T. P. Chernyavska

MODERN MANAGEMENT PSYCHOLOGY

LECTURE COURSE

MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
ODESA I. I. MECHNIKOV NATIONAL UNIVERSITY
FACULTY OF PSYCHOLOGY AND SOCIAL WORK

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Курс лекцій є сучасним, розробленим з урахуванням досвіду роботи автора, англомовним варіантом курсу актуальної психології менеджменту.

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CONTENT

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Introduction to the course «Modern management psychology»

The main benefits of the course «Modern management Psychology»

An increasing number of students enrolled in management and business are demanding a satisfactory return on the time and money invested in education and training. Curricula are required that are useful for developing practical ideas and specific skills, but that are academically respectable. Virtually all books on applied management, psychology, or human relations claim to "bridging the gap between theory and practice." However, most students find it difficult to cross this bridge.

The course «Modern Psychology of Management» is aimed at meeting the needs of students in basic knowledge focused on a managerial career, with the help of various proposals for developing personal potential and effectiveness.

Despite the emphasis on precepts, the course is based on empirical research and established psychological concepts and theories. The presented research results and mentioned concepts are illustrated with concrete, reality-based examples.

The «Modern Management Psychology» course has been developed to meet the needs of courses of «Management Psychology», «Applied Psychology», «Organizational Behavior» and «Human Relations» offered at various higher professional schools, business schools and institutes.

The content of the lectures and practical recommendations are based on modern ideas, theoretical concepts and real-life situations received from respected scientists in the field of psychology (*Albert Bandura*, *Daniel Kahneman*, *Abraham Maslow*, *Ralph Stogdill* and others) and management (*Peter Drucker*, *Douglas McGregor*, *Jack Trout* and others).

The author's own many years of professional experience as a researcher, practicing organizational psychologist, consultant, trainer in the field of personality development, effective motivation and communication was also used in the development of these lectures.

The course of lectures is aimed at mastering managerial competencies by students, such as: creating a positive psychological environment in the workplace and leading employees to an effective and satisfying professional life, while paying special attention to the human factor in management.

The main theme of this course is self-help, a "how to succeed" orientation. Most of the topics contain suggestions for solving problems and situations that often arise at work.

The ***main benefits of the course*** «Modern management Psychology»:

1. *Awareness of relevant information*. Part of feeling comfortable and making a positive impression in any place of work is being familiar with relevant general knowledge about the world of management activity.

2. *Development of skills in dealing with people*. Anybody who aspires toward higher-level jobs need to develop proficiency in such interpersonal skills as how to motivate people, how to criticize others in a constructive manner, and how to overcome communication barriers.

3. *Coping with job problems*. Almost everybody who holds a responsible job inevitable runs into human problems. Knowledge of these problems and prescriptions for coping with them could save students considerable inner turmoil in future professional activity. Among the job survival skills that you will learn about in the following chapters are managing job stress and dealing with conflict between yourself and your boss.

4. *Capitalizing on opportunities*. Students who will get acquainted with these lectures will spend part of their working time advantage of opportunities rather than resolving daily problems. Every career-minded person needs a few breakthrough experiences in order to make his or her life more rewarding. Toward this end, we devote attention to the subjects of create decision making and methods of career advancement.

Topic 1. Definitions of concepts

1.1. What are: Management, Management behavior, Psychology, Management Psychology. What Do managers Do?

1.2. Organizational psychologist

1.1. What are: Management, Management behavior, Psychology, Management Psychology

Management is a science and technology associated with people. The subject, object and content of management are respectively people, human behavior, interpersonal relations formed by a variety of interests.

A process of planning, organizing, directing and controlling organizational behaviors in order to accomplish a mission through the division of labor.

The ***functions of management*** include:

- planning and decision making, determining courses of action;

- organizing, coordination of activities and resources;

- directing; leading, managing and motivating people;

- controlling, monitoring and evaluation activities.

Planning is a forward-looking process of deciding what to do. Managers who plan try to anticipate the future. They set goals and objectives for a firm's performance and identify the actions required to attain these goals and objectives.

In planning, managers set three types of goals and objective:

1. *Strategic goals* are the outcomes that the organization as a whole expects to achieve in the pursuit of its mission.

2. *Functional* or *divisional objectives* are the outcomes that units within the firm are expected to achieve.

3. *Operational objectives* are the special, measurable results that the members of an organizational unit are expected to accomplish.

In *organizing*, managers develop a structure of interrelated tasks and allocated people and resources within this structure. Organizing begins with dividing an organization's labor and designing tasks that will lead to the achievement of organizational goals and objectives.

Directing encourages member effort and guides it toward the attainment of organizational goals and objectives. Directing is partly a process of communicating goals and objectives to members. Managers must announce, clarify, and promote targets toward which effort should be directed.

1.2. Organizational psychologist

The ***functions of an organizational psychologist*** include:

a) assessment of personnel for the purpose of hiring, certification and relocation (study and fixation of business, professional qualities, abilities);

b) career guidance and counseling;

c) socio-psychological training of personnel and advanced training of employees;

d) accelerating the processes of adaptation of employees in the organization - the interaction of the leader with subordinates;

e) psychological support for the introduction of innovations and reorganization;

f) formation of group norms, morality, organizational culture;

g) conflict prevention and resolution;

h) control over the state of the socio-psychological climate in the team, its improvement and improvement;

i) creating a team.

The modern management approach aims to introduce more managers to the methods of management psychology in order to enable organizations to create more social wealth and make the work of managers fruitful. Our scientists contribute to the development of psychology and management, contribute to the continuous development of Chinese and Ukrainian management practices and academic fields of management psychology, which has a great social and scientific importance.

Topic 2. Organizational behavior

2.1. History and Evolution of Organizational behavior Studies

2.2. What is organizational behavior? Objectives and Characteristics of Organizational Behavior

2.3. Models of organizational behavior (D. McGregor, A. Maslow, W. Ouchi).

2.1. History and Evolution of Organizational behavior Studies

Organizational behavior (OB) is a field of study that endeavors to understand, explain, predict, and change human behavior as it occurs in the organizational context.

Organizational behavior researchers study the behavior of individuals primarily in their organizational roles.

One of the main goals of organizational behavior is to revitalize organizational theory and develop a better conceptualization of organizational life.

As a multi-disciplinary field, organizational behavior has been influenced by developments in a number of allied disciplines including sociology, psychology, economics, and engineering as well as by the experience of practitioners.

This definition has ***three corollaries:***

1. Organizational behavior focuses on observable behaviors, such as talking with coworkers, running equipment, or preparing a report. It also deals with internal states – thinking, deciding, and similar hidden processes that accompany visible actions.
2. Organizational behavior studies the behavior of people both as individuals and as members of groups and organizations.
3. Organizational behavior also analyzes the «behavior» of groups and organizations per se. Neither groups nor organizations «behave» in the same sense that people do. In the organizational context, however, some events occur that cannot be explained in terms of individual behavior. These events must be examined in terms of group or organizational variables.

Origin of Organizational behavior can trace its roots back to Max Weber and earlier organizational studies.

The Industrial Revolution is the period from approximately 1760 when new technologies resulted in the adoption of new manufacturing techniques, including increased mechanization.

The industrial revolution led to significant social and cultural change, including new forms of organization.

Analyzing these new organizational forms, sociologist Max Weber described bureaucracy as an ideal type of organization that rested on rational-legal principles and maximized technical efficiency.

In the 1890's; with the arrival of scientific management and Taylorism, Organizational Behavior Studies was forming it as an academic discipline.

Failure of scientific management gave birth to the human relations movement which is characterized by a heavy emphasis on employee cooperation and morale.

Human Relations Movement from the 1930's to 1950's contributed to shaping the Organizational Behavior studies.

Works of scholars like Elton Mayo, Chester Barnard, Henri Fayol, Mary Parker Follett, Frederick Herzberg, Abraham Maslow, David McClelland and Victor Vroom contributed to the growth of Organizational behavior as a discipline.

Herbert Simon's book Administrative Behavior introduced a number of important concepts to the study of organizational behavior, most notably decision making. H. Simon argued that people make decisions differently in organizations than outside of them. H. Simon was awarded the Nobel Prize in Economics for his work on organizational decision making.

Beginning in the 1980s, cultural explanations of organizations and organizational change have become areas of research.

On the basis of anthropology, psychology, and sociology, qualitative research has become more acceptable in Organization behavior.

2.2. What is organizational behavior?

Organizational behavior is directly concerned with the understanding, prediction, and control of human behavior in organizations.

Organizational behavior is the study of both group and individual performance and activity within an organization.

This area of study examines human behavior in a work environment and determines its impact on job structure, performance, communication, motivation, leadership, etc.

It is the systematic study and application of knowledge about how individuals and groups act within the organizations where they work. Organizational Behavior draws from other disciplines to create a unique field.

For example, when we review topics such as personality and motivation, we will again review studies from the field of psychology. The topic of team processes relies heavily on the field of sociology.

When we study power and influence in organizations, we borrow heavily from political sciences.

Even medical science contributes to the field of Organizational Behavior, particularly in the study of stress and its effects on individuals.

There is increasing agreement as to the components or topics that constitute the subject area of Organizational Behavior.

Although there is still considerable debate as to the relative importance of change, there appears to be general agreement that Organizational Behavior includes the core topics of motivation, leader behavior, and power, interpersonal communication, group structure and processes, learning, attitude development, and perception, change processes, conflict, work design, and work stress.

Features of Organizational Behavior. Organizational Behavior is the study and application of knowledge about how people, individuals, and groups act in organizations. It does this by taking a system approach.

That is, it interprets people-organization relationships in terms of the whole person, the whole group, the whole organization, and the whole social system.

Its purpose is to build better relationships by achieving human objectives, organizational objectives, and social objectives.

Features or characteristics of Organizational Behavior are: 1) A Separate Field of Study and not a Discipline Only. 2) An Interdisciplinary Approach. 3) Applied Science. 4) Normative Science. 5) A Humanistic and Optimistic Approach. 6) A Total System Approach.

These 6 features or characteristics show the nature of Organizational Behavior that is the study of understanding and control behavior within the organization.

The organizations in which people work have an effect on their thoughts, feelings, and actions. These thoughts, feelings, and actions, in turn, affect the organization itself.

Organizational behavior studies the mechanisms governing these interactions, seeking to identify and foster behaviors conducive to the survival and effectiveness of the organization.

Objectives of Organizational Behavior include: 1) Job Satisfaction. 2) Finding the Right People. 3) Organizational Culture. 4) Leadership and Conflict Resolution. 5) Understanding Employees Better. 6) Understand how to Develop Good Leaders. 7) Develop a Good Team. 8) Higher Productivity.

These 8 objectives of organizational behavior show that OB is concerned with people within the organization, how they are interacting, what is the level of their satisfaction, the level of motivation, and find ways to improve it in a way the yields most productivity.

Fundamental Concepts of Organizational Behavior. Organization Behavior is based on a few fundamental concepts which revolve around the nature of people and organizations, such as: 1) Individual Differences. 2) Perception. 3) A Whole Person. 4) Motivated Behavior. 5) The desire for Involvement. 6) The value of the Person. 7) Human Dignity. 8) Organizations are Social System. 9) Mutuality of Interest. 10) Holistic Concept.

***Main Challenges and Opportunities of Organizational Behavior*.** Challenges and opportunities of organizational behavior are massive and rapidly changing for improving productivity and meeting business goals. These include: 1) Improving Peoples' Skills. 2) Improving Quality and Productivity. 3) Total Quality Management (TQM). 4) Managing Workforce Diversity. 5) Responding to Globalization. 6) Empowering People. 7) Coping with Temporariness. 8) Stimulating Innovation and Change. 9) Emergence of E-Organization & E-Commerce. 10) Improving Ethical Behavior. 11) Improving Customer Service. 12) Helping Employees Balance Work-Life Conflicts. 13) Flattening World. 14) Read more about 13 Challenges and Opportunities of Organizational Behavior.

Limitations of Organizational Behavior. Recognize the limitations of organizational behavior. Organizational Behavior will not abolish conflict and frustration; it can only reduce them. It is a way to improve, not an absolute answer to problems.

Furthermore, it is but part of the whole cloth of an organization.

We can discuss organizational behavior as a separate subject, but to apply it, we must tie it to the whole reality. Improved organizational behavior will not solve unemployment.

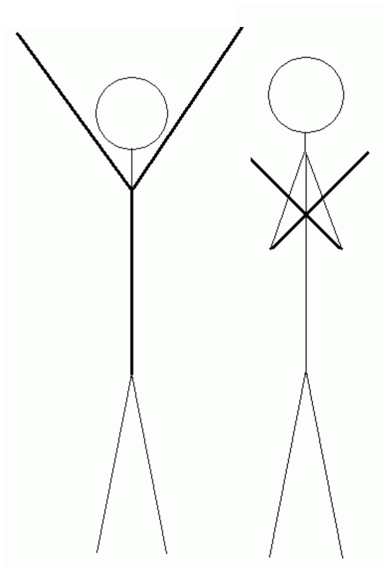
Organizational Behavior will not make up for our deficiencies, cannot substitute for poor planning, inept organizing, or inadequate controls. It is only one of the many systems operating within a larger social system.

3 major limitations of OB are: 1) Behavioral Bias. 2) The Law of Diminishing Returns. 3) Unethical Manipulation of People.

Learn how these organizational behavior constraints work with examples of Organizational Behavior models.

2.3. Models of organizational behavior (D. McGregor, 1960; A. Maslow, 1969; W. Ouchi, 1981)

Theory X and Theory Y (D. McGregor, 1960): How Beliefs Influence Dealing with Subordinates



Beliefs, like values, influence our actions on and off the job. One of the most influential set of assumptions about the nature of people. ***Theory X*** and ***Theory Y*** of ***Douglas McGregor***, illustrates this point. If a supervisor accepts one of these extreme sets of beliefs (or stereotypes) about people, he or she will act differently toward them than if he or she believed the opposite stereotype. These famous assumptions are summarized as follows:

Theory X assumptions:

1. The average person dislikes work and therefore will avoid it if he or she can.
2. Because of this dislike of work, most people must be coerced, controlled, directed, or threatened with punishment to get them to put forth enough effort to achieve organizational goals.
3. The average employee prefers to be directed, wishes to shirk responsibility, has relatively little ambition, and highly values job security.

Theory Y assumptions:

1. The expenditure of physical and mental effort in work is as natural as play or rest.

2. External control and the threat of punishment are not the only means for bringing about effort toward reaching company objectives Employees will exercise self- direction and self- control in the service of objectives to which they attack high valence.

3. Commitment to objectives is related to the rewards associated with their achievement.

4. The average person learns, under proper conditions, not only to accept but to seek responsibility.

5. Many employees have the capacity to exercise a high degree of imagination, ingenuity, and creativity in the solution of organizational problems.

6. Under the present conditions of industrial life, the intellectual potentialities of the average person are only partially utilized.

Theory Z

Theory Z is a name for various versions of human motivation theories based on Theory X and Theory Y by Douglas McGregor. Theories X, Y and various versions of Z have been used in human resource management, organizational behavior, organizational communication and organizational development. One version of Theory Z was developed by Abraham Maslow. Another version of Theory Z was developed by William Ouchi.

Theory Z aims to increase employee loyalty to the company by focusing on employee well-being both on and off the job; contribute to stable employment, high productivity, high morale and employee satisfaction.

How Do These Assumptions Influence a Manager's Actions? It is easy to imagine that a manager with Theory X will treat employees very differently than a manager with Theory Y or Z. If a manager adheres to Theory X assumptions about people, he is likely to try to tightly control behavior. A manager may resort to frequent threats to keep workers in check and will make most decisions without consulting subordinates. A Theory Y manager tends to give subordinates more leeway and ask for their opinion before making important decisions. The Theory Y leader also believes that subordinates are largely able to control their behavior. The Theory Z manager will motivate employees to achieve company goals and build on solutions to problems that are developed by the joint efforts of managers and employees.

Theories X, Y and Z play a role in successful company management. Maslow believed that the ideal organization will use the human desire for self-realization of personal potential.

Topic 3. Motivation

3.1. Three keys' explanations of motivation (A. Maslow, V. Vroom, D. McClelland).

3.2. Ways to motivate yourself and others

3.1. Three keys' explanations of motivation

- Need Hierarchy (A. Maslow),
- Expectancy Theory of Motivation (V. Vroom),
- Human Motivation Theory (D. McClelland)

Motivation comes from the Latin word, movere, which means "to move." Motivation shapes three aspects of action: 1) Direction – your direction or choice. 2) Intensity – your intensity or effort. 3) Persistence – your duration or persistence.

Motivation also shapes how much you gain and grow, as well as how much you use the skills and abilities you've got.

Motivation is powerful stuff, and it's a skill you can use throughout your lifetime. Work motivation is essentially motivation directed toward the attainment of organizational goals.

Motivation, as it applies to the gob, refers to why workers behave as they do and how much effort they will put into reaching organizational goals.

Motivation is a major contributor to productivity. ***Productivity*** is the amount of useful output achieved in comparison to the amount of input. Therefore, motivation has always been of interest to managers and business psychologists.

We will describe two cognitive explanations of human motivation:

1) Abraham Maslow's classical theory of human needs and

2) The currently popular Victor Vroom's "Expectation Theory".

Theories of motivation attempt to explain why people behave as they do.

Maslow's Need Hierarchy

The most widely cited explanation of human motivation was developed by the psychologist Abraham Maslow. He reasoned that these people have an inner need that pushes them towards self-actualization (or self-realization) and personal superiority. However, before higher-level needs are activated, the lower-level psychological needs must be satisfied. Thus, psychological needs prevail over all other needs. This means that when psychological needs, such as the need for water, are not met, they take over and direct behavior.

According to ***Maslow's need hierarchy***, a poor person thinks of finding a job as a way of obtaining the necessities of life. Once these are obtained, that person may think of achieving recognition and self-fulfillment on the job. When a person is generally satisfied at one level, he or she looks for satisfaction at a higher level. As Maslow describes it, a person is a «perpetually wanting animal». Very few people are totally satisfied with their lot in life, even the rich and famous.

The Five Sets of Needs. Maslow arranged human needs into a five rung hierarchy or ladder, as show in Figure 3.1. Each of the first four rungs refers to a group of needs, not one need for each rung. The need for self-actualization is a solitary need. These groups of needs are described next in ascending order.

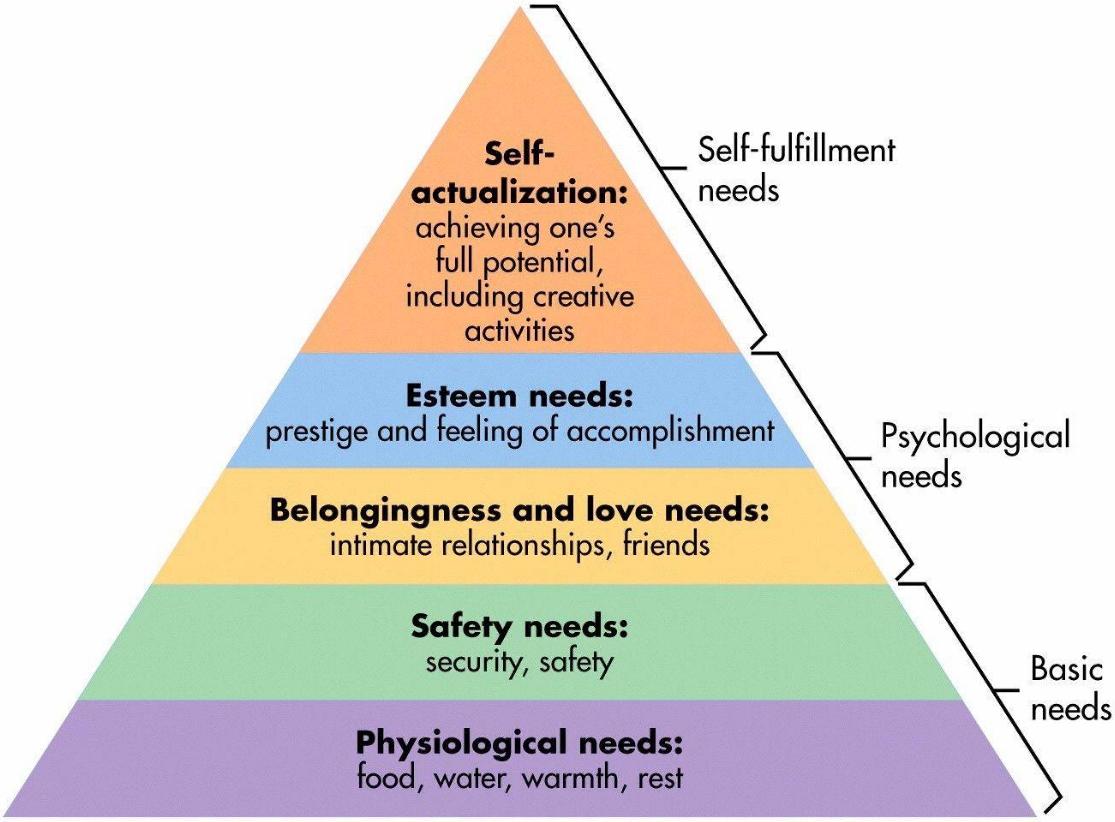


Figure 3.1. Maslow's Need Hierarchy

1. *Physiological needs* refer to bodily needs, such as the requirements for food, water, shelter, and sleep. In general, most jobs provide ample opportunity to satisfy psychological needs. Nevertheless, some people go to work hunger or in need of sleep. Until that person gets a satisfying meal or takes a nap, he or she will not be concerned about finding an outlet on the job for creative impulses.

2. *Safety needs* include actual physical safety, as well as a feeling of being safe from both physical and emotional injury. Many jobs frustrate a person's need for safety (police officer, taxi cab driver). Therefore, many people would be motivated by the prospects of a safe environment. People who do very unsafe things for a living (such as racing-car drivers and tightrope walkers) find thrills and recognition more important than safety. Many people are exceptions to Maslow's need hierarchy.

3. *Social needs* are essentially love or belonging needs. Unlike the two previous levels of needs, they center on a person's interaction with other people. Many people have a strong urge to be part of a group and to be accepted by that group. Peer acceptance is importance in school and on the job. Many people are unhappy with their job unless they have the opportunity to work in close contact with others.

4. *Esteem needs* represent an individual's demands to be seen by others – and to himself or herself – as a person of worth. Esteem needs are also called Ego needs, pointing to the fact that people want to be seen as competent and capable. A job that is seen by yourself and others as being worthwhile provides a good opportunity to satisfy esteem needs.

5. *The self-actualizing need* is the highest level of need and includes the needs for self-fulfillment and personal development. True ***self-actualization*** is an ideal to strive for, rather than something that automatically stems from occupying a challenging position. A self-actualization people is somebody who has become what he or she is capable of becoming. Few of us reach all our potential, even when we are s motivated. Not every self-actualized person is a nationally or internationally prominent individual. A woman of average intelligence who attains an associate's degree and later becomes the owner-operator of an antique store might be self-actualized. Her potential and desire may both have been realized by self-employment as an antique dealer.

The Extent of Need Satisfaction. Not everybody can have as much need satisfaction as he or she wishes. Maslow estimated that the typical adult satisfies about 85 % of physiological needs; 70 % of safety and security needs 50 % of the belongingness, social, and love needs; 40 % of the esteem need; and 10 % of the self-actualization need. There are substantial individual differences in the amount of need satisfaction. Some construction jobs, for example, frustrate both physiological and safety needs. Ordinarily there is much more opportunity for approaching self-actualization when a person occupies a prominent position, such as a top executive or famous athlete. However, a person with low potential could approach self-actualization by occupying a lesser position.

The Need Hierarchy in Perspective. Maslow's need hierarchy is a convenient way of classifying needs and has spurred thousands of people to take the subject of human motivation more seriously. Its primary value has been the fact that it highlights the importance of human needs in a work setting. A practical application of the need hierarchy is that, when a manager wants to motivate a subordinate, he or she must other the individual a reward that will satisfy an important need.

Three frequent misinterpretations of the need hierarchy should be avoided. One is that people behave as they do because of their quest to satisfy one particular need. In reality, many different needs are dominant at any one time. For example, a drafting technician may satisfy a number of needs (including recognition, esteem, and self-satisfaction) by developing a design that works in practice.

A second misinterpretation is to view the need ladder as a rigid one-step-at-a-time procedure. Each level of need does not have to be totally satisfied before a person can be motivated by a higher-level need. A third, and perhaps the most damaging, misinterpretation of the need hierarchy is that it represents all of human needs. To repeat, the ladder represents need categories. As such, they reflect only a sampling of human needs. Other important needs include power, recognition, achievement, and accomplishment.

The Expectancy Theory of Motivation (V. Vroom)

How much effort you expend to accomplish something depends on how much you expect to receive in return, according to ***expectancy theory (ET).*** Currently the most popular theory among business psychologists, ET assumes that people are rational decision makers. Based on mental calculations, they choose from among the alternatives facing them the one that appears to have the biggest personal payoff at the time. A specific example is that most people will choose an occupation they think will bring them the rewards they are seeking, providing they believe tey can overcome the hurdles necessary to get into that occupation. Here we will examine several basic considerations about this cognitive explanation of the why of employee behavior.

Basic components. The expectancy theory of motivation has three major components: expectancy, instrumentality, and valence.

A summary of expectancy theory is presented in Table 3.1.

Table 3.1

Expectancy theory

Person will be motivated under these conditions	A. Expectancy is high: person believes he or she can perform the task
	B. Instrumentality is high: person believes that performance will lead to certain outcomes
	C. Valance is high: person highly values the outcomes

Expectancy is the probability assigned by the individual that effort will lead to performing the task correctly. An important question rational people ask themselves before pooting forth effort to accomplish a task is this: «If I put in all this work, will I really get the job done properly? » Each behavior is associated in the individual's mind with a certain expectancy or hunch of the probability of success. Expectancies range from 0 (no chance at all) to 1.0 (guaranteed success).

Expectancies thus influence whether you will even strive to earn a reward. Self-confident people have high expectancies. And being well trained will increase your subjective hunch that you can perform the task.

Instrumentality is the probability assigned by the individual that performance will lead to certain outcomes or rewards. When people engage in a particular behavior, they do so with the intention of achieving a desired outcome or reward. Instrumentalities also range from 0 to 1.0. If you believe there is no chance of receiving the reward, the assigned probability is zero. If you believe the reward is certain to follow from performing correctly, the assigned probability is 1.0.

For example: «I know for sure that if I show up for work every day this tow-week period, I will receive my paycheck».

Valance is the value, worth, or incentive value of an outcome. In each work situation there are multiple outcomes, each with a valence of its own. For instance, if you make a substantial cost-saving suggestion for your employer, potential outcomes include: cash award, good performance evaluation, promotion, recognition, and status. Most work situations include out-comes with both positive and negative valences. For instance, a promotion may have many positive out-comes, such as more pay and responsibility. Yet it may also have the negative outcomes of less time for family and friends, and being envied by some people.

In the version of expectancy theory presented here, valences range from –100 to +100. A valence of plus 100 means that you strongly desire an outcome. A valence of minus 100 means that you strongly motivated to avoid an outcome, such as being fired from a job. A valence of zero means that you are indifferent toward an outcome. An outcome with a zero valence is therefore of no use as a motivator.

The Calculation of Motivation. Motivation is calculated by multiplying expectancies, instrumentalities, and valences. The relationship is expressed by this formula: ***motivation = expectancy x instrumentality x valence***

An example from career decision making will help explain how this process works. Victor believes strongly that he will be able to complete a program of study in biomedical photography. He thus has a high expectancy, perhaps 0.90. He believes a little less strongly that a biomedical photography program will lead to a high-paying, interesting job. His instrumentality is therefore 0.85. Yet Victor strongly values a potential career in biomedical photography. His valence is 95. When these three factors are multiplied (0.90 x 0.85 x 95 = 73), it becomes apparent that Victor's motivation to pursue biomedical photography will be strong.

The formula just presented helps explain in arithmetic terms why some people engage in activities such as playing a lottery or trying to become an astronaut or a professional athlete, although they recognize that the instrumentality is quite low. The compensating factor is that they place an extraordinary valence on winning. One winning ticket may make you a millionaire, and becoming an astronaut or a professional athlete could provide you with enormous recognition. You would also have the potential for enormous income.

How Motivation and Ability Are Linked to Performance. Another important contribution of Expectancy Theory is that it helps explain how motivation and ability are linked to job performance. As depicted in Figure 3.2, to achieve performance (actual job results), both motivation and ability must be present.

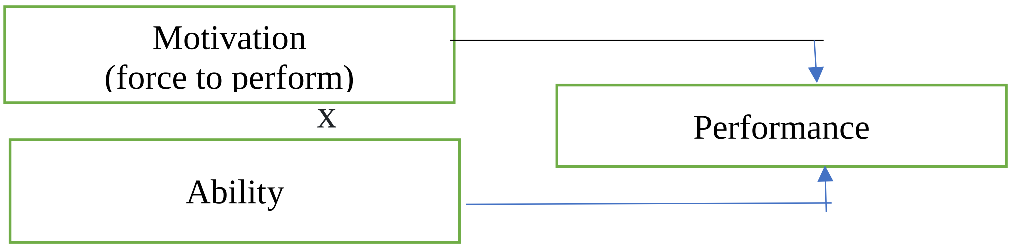


Figure 3.2. How Motivation and Ability Are Linked to Performance

If one is absent, no performance will be possible. It is important to recognize the contribution of ability in bringing about performance, because our culture tends to overdramatize the contribution of motivation to performance. Too many people uncritically accept the statement, «You can achieve anything you want if you try hard enough». In really, a person also needs the proper education, ability, tools, and technology.

Motivation is often the key to attaining good results. Yet at other times, factors other than motivation come into play.

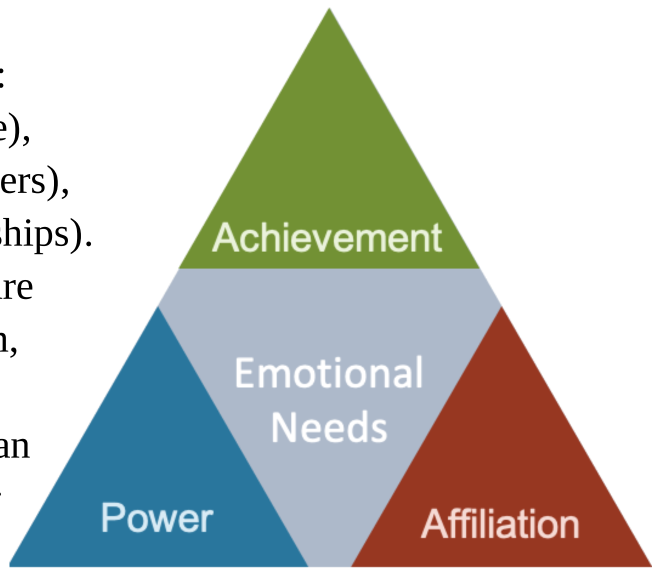
For example, as a member of a work group you might want to be a high producer, but group pressures may keep you from producing much more work than the group standard.

McClelland's Acquired Needs Motivation Theory

David McClelland's motivation theory says that humans have a total of three core types emotional needs, which they acquire as a result of their life journeys. Given that this model focuses on needs, it is considered a content theory of motivation.

The needs the model considers are:

- Achievement (getting things done),
- Power (having influence over others),
- Affiliation (having good relationships).

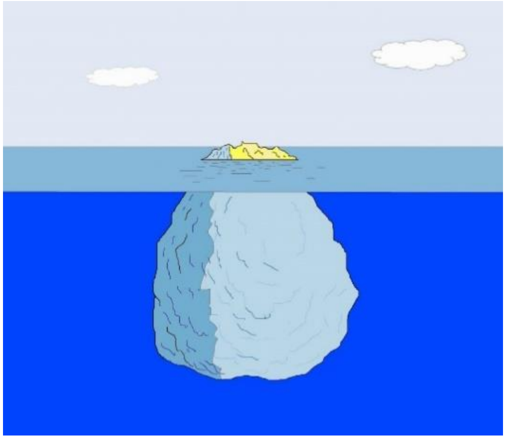


McClelland says that these needs are scalar and everyone has a blend of them, though usually one is dominant.

The blend and strength of an individual's needs shapes their behaviors and motivations in work, and in the wider world. The different needs bring different strengths, weaknesses, preferred ways of working and behavioral risks into the workplace.

Awareness of your own needs can help you improve your own self-awareness, self-management and decision-making. Similarly, knowing the needs of the people you work with (or for) can help you manage them more effectively.

While many people may have a sense of their own needs, most people chose not to fully reveal them to others.



McClelland uses an iceberg analogy to explain people's motivation. What we see of others, the bit above the surface, is based on what they do and includes their knowledge, skills and behaviors. The things that we don't see, the bit below the surface, is their true underlying self. This includes their motives, personality characteristics, values, beliefs and self-opinions. This split of external and internal presentation is very similar to the concept of personality and character ethics. We only see a little bit of who people are, the bit below the surface may be much more complicated…

The Three Emotional Needs

Most individuals have a dominant emotional need. The emotional need which is dominant will help shape an individual's feelings, actions and behaviors. It will also go some way towards shaping their preferences in the working environment. It may also shape their strengths and potential risks as both part of a team or as a leader.

The Need for Achievement

The first need detailed in McClelland's Acquired Needs Motivation Theory is the need for achievement.

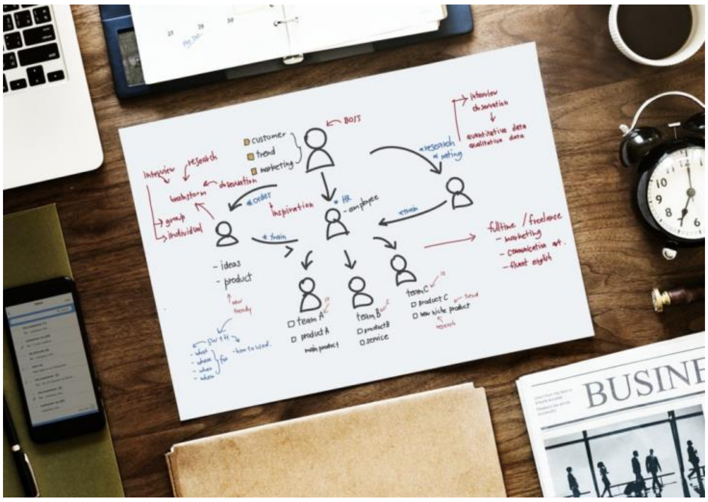
The need for achievement presents itself as an emotional drive towards progressing quickly, delivering tasks, succeeding, attaining high levels of performance and other potentially competitive outcomes. Some people need to overcome challenges and succeed.

Work Preferences. Individuals with a high level of emotional need for achievement want to be constantly overcoming challenging, yet achievable, tasks. They thrive on being slightly stretched and on the feeling of reward they receive when they complete a deliverable.

These individuals have a moderate level of risk tolerance in relation to the work they like to do. They know that if their activities are too risky they may fail and not receive their hit of achievement they desire. However, if they are not risky enough, their achievements won't feel truly rewarding.

Strengths and Risks. Individuals with a high level of emotional need for achievement often have high levels of drive. They can be a great asset to a team when they are being well managed and things are going well. When they are focused, they have the ability to produce a high volume of high-quality outputs. To keep them performing at their best, try to provide them with stimulation. They need challenge, recognition and active management to the ensure the stretch and leadership attention they desire.

When things are not going well, though, these individuals can also feel frustrated. They can become bored or impatient, which can lead to some poorer behaviors. If this happens, overcome it by reengaging them through a new set of challenges and an opportunity to deliver.



As a Leader. Individuals with a high level of emotional need for achievement can be very effective leaders. Their desire for achievement means that they will face into their work and drive their teams towards high volumes of work and a high quality of delivery.

Unfortunately, this drive can also be a bit of an Achilles' heel for these leaders. If they do not check their drive, and effectively manage their own teams, these individuals run the risk of overworking their team members and ultimately losing their follower-ship and support. They also face the risk of personal burn-out. They may need help to give themselves space to recover from the exertions of their work.

The Need for Power. *The second need* detailed in McClelland's Acquired Needs Motivation Theory is the need for power.

The need for power presents itself as an emotional drive towards status, influence, control over others and winning. Individuals with a high need for power desire respect and authority over others. Some people just feel an emotional need to be the boss.

Work Preferences. Individuals with a high level of emotional need for power want to be constantly competing with, directing, managing and exerting influence over others. They thrive on winning in competitions with others and the sense of increased status that winning brings them.

These individuals typically end up with high levels of risk tolerance. Their often highly competitive natures and their need for ever increasing status means they may take ever increasing risks in an effort to increase their status and control.

Strengths and Risks. Individuals with a high level of emotional need for power are often tenacious and resolute, willing and able to make and deliver on difficult decisions, and willing to do what it takes to achieve their goals.

Individuals with a high level of emotional need for power can be a mixed blessing within a team environment. While their needs and desires are aligned to those of the team or organization, their drive for power can be a helpful tool in motivating them, and others around them.

However, it the objectives of an individual with a high emotional need for power become separated from the objectives of an organization, these individuals will usually pursue their own goals, even to the detriment of the organization. It's important for those leading individuals with a high drive for power to align their goals with the organization's goals.

As a Leader. Individuals with a high level of emotional need for power can be very effective leaders in specific situations. Their desire for obtaining and maintaining power and status means they are often willing to make difficult decisions and see-through difficult objectives, where they think these objectives will help their personal power goals.

Clearly though, individuals with a high emotional need for power also bring many risks when they are in leadership positions.

Perhaps the greatest risk associated with these leaders relates to the cultures they create. Leaders with a high emotional need for emotional power often seek loyalty or subservience in others almost above all else. When this happens, organizational cultures become toxic and fearful and organizational performance often reduces.

Another important risk these leaders bring at an organizational level, is the risk of these leaders increasing their own power and status at a cost to the organization. Examples of this type of activity could include inflating team sizes, taking on work from other divisions, undermining other leaders and generally doing whatever it takes to increase their status. In some instances these individuals may see status and power as zero-sum games (which we've yet to write about). This means they may seek to undermine the status and power of others to increase their own status and power.

The Need for Affiliation. *The third need* detailed in McClelland's Acquired Needs Motivation Theory is the need for affiliation.

The need for affiliation presents itself as an emotional drive towards being liked and accepted. Individuals with a high need for affiliation desire having agreeable and collaborative working relationships with others and a harmonious social environment.

Work Preferences. Individuals with a high level of emotional need for affiliation want to be constantly working in an environment where people feel welcomed, included, harmonious and collaborative. They are often socially perceptive and work towards maintaining effective social relationships and creating positive environments.

These individuals typically end up with fairly low levels of risk tolerance. Their desire for social harmony means they don't want to "rock the boat" or take on activities that may upset people or lead to conflict.

Strengths and Risks. Individuals with a high level of emotional need for affiliation can be a real asset for a team. They often focus on pulling people together, creating social links and helping teams form. In addition, they can be motivating, enthusiastic, engaging and drive real team delivery. They are very much at their best when working towards a common and collaborative goal with others.

It's important though from a leadership perspective to help these individuals focus on their deliverables as well as their social relationships and structures. Often these individuals will be willing to reduce the pace or quality of their deliverables if doing so may create more social harmony.

To help these individuals remain at their best, it's important to focus on the culture of the team and to create a collaborative environment. This can be done in part by creating collaborative goals or objectives, by building team relationships through things like team building activities and by seeking to minimize conflict, or at least explain the benefits of conflict to these individuals.

As a Leader. Individuals with a high level of emotional need for affiliation can be very effective leaders in specific situations. Their desire for social harmony and conviviality means they can create inclusive cultures, cohesive teams and a real sense of collaboration and commonality.

Unfortunately, though, individuals with a high emotional need for affiliation run the risk of putting social harmony ahead of progress and delivery. They may not be as objective as other leaders and there is a definite risk that these leaders will focus more on outcomes for their people than for the business.

McClelland's learned needs motivation theory is a simple yet useful way to think about our own drivers at work or the people we work with.

3.2. Ways to motivate yourself and others

Here are the key methods that motivational masters use to motivate themselves and others:

1. Act on your inspiration

Use your best energy for your best results. Turn your ideas into action, and find the quick wins. Quick wins quickly add up, and you’ll find your confidence and competence bloom.

On the flip side, your passion can expire, if you wait too long or miss the window of opportunity. In fact, a common way to kill ideas or momentum is to spread them out over time, or keep pushing them out.

If your passion does expire, one way to rekindle it is to talk to somebody about why you cared about it, and that can often light the fuse again.

2. Ask questions that move the ball forward

Questions are a powerful way to increase your options, and gain leverage.

You can use questions to challenge your views, and to switch to more empowering mindsets.

Ask yourself, «What’s a better way? », «How can I jump that hurdle? », «How can I have fun while doing it? », etc.

3. Be a coach, not a critic

You can be your best coach or your worst critic. Choose. The choice is yours.

You know yourself best, and you know how to beat yourself down, or lift yourself up.

User your inner coach for constructive feedback, and give your inner-critic a break.

The moment you choose to be your best coach, you will see yourself in a new light.

Your potential is showing already.

4. Be a force of one

People throughout time have done amazing things as one-man bands. While there is strength in numbers, and it's a force multiplier, be the catalyst, be the change, and be the producer that makes things happen.

Don't get in your own way, and don't hold yourself back from what's possible.

There is a leadership saying that "Eagles don't fly with the flock". The idea is that a true leader has the confidence to stand alone and the courage to make tough decisions.

5. Be confident and calm

Choose confident and calm over anxious and insecure. Don't run around like a chicken with your head cut off. It's bad energy for you and others.

From the best athletes, to the most successful executives … the confident and calm win the game, and enjoy the ride.

A way to be confident and calm is by creating clarity. Bring a good mental picture into focus of what you want to accomplish. It's also very motivating.

Some things in life are like flipping a switch, and confidence is one of those switches. Make a decision.

Decide to be confident and calm to start your process.

6. Be on fire

While playing foosball, if somebody was playing incredibly well, we would say, they were "on fire." You know when you're on fire. You know what you're like when you're in the zone and you're fully engaged, and you are at you're best.

Sometimes, the easiest way to get back to this mode is to simply remember what it feels like. Here are some questions to help light you up:

When you're at the top of your game, what do you focus on? …

How do you carry yourself? …

How do you move? …

How do you speak? ….

How do you breathe?

7. Be part of the solution

Whatever problem you face there are always two sides to it. As my Mom always told me, «You're part of the problem, or you're part of the solution».

8. Be the change you want to see

You can change yourself faster than you can change other people.

If you want to change the situation, change yourself and notice the ripple effect. Set the bar, and model the path for others to follow.

Leading by example is a powerful way to leverage the principle of "monkey see, monkey do».

And if you find that you can't find your motivation, you have to ask, who is stopping you.

If it's you, that's a wakeup call, to be the change you want to see.

If you blame somebody else, then, again, be the change you want to see… no matter what.

9. Be YOUR best

Compete with yourself and make it a game. One way to motivate yourself to new heights is to give things YOUR best shot.

When you reach a new personal best and breakthrough barrier, you continuously create and push your mental model further of what's possible.

10. Bend the rules to bring out your best

If you set the rules, you win the game. If you focus on outcomes, then you gain a lot of flexibility in how you get there.

Part of winning in life and feeling good is playing your cards in a way that works for you.

This requires self-awareness and reflection. Challenge yourself to play your hand better and to play with a full deck of possibility.

11. Build momentum

Get some momentum going, even the small wins count (if you count them.)

The trick is the more you count your wins, the more you'll have, the more you have the better you'll feel, the better you feel, the better you will do … it's a cycle.

12. Surround yourself with people that inspire and delight you

Robin Hood knew the journey of life was better with his pals that watched his back.

That's why he built his "band of merry men".

Surround yourself with the people that inspire and delight you, wherever you go.

And a great way to do that is to look for people that complement your strengths, and help with things that you might not be that great at.

13. Build your inner strength

When you hit a setback, don't dwell. Brush it off. Pick yourself up, dust yourself off, and continue onward and upward. Hold the scenes in your mind that remind you that you're a force to be reckoned with and you won't go down without a fight.

14. Change the frame, to change your game

Problems aren't problems when you reframe them as challenges. Challenges are opportunities for growth, excellence, and your personal best.

One way to always win in a situation is to challenge yourself with this question:

"If this situation never were to change, what's the one quality you need to make the most of it? "Use your growth as a springboard to new heights and a catalyst for change.

15. Change the story you tell yourself

The stories we tell ourselves inspire us or bring us to our knees. Unleash your inner story-teller and tell yourself better stories.

Tell yourself stories of hope, inspiration, and strength.

Tell yourself stories of confidence, competence, and compassion.

Write a new ending, write a new chapter, and write your story forward, a day at a time, a moment at a time. Be your hero.

16. Change your approach

If it's not working, change your approach. Nothing burns you out like solving the same problem over and over, or not making progress on a problem.

Sometimes the best way to change your approach is to do the opposite.

Whatever you would normally do, find a way to do the opposite.

Another approach is to ask a friend or someone you know what they would do. The answers might surprise you. But if you actually try what other people suggest, you might be even more surprised at your results.

17. Change your state

If you've ever had a case of the Mondays or if you're not a morning person, or if you woke up on the wrong side of the bed, you know what it's like to be in a less effective state.

Our motivation runs strong when we're in a better emotional state.

One of the fastest ways to change your state is to play your favorite music or to lose yourself in your favorite hobby or remind yourself of a favorite story, or read inspiring words that tap your inner strengths and unleash a better version of yourself.

18. Change your thoughts to change your feelings

Choose thoughts that serve you when you reach your goal, you are successful. I believe that the best way to do this is to fill your mind with the wisdom of the ages and the sages of today.

There are so many great quotes on any given topic. The challenge is to find them. Another challenge is to actually install them in your mind, so they are there at your mental finger tips.

I like having lots of quotes at my fingertips to help remind me of better ways to be, better ways to think, and better ways to feel.

Confucius said better than me:

«Everything has beauty, but not everyone sees it».

«It does not matter how slowly you go so long as you do not stop».

«To see what is right, and not to do it, is want of courage or of principle».

«Respect yourself and others will respect you».

«The will to win, the desire to succeed, the urge to reach your full potential... these are the keys that will unlock the door to personal excellence».

19. Chart your progress

If you want to motivate, find a way to keep the score. Progress is the top motivator of performance. Even incremental progress boosts motivation.

In a study that tracked activities, emotions, and motivation level of hundreds of knowledge workers in a variety of settings, they discovered that progress is the key to motivation:

«On days when workers have the sense they're making headway in their jobs, or when they receive support that helps them overcome obstacles, their emotions are most positive and their drive to succeed is at its peak. On days when they feel they are spinning their wheels or encountering roadblocks to meaningful accomplishment, their moods and motivation are lowest».

Topic 4. Individual Differences and Work Behavior

4.1. The mirror image fallacy.
4.2. Diversity and Inclusion
4.3. Individual values and attitudes. Personality
4.4. Selection and placement of Personnel

4.1. The Mirror Image Fallacy

Mirror image fallacy. The wise man shows his wisdom in separation, in gradation, and his scale of creatures and of merits is as wide as nature. The foolish have no range in their scale, but suppose that every man is as every other man.

The false belief that all people are alike or that others share one's own abilities, beliefs, motives, or predispositions.

In fact, many people have a persistent tendency to assume that people are basically alike. This belief that the whole works is "just like me," called the mirror image fallacy, is attractive because it makes the world seem much easier to manage.

For example, if an owner of a firm believes that everyone in her company shares her abilities, interests, beliefs and values, she will consider it an easy task to organize and encourage her employees to pursue a common goal. Because the mirror image fallacy is a fallacy, however, she will soon find that the myriad differences among the people she employs will make her task far from easy.

As we will see, when the mirror image belief is allowed expression in the real world of management it can become very dangerous. First and foremost, it often leads people to make incorrect diagnoses, attributing to other factors many problems that are in fact due to individual differences.

For example, if two people do not seem to be getting along, a manager who holds the mirror image belief may assume that some misperception or miscommunication has caused the problem and that clearing the communication channel will solve the problem. Often, however, each person in a conflict has a very clear picture of the other's position but simply has different values and interests. Just making it easier for two such people to communicate would have little problem-solving potential, and could even inflame matters. For example, in

1988, when Geraldo Rivera tried do bring members to Congress of Racial Equality together with the Skinheads of the National Resistance and other extremist groups, a melee ensured in which Rivera's nose was broken.

The mirror image fallacy can also cause a failure to anticipate problems.

For example. The people responsible for the security of the marine barracks in Lebanon that was hit by a devastating terrorist bomb in 1983 plainly admitted that there was no provision for defending against that type of attack. The thought of such a suicidal mission was so utterly foreign to Western decisionmakers that it was unforeseen.

Foreign competition has heightened this need to anticipate problems. Clearly, Toyota executives are not assuming that all American workers are alike or that American workers are alike Japanese workers.

To realize the full potential of a labor force, managers must ensure that the right people are in the right places. The person who is best for one job will not necessarily be best for another.

The increasing complexity of the world around us has forced businesses to make a greater effort to assess the unique abilities and personality characteristics needed to fill today's specialized job. Needless to say, matching the right people to the right jobs takes time, and it is difficult for firms that don't spend this time to compete with firms that do. Competition becomes extremely keen when firms share the same labor pool: same firms take the best employees, and others must make do with what's left.

4.2. Diversity and inclusion

Diversity and inclusion are a major part of any organization's success. The ability of an organization to recognize, value, and respect individuality, and furthermore, make use of the different perspectives made possible by embracing diversity, to encourage employees to participate in the opportunities and decision-making activities in the organization, help foster a culture of inclusion in an organization. An organization that values inclusion and diversity has a better understanding of its customers thus enabling it to represent the community in which it does its business. Such an organization also can enhance its effectiveness in terms of organizations, and it can fully capitalize on the talents that the diverse workforce provides (Byrd and Scott 2014).

Individual differences in the workplace matter as each individual brings a number of differences to work, such as different values, uniqueness in personality, emotions, and moods. On the occasion a new employee enters an organization, their stable and transient characteristics will affect how this particular employee performs and behaves in the workplace. Additionally, companies hire individuals on the belief that these people possess certain values, skills, personalities, and abilities. It is, therefore, important to comprehend particular characteristics that matter for employee behaviors at work.

Diversity. More and more organizations are rapidly discovering that increasing the diversity at the workplace is an advantage. An increase in diversity results in such benefits as improved performance, increased number of satisfied customers, and an even more satisfied workforce.

A truly diverse workforce includes, and treats equally, men, women, individuals with different ethnic backgrounds, the young and the old, the physically challenged and other groups of people who differ from the dominant group (Block, Aumann, and Chelin 2012). Diversity often results in greater staffing ability, an increased understanding of the various customers' needs, and better decision-making. Managers who appreciate the distinctiveness of each employee have the ability to form collaborative interactions among individuals with diverse abilities, skills expectations, aspirations, and experiences.

Different employees bring important and different perspectives that can assist the companies to gain a competitive edge.

Diversification of the workforce allows for the reduction of the stereotype mentality in the society. It also helps to promote workers on the basis of their abilities and demonstrated competence. A diverse management is also advantageous as the manager or managers can relate to the problems and issues of his fellow race (Pinkett, Robinson and Patterson 2010). Manager has a better understanding of their background and is in a perfect position to assist them with any compilations they may have in the workplace.

4.3. Individual Values and Attitudes. Personality

Individual Values and Attitudes. An individual's attitudes and values develop over an extended period commencing from early childhood. Values and attitudes are associated with personality traits and thus have an influence on an employee's behavior at the workplace. By comprehensively understanding the values and beliefs of his or her employees, a manager is in a better position to diagnose underlying reasons for workplace problems more effectively (Robbins and Judge 2010 p.200). These value and attitudes can further help in coming up with appropriate solutions to such problems.

Values can be referred to as the fundamental principles and ideology that help guide a person's behaviors, beliefs, and attitudes. Values are most often stable characteristics that are developed throughout one's childhood. Values are more evident in non-work and work settings throughout one's adult life. Beliefs about money, the importance of work, social interactions, and other characteristics of one's network and work life are influenced by one's values. The two most important types of values are core values, which are easily susceptible to changes as compared to peripheral values that are less likely to change. Knowing the distinction between these two types of values is paramount for every manager. A manager needs to realize and understand that it is extremely difficult to change a worker's core values through training or other forms of intervention. However, core values can be altered by family members or friends (Ball 2012). Proper identification of core values and their impact on an individual's behavior on work conditions goes a long way in helping managers place workers in appropriate situations.

Attitude, on the other hand, can be defined as an individual's propensity to consistently respond to various characteristics of people objects or situations. One's attitude can be deduced from one's statements about their feelings and beliefs. We can further understand one's attitude from how they react in different situations, how they do perform different activities and from how they speak and conduct themselves in various settings (Gordon 2002 p.80). A perfect example would be in a case of determining individuals job satisfaction levels by providing a description of their job and how they perceive it and by further examining their demeanor on the job.

A diverse workforce has no doubt varying attitudes. A proper and accurate description and diagnosis of the different attitudes in the workplace is crucial. Only then can a manager understand how these attitudes will affect behavior on specific work conditions in the workplace. After accomplishing this, a manager can then determine whether to prescribe ways to change the attitudes of the employees or change the work situation in order to come up with the optimal productive outcomes (Robbins and Judge 2013). An organization with different attitudes has an effect on the competitive nature of the workplace. Although attitudes do not create competition, they play a crucial role in enhancing the competitive environment. A positive attitude in the workplace encourages the spirit of healthy competition, which is good for the overall productivity of the company.

Negative attitudes in the workplace can, however, spell doom for an organization. Employees who perceive that the company does not share their values, beliefs and attitudes will be dissatisfied as the company is in no way assisting in helping the employee achieve his or her goals. The employee will thus perceive that the company is blocking their pursuit to accomplishing their objectives. In order to avoid this, a manager has to make sure that he provides an environment that will accommodate flexibility to balance the employees' personal and professional responsibilities. Researcher and professional have thus paid more attention to job satisfaction as it affects an employee's performance and commitment to the job. This is despite the fact that a more sophisticated relationship between productivity, turnover, commitment, and satisfaction may exist.

Personality. Workers can be described according to other personal characteristics other than their race, gender and age. A person's particular personality has a significant influence on one's job performance. Personality can be defined as a set of distinctive individual traits that consist of one's motives, competencies, attitudes, interests, values, and emotions. Personality types are often as a result of influence from one's family, cultural social and the hereditary environment. Personality in turn affects how an individual acts in different situations, how one set goals for himself or herself and how you rely on various relationships to accomplish set out goals.

One's personality can be defined as the relative stable behavioral patterns, feelings, and thoughts that an individual possesses. One's personality is the differentiating factor, that is to say, our characters help in distinguishing one person from another. A good understanding of an individual's personality will give an idea as to how a particular person will act under different circumstances. An understanding of the various employees' personalities is crucial to the effective management of the organization behavior. A manager with the ability to comprehend and manage these different characters has an added advantage in that he or she can quickly and efficiently place the right person in the right job and organization (Wagner and Hollenbeck 2010). The personality types of the top executives also play a significant role in the company. For example, managers who are of the opinion that no one in the company can be trusted are usually secretive and executives who have the need to control every aspect of the company's operations create an environment that heavily relies on formal controls and direct supervision to achieve the organization's objectives.

Managers can utilize information collected from the various instruments used to assess people personalities as part of the pre-employment screening or promotional decisions in the existing workforce. The different personality traits give a manager the power to determine the perfect candidate for the opportunities the organization has to offer (Taraman 2010). This reduces the risks of hiring an individual only to find out, when it is already too late that, although his or her qualifications are exemplary, his or her personality characteristics are not suited for the position he or she is currently in. This kind of confusion and wrong placement can cost the company crucial resources such as time and money.

Various personality tests are utilized to help determine the best position for each employee. Studies show that most companies are making use of personality test to screen their employees. Most companies have been known to make use of the 50-adjective Predictive Index to assist in determining the most appropriate work for current and future potential employees. Other forms of tests help determine the confidence, creativity, and aggressiveness of potential salespersons. The differences in personality types and the different personality type tests at their disposal help managers determine whether an employee is a team player, whether an employee has the drive required to succeed, whether a particular employee is compatible with the rest of the workforce and finally determine whether an employee has positive feelings of self-worth. After determining this, the manager can then proceed to adjust the work conditions to match better with her different worker's personalities thus ensuring better outcomes.

Managers can find it beneficial to know how certain dimensions of one's personality traits might influence employee behavior. An excellent description and analysis of a person's character can give light to some issues that managers should consider in managing that employee (Paludi 2012 p.158). Some of the different personality traits and attributes that managers should take into account in management are internalizes, who feel that they have full control of their actions and live and externalizers, who believe other people, are in control of their lives. Another classification is Type A individuals, who are highly competitive, always in a rush, are quick to anger, and are always performing task hurriedly as compared to their counterparts, Type B individuals, who are more relaxed, take things one at a time and have no trouble expressing their feelings.

Information on whether a particular employee is an introvert or an extrovert can aid manager assess how their employees gather information, evaluate alternatives and makes decisions. People can be classified as either introverted, characterized by being shy, extroverted, characterized by being outgoing and thriving at social functions. These two groups of people can further be subdivided on the basis of how the acquire information. For instance, through sensing, relying heavily on sensory organs to make decisions and intuition, relying more on the feeling one has towards a particular situation. Sensing personalities tend to use thinking as the ultimate tool to come to conclusions as compared to the intuition counterparts who rely more on the feelings to make decisions.

These various types of personality types are crucial for the development and competitiveness of an organization. An organization with a workforce that has all the different types of personality traits and attributes has is leaps and bounds ahead of any organization that has not embraced this kind of diversity. This kind of diversity help managers thinks of employees along the different dimensions of personality traits and attributes. Such categorization of the different personality traits assists managers comprehends their employees' actions, helps them match employees to their appropriate jobs and helps them explain the different perceptions of various situations in employees.

The different personality traits are also advantageous for managers as they can evaluate themselves and determine whether they are more suited for conflict resolution, risk taking or task performance. Once this is determined, a manager is in a better position to delegate those functions that he is not better suited for. In the long run, this will improve the company's productivity (Neala, Spencer, and Wilson 2011). The effectiveness of a manager carrying out his duties and his interactions with his workforce are dependent on both his personality type and the personality types of his employees. A possible disadvantage of the different personality traits and attributes in the workplace is that a manager may not understand the behaviors of his workforce. This can be because the manager has differing traits from his employees. A situation made worse by the fact that the particular manager is not inclined to understand the different characteristics and attribute that his employees possess.

However, this is an unlikely event as most companies nowadays are offering diversity training, programs and activities that aim to highlight the differences in personality traits and attributes in the worker and also offer strategies on how to handle the different personality types in the workplace. This kind of training is helping managers value and understand individual differences in personality types and assists them acquire strong diagnostic skills.

Conclusion. As more companies go on with the search for new ways to enhance their bottom line and ensure that their employees maintain and increase their performance and do not venture into other businesses, such issues as diversity, embracing individual differences in the workplace and emphasizing in the personal growth of the employees have become major components of management. Some of the steps that various organization are taking to manage diversity and individual differences are by isolating diversity initiatives from the traditional management activities. They accomplish this by encouraging and facilitating short seminars on diversity for their employees. This helps to nurture the spirit of promoting diversity in the workplace. Managers are also formalizing diversity initiatives without integrating them with the core management practices by forming intercultural exchange programs and finally by liking the diversity initiatives to the already existing core activities and management systems (Wood and Landry 2008).

Individual differences are a major part of a company's success. Top management, therefore, needs to put in place policies that encourage diversity. Managers who practice diversity in their hiring, developing and promoting minority groups, may it be women older workers or minority race, need to be recognized and rewarded for their actions. Support programs to foster individual differences are the next logical step to ensure a company's competitive and innovative nature. These programs will help the workers to acclimatize to other workers who do not belong to a dominant group. Lastly, managers should conduct diversity training while providing structures that support diversity.

4.4. Selection and Placement

Organizations that take advantage of individual differences do so through either selection or placement.

Selection is the process of choosing some applications and rejecting others. It controls individual differences by determining who enters the organization.

Placement is the process of assigning individuals who have been select to jobs.

The distinction of these two processes is quite important. First, organizations in tight labor markets – that is. Where there are few applicants for many positions

– may not be able to reject many applicants. The only way to take advantage of individual differences.

Second although selection decisions provide competitive advantages to individual companies, accurate selection does not necessarily help the economy is a whole. That is, unless there is widespread unemployment, even the poorest applicants will be select by some firm, and their lack of productivity will be reflected in the general economy. On the other hand, if effective placement would allow these individuals to be placed in jobs they could do well, the overall health of the economy would improve.

Topic 5. Satisfaction and Stress at Work

5.1. Defining Satisfaction and Stress. Key Components

5.2. Sources of Dissatisfaction and Stress

5.3. Eliminating and Coping with Dissatisfaction and Stress

5.4. Happiness, Well-being, Job Satisfaction and Coping with Stress (M. Seligman, M. Csikszentmihalyi)

5.1. Defining Satisfaction and Stress. Key Components

Satisfaction and Stress are closely related but separate concepts. We will show what they have in common as well as what is unique to each.

Job Satisfaction is the perception that one's job enables one to fulfill important job values.

Job Satisfaction is a pleasurable feeling that «result from the perception that one's job fulfills or allows for the fulfillment of one's important job values». There is a considerable amount of research on the topic.

Key Components. There are three key components of definition of job satisfaction: 1) values, 2) importance of values, and 3) perception.

First, job satisfaction is a function of values. In his 1976 review, Locke defined ***values*** as «what a person consciously of unconsciously desires to obtain». Locke, however, distinguished between values and needs. Needs, he said, are best thought of as «objective requirements» of the body tat are essential for maintaining life, such as the needs for oxygen and for water. Values, on the other hand, are «subjective requirements» that exist in the person's mind. Needs are innate, and all people have the same needs. People learn values, however, and thus their values 88differ widely. As you can see, Locke's values include many of the higher-order needs we discussed in Topic 3, such as the need for self-actualization.

The second important component of our job satisfaction is ***importance***. People differ not only in the values they hold but, in the importance, they place on those values, and these differences are critical in determining the degree of their job satisfaction. One person may value job security above all else. Another may be most concerned with the opportunity to travel. Yet another person may be most interested in doing work that is fun or that helps others.

The last important component of our definition of job satisfaction is job satisfaction is ***perception*.** Satisfaction is based on our perception of the present situation and our values. That is, will the job help me obtain what I want? Remember that perceptions may not be completely accurate reflections of objective reality. When they are not, we must look at the person's perception of the situation – not the actual situation – to understand his reactions.

Thus, the three components of values, importance, and perception help us define job satisfaction. A person will be satisfied with a job when her *perception* of that the job others exceeds her values, and the more *important* those values are to her the more intense her satisfaction will be.

Conceptualizing job satisfaction in terms of the value-perception-importance triad reveals the many different ways that people can become satisfied or dissatisfied with wok.

The term «stress» is widely used and has various meanings for hearing. Indeed, researchers have lamented the inaccuracy with which the term is used. We will accept the following definition of «stress».

Stress is an unpleasant emotional state resulting from the perception that a situational demand one feels it is important to meet exceed one's capacity. As in the case of satisfaction, we will find it easier to understand the nature of strass if we break this definition into three key components. We'll look first at perception of the demand, then at importance, and finally at perception of one's capacity.

The first component, ***perception of the demand***, emphasizes that stress involves the interaction between the person and his environment. It is the person's perception that something is happening «out there», not objective reality, that creates the potential for stress. For example, unfounded rumors about a factory closing will create stress, even though no real threat exists. On the other hand, if management actually is planning to close a factory but keeps its meetings to discuss its plan secret, workers will experience no stress.

The second component, *importanc*e, is critical for the same reason it is critical to our definition of satisfaction. Unless a demand threatens some important value, it will not cause stress. The rumored plant closing may not create stress for a worker who is about to retire in two weeks. Interestingly, a demand need nor be perceived as negative as to create stress. Stress can also be associated with demands that have positive consequences. This kind of stress is sometimes referred to as eustress.

Eustress is a special kind of stress that occurs when a person is faced with an opportunity.

Finally, the third component, perception of one's capacity to meet the demand, highlights the notion that the person must interpret the demand in terms of his perceived ability to handle it. Clearly, if a person perceives that he can cope easily with a demand, he feels no stress. But what if the person is overwhelmed by the demand, seeing no possible chance that he can meet it? If we assume that his stress, will be very high we will be wrong. Research shows that stress is actually highest when the perceived difficulty of the demand closely matches the person's perceived capacity to meet the demand. The reason is that as the difficulty level and the ability level get closer and closer, the outcome becomes increasingly uncertain. It is this uncertainty that creates the stress, not the fear of a negative outcome.

5.2. Sources of Dissatisfaction and Stress

There are many areas within organizations from which dissatisfaction and stress can arise. Behavior in organizations can be through of as the interaction of three separate systems. First, there is the ***physical and technological environment*** in which behavior takes place. Second, there is the ***social environment***, or interpersonal relations among organizational members. Third, there is the ***person*** whose behaviors and reactions are of interest to us.

Dissatisfaction and stress can originate in any of these three systems but more commonly arise in the overlapping areas. The ***behavior setting***, where the physical and social environments overlap, are the physical surrounding as they affect workers. Hence, they deal with factors such as crowding or privacy. In the ***organizations tasks*** person and physical environment come together. The task is simply what the person's job is, that is, his formal function in carrying out the organization's mission. Finally, the organization role, which involves an interaction between the person and the social environment, includes the behavioral expectations that other people in the organization have for the person. These expectations include not only the things specified in the organization's formal definition of the job but many things that are not.

For example, a production supervisor's subordinates may come to expect her consistently to show an interest in their families and to advise them on personal problems, even though the supervisor's job description requires her only to deal with problems that arise on the job. Expectations for role behaviors develop gradually. They are subject to negotiation between the person and other organization members who have a stake in how the person performs the job. With this discussion as our framework, let us look more closely at each of the six areas where dissatisfaction and stress can originate.

Physical-Technological Environment. Although the Hawthorne research discussed in Topic ... had the effect of moving investigators away from studying the physical environment, we have documented evidence that some physical factors can engender negative emotional reactions in workers.

For example, students have shown that ***extremes in temperatures*** can affect job attitudes as well as performance and decision making. Research has also shown that there are different optimal ***lighting requirements*** for different tasks, and perceived darkness has been found to correlate significantly with job dissatisfaction.

Social Environment. Two primary sets of people in the organization serve as potential sources of satisfaction or frustration for the employee; supervisors and coworkers. There are two major ways in which these people can engender positive or negative reactions in a worker. First, the employee may be satisfied which her supervisor or coworkers because these people help her attain some valued outcome. This attitude is referred to as ***functional attraction***.

On the other hand, a person may also be attracted to others because their values, attitudes, or philosophy are fundamentally similar to his. This attraction is referred to as ***entity attraction***. The fact people can make such a distinction is evident when people say they like their manager as a supervisor but not as a person. The greatest degree of satisfaction with supervisors and coworkers will be found where both kinds of attraction are at work. Thus, many organizations try to fester a culture of shared values among employees. We will discuss organizational culture in Topic … For now we will simply note that although generating a strong unitary culture throughout an entire organization is difficult, significant increases in satisfaction can be achieved even if only direct supervisors and subordinates come to share some values. Managers must take care, however, lest workers think that management is encouraging the development of entity attraction among a firm's employees simply because it wants something from them.

Social support is the active provision to a person, by other people in her environment, of sympathy and caring. Social support from supervisor and coworkers can buffer employees from stress. The present of people who are supportive can lower the incidence of stress-related symptoms under conditions of high stress. Evidence for this effect has come largely from research in medical contexts that shows that recovery and rehabilitation from illness proceed better when the patient is surrounded by caring friends and family.

The concept of buffering, however, is somewhat controversial. For example, although one organizational behavior study showed that student nurses who received social support were much better able to perform their jobs in the face of stress than nurses who received little support, a second study found just the opposite. In the latter study, social support actually made the effects of some stressors more powerful.

For example, nurses who had strong social support actually found role conflict more stressful than did nurses who lacked social support. This could have been because the nurses families, friends, and other supporters placed additional role-related demands on them. A third study, this time of workers in the construction industry, found that social support had little effect on stress one way or the other. Despite the conflicting evidence regarding social support as a buffer, one important thing on which all three studies agreed is that social support is an independent predictor of stress and dissatisfaction.

That is, holding type of stressor constant, people receiving support were less stressed and dissatisfied. social support may be a good thing in and of itself, but it may not be the remedy for stress.

Behavior Settings. At the intersection of physical and social environments is the behavior setting. Two important and interrelated aspects of the behavior setting are social density and privacy. ***Social density*** is a measure of crowding. It is calculated by dividing the number of people in a given are by the number of square feet in that area. ***Privacy***, on the other hand, is the freedom to work without either observation by others or unnecessary interruption. Research with clerical workers has shown that job satisfaction decreases as social density increases. Moreover, social density is a particular problem when it is compounded by lack of privacy, as when workers stations are not enclosed by walls or partitions. Research by Greg Oldham and Yitzhak Fried found that neither crowding nor lack of partitions alone predicted turnover in university office staff, but when workers were both crowded and without privacy, turnover was exceptionally high.

These finding have significant implications for organizations with ***open-office plans***. In the late 1960s, open-office plans enjoyed enormous popularity among design professionals in Western countries. The open-office plans are characterized by an absence of the interior walls and partitions that more conventional designs used to define private work spaces. Typically, in open-office plans, all office personnel, from clerks to managers, are located in one large open space. Advocates of this approach hoped that open designs would increase communication and thus improve work efficiency and lower operating costs.

Research on open-office designs suggests that these hopes have gone largely unrealized, primarily because of problems with crowding and lack of privacy. Firms that have moved away from open offices and have returned to more conventional designs have increased work satisfaction either by giving workers more space and thus decreasing social density or by installing partitions and thus providing real privacy. Moreover, crowding and privacy are not the sole issues. Other research shows that the egalitarian nature of open offices leads some employees, particularly managerial and professional staff, to resent the loss of perceived status attached to having a private office.

The Person. Because stress, frustration and dissatisfaction ultimately reside within a person, it is not surprising that many who have studied these outcomes have focused on individual difference variables. The tern ***negative affectivity***, for example, describes a dimension of subjective distress that includes such unpleasant mood state as anger, contempt, disgust, guilt, fear, and nervousness.

People who are generally high in negative affectivity tend to focus on both their own negative qualities and those of others people. Such people are also more likely to experience significantly higher levels of distress than are individuals who are low on this dimension. Being familiar with the concept of negative affectivity is important for two reasons. First, this notion highlights the fact that some people bring stress, frustration and dissatisfaction with them to work. Such people may be relatively dissatisfied regardless of what steps are taken by the organization or the manager.

For example, research by Barry Staw and his colleagues showed that degree of negative affectivity in early adolescence predicted overall job satisfaction in adulthood. These investigations also found significant correlations between work attitudes measured over a five-year period even when workers changed employers or occupations. This too points to an underlying personal predisposition to negative affectivity.

Second, negative affectivity influences both a person's perception of a situation and her perception of her level of stress. Thus, one needs to be cautious in interpreting the relation between situation and stress when both factors are measured by the employee's perceptions. A study by Arthur Brief and his colleagues found that what appeared to be a strong relationship between job stress and health complaints, was in reality quite weak. Negative affectivity caused both the perceptions of being stressed and the health complaints, thus inflating the stressor-health complaint relationship.

Organizational Tasks. In spite of the influence of dispositional levels, nothing predicts a person's level of satisfaction or stress better than the nature of her job.

Table 5.1 shows a list of some of the most and least stressful jobs. Innumerable aspects of tasks have been linked to dissatisfaction and stress. Moreover, as you will see in Topic …, some elaborate theories relating task characteristics to worker reactions have been formulated and extensively tested. In general, the key factors that determine satisfaction and stress are task complexity, physical strain, and task meaningfulness.

Table 5.1

Jobs Characterized as High and Low in Stress

High-Stress Job	**Low-Stress Jobs**
Manager Foreman Nurse Waitress Air traffic controller	Farm laborer Craft worker Stock handler College professor Heavy-equipment operator

Organizational Roles. As you can see, the organizational role occurs at the intersection of the social environment and the person. The person's role in the organization can be defined as the total set of expected behaviors that both the person and other people who make up the social environment have for the role incumbent. These behaviors include all the formal aspects of the job as well as the expectations of coworkers, supervisors, clients, or customers. These expectations have a great impact on how the person responds to the work.

Three of the most researched aspects of roles are: 1) role ambiguity, 2) role conflict, and 3) role scope.

Role ambiguity refers to the level of uncertainty or lack of clarity surrounding expectations about the person's role in the organization. It is an indication that the person in the role does not have enough information about what is expected of her. What should she do? How should she do it? Role ambiguity can also stem from a lack of information about the rewards for performing well and the punishments for failing to do the right thing or for doing things the wrong way.

For example, imagine that you were in a class where an instructor assigned a term paper but neglected to tell you: 1) what topics were pertinent, 2) how long the paper should be, 3) when it was due, 4) how it would be evaluated, and 5) how much it was worth toward the final course grade. Would you feel stress under this circumstance?

Role conflict is the recognition of incompatible or contradictory demands that face the person who occupies the role. Role conflict can occur in many different forms. *Intersender role conflict* occurs when two or more people in the social environment convey mutually exclusive expectations.

For example, a middle manager may find that upper management wants severe reprimands for worker absenteeism but that the workers themselves expect consideration of their needs and personal problems.

Intrasender role conflict occurs when one person in the social environment holds two competing expectations. A research assistant for a magazine editor may be asked to write a brief but detailed summary of a complex and lengthy article from another source. In trying to accomplish this task, the assistant may experience considerable distress over what to include and what to leave out of the summary.

A third form of role conflict is called *interrole conflict*. Most of as occupy multiply roles, and the expectations for our different roles may conflict. A parent who has a business trip scheduled during his daughter's first piano recital will feel torn between the demands of two roles.

Finally, person-role conflict arises when the role occupant's own expectations for the role conflict with the expectations of others in her role set.

For example, a new college instructor who values research but is told to disregard this aspect of his job and to concentrate solely on teaching might experience this type of conflict. Sometimes organizations can avoid such conflict through selection procedures. In fact, some colleges recruit only professors who have little interest in research, actively discouraging research activity.

Role scope refers to the absolute number of expectations that exist for the person occupying the role. In role overload, too many expectations or demands are placed on the role occupant, and in role underload we have the opposite problem. Because researchers have focused primarily on jobs with high role scope, they have tended to look at the negative consequences of jobs that are too challenging. Jobs that are too high in role scope also demand a tremendous amount of time from incumbents.

5.3. Eliminating and Coping with Dissatisfaction and Stress

Given the huge direct and indirect costs associated with dissatisfaction and stress in organizations, it is not surprising that a great many ways to deal with stress have been proposed. The 12 specific approaches we discuss are organized according to whether they attempt to eliminate stress and dissatisfaction at the source or merely deal with the physiological and behavioral symptoms associated with stress. Clearly, interventions aimed at the source are preferable to those aimed only at the symptoms. Because it is not always possible to eliminate stressors, however, research on symptom-based approaches is valuable. Figure 5.1 shows the 12 interventions associated with the stages of the overall dissatisfaction-stress model that constitute their targets: primary appraisal, secondary appraisal, stress, fight flight, and benign reappraisal.

Targeting the Primary Appraisal. Organizational interventions that aim at the primary appraisal focus on the stressors themselves. These methods attempt to change characteristics of either tasks or roles.

Job enrichment. Because the nature of the task is such a strong influence on dissatisfaction and stress, some of the most effective means of reducing negative reactions to work focus on the task. *Job enrichment* methods include many techniques designed to and complexity and meaning to a person's work.

As the term *enrichment* suggests, this kind of intervention is directed at jobs that are boring because of their repetitive nature or low scope. Although enrichment is not universally successful in bringing about improved employee reactions to work, it can be very useful.

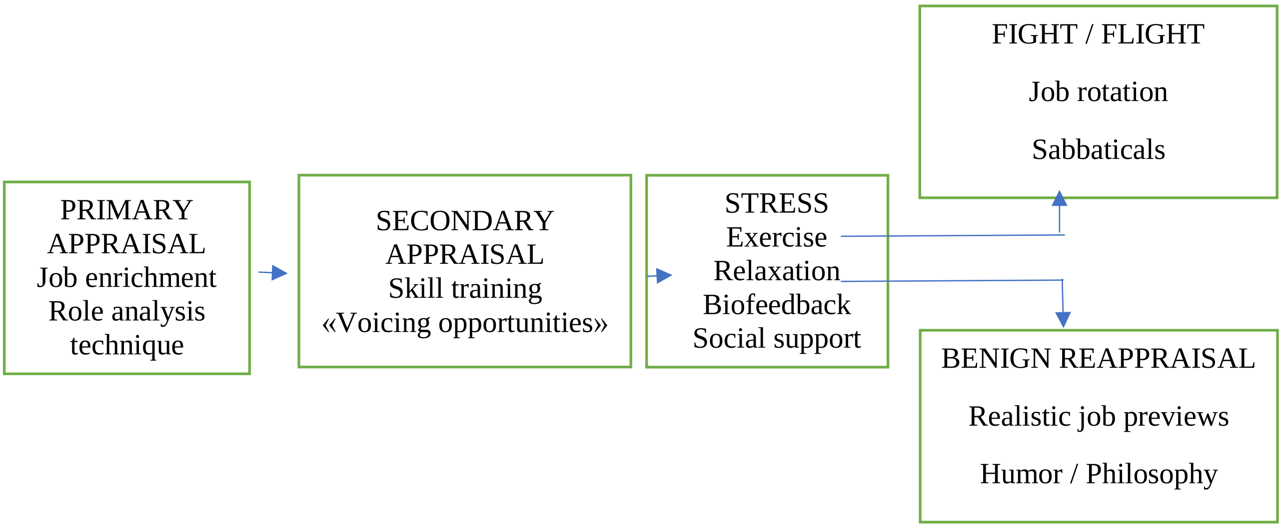


Figure 5.1. Stress-Reduction Interventions that Target Stages of the Cognitive Appraisal Theory of Emotion

Role Analysis Technique. Role problems rank right behind job problems in creating distress. *Role Analysis Technique* is designed to clarity role expectations for a jobholder by improving communication between her and her *role set*, or the supervisors, coworkers, subordinates, and other employees with whom she interacts regularly.

In role analysis, both jobholder and role set members are asked to write down their expectations. These people are then gathered together to review their lists. All expectations are written down so that ambiguities can be removed and conflicts identified. Where there are conflicts, the group a a whole tries to decide how these conflicts should be resolved. When this kind of analysis is done through out an organization, instances of overload and underload may be discovered, and role requirements may be traded off, so that more-balanced roles can be developed. Compered to job enrichment, there has not been a great deal of research on role analysis. What little research there is suggests that this technique may be a useful means for reducing role pressures.

Targeting the Secondary Appraisal. Interventions that target the secondary appraisal aim at teaching the person how to cope with the demands that are creating the stress or dissatisfaction.

Skills Training. The key to the secondary appraisal process is to remove the person’s self-doubt about his ability to do what he must to eliminate the stressor. *Skills Training* is one way of accomplishing this end.

For example, training in time management and goal prioritization has been successful in reducing managers physiological stress symptoms such as rapid pulse rate and high blood pressure.

5.4. Happiness, Well-being, Job Satisfaction and Coping with Stress (M. Seligman, M. Csikszentmihalyi)

Well-being at work is not only critical for overall human well-being, but also leads to higher productivity, greater creativity and employee engagement, and is associated with lower absenteeism (M. Seligman and M. Csikszentmihalyi, 2000).

In recent years, there has been a growing interest in the study of positive psychology in relation to organizational behavior.

Orientations to Happiness. Positive psychology is an “… umbrella term for the study of positive emotions, positive character traits, and enabling institutions” (M. Seligman, 2005). There has been growing interest in the field of positive psychology over the past decade (Donaldson et al., 2011, 2015), and its main areas of interest are: 1) positive subjective experiences such as happiness, 2) positive individual traits such as orientations to happiness, and 3) positive institutions such as schools and workplaces, etc. (M. Seligman, M. Csikszentmihalyi, 2000). Positive institutions should encourage the use of positive traits, which, in turn, leads to positive experiences. Hence, the application of models derived from positive psychology and applied to the workplace facilitates the study of the potential contributors to positive experiences at work.

In his authentic happiness theory, M. Seligman postulates three routes to happiness: the pleasant life, the engaged life, and the meaningful life. The pleasure orientation (akin to the notion of hedonism) suggests the maximization of pleasure and the minimization of pain as the main route to happiness.

Engaged living is based on the experience of "flow" (M. Csikszentmihalyi). Being in the flow, people's attention is focused on the task itself, and they are absorbed in the activity. Flow is distinct from sensual pleasure and is said to be rather non-emotional and non-conscious in the moment.

The third route to happiness, the meaningful life, results from individuals' using their signature strengths, morally positively valued traits (M. Seligman) to serve something larger than themselves. Being true to one's inner self, that is, identifying and cultivating one's strengths and virtues and living in accordance with them in the service of greater goods, leads to happiness (Aristotle). Hence, two of the three orientations have long-standing roots in philosophy (hedonism and eudaimonia), while engaged life has its roots in psychology (flow experiences). Hedonism and eudaimonia are also studied outside the framework of the happiness model, namely, as facets of well-being, and have led to the development of a new theoretical framework considering sustainable well-being in organizations (Psychology of Sustainability; Di Fabio).

Orientations to Happiness and Well-Being at Work. The relationship between the orientations to happiness and work satisfaction as one dimension of well-being at work has been less frequently studied than their association with the facets of subjective well-being.

The associations between the orientations to happiness and life satisfaction differ across occupations. Researches showed that people in more highly skilled occupations (defined as a function of the complexity and range of tasks and duties to be performed in an occupation) reported higher life satisfaction and a lower orientation to pleasure than those in less skilled occupations. In addition, the orientation to meaning was more closely related to life satisfaction in highly skilled than in less skilled occupations. The three orientations also relate to career adaptability. The engaged and meaningful life positively and robustly correlated with work satisfaction. Engagement showed a strong association with the satisfaction with content-related aspects of work, whereas the life of meaning also correlated with general work satisfaction. Furthermore, the orientations were also predictive of the subjective and objective indicators of career success.

Swart and Rothmann (2012) tested managers in the agricultural sector in South Africa (N = 507) and found that all orientations to happiness, but especially engagement, had an impact on work satisfaction. Furthermore, the relationship between the orientations to happiness and work satisfaction were substantiated using longitudinal data: showed that, although engagement was a better predictor than pleasure or meaning, the simultaneous endorsement of all of the three orientations is the best predictor for work satisfaction (the "full life;" Peterson, 2005).

The pursuit of work-related activities is robustly associated with the engaged life (and the meaningful life; Ruch et al., 2010, 2014). Overall, a balance between the pleasurable, engaged, and meaningful life may help to achieve sustainable happiness. Given that adults typically spend a considerable portion of their time at work, testing the role of the three orientations to happiness for work-related outcomes and dealing with stress seem particularly important.

The Role of Work Stress. Positively dealing with work stress is an important contributor to well-being at work. We use definition of work stress, namely, "… an uncomfortable state of psychological tensions that results from an appraisal that the perceived demands of the workplace exceeds the individual's perceived resources to successfully meet the demands". Orientations to happiness function as personal resources and contribute to lower levels of stress at work; orientations to happiness (especially engagement) positively correlated with career adaptability; pleasure and engagement negatively correlated with work stress.

Coping Strategies Mediating the Orientations to Happiness—Well-Being at Work. Psychological stress is seen as a transaction between individual and environmental factors and is based on two basic forms of appraisal: primary and secondary appraisal. Primary appraisal refers to a person's cognitive appraisal whether something of relevance to the individual's well-being occurs, whereas secondary appraisal concerns coping options. These appraisals are determined by a number of personal variables such as motivational dispositions, goals, values, and generalized expectancies. Orientations to happiness may serve as personal resources of working people that help to explain the way people deal with work-related challenges and stressors. Orientations to happiness should facilitate the use of particular positive and negative coping strategies that, in turn, help to deal with challenges in terms of experiencing lower levels of stress in the workplace. In line with this theoretical framework, we aim to study the mediating effects of coping strategies for a better understanding of how the orientations may contribute to well-being at work.

Coping is defined as an individual's habitual way of reacting to stressors by adopting certain strategies (Erdmann and Janke, 2008). Positive and negative coping strategies can be distinguished: Positive coping strategies (e.g., positive self-affirmation, relaxation) reduce the experiencing of stress, while negative or maladaptive coping strategies consist of behaviors that alleviate the feeling of stress briefly, but not in the long run (e.g., escape, social withdrawal, rumination). The pursuit of the three orientations is linked to the elicitation of positive emotions. Referring to earlier work by, for example, Isen (Isen and Levin, 1972), we may argue that positive emotions serve as efficient antidotes for the lingering effects of (e.g., stress-induced) negative emotions. By broadening a person’s momentary thought–action repertoire, a positive emotion may buffer the effects of negative experiences. Positive emotions could, therefore, help broaden the scope of attention, cognition, and action and build physical, intellectual, and social resources. In line with these assumptions, research has shown that positive emotions are crucial facilitators of adaptive coping and adjustment to acute stress (Folkman, 1997; Folkman and Moskowitz, 2000). Fredrickson’s (2004) broaden and build theory of positive emotions can help to explain an individual’s coping potential. Coping potential refers to the appraisal processes and means an individual’s evaluation of the expectation for generating certain cognitive or behavioral operations that will positively influence a personally relevant encounter. In short, it is argued that the three pursuits may facilitate the usage of specific, positive strategies that help in ameliorating perceived stress and combat-related negative outcomes. In this sense, the orientations could well be seen as a resource that facilitates the usage of certain stress-reducing strategies or prevents maladaptive strategies from occurring and, ultimately, leads to lower levels of perceived stress.

Those that pursue a life of engagement and experience flow have feelings of total concentration and absorption and an invigorating feeling of having things under control arises (Csikszentmihalyi, 1990). A life of meaning will be associated with the search for higher values in life wherein problems and difficulties are understood in a larger context. Individuals who pursue this orientation may have a particular propensity for the usage of coping strategies that help them to cognitively restructure current stressful incidents.

Topic 6. Interpersonal Processes and Effective Communication

6.1. Group Interaction and Interdependence
6.2. Roles and Group Interaction
6.3. Effective Communication
6.4. Improving Emotional Intelligence.

6.1. Group Interaction and Interdependence

What are the benefits of group work? «More hands make for lighter work». «Two heads are better than one». These adages speak to the potential groups have to be more productive, creative, and motivated than individuals on their own.

People in organizations have a rich variety of interconnections. Their work may require them to associate which each other as a regular part of job performance. They may belong to the same group in their organization's structure and people form important interpersonal relationships with individuals in other departments but with people in outside organizations. People may band together to share resources, such as access to valuable equipment or pools of money. In addition, many employees may form friendships and get together away from work as well as on the job. Connections like these make interpersonal interactions a very important fact of organizational life.

Why Do People Interact with One Another? Whether in organizations or in the societies that surround them, people form and maintain relations with others for many reasons. Let's look at five major forces that propel people into such relations – evolutionary adaptation, need satisfaction, interpersonal attraction, shared goals, and group activities (Figure 6.1).

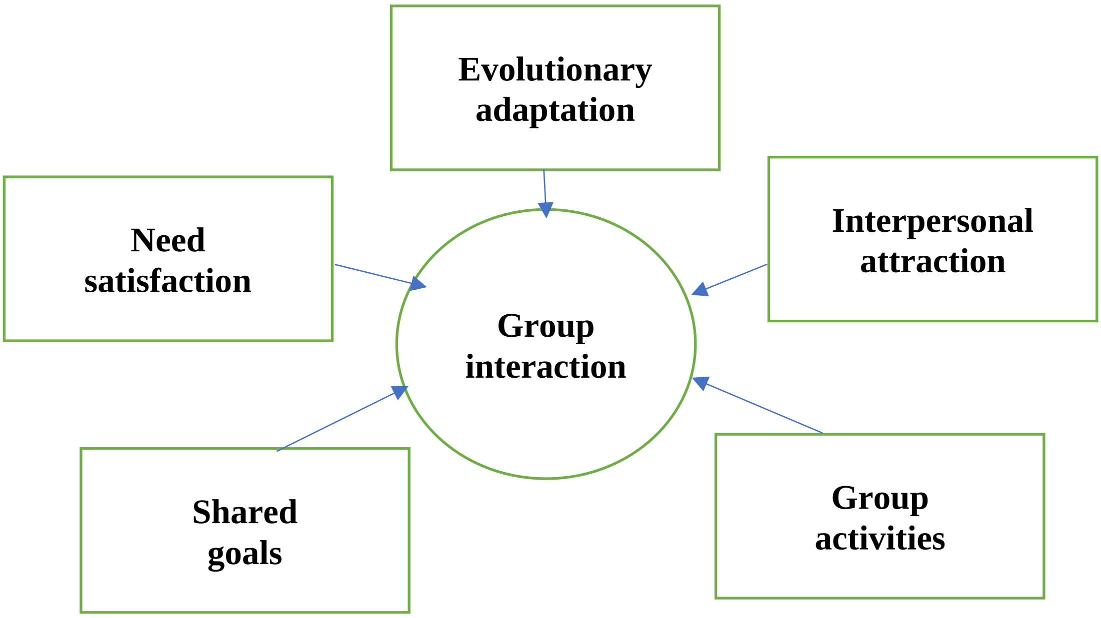


Figure 6.1. Why People Form Groups

Evolutionary Adaptation. The tendency for people to associate with each other probably first arose from the benefits our ancestors derived from forming groups. Prehistoric humans undoubtedly discovered that living with others offered advantages for survival that were not available to the solitary individual.

Banding together helped protect people from faster, physically stronger predators. People found they could hunt and farm more successfully together than alone. Gathering into groups also facilitated adaptive innovation. One person could pass his discovery on to others, who could refine it over time. Finally, mutual protection and nurturance sheltered reproduction and child-rearing activities. For all of these reasons, social behavior became adaptive and a part of what it is to be a human being.

6.2. Roles and Group Interaction

Within the network of interdependence that characterize group interactions, people come to expect each other to behave in particular ways. Taxi drivers expect passengers to pay them when they reach their destinations. Instructors expect students to complete required assignments before coming to class. Spectators expect sports stars to exhibit skill and perseverance as they compete. Expectations such as these – and the behaviors they presuppose – make up roles that connect individuals interpersonally.

A ***role*** consists of the typical behaviors that characterize a person’s position in a social context.

Concept of organization role, defining it as the aet of behaviors that both the employee and the people with whom she regularly interacts expect her to perform in doing her job. In addition to the formal expectations of a jobholder, which are generally determined by a company’s top management, many additional, informal expectations evolve over time. Table 6.1 suggests some ways in which formal jobs and informal work roles differ.

According to Ilgen and Hollenbeck, work roles are comprised of two kinds of tasks. First, there are the ***established task elements*** that make up the job. The job is a formal position and comes with a written statement of the tasks it entails. *Job descriptions* are generally prepared by managers or others at the upper levels of an organization’s hierarchy. As a result, there is a fair among of agreement at the outset as to what constitutes the established task elements of the job. Because job descriptions are prepared before the fact by people who do not actually perform the job they are usually incomplete. Job descriptions usually take no account of job incumbents or of the complex and dynamic environments in which jobs must be performed.

As a person begins to do a job, it becomes clear to her and all those around her that tasks never detailed in the written job description need to be performed for the role to be successfully played. These added-on tasks are referred to as ***emergent task elements***.

Table 6.1

The Job versus Work Role Distinction

Job	Work Role
1. Created by the owners of the organization or their agent's independency of the role occupant	1. Created by everyone who has a stake in how the role is performed, including the role incumbent
2. Has elements that are objective, formally documented, and about which there is considerable consensus	2. Has elements that are subjective, not formally documented, and open to negotiation
3. Static and relatively constant	3. Constantly changing and development

For example, secretarial workers are increasingly being called on nowadays to perform a variety of duties other than typing, filing, and answering telephones. As business has grown more complex and executives' time has become more precious, some secretaries have expanded their roles.

6.3. Effective Communication

We have suggested that an organization is best conceptualized as a system of negotiated roles in which both the organization and the roles are characterized by dimensions of function, rank, and inclusion. At the heart of the role-talking process is the exchange of ideas between members of the role set (the role senders) and role occupants.

If roles are conceived of as the bricks of an organization, communication is the cement that holds those bricks together. ***Communication*** is the exchange of ideas through a common system of symbols. It is the only means by which people can transmit messages to one another about such things as role expectations and norms. We need to explore next how communication takes place and what factors may enhance or impede it.

***The Communication Process*.** The model envisions the communication process in three stages:

1. Encoding information into a message.
2. Transmitting the message by some medium.
3. Decoding the information from the message.

Encoding the message. Encoding is the process by which a communicator's abstract idea is translated into the symbols of language and thus into a message that can be transmitted to someone else. The idea is subjective and known only to the communicator. The message, because it employs a common set of symbols, can be understood by other people who know the communicator's language.

Decoding the Message. To complete the communication process, the message sent must be subjected to ***decoding***, or translated in the mind of the receiver. When all workers well, the resulting idea or mental image corresponds closely to the sender's idea or mental image.

Unfortunately, there is no shortage of things that can go wrong, making communication ineffective. The term ***noise*** refers to the factors that can distort a message. Noise can occur at any stage of the process.

For example, a person may not encode exactly what he means to say. A surgeon may tell a nurse that «the patient has a cancerous tumor on his hand and it needs to be removed», meaning that the tumor must be removed. The nurse, however, prepares the patient for an amputation of his hand.

Another communication error may be the choice of medium for the message. Let's say you're writing a memo that tells a colleague the date and time of an important meeting and clearly states the agenda for the meeting. You leave a note in your colleague's mailbox. Unfortunately, your colleague, a sales representative, does not come to the office for correspondence that day, so there is no communication. Instead, a phone call might have avoided this problem. Managers feel the need to communicate quickly with email.

Barriers to Effective Communication. Several organizational, interpersonal, and personal factors can either help or hinder communication within organizations, depending on how they are handled. These barriers need to be removed if effective communication is to take place. We will examine spatial arrangements of people and offices; characteristics of the communicators, both role sender and role occupant; and interpersonal differences in language and experience.

Organizational Factors: Spatial Arrangements. The nature of the physical space occupied by jobholders inevitably affects patterns of communication. If an organization wants to promote the development of interpersonal relations, for example, it must place people in close physical proximity. All else equal, people who work closely together have more opportunities to interact and are more likely to form lasting relationships than people who are physically distant. Apparently, whether you are a clerk, a college professor, or a member of the ship's crew, the closer you work to other people, the more often you will communicate with them.

It is useful to distinguish between actual physical proximity and psychological proximity. For example, architectural arrangements can create psychological barriers to communication that can discourage interaction. On the other hand, arrangements that channel the flow of people who are moving about toward a common area, such as a reception area, a water fountain, and a bank of elevators, can create opportunities for spontaneous interaction. This kind of design does increase interaction and communication, it does not always lead to greater job satisfaction. Indeed, offices can get too open, forcing people into too much interaction. People also have needs for privacy and personal space. Office designs that fail to recognize these needs, may increase interaction and communication at the expense of satisfaction and productivity.

Interpersonal Differences. Not only do different functional units have different frames of reference – they often speak different languages. Most specialized units develop their own jargon. Jargon is extremely useful. It maximizes information exchange with a minimum of time and symbols by taking advantage of the shared training and experience of its users. On the other hand, because jargon is likely to confuse anyone lacking the same training and experience, it can be a barrier to communication between groups. Often technical specialists get to the point where they use jargon unconsciously and indeed have a hard time expressing themselves in any other terms. This can become a permanent disability, greatly reducing people’s career opportunities outside their own small groups.

6.4. Improving Emotional Intelligence

What is Emotional Intelligence? Your performance at school or work. High emotional intelligence can help you navigate the social complexities of the workplace, lead and motivate others, and excel in your career. In fact, when it comes to gauging important job candidates, many companies now rate emotional intelligence as important as technical ability and employ EQ testing before hiring.

Emotional intelligence (otherwise known as emotional quotient or EQ) is the ability to understand, use, and manage your own emotions in positive ways to relieve stress, communicate effectively, empathize with others, overcome challenges and defuse conflict. Emotional intelligence helps us build stronger relationships, succeed at school and work, and achieve your career and personal goals. It can also help us to connect with our feelings, turn intention into action, and make informed decisions about what matters most to us. We define Emotional Intelligence (or EI) as the ability to: 1) Recognize, understand and manage our own emotions and; 2) - Recognize, understand and influence the emotions of others.

As we know, it's not the smartest people who are the most successful or the most fulfilled in life. You probably know people who are academically brilliant and yet are socially inept and unsuccessful at work or in their personal relationships. Intellectual ability or your intelligence quotient (IQ) isn't enough on its own to achieve success in life. Yes, your IQ can help you get into college, but it's your EQ that will help you manage the stress and emotions when facing your final exams. IQ and EQ exist in tandem and are most effective when they build off one another.

In practical terms, this means being aware that emotions can drive our behavior and impact people (positively and negatively), and learning how to manage those emotions – both our own and others. Managing emotions is especially important in situations when we are under pressure.

For example, when we are …

- Giving and receiving feedback,
- Meeting tight deadlines,
- Dealing with challenging relationships,
- Not having enough resources,
- Navigating change,
- Working through setbacks and failure.

Where Did the Term Emotional Intelligence Come From?

The term "emotional intelligence" was created by two researchers, Peter Salovey and John Mayer in their article “Emotional Intelligence” in the journal "Imagination, Cognition, and Personality" in 1990. Emotional intelligence was later popularized by Daniel Goleman in his book "Emotional Intelligence" in 1996.

Emotional intelligence is commonly defined by four attributes:

1. **Self-management** – You’re able to control impulsive feelings and behaviors, manage your emotions in healthy ways, take initiative, follow through on commitments, and adapt to changing circumstances.
2. **Self-awareness** – You recognize your own emotions and how they affect your thoughts and behavior. You know your strengths and weaknesses, and have self-confidence.
3. **Social awareness** – You have empathy. You can understand the emotions, needs, and concerns of other people, pick up on emotional cues, feel comfortable socially, and recognize the power dynamics in a group or organization.
4. **Relationship management** – You know how to develop and maintain good relationships, communicate clearly, inspire and influence others, work well in a team, and manage conflict.

Why is Emotional Intelligence so Important? It’s a scientific fact that emotions precede thought. When emotions run high, they change the way our brain’s function …reducing our cognitive abilities, decision-making powers, and even interpersonal skills. Understanding and managing our emotions (and the emotions of others) helps us to be more successful in both our personal and professional lives.

At a personal level, emotional intelligence helps us:

- Have uncomfortable conversations without hurting feelings,
- Manage our emotions when stressed or feeling overwhelmed,
- Improve relationships with the people we care about.

At work, emotional intelligence can help us:

- Resolve conflicts,
- Coach and motivate others,
- Create a culture of collaboration,
- Build psychological safety within teams.

Your EQ Could Matter More Than Your IQ, Especially at Work.

In his book Working with Emotional Intelligence, Daniel Goleman cites the Harvard Business School research that determined that EQ counts for twice as much as IQ and technical skills combined in determining who will be successful.

In a 2003 Harvard Business Review reported that 80% of competencies that differentiate top performers from others are in the domain of Emotional Intelligence.

All our years working with leading edge organizations around the world we have learned that the smartest people in an organization are not always the most effective. What distinguishes the most productive employees from the average is EI.

Emotional Intelligence is a Skill that can be Learned and Measured

Our level of emotional intelligence can be measured as our emotional quotient (or EQ).

Having a high level of emotional intelligence (EI), or a high emotional quotient (EQ) is not something set in stone. Luckily, emotional intelligence is a skill we can develop and our EQ can grow throughout our lives.

Building EI Skills is Fundamental to Being the Best Leader Professionally and Personally.

Exceptional Leadership. People leave managers, not jobs. Research shows that leaders, that can truly bring out the best in their people, rank highly in Emotional Intelligence. It is the primary reason that they are exceptional.

Improving Emotional Intelligence (EQ). When it comes to happiness and success in life, EQ matters just as much as IQ. Learn how you can boost your emotional intelligence, build stronger relationships, and achieve your goals.

Emotional intelligence affects: physical health, mental health, relationships, social intelligence

Your *physical health*. If you’re unable to manage your emotions, you are probably not managing your stress either. This can lead to serious health problems. Uncontrolled stress raises blood pressure, suppresses the immune system, increases the risk of heart attacks and strokes, contributes to infertility, and speeds up the aging process. The first step to improving emotional intelligence is to learn how to manage stress.

Your *mental health*. Uncontrolled emotions and stress can also impact your mental health, making you vulnerable to anxiety and depression. If you are unable to understand, get comfortable with, or manage your emotions, you’ll also struggle to form strong relationships. This in turn can leave you feeling lonely and isolated and further exacerbate any mental health problems.

Your *relationships*. By understanding your emotions and how to control them, you're better able to express how you feel and understand how others are feeling. This allows you to communicate more effectively and forge stronger relationships, both at work and in your personal life.

Your *social intelligence*. Being in tune with your emotions serves a social purpose, connecting you to other people and the world around you. Social intelligence enables you to recognize friend from foe, measure another person's interest in you, reduce stress, balance your nervous system through social communication, and feel loved and happy.

Building emotional intelligence: Four key skills to increasing your EQ.

The skills that make up emotional intelligence can be learned at any time. However, it's important to remember that there is a difference between simply learning about EQ and applying that knowledge to your life. Just because you know you should do something doesn't mean you will—especially when you become overwhelmed by stress, which can override your best intentions. In order to permanently change behavior in ways that stand up under pressure, you need to learn how to overcome stress in the moment, and in your relationships, in order to remain emotionally aware.

The key skills for building your EQ and improving your ability to manage emotions and connect with others are:

1. *Self-management*
2. *Self-awareness*
3. *Social awareness*
4. *Relationship management*

Self-management. In order for you to engage your EQ, you must be able use your emotions to make constructive decisions about your behavior. When you become overly stressed, you can lose control of your emotions and the ability to act thoughtfully and appropriately.

Think about a time when stress has overwhelmed you. Was it easy to think clearly or make a rational decision? Probably not. When you become overly stressed, your ability to both think clearly and accurately assess emotions—your own and other people's—becomes compromised.

Emotions are important pieces of information that tell you about yourself and others, but in the face of stress that takes us out of our comfort zone, we can become overwhelmed and lose control of ourselves. With the ability to manage stress and stay emotionally present, you can learn to receive upsetting information without letting it override your thoughts and self-control. You'll be able to make choices that allow you to control impulsive feelings and behaviors, manage your emotions in healthy ways, take initiative, follow through on commitments, and adapt to changing circumstances.

Self-awareness. Managing stress is just the first step to building emotional intelligence. The science of attachment indicates that your current emotional experience is likely a reflection of your early life experience. Your ability to manage core feelings such as anger, sadness, fear, and joy often depends on the quality and consistency of your early life emotional experiences. If your primary caretaker as an infant understood and valued your emotions, it's likely your emotions have become valuable assets in adult life. But, if your emotional experiences as an infant were confusing, threatening or painful, it's likely you've tried to distance yourself from your emotions.

But being able to connect to your emotions – having a moment-to-moment connection with your changing emotional experience – is the key to understanding how emotion influences your thoughts and actions.

Do you experience individual feelings and emotions, such as anger, sadness, fear, and joy, each of which is evident in subtle facial expressions?

Can you experience intense feelings that are strong enough to capture both your attention and that of others?

Do you pay attention to your emotions? Do they factor into your decision making?

If any of these experiences are unfamiliar, you may have "turned down" or "turned off" your emotions. In order to build EQ – and become emotionally healthy – you must reconnect to your core emotions, accept them, and become comfortable with them. You can achieve this through the practice of mindfulness.

Mindfulness is the practice of purposely focusing your attention on the present moment – and without judgment. Mindfulness helps shift your preoccupation with thought toward an appreciation of the moment, your physical and emotional sensations, and brings a larger perspective on life. Mindfulness calms and focuses you, making you more self-aware in the process.

Developing emotional awareness. It's important that you learn how to manage stress first, so you'll feel more comfortable reconnecting to strong or unpleasant emotions and changing how you experience and respond to your feelings.

Social awareness enables you to recognize and interpret the mainly nonverbal cues others are constantly using to communicate with you. These cues let you know how others are really feeling, how their emotional state is changing from moment to moment, and what's truly important to them.

When groups of people send out similar nonverbal cues, you're able to read and understand the power dynamics and shared emotional experiences of the group. In short, you're empathetic and socially comfortable.

Mindfulness is an ally of emotional and social awareness

To build social awareness, you need to recognize the importance of mindfulness in the social process. After all, you can't pick up on subtle nonverbal cues when you're in your own head, thinking about other things, or simply zoning out on your phone. Social awareness requires your presence in the moment. While many of us pride ourselves on an ability to multitask, this means that you'll miss the subtle emotional shifts taking place in other people that help you fully understand them.

- You are actually more likely to further your social goals by setting other thoughts aside and focusing on the interaction itself.
- Following the flow of another person's emotional responses is a give-and-take process that requires you to also pay attention to the changes in your own emotional experience.
- Paying attention to others doesn't diminish your own self-awareness. By investing the time and effort to really pay attention to others, you'll actually gain insight into your own emotional state as well as your values and beliefs. For example, if you feel discomfort hearing others express certain views, you'll have learned something important about yourself.

Relationship management. Working well with others is a process that begins with emotional awareness and your ability to recognize and understand what other people are experiencing. Once emotional awareness is in play, you can effectively develop additional social/emotional skills that will make your relationships more effective, fruitful, and fulfilling.

Become aware of how effectively you use nonverbal communication. It's impossible to avoid sending nonverbal messages to others about what you think and feel. The many muscles in the face, especially those around the eyes, nose, mouth and forehead, help you to wordlessly convey your own emotions as well as read other peoples' emotional intent. The emotional part of your brain is always on – and even if you ignore its messages – others won't. Recognizing the nonverbal messages that you send to others can play a huge part in improving your relationships.

Use humor and play to relieve stress. Humor, laughter and play are natural antidotes to stress. They lessen your burdens and help you keep things in perspective. Laughter brings your nervous system into balance, reducing stress, calming you down, sharpening your mind and making you more empathic.

Learn to see conflict as an opportunity to grow closer to others. Conflict and disagreements are inevitable in human relationships. Two people can't possibly have the same needs, opinions, and expectations at all times. However, that needn't be a bad thing. Resolving conflict in healthy, constructive ways can strengthen trust between people. When conflict isn't perceived as threatening or punishing, it fosters freedom, creativity, and safety in relationships.

Topic 7. Leadership

7.1. The Importance of Leadership.

7.2. Universal Approaches to Leadership.

7.3. Management Is Like Conducting an Orchestra.

7.1. The Importance of Leadership

Leaders perform several essential functions for the groups they serve. They are responsible for generating and maintaining the required ***level of effort*** needed from individual group members. Leaders are also responsible for ***directing the effort*** of group members in ways that promote group survival and goal accomplishment. One important aspect of directing groups is ensuring the coordination ***of effort*** among group members. Finally, leaders ***facilitate group membership*** by attracting people to the group and its mission and by meeting the needs of group members. In sum, leaders help move a group in directions consistent with its mission and at the same time hold the group together.

In addition to these found goal-directed functions, leaders serve an important symbolic function for both group members and outsiders. It is virtually impossible for every employee in an organization to understand everything that goes on in the firm, especially one surrounded by a complex, dynamic environment. When the complexity of a stimulus exceeds a person's cognitive capacity, the person attempts to simplify the stimulus. In the organizational context, the leader provides the means for much of this simplification.

The leader offers a logically compelling and emotional satisfying focal point for people who are trying to understand the causes and consequences of organized activity. Many of these causes and consequences of what organizations do are obscure, uncertain, and perhaps even objectionable. Focusing on the leader reduces these complexities to simple terms that people can easily understand and communicate. Sometimes, of course, this leads to misguided actions.

We will integrate the many theories and lines of research on leadership into a single unifying framework. With an appreciation of the major themes and the significant results of the studies that has been done on leadership, you will be in a position to apply this knowledge in becoming an effective leader yourself.

The Transactional Model: A Diagnostic Framework. To make it easier for you to understand the different theories of leadership, we will start with a conceptual framework that encompasses these theories.

Edward Hollander has convincingly suggested that the leadership process is best understood as the occurrence of ***mutually satisfying transactions*** among leaders and followers within a particular situational context. The ***locus of leadership*** is found where these three forces – ***leaders***, ***followers***, and ***situations*** – come together. In Hollander's view, one can understand leadership only by gaining an appreciation of the important characteristics of these three forces and of the ways in which they interact.

Not all theoretical approaches to leadership emphasize the three-dimensional character of the leadership process proposed by Hollander. In fact, as we will see, universal approaches generally focus on one dimension, interaction approaches on two, and only a few, comprehensive approaches consider all three dimensions.

7.2. Universal Approaches to Leadership

Some of the earliest probes into the nature of leadership focused almost uniformly on leader characteristics. These universal theories emphasized personality traits, abilities, typical behaviors, and decision-making styles. These first approaches were followed by others that also focused on just one aspect of leadership – either the follower or the situation. Born out of the failure of leader-focused studies to explain the richness of the leadership process, these newer, anti- leadership theories discounted the leader almost entirely.

Qualities of the Leader. The earliest approaches to Leadership, often referred to as the ***great man theories of leadership***, held that leaders were born, not made. Francis Galton argued in 1869 that the qualities found in great leaders were inherited. Later, researchers influenced by behavioral school of through discarded this idea, suggesting instead that the characteristics associated with successful leadership could be learned.

Physical and Mental Abilities. Studies of the physical characteristics of leaders have yielded rather weak but consistent relationships. Still weaker and less consistent results have been found for characteristics like height. Oddly, we tend to think of leaders as tall people even though many are not.

Research on mental abilities has produced few substantial predictors of leadership quality and effectiveness. General cognitive ability seems to be one of the best overall predictors of leadership ability. Specific technical skills or knowledge about a group's task also show modest relationships with success in leadership.

Personality Characteristics. Leaders tend to exhibit the social trait of dominance, and that leadership potential is associated with the motives of need for achievement and need for power. In addition, the personality dynamic of self-esteem (or self-confidence or self-assurance) seems to be related to leadership across a wide variety of situations and followers.

Leader Behaviors

University of Michigan Studies. In the late 1950s, Rensis Likert and other researchers at the University of Michigan began a series of leadership studies. They set out to identify aspects of leaders' behavior that might differentiate those who performed well from those who did not. Interviewing supervisors and clerical workers at the Prudential Insurance Company, these investigators concluded that there were two general classes of supervisory behavior. ***Employee-centered behavior*** aimed at meeting the social and emotional needs of group members. ***Job-oriented behavior*** focused on careful supervision of employees' work methods and task accomplishment. These two orientations were seen as mutually exclusive. A leader could display one pattern or the other but not both.

The first group of studies at Michigan indicated that work attitudes were better and productivity was higher in the groups led by supervisors who displayed employee-centered behaviors. These studies, however, measured both the independent and the dependent variables at the same time. As a result, we cannot tell whether supervisors' personal concern caused the high productivity and good attitudes or whether these positive employee behaviors attracted supervisory attention.

To clarify this point, Morse and Reimer undertook a follow-up field study in which they trained some supervisors to use job-centered behaviors and others to use employee-centered behaviors in interacting with employees. The results of this study supported one of the earlier findings but not the other. Leaders' employee-centered behavior did upper to cause more positive attitudes among workers. However, productivity was higher among workers supervised by leaders who used a job-centered approach.

Leaders' Decision-Making styles. At the time of the Michigan and Ohio State studies, a third line of research on universal approaches to leadership was well under way under the direction of Kurt Lewin at the University of Iowa. The Iowa group studied the leader's manner of making decisions and the effect that varying decision styles had on subordinates' rates of productivity and general satisfaction.

Kurt Lewin and his colleagues looking at three different decision-making styles: authoritarian. Democratic, and laissez faire. The ***authoritarian leader*** made virtually all decisions by himself. The ***democratic leader*** worked with the group to help members come to their own decisions. The ***laissez-faire leader*** did just what this French term means – he left the group alone to do whatever it wanted.

The first Iowa study examined these leadership styles in groups of ten-year-old boys who were members of a hobby club. The investigators found that almost every group preferred a democratic leader best. Members of groups led by an authoritarian leader were either extremely submissive or extremely aggressive in interacting with each other. They were the most likely of any club members to quit the organization. Authoritarian groups were the most productive but only when members were closely supervised. When left alone, these groups tended to stop working. The results of this decision-style research were interesting and provocative. Like the personal characteristic and behavioral approaches discussed earlier, however, the Iowa studies revealed only rather modest relationships between leader style and follower behavior.

These three streams of early leadership research focused almost exclusively on the qualities of the leader. Although this early work has been abandoned, it continues to influence current theoretical and experimental work. Almost all of the comprehensive theories that we will discuss shortly include the three principal ways of characterizing a leader that we have explored: abilities and personal characteristics, behavioral styles, and decision-making styles. The value of this initial work lies also in its having pointed the way to the phenomena we look at next – the situation in which the leader finds himself and the followers who surround him.

Interaction Theories of Leadership

Interaction theories of leadership see the leadership process as evolving out of an interaction between two dimensions. For example, the influence of one dimension, such as leader behavior, may be contingent upon the nature of a second dimension, such as the situation. Although certainly more complex than the universal theories, these later approaches still neglect one major component of the transactional framework.

The Leadership Motivation Pattern. The theory behind the leadership motivation pattern grew out of David McClelland's research on characteristics of the leader. David McClelland has proposed that leaders must either have a high need for achievement or display what he has called the ***leadership motivation pattern (LMP)***. The leadership motivation pattern is a composite of three specific characteristics; a high need for power, a low need for affiliation with others, and a high degree of self-control.

David McClelland also argues that there are two types of leadership situations. The ***entrepreneurial situation*** is found in small organizations or in small technical units in large organizations where a few key people do most of the work themselves. The ***bureaucratic situation*** is found in the context of large, formalized, tightly structured organizations.

David McClelland suggests that need for achievement is critical to leaders in entrepreneurial situations and that the leadership motivation pattern is essential for success in bureaucratic situations. According to David McClelland, people high in need for achievement are primarily interested in their own progress and much less interested in influencing and encouraging others. As a result, although the need for achievement is useful in small groups or technical groups where one person's progress readily spills over into group progress, it is not that critical for leadership success in large organizations.

In large bureaucratic organizations, the three-characteristic configuration of the leadership motivation pattern is much more useful. A person who has a strong need for power also has an interest in influencing and controlling others, a prerequisite for leading a group of people. A low need for affiliation enables a leader to make difficult decisions without worrying excessively about being unpopular. Finally, high self-control makes it possible for a person to use his power to get things done within the organizational rules of the game.

How do these predictions work out in the real world? One study of 246 AT&T managers, hired between 1956 and 1960 and followed up 16 years later, tested McClelland's theory. The study predicted that high Leadership Motivation Pattern scores would be successful in nontechnical areas, which were generally bureaucratic in organizations, but not in technical ones, which tended to be more entrepreneurial. Nontechnical managers who had high Leadership Motivation Pattern scores had a 75 % rate of promotions. However, managers in technical units whose Leadership Motivation Pattern scores were high had only a 25 % promotion rate. The key to success for the latter managers was need for achievement. In fact, the correlation between need for achievement and success was twice as high in technical areas as in nontechnical ones.

These data strongly suggest that the effect of a set of leader characteristics on leaders' success depends on the situation in which the leader is performing. Entrepreneurial situations call for leaders high in need for achievement, but bureaucratic situations call for a leader high in Leadership Motivation Pattern.

Vertical Dyad Linkage. Another interaction approach to leadership examines the relations between the leader behavioral styles of consideration and initiating structure and certain follower characteristics. In George Graen's ***vertical dyad linkage (VDL)*** theory of leadership, a ***vertical dyad*** consists of two persons who are linked hierarchically, *for example*, a supervisor and a subordinate. Most research based on the Ohio State studies measures leader consideration or initiating structure by averaging subordinates' ratings of leaders. Vertical dyad linkage proponents, however, focus on the ratings of single followers. They argue that there is no such thing as an «average» leadership score. Instead, they insist, each supervisor-subordinate relationship is unique. A supervisor may be considerate toward one person but not another. Similarly, the leader may initiate structure for some workers but not others.

The importance of distinguishing dyadic from average scores has been supported by subsequent research. *For example*, Figure 7.1 compares correlations between: 1) leader consideration and follower satisfaction and 2) leader initiating structure and follower role clarity as measured both by dyadic score and average scores.

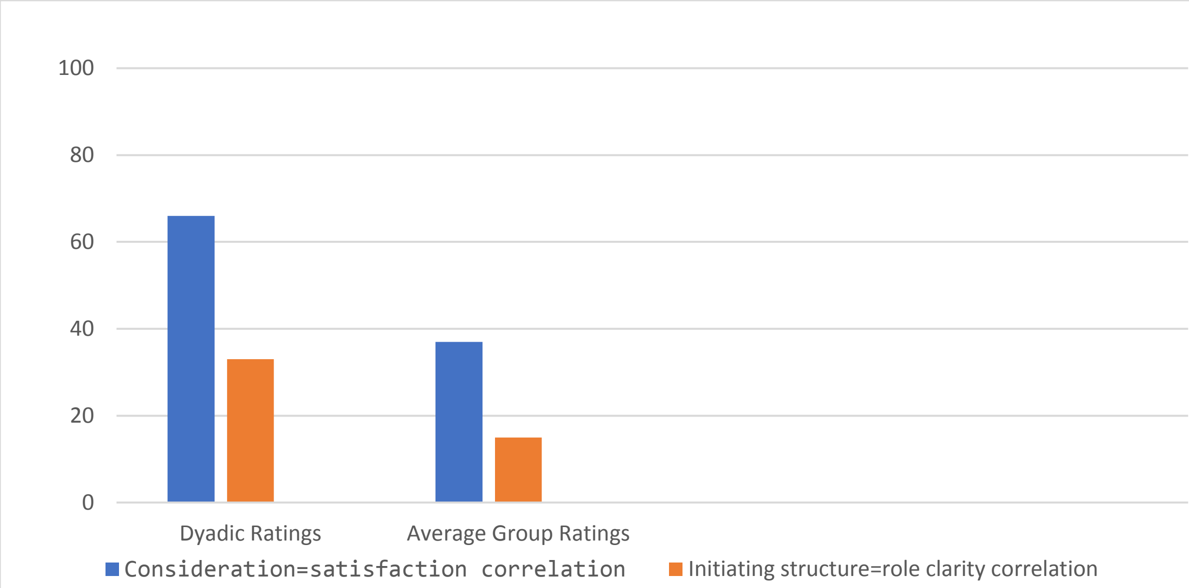


Figure 7.1. Measuring the Relations between Leader Behaviors and Follower Outcomes by Dyadic Ratings and Average Group Rating

As you can see, the correlations obtained using dyadic scores were almost twice as high as those obtained with average scores. This suggests that leaders do behave differently with different subordinates and that these differences spill over into worker reactions.

The vertical dyad linkage approach also suggests that leaders tend to classify subordinates into in-group members and out-group members. According to Graen, ***in-group members*** are not only capable of doing more than the tasks outlined in a formal job description but are willing to do so. Once a leader has identified these people, she generally gives them more and more latitude, authority, and consideration so that they become informal assistants. ***Out-group members,*** on the other hand, either cannot or will not expand their roles beyond formal requirements. Leaders assign these individuals more routine tasks, give them less consideration, and communicate less often with them so that they become little more than hired hands. The Leader-Member Exchange Questionnaire, a self-report answered by subordinates, is often used to measure in-group versus out-group status. Table 7.1 shows some items from this questionnaire.

The five items are summed for each participant, resulting in a possible range of scores from 5 to 20.

Table 7.1

Items That Assess Leader-Member Exchange

1. How flexible do you believe your supervisor is about evolving change in your job? 4 = Supervisor is enthused about change; 3 = Supervisor is lukewarm to change; 2 = Supervisor sees little need to change; 1 = Supervisor sees no need for change
2. Regardless of how much formal organizational authority your supervisor has built into his/her position, what are the chances that he/she would be personally inclined eo use his/her power to help you solve problems in your work? 4 = He certainly would; 3 = Probably would; 2 = Might or might not; 1 = No
3. To what extend can you count on your supervisor to «bail you out» at his/her expense, when you really need him/her? 4 = Certainly would; 3 = Probably; 2 = Might or might not; 1 = No
4. How often do you take suggestions regarding your work to your supervisor? 4 = Almost always; 3 = Usually; 2 = Seldom; 1 = Never
5. How would you characterize your working relationship with your supervisor? 4 = Extremely effective; 3 = Better than average; 2 = About average; 1 = Less than average

Life Cycle Model. According to the life cycle model of Paul Hersey and Kenneth Blanchard, the effectiveness of a leader's decision style depends very largely on his followers' level of maturity, or their job experience and emotional maturity. The life cycle model proposes two basic decisions styles: ***task orientation*** and ***relationship orientation.*** As you might guess, these concepts were derived from the initiating structure and consideration dimensions of the early Ohio State studies.

The life cycle model suggests that there are four types of decision styles: telling, selling, participating, and delegating. In the ***telling style***, which is characterized by high task orientation and low relationship orientation, the leader simply tells the follower what to do. In the ***selling style***, characterized by both high task and high relationship orientations, the leader tries to sell his ideas to subordinates, to convince them that her decision is appropriate. The ***participating style*** is marked by a high relationship orientation but a low task orientation. The leader who uses this style of decision making includes subordinates in discussions so that decisions are made by consensus. Finally, in the ***delegating style***, which is low on both task and relationship orientations, the leader actually turns things over to followers and lets them make their own decisions.

Like all interaction theories, the life cycle model proposes that there is more than one way to lead. The type of decision style that a leader should adopt depends on the level of maturity of his followers. By maturity is meant both job maturity, or task experience and skill, and psychological maturity, or feelings of self-worth and self-acceptance. As G. Graeff has correctly pointed out, the life cycle model has four dimensions: task orientation, relationship orientation, maturity, and effectiveness.

This model suggests that for followers at very low levels of maturity, telling is the most effective leadership decision style. As followers move from very low to moderately low levels of maturity, a selling style becomes more effective. When followers show a moderately high level of maturity, participating is the most effective style, and at the very highest levels of follower maturity, the delegating style leaves followers essentially on their own.

Like the managerial grid, the life cycle approach has been well received by practitioners because of its intuitive appeal. However, empirical research has not supported it. The most rigorous study of the approach to date suggests two conclusions, neither of which is encouraging. First, ***satisfaction*** with supervision is no higher in situations where leader style matches follower maturity level in the way the model pre scribes than in situations where there is a mismatch. Second, the notion that ***performance*** will be higher in matched situations is supported at only one level of maturity, the lowest. Thus, the most we can say at this point is that with workers at low levels of maturity, the telling style is slightly more effective in eliciting good performance than the other styles.

Comprehensive Theories of Leadership

Comprehensive leadership theories are interaction theories, like the ones we have just explored. Unlike the latter, however, comprehensive theories incorporate all three of the elements of the transactional approach to leadership – leader, follower, and situation. The three theories that we will examine next differ only in that each tends to focus on a particular leader characteristic – either a personal characteristic, a behavior orientation, or a decision style.

1. Fiedler's Contingency Model. Think for a moment of someone with whom you have really had difficulty working. In fact, try to chose from all the people you have ever worked with the one you worked with least well. Now rate this person on the qualities listed in the ***Least Preferred Coworker Scale*** shown in Table 7.2. Put a checkmark in the blank that best represents your judgment of the person you have in mind. For example, 1 and 8 suggest ***extremely*** unpleasant or pleasant, 2 and 7 ***quite*** unpleasant or pleasant, 3 and 6 ***moderately*** unpleasant or pleasant, and 4 and 5 ***somewhat*** unpleasant or pleasant. Then total your answers to get a final score.

Table 7.2

Items from the Least Preferred Coworker Scale

Pleasant	- 8	- 7	- 6	- 5	- 4	- 3	- 2	- 1	Unpleasant
Friendly	- 8	- 7	- 6	- 5	- 4	- 3	- 2	- 1	Unfriendly
Rejecting	- 1	- 2	- 3	- 4	- 5	- 6	- 7	- 8	Accepting
Helpful									Frustrating

A low score on this scale (between 16 and 64) will indicate that you described your ***least preferred coworker*** in relatively harsh terms and that you would take ***task orientation*** to leadership. Task oriented leaders, according to Fred Fiedler, the author of this theory, emphasize completing tasks successfully, even at the expense of interpersonal relations. A low score on the scale reflects a leader's inability to overlook the negative traits of a poorly performing subordinate.

On the other hand, a high score (between 80 and 128) will indicate that you described your least preferred coworker in relatively positive terms and that you would take a ***relationship orientation*** to leadership. Relationship-oriented leaders, according to Fiedler, are permissive, considerate leaders who can maintain good interpersonal relationships even with workers who are not contributing to group accomplishment. The leader's orientation toward either tasks or relationships is the central piece in the complex and controversial theory of leadership that Fiedler has proposed.

Fiedler's model is called a contingency theory of leadership because in holds that the effectiveness of a leader's orientation depends both on the leader's followers and on the situation in which she is functioning. A leadership context can be placed on a continuum of favorability, in which the interaction among three factors defines eight positions of varying favorability. The three factors are leader-follower relations, task structure, and leader position power.

Leader-follower relations are good if followers trust and respect the leader and poor if they don't. Good relations are more favorable for leader effectiveness than poor relations. ***Leader task structure*** is high when a group has clear goals and clear means for achieving these goals. High task structure is more favorable for the leader than low task structure. Finally, ***leader position power*** is the ability to reward or punish subordinates for their behavior. Clearly, the more power a leader has, the more favorable the situation is from the leader's perspective.

Fiedler's analysis of a number of studies that used the ***Least Preferred Coworker Scale*** suggested to him that task-oriented leaders are most effective in situations that are either extremely favorable or extremely unfavorable. Relationship-oriented leaders, he found were most successful in situations of moderate favorability.

2. ***Vroom-Yetton Decision Tree Model***. The first comprehensive model we looked at focused on personality characteristics of the leader. Now we will examine a model that centers on leader decision styles. The ***decision tree of leadership*** originated by Victor Vroom and his colleagues emphasizes the fact that leaders achieve success through effective decision making. The model describes effective decisions as of ***high quality, well-accepted*** by followers, and

made in a timely fashion. According to this theory, leaders whose decisions do not meet all three criteria will ultimately fail.

V. Vroom recognizes four general classes of leadership style: ***authoritarian, consultative, delegation***, and ***group based***. He then breaks these down into seven specific decision styles. Three of these are appropriate to all decisions, two are appropriate only to decisions regarding individual followers, and two are appropriate only to decisions regarding individual followers, and two are appropriate only to decisions regarding an entire group of followers. We will focus our attention on the processes that involve groups.

Like all comprehensive theories of leadership, the decision-tree model proposes that the most effective leadership style depends on characteristics of both the situation and the followers. Specifically, the model asks eight questions – three about the situation and five about the followers – in order to determine which of the seven leadership styles is best. To choose among two or more styles, the leader must decide whether she wishes to maximize the speed of decision making or the personal development of subordinates. Autocratic approaches favor speed, whereas consultative or group approaches favor employee growth.

Path-Goal Theory. By far the most comprehensive theory of leadership to date and the one that best exemplifies all the aspects of the transactional model, is the path-goal theory of Leadership originated by Martin Evans and Robert House. At the core of this theory is the notion that the primary purpose of the leader is to motivate followers. Because they saw motivation as essential to the leader role. Evans and House built their theory on a base of expectancy theory. You will remember that we looked closely at expectancy theory before. Is a condensed version of our treatment of that theory that emphasizes: 1) followers' performance and satisfaction of followers as the primary outcomes of interest and 2) the five motivational variables that leaders may be able to influence through their behaviors or decision styles: valences, instrumentalities, expectancies, accuracy of role perceptions, and equity of rewards.

7.3. Management Is Like Conducting an Orchestra

Conductors of great symphony orchestras do not play every musical instrument; yet through leadership the ultimate production is an expressive and unified combination of tones.

How is management like conducting an orchestra? In many ways. A manager does not need to be the subject matter expert to be able to lead the team. Managers must know:

- the technical and business requirements of the project product,
- those areas of expertise and skills required,
- the best process for producing those requirements,
- the corporate culture and how to navigate it,
- how to manage people and resources.

Just like a conductor knows the musical piece that the orchestra is playing, the manager must know the ebb and flow of the project process. A conductor doesn't play every instrument, but he knows every note in the piece. He knows the phrasing of each movement. He knows the entry and exit point of each instrument – what instrument plays and when.

A good conductor also understands at a profound level how the instruments interact. A good manager knows when each member of the team needs to be contributing and what they need to do. That manager understands that she is the foundation for the project – keeping everyone working together through her leadership. A good manager "conducts" the project. He doesn't run herself ragged trying to perform all the parts in orchestra.

Topic 8. Innovation Management

8.1. What is Innovation Management? Why is Corporate Innovation Management More Important Than Ever?

8.2. Key Pillars of Innovation Management

8.3. Different Types of Innovation will Require Different Management Styles

8.4. Top Challenges in Innovation Management

8.1. What is Innovation Management?

Innovation management, or an innovation management system, is the process of managing new ideas, from ideation to taking action and making them become a reality. This approach has four distinct steps:

- Generating - Brainstorming and employee input to uncover hidden concepts.

- Capturing - Recording ideas in a way that is easily shareable with key stakeholders.
- Evaluating - Discussing and criticizing innovative ideas to see if they fit your needs.
- Prioritizing - Deciding which innovative ideas will be executed to maximize time and other resources in your company.

Innovation management informs—and is informed by—high-level business targets that generate significant value for your organization. Certain actions and practices will result from your innovation, just as your innovation will follow as a response to your business vision and problems that arise.

In order to implement effective innovation management processes, you need excellent communication between employees at all levels and a collaborative environment to uncover additional innovative ideas.

Why is Corporate Innovation Management More Important Than Ever?

Companies that don't innovate will inevitably die, just like Blockbuster, Polaroid, and Kodak. Note that these aren't mom-and-pop stores or early-stage startups—they are giant brands that had a wealth of resources, and they once dominated their industries.

If brands like these can die from a lack of innovation, then any company can. But innovation alone is not sufficient—it requires a collaborative culture that encourages employees to put forward great ideas and supports those with an entrepreneurial spirit.

Otherwise, these employees have little incentive to speak out and offer their insights whether they're in the trenches or a higher-level management position. By managing and encouraging innovation, you can discover new products, reduce costs, and enhance your development process significantly.

Organizations that don't embrace innovation management also risk bringing outdated solutions to their market. This limits your ability to stay ahead of the competition.

Blockbuster failed to promote innovation, instead of relying on their outdated model of in-store rentals and purchases for movies and video games. Netflix was able to disrupt Blockbuster by first offering DVDs shipped directly to your door. Soon after, Netflix pivoted once again by providing digital streaming for a large catalog of entertainment options.

By ignoring the industry's inevitable evolution, Blockbuster dug its own grave despite having all the resources it needed to retain its dominant market position.

8.2. Key Pillars of Innovation Management

There are four key pillars to innovation management: Competency, Structure, Culture, and Strategy. As any new idea can be viewed as innovation, it helps to have these pillars in mind to stay organized. Let’s take a closer look at each pillar:

Competency. Your core competencies are the things your company does best internally, as well as better than the competition. However, doing something well does not mean that it is important because your competencies may not always align with your market's wants and needs.

In terms of innovation management, it's helpful to distinguish your employees' competencies from those of your organization at large. Your employees may have one-off competencies that apply in narrow contexts. In contrast, your organizational core competency revolves around its ability to direct and organize these capabilities around a market solution.

Therefore, for organizational competency, you should look for the following abilities:

- Working with external partners and stakeholders.
- Maximizing the value of your current resources.
- Setting concrete long-term and short-term goals.
- Strategic management systems to achieve goals and review progress.

It helps to have someone within your organization that already has experience with innovation management. However, with the right mindset and focus on improving your company’s competency in this area, you can turn it into a major strength.

Structure. Whereas competency has to do mainly with capability, structure refers to the systems and business processes present within the organization. Innovation control is essential, and the structure is what makes it possible.

The right structure is greater than the sum of its parts. It can empower your organization to operate more efficiently and produce more powerful ideas.

For instance, if management treats employee ideas as if the employees were proposing a significant, wholesale change all at once, the managers may be skeptical and dismissive. Such an attitude would mean many ideas may never be heard, or they will be rejected without a fair hearing.

The fewer barriers between an innovative idea and your core customers, the better. Innovators are, by definition, rule breakers—departing from the traditional ways your organization does things.

Culture. When it comes to managing innovation, your culture will either magnify your success or severely detract from it. The right culture attracts and maintains innovators, whereas the wrong culture turns them away.

The first key in promoting a pro-innovation culture is how you encourage specific behavior while discouraging other behavior. Behaviors and cultural aspects that aid innovation include:

- The Best Idea Wins - A culture that assures employees their ideas will be evaluated on a meritocratic basis will foster greater innovation. Instead of bottlenecks and hierarchies determining which ideas to embrace, anyone can move the organization forward if their proposal aligns with business goals.
- Speed to Market - In today's world, it's often the company that brings an idea to the market first that wins because you can capture market share before competition heats up. You can also iterate on products and services with a faster lifecycle.
- Ongoing Learning - Encourage employees to take their learning seriously. Teams who are always learning maintain sharp minds and can identify opportunities to innovate more readily.
- Failure as Part of the Process - One of the biggest barriers to sustainable progress is the idea that a proposed solution that didn’t work out was somehow “bad.” Not all ideas will be greenlighted, and that’s okay — but your team needs to know that (and hear it explicitly from your organization’s leaders).

Strategy. In short, your strategy is the long-term planning you have in place for your organization to reach your financial and other goals.

With the right strategy, you can launch new ideas with confidence and select the right path forward from several options. Without a clear strategy, you risk running in circles or pursuing concepts or campaigns that don't serve your company over the long run.

Strategy also involves resource allocation, and it should inform your innovation management process based on your available resources. This allocation may change over time as you shift more (or less) resources toward developing new ideas.

8.3. Different Types of Innovation will Require Different Management Styles

There are various types of innovation, each with its unique benefits and disadvantages to your company. These innovation types also require different management styles to enact change effectively.

Open Innovation. Open innovation is an approach that operates with the philosophy of keeping an open mind to ideas generated externally instead of just those that originate inside the company. This approach is the opposite of closed innovation, where the focus is only on internal ideas.

As you can see from the figure below, with open innovation, you are not limited to the ideas of your workforce. Instead, you can collaborate with external business partners, entrepreneurs, and new talent in other industries to contribute to strategic growth.

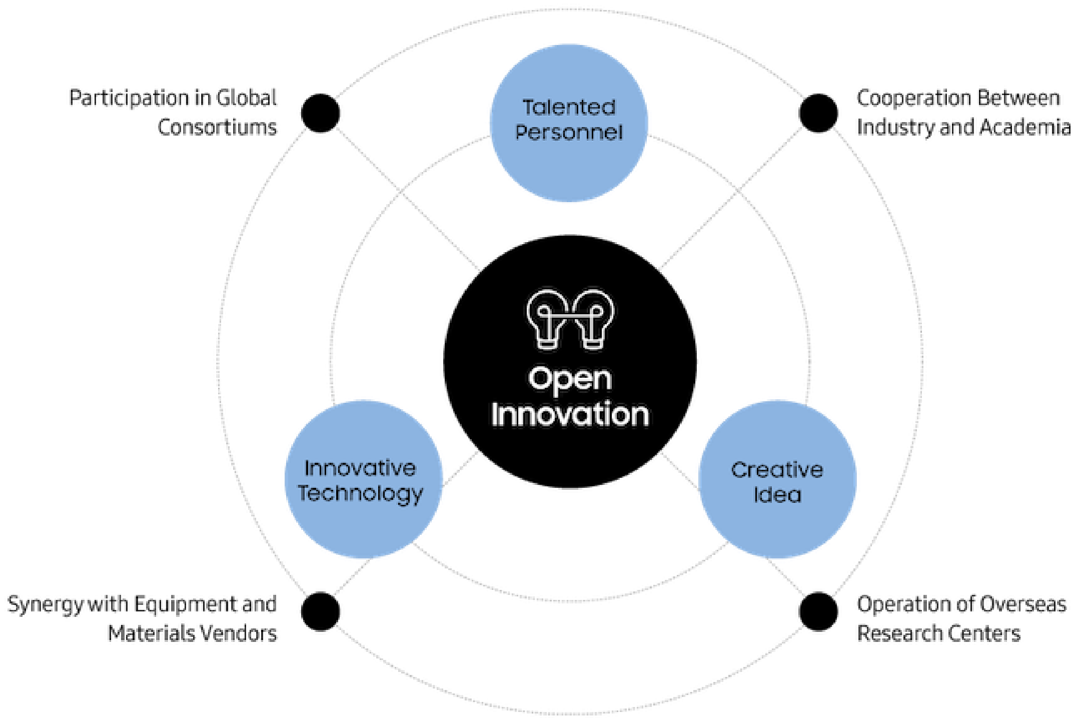


Figure 8.1. Open Innovation

Intellectual property created between you and your vendors, outsourcing partners, and others in your network can ultimately be shared to benefit both parties.

Open innovation can present a sizable competitive advantage because you have access to a larger flow of ideas and also new experts and teams to evaluate and implement these concepts.

This approach requires a unique management style that can balance external partnerships with the input from your employees. At the same time, you must keep strategic outcomes in mind when selecting which concepts to invest your company resources and time in.

Incremental Innovation. Incremental innovation provides a lower barrier to change by looking to existing tools, markets, and business processes for opportunities. For this reason, and because it allows greater innovation control, this method is a common way to begin the innovation journey for many companies.

Your company may already have an incremental innovation management system without realizing it, as many organizations often lack the systems to monitor, capture, and enhance naturally-occurring innovative ideas.

Therefore, incremental innovation is easy on the surface but requires astute leaders who understand the process and the importance of encouraging innovation. Moreover, these leaders must possess the discipline to put systems in place that evaluate new ideas as they relate to your strategic objectives for that department or the business as a whole.

Sustaining Innovation. Sustaining innovation seeks to improve current processes and avoid investing too many resources in "reinventing the wheel."

This type of innovation jives well with managers who have an in-depth knowledge base of their market. They know what their customers' problems are and how to solve them, the only question being how to do it most efficiently.

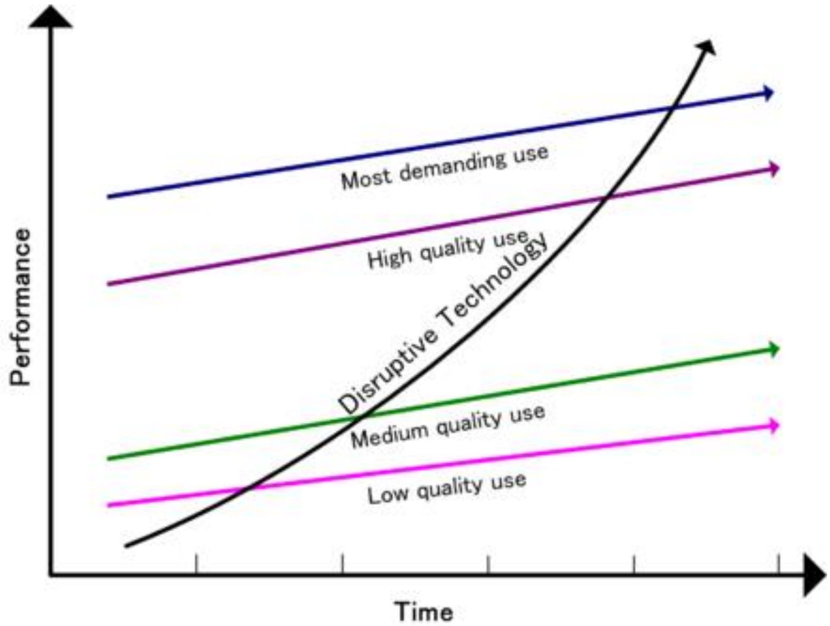


Figure 8.2. Disruptive Technology

Disruptive Innovation. Disruptive innovation is a higher risk approach that involves using technologies or creating alternative solutions that are new to your company, and quite often, new to the market at large, as well.

An example of disruptive innovation is the iPhone. The first iPhone created an entirely new category – the touchscreen smartphone. It surprised other companies and the consumer market when released and gave Apple a significant head start.

However, disruptive innovation requires managers who have a high-risk tolerance and the ability to balance investment in innovations while maintaining current operations that are already proven to bring in revenue.

Architectural Innovation. Architectural innovation is taking a process or innovation that already works in one area of your business and applying it across the "architecture" in different use cases.

For instance, you may have a backend technology that you could repurpose to create additional value for your consumer-facing applications. Since you have already proven that it works in one area, it is relatively low risk.

Typically, this innovation works well with management styles that focus on consumer needs and marketing, as the true challenge lies in getting your market to adopt it.

Radical Innovation. While similar to disruptive innovation, radical innovation goes one step further by creating entirely new industries and consumer habits. This field is sometimes known as category design.

It is high risk because you are performing business "backward" in a sense— creating a desire for something that no one knew they had. Think of the first airplane, phone, or television. Leaders who have huge visions and the ability to manage multiple departments are best suited to oversee this type of innovation.

Where Managers Can Source Innovation. Managers can drive innovation from a number of sources. The best option for your organization depends on your strategic objectives, resources, and organizational structure (core competencies and culture).

Sources for innovation include: Internal Innovation, External Innovation, Innovation Partners.

Internal Innovation. Looking internally for innovation can provide a faster feedback loop and less friction to getting started. Popular innovation sources from within a company include structured innovation labs and R&D departments.

For instance, you can create a think tank within your organization. The employees in this group will be tasked with ideation and brainstorming. They can then hand off their ideas to your technical departments, who can perform testing to create a new product or business solution.

External Innovation. External innovation is another term for open innovation. As such, this refers to innovation opportunities sourced from outside your company, which may include promotional partners, supply chain partners, and sometimes even competitors.

For instance, if you run an ecommerce company, you may look to your manufacturers to help you innovate a new design mold that passes on lower costs to both you and your manufacturers. This results in greater profits for everyone involved as long as you have the right innovation management system in place.

Innovation Partners. Innovation partners are still third-party collaborators such as those in the external innovation process. However, they can provide additional insights because they specialize in or are expressly set up for producing groundbreaking solutions.

Examples of innovation partners are innovation accelerators and startups. Their focus is on creating an environment where new ideas and technologies are brought together to achieve a unique value proposition. Therefore, it is easier to hit the ground running with these partners.

8.4. Top Challenges in Innovation Management

Managing innovation is not easy, and you are bound to come across roadblocks both internally and externally in your journey. Let’s look at some of the more common challenges and how to navigate them.

«Top-Down» Management Frameworks. Management frameworks such as «top-down» will create challenges for any company looking to innovate.

The world is very different than it was just ten years ago, let alone several decades ago when many management systems were invented. Instead of following the traditional route, it’s better to promote a «flat» company culture when it comes to progressive ideas. This allows communication to remain transparent so that great ideas don’t get squashed before they have a chance to provide value to your business.

Culture Lacks a Growth Mindset. There is a marked difference between company cultures that work with the view that "things are fine just the way they are" and cultures that possess a growth mindset. If you don't have a growth mindset within your organization, it filters down to everything you do.

For instance, employees lack the motivation to work on themselves (continual learning) or your product offerings. And the same applies to your marketing team when looking at your target audience. Instead, make it clear that a growth mindset is required, not optional, within your organization.

Poor Infrastructure. You can give innovation all the lip service you want and claim that it is crucial to your company. However, without investing in the proper infrastructure to capture and test your new ideas, you will rarely implement innovative solutions.

While a top-down approach is unfavorable in some ways, the onus is still on the C-suite to provide their teams with the resources, technology, and opportunities that innovation demands.

No Strategy. If you don't know where you're trying to go, then most of your efforts will likely be wasted. A lack of strategy is a highway to mediocrity or even a failed business.

Innovation doesn't happen in a vacuum—it needs guidance in the form of strong management and skilled team members who share the company's vision.

With a strategy, teams have a much better chance of overcoming issues, as they can optimize their resources and direct their creativity to find solutions together. Everything should serve your higher business goals, or else the efforts are a waste of resources.

Key Performance Indicators (KPIs) for Measuring Innovation. You can’t manage what you don’t measure. However, measuring progress is easier said than done when it comes to innovation. Here are some key performance indicators that allow you to organize and more effectively measure progress:

Input Metrics. Regarding innovation management, input metrics are quantifiable aspects of your process—for instance, the percentage of your R&D budget for innovation.

However, just because you have input doesn't mean you're getting the outcomes you want from that innovation. Therefore, it is also essential to connect inputs with their associated outputs.

Output Metrics. Output metrics are quantifiable metrics that have to do with actual results that you can see. For instance, the number of new products you bring to market over a certain period is an output metric.

Another example is the amount of new revenue generated from your innovation process. Likewise, cost savings by enhancing business processes are measurable and allow you to see if your efforts are moving you in the right direction.

Thus, in any organization, creative, revolutionary ideas can come from anyone, whether it be a senior executive or an intern in the customer service department. Whether these bright ideas come to fruition depends on the practices and processes a company uses to manage innovation.

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