes, especially with communication and managing conflict; and the manager’s role in making it all work. Managers also need to know when teams are not the answer. They can do this by assessing whether the work can be done better by more than one person; by whether the work creates a common purpose or set of goals for the members of the team; and by the amount of interdependence among team members.

LECTURE 10 - MOTIVATING AND REWARDING EMPLOYEES

10.1 Define and explain motivation. Motivation is the process by which a person’s efforts are energized, directed, and sustained toward attaining a goal. The energy element is a measure of intensity or drive. The high level of effort needs to be directed in ways that help the organization achieve its goals. Employees must persist in putting forth effort to achieve those goals.

10.2 Compare and contrast early theories of motivation. Individuals move up the hierarchy of five needs (physiological, safety, social, esteem, and self-actualization) as needs are substantially satisfied. A need that’s substantially satisfied no longer motivates. A Theory X manager believes that people don’t like to work or won’t seek out responsibility so they have to be threatened and coerced to work. A Theory Y manager assumes that people like to work and seek out responsibility, so they will exercise self-motivation and self-direction. Herzberg’s theory proposed that intrinsic factors associated with job satisfaction were what motivated people. Extrinsic factors associated with job dissatisfaction simply kept people from being dissatisfied. Three-needs theory proposed three acquired needs that are major motives in work: need for achievement, need for affiliation, and need for power.

10.3 Compare and contrast contemporary theories of motivation. Goal-setting theory says that specific goals increase performance and difficult goals, when accepted, result in higher performance than do easy goals. Important points in goal-setting theory include: intention to work toward a goal is a major source of job motivation; specific hard goals produce higher levels of output than generalized goals; participation in setting goals is
probably preferable to assigning goals, but not always; feedback guides and motivates behavior, especially self-generated feedback; and contingencies that affect goal setting include goal commitment, self-efficacy, and national culture.

The job characteristics model says there are five core job dimensions (skill variety, task identity, task significance, autonomy, and feedback) that are used to design motivating jobs. Equity theory focuses on how employees compare their inputs-outcomes ratios to relevant others’ ratios. A perception of inequity will cause an employee to do something about it. Procedural justice has a greater influence on employee satisfaction than does distributive justice. Expectancy theory says that an individual tends to act in a certain way based on the expectation that the act will be followed by a desired outcome. Expectancy is the effort-performance linkage (how much effort do I need to exert to achieve a certain level of performance); instrumentality is the performance-reward linkage (achieving at a certain level of performance will get me what reward); and valence is the attractiveness of the reward (is the reward what I want).

10.4 Discuss current issues in motivating employees. Most motivational theories were developed in the United States and have a North American bias. Some theories (Maslow’s need hierarchy, achievement need, and equity theory) don’t work well for other cultures. However, the desire for interesting work seems important to all workers and Herzberg’s motivator (intrinsic) factors may be universal. Managers face challenges in motivating unique groups of workers. A diverse workforce is looking for flexibility. Professionals want job challenge and support, and are motivated by the work itself. Contingent workers want the opportunity to become permanent or to receive skills training. Open-book management is when financial statements (the books) are shared with employees who have been taught what they mean. Employee recognition programs consist of personal attention, approval, and appreciation for a job well done. Pay-for-performance programs are variable compensation plans that pay employees on the basis of some performance measure.

LECTURE 11 - LEADERSHIP and TRUST

11.1 Define leader and leadership. A leader is someone who can influence others and who has managerial authority. Leadership is a process of leading a group and influencing that group to achieve its goals. Managers should be leaders because leading is one of the four management functions.

11.2 Compare and contrast early leadership theories. Early attempts to define leader traits were unsuccessful although later attempts found seven traits associated with leadership. The University of Iowa studies explored three leadership styles. The only conclusion was that group members were more satisfied under a democratic leader than under an autocratic one. The Ohio State studies identified two dimensions of leader behavior—initiating structure and consideration. A leader high in both those dimensions at times achieved high group task performance and high group member satisfaction, but not always. The University of Michigan studies looked at employee-oriented leaders and production-oriented leaders. They concluded that leaders who were employee oriented could get high group productivity and high group member satisfaction. The managerial grid looked at leaders’ concern for production and concern for people and identified five leader styles. Although it suggested that a leader who was high in concern for production and high in concern for people was the best, there was no substantive evidence for that conclusion. As the behavioral studies showed, a leader’s behavior has a dual nature: a focus on the task and a focus on the people.
11.3 Describe the four major contingency leadership theories. Fiedler’s model attempted to define the best style to use in particular situations. He measured leader style—relationship oriented or task oriented—using the least-preferred co-worker questionnaire. Fiedler also assumed a leader’s style was fixed. He measured three contingency dimensions: leader-member-relations, task structure, and position power. The model suggests that task-oriented leaders performed best in very favorable and very unfavorable situations, and relationship-oriented leaders performed best in moderately favorable situations. Hersey and Blanchard’s situational leadership theory focused on followers’ readiness. They identified four leadership styles: telling (high task–low relationship), selling (high task–high relationship), participating (low task–high relationship), and delegating (low task–low relationship). They also identified four stages of readiness: unable and unwilling (use telling style); unable but willing (use selling style); able but unwilling (use participative style); and able and willing (use delegating style). The leader-participation model relates leadership behavior and participation to decision making. It uses a decision tree format with seven contingencies and five alternative leadership styles. The path-goal model developed by Robert House identified four leadership behaviors: directive, supportive, participative, and achievement-oriented. He assumes that a leader can and should be able to use any of these styles. The two situational contingency variables were found in the environment and in the follower. Essentially the path-goal model says that a leader should provide direction and support as needed; that is, structure the path so the followers can achieve goals.

11.4 Describe modern views of leadership and the issues facing today’s leaders. A transactional leader exchanges rewards for productivity where a transformational leader stimulates and inspires followers to achieve goals. A charismatic leader is an enthusiastic and self-confident leader whose personality and actions influence people to behave in certain ways. People can learn to be charismatic. A visionary leader is able to create and articulate a realistic, credible, and attractive vision of the future. A team leader has two priorities: manage the team’s external boundary and facilitate the team process. Four leader roles are involved: liaison with external constituencies, troubleshooter, conflict manager, and coach. The issues facing leaders today include employee empowerment, national culture, and emotional intelligence. As employees are empowered, the leader’s role tends to be one of not leading. As leaders adjust their style to the situation, one of the most important situational characteristics is national culture. Finally, EI is proving to be an essential element in leadership effectiveness.

11.5 Discuss trust as the essence of leadership. The five dimensions of trust include integrity, competence, consistency, loyalty, and truthfulness. Integrity refers to one’s honesty and truthfulness. Competence involves an individual’s technical and interpersonal knowledge and skills. Consistency relates to an individual’s reliability, predictability, and good judgment in handling situations. Loyalty is an individual’s willingness to protect and save face for another person. Openness means that you can rely on the individual to give you the whole truth.

LECTURE 12 - COMMUNICATION and INTERPERSONAL SKILLS

12.1 Describe what managers need to know about communicating effectively. Communication is the transfer and understanding of meaning. There are seven elements in the communication process. First there is a sender or source who has a message. A message is a purpose to be conveyed. Encoding is converting a message into symbols. A channel is the medium a message travels along. Decoding is when the receiver...
retranslates a sender’s message. Finally, there is feedback. The barriers to effective communication include filtering, emotions, information overload, defensiveness, language, and national culture. Managers can overcome these barriers by using feedback, simplifying language, listening actively, constraining emotions, and watching for nonverbal clues.

12.2 **Explain how technology affects managerial communication.** Technology has radically changed the way organizational members communicate. It improves a manager’s ability to monitor performance; it gives employees more complete information to make faster decisions; it has provided employees more opportunities to collaborate and share information; and it has made it possible for people to be fully accessible, anytime anywhere. IT has affected managerial communication through the use of networked computer systems, wireless capabilities, and knowledge management systems.

12.3 **Discuss the interpersonal skills that every manager needs.** Behaviors related to effective active listening are making eye contact, exhibiting affirmative nods and appropriate facial expressions, avoiding distracting actions or gestures, asking questions, paraphrasing, avoiding interruption of the speaker, not overtalking, and making smooth transitions between the roles of speaker and listener. In order to provide effective feedback, you must focus on specific behaviors; keep feedback impersonal, goal oriented, and direct negative feedback toward behavior that the recipient can control. Contingency factors guide managers in determining the degree to which authority should be delegated. These factors include the size of the organization (larger organizations are associated with increased delegation); the importance of the duty or decision (the more important a duty or decision is, the less likely it is to be delegated); task complexity (the more complex the task is, the more likely it is that decisions about the task will be delegated); organizational culture (confidence and trust in subordinates are associated with delegation); and qualities of subordinates (delegation requires subordinates with the skills, abilities, and motivation to accept authority and act on it). Behaviors related to effective delegating are clarifying the assignment, specifying the employee’s range of discretion, allowing the employee to participate, informing others that delegation has occurred, and establishing feedback controls. The steps to be followed in analyzing and resolving conflict situations begin by identifying your underlying conflict-handling style. Second, select only conflicts that are worth the effort and that can be managed. Third, evaluate the conflict players. Fourth, assess the source of the conflict. Finally, choose the conflict resolution option that best reflects your style and the situation. Effective negotiation skills require researching the individual with whom you’ll be negotiating; beginning with a positive overture; addressing problems, not personalities; paying little attention to the first offer; emphasizing win-win solutions; creating an open and trusting climate; and being open to third-party assistance, if needed. Behavior related to effective active listening are making eye contact, exhibiting affirmative nods and appropriate facial expressions, avoiding distracting actions or gestures, asking questions, paraphrasing, avoiding interruption of the speaker, not overtalking, and making smooth transitions between the roles of speaker and listener.

**LECTURE 13 - FOUNDATIONS OF CONTROL**

13.1 **Explain the nature and importance of control.** Control is the management function that involves monitoring activities to ensure that they’re being accomplished as planned and correcting any significant deviations. As the final step in the management process, controlling provides the link back to planning. If managers didn’t control, they’d have no
way of knowing whether goals were being met. Control is important because (1) it’s the only way to know if goals are being met and if not, why; (2) it provides information and feedback so managers feel comfortable empowering employees; and (3) it helps protect an organization and its assets.

13.2 Describe the three steps in the control process. The three steps in the control process are measuring, comparing, and taking action. Measuring involves deciding how to measure actual performance and what to measure. Comparing involves looking at the variation between actual performance and the standard (goal). Deviations outside an acceptable range of variation need attention. Taking action involves: do nothing, correct the actual performance, or revise the standards. Doing nothing is self-explanatory. Correcting the actual performance can involve different corrective actions, which can either be immediate or basic. Standards can be revised by either raising or lowering them.

13.3 Discuss the types of controls organizations and managers use. Feedforward controls take place before a work activity is done. Concurrent controls take place while a work activity is being done. Feedback controls take place after a work activity is done. Financial controls that managers can use include financial ratios (liquidity, leverage, activity, and profitability) and budgets. One information control managers can use is an MIS, which provides managers with needed information on a regular basis. Others include comprehensive and secure controls such as data encryption, system firewalls, data backups, and so forth that protect the organization’s information. Also, balanced scorecards provide a way to evaluate an organization’s performance in four different areas rather than just from the financial perspective.

13.4 Discuss contemporary issues in control. Adjusting controls for cross-cultural differences may be needed primarily in the areas of measuring and taking corrective actions. Workplace concerns include workplace privacy, employee theft, and workplace violence. For each of these, managers need to have policies in place to control inappropriate actions and ensure that work is getting done efficiently and effectively.

LECTURE 14 - OPERATIONS MANAGEMENT

14.1 Define operations management and explain its role. Operations management is the transformation process that converts resources into finished goods and services. Manufacturing organizations produce physical goods. Service organizations produce nonphysical outputs in the form of services. Productivity is a composite of people and operations variables. A manager should look for ways to successfully integrate people into the overall operations system. Organizations must recognize the crucial role that operations management plays as part of their overall strategy in achieving successful performance. Operations management refers to the design, operation and control of the transformation process.

14.2 Define the nature and purpose of value chain management. The value chain is the sequence of organizational work activities that add value at each step from raw materials to finished product. Value chain management is the process of managing the sequence of activities and information along the entire product chain. The goal of value chain management is to create a value chain strategy that meets and exceeds customers’ needs and desires and allows for full and seamless integration among all members of the chain. There are four benefits from value chain management: improved procurement, improved logistics, improved product development, and enhanced customer order management.
14.3 Describe how value chain management is done. The six main requirements for successful value chain management include coordination and collaboration, investment in technology, organizational processes, leadership, employees or human resources, and organizational culture and attitudes. The obstacles to value chain management include organizational barriers (refusal to share information, reluctance to shake up the status quo, or security issues), unsupportive cultural attitudes, lack of required capabilities, and employees unwilling or unable to do it.

14.4 Discuss contemporary issues in managing operations. Companies are looking at ways to harness technology to improve their operations management by extensive collaboration and cost control. ISO 9000 is a series of international quality management standards that set uniform guidelines for processes to ensure that products conform to customer requirements. Six Sigma is a quality standard that establishes a goal of no more than 3.4 defects per million units or procedures. Project management involves getting a project’s activities done on time, within budget, and accomplished to specifications. A project is a one-time-only set of activities that has a definite beginning and ending point in time. Popular project scheduling tools include Gantt charts, load charts, and PERT network analysis.