GEORGIA DEPARTMENT OF REVENUE

LOCAL GOVERNMENT SERVICES DIVISION

Course VI Appraiser Management Development

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Introduction to Management Development

Within this introduction you will find out what lies ahead for this Management Development course. With the appropriate engagement and focus within this course you learn the following:

1. *Learn who managers are and about the nature of their work.*
2. *Know why you should care about leadership and strategy.*
3. *Know the dimensions of the planning-organizing-leading-controlling (P-O-L-C) framework.*
4. *Be familiar with the human resource aspects of management.*
5. *Understand what performance means at the individual and group levels.*
6. *Create your very own guide to learning and developing principles of management.*

You may have the impression that management is essentially just common intellect and that you really don't need to take this course except that you must meet a requirement. It could be said that you already have a lot of experience with managing, organizations, teams, and leadership. You've perhaps been through the various levels of schooling, possibly in clubs, or may have participated in social or religious groups, competed in sports or games, or taken on full- or part-time jobs. Some of your experience was feasibly positive, but you were also probable questioning sometimes, "Isn't there a better way to do this?" After partaking in this course, you'll find the answer to be "Yes!" **While it is thought that management is both art and science, with this course you can hopefully identify and develop the skills essential to better managing yours and others' behaviors where organizations are concerned.**

Let's pause for a second and ask ourselves, just what does management development entail. Management development is a systematic process of management training and growth by which individuals (aspiring to rise on the ladder of management) gain and applies knowledge, skills, insights, and attitudes to manage managers, workers, and work organizations effectively.

Management development, therefore, means any planned, guided or directed activity undertaken by a manager to help himself/herself become more competent in his/her present and/or to consciously prepare himself/herself for assuming higher and more important managerial duties and responsibilities so that he/she can claim promotion by merit or competence.

A manager's primary challenge is to solve problems creatively, and you should view management as "the art of getting things done through the efforts of other people." The principles of management, then, are the means by which you actually manage, that is, get things done through others—individually, in groups, or in organizations.

Formally defined, the principles of management are the activities that "plan, organize, and control the operations of the basic elements of [people], materials, machines, methods, money and markets, providing direction and coordination, and giving leadership to human efforts, to achieve the sought objectives of the enterprise." For this reason, **principles of management** are often discussed or learned using a framework called **P-O-L-C**, which stands for <u>planning</u>, <u>organizing</u>, <u>leading,</u> and <u>controlling</u>. Managers are essential in all the activities of organizations: budgeting, designing, selling, creating, financing, accounting, and artistic presentation; the larger the organization, the more managers are needed. Everyone employed in an organization is affected by management principles, processes, policies, and practices as they are either a manager or a subordinate to a manager.

SECTION 1: PROGRESSION OF MANAGEMENT

What's Lies Ahead…
a. Management Theory
b. Evolution of Management Thought
c. Management Approaches
d. Management Schools & Notable Contributors

1.1 MANAGEMENT THEORY

Management theories are a collection of ideas that recommend general rules for how to manage an organization or a business. Management theories address how supervisors implement strategies to accomplish organizational goals and how they motivate employees to perform at their highest ability.

Management theory originated with "*scientific*" *and bureaucratic*" **management** that used measurement, procedures, and routines as the basis for operations. Organizations developed hierarchies to apply standardized rules to the workplace and punished workers for not following them.

Why is the history of management important?
It is important for anyone studying management to know its history as it could help an individual understand how today's organizations evolved. We can also learn about the mistakes that are made in the past and make the right decision now. History also tells us how different theories of management are developed.

*S*o, what is **management theory**? To begin with, how about we separate the term. Theories assist us with understanding our encounters by utilizing research and recognizable realities. Management is the act of supervising and coordinating individuals, assignments, and things. In this way, management theory is an assortment of understandings and discoveries that help managers best strengthen their groups and objectives.

The Importance of Management Theories

Management theories help organizations to focus, convey, and progress. Using management theory in the working environment permits the administration to concentrate on their primary objectives. When a management style or theory is implemented, its automatically streamlines the top significances for the organization. Management theory also allows us to have improved communication with people we work with which in turn allows us to work more resourcefully. By understanding management theory, fundamental expectations about management styles and goals can be expected and can save time during daily exchanges and meetings within an organization.

Theories can only reach so far, and management theories are no exception. There is no such thing as a one-size-fits-all management theory. What may work for one organization may not be relevant for another. Therefore, when one theory does not fit a specific situation, it is important to explore the possibility of emerging a new theory that would lead in an innovative, more relevant course. While some theories can stand the test of time, other theories may grow to be divergent and new theories will develop in their place.

The Evolution of Management Theory

While the next section will get into the essentials behind the history of different types of management theory, it is important to have a straightforward understanding as to why management theory was such a significant and revolutionary idea. The Industrial Revolution is at the center of management theory. From the late 1700s through the early 1900s, the Industrial Revolution brought astonishing change to the workplace and forever transformed the way companies' function.

The Industrial Revolution brought better, and faster technology allowing companies to perform more efficiently than ever before and gave them the ability to dramatically increase their output. However, increased output meant lower prices which increased demand which in turn required more employees. Companies that once had a couple dozen employees were now growing into gigantic corporations. No longer was it possible for a manager to know each one of their employees on a friendly level. In order to meet demand, company leadership had to ensure their employees were productive. Sounds simple, right? Not exactly.

While productivity goals can be set easily, managing a team to meet productivity goals was not so simple. For the first time, managers had to find new and innovative ways to motivate a sizable number of employees to perform. Since this was a new concept, research, observations, experiments, and trial and error were all used to find new and better ways to manage employees. The Industrial Revolution gave birth to a variety of management theories and concepts, many of which are still relevant and essential in today's workforce. In addition, many management theories have developed since the end of the industrial revolution as society continues to evolve. Each management theory plays a role in modern management theory and how it is implemented.

Let's look at the Checkpoint section.

Evolution of Management Thought

Classical Management Approaches

Neo- Classical aka Behavioual Management Approaches

Modern Management Approaches

Continuing Management Themes

Checkpoint

In addition to advances in technology, _________ was a large motivation in the development of management theory during The Industrial Revolution.

a. industrial regulations

b. turnover

c. sustainability

d. productivity

1.2 THE MANAGEMENT APPROACHES

Classical Approaches
- Scientific Management
- Administrative Management
- Bureaucratic Management

Neo-Classical aka Behavioual Management Approaches
- Human Relations
- Behavioural Science

Modern Management Approaches-Quantitive
- Management Science
- Operations Management
- Informations Systems Management

Modern Management Approaches, cont.
- Systems Approach
- Contingency Approach

Continuing Management Themes
- Quality & Perfomance Excellence
- Learning Organization
- 21 Century Leadership
- Global Awareness

1.2.a MANAGEMENT SCHOOLS & NOTABLE CONTRIBUTORS

Classical Management Approaches

The growth of the Industrial Revolution and factories were becoming more common. Inside these factories, managers were endlessly looking for ways to improve productivity and efficiency. As time moved on, it became apparent that searching for the single best way to do things was the most imperative thing for managers to do.

Thus, classical management theory was born. This next section will converse on the evolution of classical management theory.

The Evolution of Classical Management Theory

The Industrial Revolution was a time where innovation really began to change the way that products were produced and sold. The creation of machines to yield goods in the 19th century drastically improved productivity, which in turn lowered the cost to the consumer. The lower price resulted in a greater demand for products and thus a greater need for more factories and workers.

As factories increased in number, managers continued to search for ways to improve productivity, lower cost, increase quality of their products, improve employee/manager relationships and increase efficiency. The focus shifted from using machines to increase productivity to how they could increase employee productivity and efficiency. When they did this, they began to notice some new problems inside their factory systems. Employees were dissatisfied with their current working conditions, and many lacked the necessary training for how to do their work efficiently.

Managers then began to formulate and test possible solutions, one of which was to find the best possible way for workers to perform and manage their tasks. The research resulted in the development of **classical management theory**.

Management of people didn't really become a subject of scientific study until the turn of the twentieth century, when researchers began to understand that there was more to the motivation and hard work of an employee than just a paycheck. Before that . . . well, managing people wasn't exactly an art.

During the industrial revolution at the turn of the 19th century, the United States entered a phase where significant changes occurred in the areas of transportation, agriculture and manufacturing, allowing us to produce goods quickly and efficiently. James Watt invented the steam engine, which shortened transportation times and allowed us to move goods faster. Eli Whitney invented the cotton gin, opening the door to quicker, more efficient cotton harvesting. But even as Francis Cabot Lowell invented his water-powered mill, it wasn't to lessen the burden of his laborers. Women would work in his plant 12 to 14 hours a day, and they were paid better than ladies at other textile manufacturers . . . for a while. But when Lowell wanted to increase his profits and meet customer demands, he cut his employees' pay and lengthened their hours. Because of that, trade unions formed, strikes occurred, and the Lowell Female Labor Reform Association was created.

We were a long way from the "take care of your employees and they'll take care of you" notion. There were still management problems, though, and they presented problems for these new factory owners. Large numbers of people had to be managed, trained, controlled, and motivated. Materials and tools needed to be supplied. Managers looked to handle these issues scientifically.

Scientific School Of Management

The scientific school of management focused on the 'science' of creating specialized work processes and workforce skills to complete production tasks efficiently. This section will discuss the development of scientific management and how it is applied by management as illustrated by the classic example of Henry Ford's Model T production line.

Scientific Management

The scientific school of management is one of the schools that make up classical management theory. Still very much concerned with increasing productivity and efficiency in organizations by finding the best way to do something, **the scientific school of management** is focused on the 'science' of creating specialized work processes and workforce skills to complete production tasks efficiently.

Classical scientific theorists such as Frederick Taylor, Henry Gantt, and Frank and Lillian Gilbreth spent their time researching how a specific job was done, what steps were taken by an employee to complete the work, the amount of time it took a worker to complete a task using different methods, and then used this information to determine which way was most effective.

The result of this research led to the development of four principles of scientific management:

1. Management should provide workers with a precise, scientific approach for how to complete individualized tasks.

2. Management should carefully choose and train each employee on one specific task.

3. Management should communicate with employees to ensure the method used to complete the task is, in fact, the most productive and efficient.

4. Management should create the appropriate division of labor.

Application of Scientific Management

Utilization of these logical administration standards is very oversimplified once fully operational; however, it requires a lot of investigation in advance. A **division of labor** allows the manager to take complex tasks and break them down into smaller, more precise tasks that the individual laborers can complete. A division of labor permits the manager to take complex errands and separate them into smaller, progressively particular assignments that the individual laborers can finish. Every laborer is trained specifically on the most proficient method to perform their job. A manager will check with their laborer to guarantee that the proposed strategy for finishing the work is proficient and make changes when imperative. If all goes as arranged, a supervisor will look as an item proficiently moves from laborer to laborer down the assembly line. As the individual parts meet up, the entirety is basically made. Think about an assembly line system where each individual laborer finishes one monotonous advance in the item development process. The item is done and fit to be sold after every laborer finishes their particular task in the item development process. To see old style logical administration, division of work, and the mechanical production system in real life, we can go to Henry Ford of Ford Motor Company.

Henry Ford's Model T Production Line

Turns out that right around the same time Taylor, Gantt, and the Gilbreths were emerging with the principles of scientific management, Henry Ford was seeking for an effective way to produce his Model T. At that time, a car was really considered a luxury item that was handcrafted by one individual on a factory floor, and Ford desired to change this. By combining the idea of scientific management's best possible way to accomplish a task through the division of labor and Ford's engineering background, the true assembly line was born.

Frederick Winslow Taylor was an engineer for Bethlehem Steel in 1889, when he decided to analyze the issue of soldiering, which is when workers are deliberately working under capacity.

He observed workers unloading iron off the rail cars and loading steel onto them. Taylor studied the movements, tools, and processes of the workers and determined that, while they were currently loading about 12.5 tons a day, they were clearly capable of loading 47.5 tons a day. He recommended that workers be provided incentives in the form of wage increases to meet new loading goals. These recommendations, when followed, led to increased production for Bethlehem Steel.

The process that Taylor laid out was a template for other organizations:

1. Each task should be studied scientifically to determine the best way to perform it.
2. Workers should be carefully selected and trained to perform the tasks.
3. Managers and workers should cooperate to ensure efficient production.
4. Managers should plan, and workers should be responsible for implementing those plans.

Frederick Winslow Taylor, a contemporary of Fayol's, formalized the principles of scientific management in his 1911 book, The Principles of Scientific Management. Taylor described how productivity could be greatly improved by applying the scientific method to management; for this reason, the scientific approach is sometimes referred to as Taylorism.

Taylor is most famous for his "time studies," in which he used a stopwatch to time how long it took a worker to perform a task, such as shoveling coal or moving heavy loads. Then he experimented with different ways to do the tasks to save time. Sometimes the improvement came from better tools. For example, Taylor devised the "science of shoveling," in which he conducted time studies to determine how much weight a worker could lift with a shovel without tiring. He determined that 21 pounds was the optimal weight. But since the employer expected each worker to bring his own shovel, and there were different materials to be shoveled on the job, it was hard to ensure that 21-pound optimum. So, Taylor provided workers with the optimal shovel for each density of materials, like coal, dirt, snow, and so on. With these optimal shovels, workers became three or four times more productive, and they were rewarded with pay increases.

Frank Gilbreth and Lillian Moller Gilbreth were associates of Taylor and were likewise interested in standardization of work to improve productivity (Wikipedia, 2021). They went one better on Taylor's time studies, devising "motion studies" by photographing the individual movements of each worker (they attached lights to workers' hands and photographed their motions at slow speeds). The Gilbreths then carefully analyzed the motions and removed unnecessary ones. These motion studies were preceded by timing each task, so the studies were called "time and motion studies." Applying time and motion studies to bricklaying, for example, the Gilbreths devised a way for workers to lay bricks that eliminated wasted motion and raised their productivity from 1,000 bricks per day to 2,700 bricks per day. Frank Gilbreth applied the same technique to personal tasks, like coming up with "the best way to get dressed in the morning." He suggested the best way to button the waistcoat, for example, was from bottom up rather than top down. Why? Because then a man could straighten his tie in the same motion, rather than having to raise his hands back up from the bottom of the waistcoat.

Bureaucratic Management

Bureaucratic management focuses on the ideal form of organization. **Max Weber** was the major contributor to bureaucratic management. Based on observation, Weber concluded that many early organizations were inefficiently managed, with decisions based on personal relationships and loyalty. He proposed that a form of organization, called a bureaucracy, characterized by division of labor, hierarchy, formalized rules, impersonality, and the selection and promotion of employees based on ability, would lead to more efficient management. Weber also contended that managers' authority in an organization should be based not on tradition or charisma but on the position held by managers in the organizational hierarchy.

Bureaucracy has come to stand for inflexibility and waste, but Weber did not advocate or favor the excesses found in many bureaucratic organizations today. Weber's ideas formed the basis for modern organization theory and are still descriptive of some organizations.

Max Weber developed a **bureaucratic approach** to management. A German citizen, Weber was interested in industrial capitalism, particularly how it was successful in some areas and not in others. Weber traveled to the United States to observe industrial capitalism, and determined that the U.S. used professional managers, business and economic relationships, whereas in Germany people were given positions of authority based on social standings and connections, and businesses were highly linked to family.

In order to help eliminate the practice of social privilege and favoritism prevalent in family-owned businesses, Weber proposed the bureaucratic approach. Bureaucracies have a negative connotation today, but in the true definition of the word bureaucracies are impersonal structures based on clear authority, responsibility, formal procedures and separation of management and ownership.

In his approach, Weber proposed:

- Hierarchal management structure.
- Division of labor.
- Formal selection process for new employees.
- Career orientation.
- Formal rules and regulations.
- Impersonality.

Weber didn't anticipate the problems that would come from his approach (division of labor leading to boredom, formal rules leading to "red tape"), his bureaucratic method is in practice among many organizations today, and his idea that hiring and promotion should be based on capability and not social standing is written into US labor laws.

Administrative Management

Administrative management focuses on the management process and principles of management. In contrast to scientific management, which deals largely with jobs and work at the individual level of analysis, administrative management provides a more general theory of management. **Henri Fayol** is the major contributor to this school of management thought.

Fayol was a management practitioner who brought his experience to bear on the subject of management functions and principles. He argued that management was a universal process consisting of functions, which he termed planning, organizing, commanding, coordinating, and controlling. Fayol believed that all managers performed these functions and that the functions distinguished management as a separate discipline of study apart from accounting, finance, and production. Fayol also presented fourteen principles of management, which included maxims related to the division of work, authority and responsibility, unity of command and direction, centralization, subordinate initiative, and team spirit.

Although administrative management has been criticized as being rigid and inflexible and the validity of the functional approach to management has been questioned, this school of thought still influences management theory and practice. The functional approach to management is still the dominant way of organizing management knowledge, and many of Fayol's principles of management, when applied with the flexibility that he advocated, are still considered relevant.

In his **administrative management approach**, theorist ***Henri Fayol*** proposed five basic management functions that are still an important part of management practice today. In his 1916 book General and Industrial Management, he talked about those functions:

- Foresight: an organizational plan for the future.
- Organization: implementation of the plan.
- Command: select and lead workers.
- Coordinate: make sure all activities are coordinated and helping to reach goal.
- Control: ensure activities are going as planned.

French-born Fayol came to some of these basic concepts when he witnessed the shutdown of a mine. A horse had broken its leg, and the mine had to be shut down because no one had the authority to purchase a new one. Seeing this as a failure of management to provide the right resources, he began his studies of management structures.

Fayol's studies also produced fourteen principles that could guide management behavior but felt that they weren't rigid or exhaustive.

Five of those principles still exist in current management theory and practice:

- Unity of command.
- Fairness and equity.
- Discipline and order.
- Scalar chain of command.
- Teamwork and subordination of individual interests.

Weber's bureaucracy approach informs most organizations today and Fayol's approach helps us understand the basics of management no matter what the industry or situation. Now let's look at some studies and research that bring in the human relations approach.

Let's look at the Checkpoint section.

Neo-Classical aka The Behavioral Management Approaches

The behavioral school of management thought developed, in part, because of perceived weaknesses in the assumptions of the classical school.

The classical school emphasized efficiency, process, and principles. Some felt that this emphasis disregarded important aspects of organizational life, particularly as it related to human behavior. Thus, the behavioral school focused on trying to understand the factors that affect human behavior at work.

In contrast to scientific management, with its focus on optimizing man as a machine, behavioral management focuses on worker behavior and motivations. Specifically, behavioral management theory is concerned with how to manage productivity by understanding worker motivation, including expectations, needs and interests, and group dynamics. Behavioral management theory is sometimes referred to as the human relations movement due to its focus on the human dimension of work. Theorists who contributed to behavioral management include Mary Parker Follett, Elton Mayo, and Abraham Maslow.

Humanistic Viewpoint

The human relations movement was a natural response to some of the issues related to scientific management and the under-socialized view of the worker that ignored social aspects of work. The key uniting characteristics of Taylor, Weber, and Fayol were the ideas of efficiency produced through either operational, legal, or administrative improvements. One of the principal assumptions was an emphasis on rationality. According to scientific management, there was a logic to actions, and formal and knowledge authority were the principal catalysts of workplace motivation. Scientific management tended to downplay the effects of social pressures on human interactions. The human relations movement enhanced scientific management because it acknowledged that peoples' attitudes, perceptions, and desires play a role in their

Checkpoint

Which is the early management approach that lent itself to organizational hierarchy?

a. Taylor's Scientific Approach

b. Fayol's Administrative Approach

c. Weber's Bureaucratic Approach

d. Mayo's Hawthorne Effect

workplace performance. With this acknowledgement, for example, managers began to realize that settling disputes was more difficult than the scientific management approach described.

The major difference between scientific management and human relations theory was that human relations theory recognized that social factors were a source of power in the workplace. While Taylor recognized the existence of social pressures in an organization, he sought to diminish them through pay, that is, compensating workers for production even though social pressure forced workers to reduce production. Fayol recognized the existence of social issues as well, but he emphasized commitment to the organization as a management technique rather than commitment of workers to each other or to their supervisor. Weber placed emphasis on the rule of law and believed that laws and regulations would guide society and corporations. Yet he did not spend enough energy recognizing the outcomes that happen when rules break down. Fayol and Weber did not recognize the role of corporate culture in an organization and did not examine more closely why workers do not follow orders. The human relations movement added more of the social element to the study and theory of work.

What is Human Relations?

Do people really matter in business? Let's discuss this question by exploring human relations theory and the movement surrounding it. **Human relations** is the analysis of people's issues that arise due to interpersonal and organizational relationships. In the business world, human relations are a critical part of organizational success; an organization may have a wonderful business plan, but without employees to carry out that plan, it is worthless. It's often said that a happy employee is a more productive employee. Nothing proves this more than the history of the human relations movement in management.

According to the human relations aspect of the behavioral management approach, the manager should possess skills for diagnosing the causes of human behavior at work, interpersonal communication, and motivating and leading workers. The focus became satisfying worker needs. If worker needs were satisfied, wisdom held, the workers would in turn be more productive. Thus, the human relations school focuses on issues of communication, leadership, motivation, and group behavior. The individuals who contributed to the school are too numerous to mention, but some of the best-known contributors include Mary Parker Follett, Chester Barnard, Abraham Maslow, Kurt Lewin, Renais Likert, and Keith Davis. The human relations school of thought still influences management theory and practice, as contemporary management focuses much attention on human resource management, organizational behavior, and applied psychology in the workplace.

Mary Parker Follett's teachings, many of which were published as articles in well-known women's magazines, were popular with business people during her lifetime. But she was virtually ignored by the male-dominated academic establishment, even though she attended Radcliffe University and Yale and was asked to address the London School of Economics. In recent years her writings have been "rediscovered" by American management academics, and she is now considered the "Mother of Modern Management."

Follett developed many concepts that she applied to business and management, including the following:

- A better understanding of lateral processes within organizational hierarchies. These concepts were applied by DuPont Chemical Company in the 1920s in the first matrix-style organization. A matrix organizational structure uses a grid rather than a pyramidal system to illustrate reporting paths. An individual may report both to a functional manager (such as sales or finance) and to a product manager.
- The importance of informal processes within organizations. This is related to the idea of authority deriving from expertise rather than position or status. For example, an informal group may form in an organization (during or outside of official work hours) to socialize, form a union, or discuss work processes without management overhearing.
- Noncoercive power sharing, which she called **integration**, to describe how power operates in an effective organization. She wrote about the **"group principle"** that characterized the whole of the organization, describing how workers and managers have equal importance and make equal contributions.

- Coining the term "win-win" to describe cooperation between managers and workers. She also talked about **empowerment** and **facilitation** rather than control.

- Promoting conflict resolution in a group based on constructive consultation of equals rather than compromise, submission, or struggle. This is known as the **constructive conflict** concept.

Follett devoted her life's work to the idea that social cooperation is better than individual competition. In her 1924 book *Creative Experience*, Follett wrote "Labor and [management] can never be reconciled as long as labor persists in thinking that there is a [management] point of view and [management] thinks there is a labor point of view. These are imaginary wholes which must be broken up before [management] and labor can cooperate."

Elton Mayo

In 1924, Australian sociologist Elton Mayo, who later became an industrial research professor at Harvard, began a series of studies that demonstrated that employee motivation is heavily influenced by social and situational factors. Mayo's findings, referred to as the "Hawthorne Effect," marked a radical change in motivational theory and management practice.

For example, Frederick Taylor's principles focused on individual workers and how to optimize that person's work performance. The Hawthorne studies observed workers in a social context—as part of a group—and determined that employee performance is influenced by not only innate ability but by the work environment and their co-workers. Specifically, the studies found that management attention and engagement with workers and the group dynamic had more of an impact on productivity than factors such as lighting or benefits.

The Hawthorne Studies

The Hawthorne Experiments began in 1924 and continued through the early 1930s. A variety of researchers participated in the studies, including Clair Turner, Fritz J. Roethlisberger, and Elton Mayo, whose respective books on the studies are perhaps the best known. One of the major conclusions of the Hawthorne studies was that workers' attitudes are associated with productivity. Another was that the workplace is a social system and informal group influence could exert a powerful effect on individual behavior. A third was that the style of supervision is an important factor in increasing workers' job satisfaction. The studies also found that organizations should take steps to assist employees in adjusting to organizational life by fostering collaborative systems between labor and management. Such conclusions sparked increasing interest in the human element at work; today, the Hawthorne studies are generally credited as the impetus for the human relations school.

Behavioral Aspects

Behavioral science and the study of organizational behavior emerged in the 1950s and 1960s. The behavioral science school was a natural progression of the human relations movement. It focused on applying conceptual and analytical tools to the problem of understanding and predicting behavior in the workplace. However, the study of behavioral science and organizational behavior was also a result of criticism of the human relations approach as simplistic and manipulative in its assumptions about the relationship between worker attitudes and productivity. The study of behavioral science in business schools was given increased credence by the 1959 Gordon and Howell report on higher education, which emphasized the importance to management practitioners of understanding human behavior.

The Behavioral Approach to Management

The behavioral approach also sometimes called behavioral science approach emerged from research by behavioral scientists including sociologists, psychologists, and anthropologists, who sought ways of improving organization effectiveness. Behavioral viewpoint to management is a perspective that emphasizes the importance of attempting to understand the various factors that affect human behavior in organizations.

The behavioral school on the other hand can also be traced to the realization by managers that the classical school did not quite achieve complete production efficiency and workplace harmony. Managers still encountered difficulties and frustrations because people did not always follow predicted or rational patterns of behavior. Thus, there was increase interest in helping managers to deal with the "people side" of their organizations. Several individuals tried to strengthen scientific management and organization theory with the insights of sociology and psychology.

Abraham Maslow (1908-1970)

Abraham Maslow, a practicing psychologist, developed one of the most widely recognized need theories, a theory of motivation based upon a consideration of human needs.

His theory of human needs had three assumptions:

- Human needs are never completely satisfied.
- Human behavior is purposeful and is motivated by the need for satisfaction.
- Needs can be classified according to a hierarchical structure of importance, from the lowest to highest.

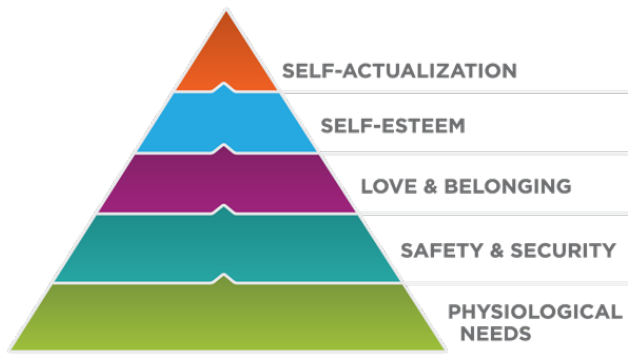
Maslow broke down the need's hierarchy into five specific areas:

- ❖ Physiological needs. Maslow grouped all physical needs necessary for maintaining basic human well-being, such as food and drink, into this category. After the need is satisfied, however, it is no longer is a motivator.
- ❖ Safety needs. These needs include the need for basic security, stability, protection, and freedom from fear. A normal state exists for an individual to have all these

needs generally satisfied. Otherwise, they become primary motivators.

- ❖ Belonging and love needs. After the physical and safety needs are satisfied and are no longer motivators, the need for belonging and love emerges as a primary motivator. The individual strives to establish meaningful relationships with significant others.
- ❖ Esteem needs. An individual must develop self-confidence and wants to achieve status, reputation, fame, and glory.
- ❖ Self-actualization needs. Assuming that all the previous needs in the hierarchy are satisfied, an individual feels a need to find himself.

Maslow's hierarchy of needs theory helped managers visualize employee motivation.



MASLOW'S HIERARCHY OF NEEDS

His theory on human behavior is that individuals work to satisfy unfulfilled needs, including simple physiological needs, such as food, and complex physiological needs, such as self-esteem.

He suggested the hierarchy of needs, in which he observed that a fulfilled need did little to motivate an employee. For example, a person with an unfulfilled need could be persuaded to work to satisfy that need.

Thus, a person that is hungry might work quite hard for him to get food. He called this "deficit principle" and suggested that managers must be alert for those needs that are unmet and create rewards to satisfy them. To satisfy a higher-level need like esteem for example, management can organize a reward system that would formally recognize the employee's efforts. Maslow also formulated a progression principle; whereby higher-level needs are activated once lower-level needs are met. In Maslow's view, lower-level needs that go unfulfilled tend to take precedence in an employee's mind over higher-level needs. For example, a hungry person is more preoccupied with finding food than the need for self-respect.

However, in later years there have been criticisms of Maslow's theory simply because of the realization by managers that it is not for every individual that all needs are arranged hierarchically, there are many people who would jump a lower need and go in search of higher needs.

Douglas McGregor (1906-1964)

Douglas McGregor was heavily influenced by both the Hawthorne studies and Maslow. He believed that two basic kinds of managers exist. One type, the Theory X manager, has a negative view of employees and assumes that they are lazy, untrustworthy, and incapable of assuming responsibility. On the other hand, the Theory Y manager assumes that employees are not only trustworthy and capable of assuming responsibility, but also have high levels of motivation.

An important aspect of McGregor's idea was his belief that managers who hold either set of assumptions can create self-fulfilling prophecies — that through their behavior, these managers create situations where subordinates act in ways that confirm the manager's original expectations.

As a group, these theorists discovered that people worked for inner satisfaction and not materialistic rewards, shifting the focus to the role of individuals in an organization's performance.

Douglas McGregor was a contemporary of F.W. Taylor; he brought a fresh new perspective to management and challenged managers to think of subordinates as responsible, capable, and creative.

He felt that for a long time, leaders/managers had treated subordinates as irresponsible and lazy. He called this approach to management as theory X. Managers under theory X tend to be autocratic, control oriented and distrustful. On the other hand, McGregor identified a second perspective, theory Y, which reverses the earlier assumptions about human nature. Theory Y managers view subordinates optimistically as individuals who want to take challenges in their working environments, prefer self-control and are capable of responsible independent judgment.

Theory X Assumptions:

I. The average human being has inherent dislike of work and will avoid it if possible.

II. Because of his characteristic dislike of work, most people must be coerced, controlled, directed, and threatened with punishment to get them put fourth adequate effort towards the attainment of the organizational objectives.

III. The average human being prefers to be directed, wishes to avoid responsibility, has relatively little ambition, and wants security above all.

Theory Y Assumptions:

I. The average human being does not inherently dislike work. Depending upon controllable conditions, work may be in fact a source of satisfaction. (and will be voluntarily performed) or a source of punishment (and will be avoided if possible).

II. External control and the threat of punishment are not the only means for bringing about effort towards organizational objectives. People will exercise self-direction and self-control in the service, or pursuit of objectives to which they are committed.

III. Commitment to objectives is a function of the reward associated with their achievement. The most significant of such rewards e.g., the satisfaction of ego and self-actualization need can be direct product of effort directed toward organizational objectives.

IV. The average human being learns under proper conditions, not only to accept but to seek Responsibility, lack of ambition, avoidance of responsibility and emphasis on security are generally consequences of experience not inherent human characteristic.

V. The capacity to exercise a relatively high degree of imagination, ingenuity, and creativity in the solution of organizational problems is widely, not narrowly distributed in population.

VI. Under the conditions of modern industrial life, the intellectual potentialities of the average human being are only partially utilized.

Let's look at the Checkpoint section.

Checkpoint

Who proposed theory 'x' and theory 'y' to be recognized as motivational theories in developing managerial leadership?

a. Abraham Maslow

b. Mary Parker Follet

c. Douglas McGregor

d. Hugo Munsterberg

MODERN APPROACHES-THE QUANTITATIVE OR MANAGEMENT SCIENCE APPROACHES

During World War II, mathematicians, physicists, and other scientists joined together to solve military problems. The quantitative school of management is a result of the research conducted during World War II. The **quantitative approach** to management involves the use of quantitative techniques, such as statistics, information models, and computer simulations, to improve decision making. This school consists of several branches, described in the following sections.

The management science school emerged to treat the problems associated with global warfare. Today, this view encourages managers to use mathematics, statistics, and other quantitative techniques to make management decisions.

- Managers can use computer models to figure out the best way to do something — saving both money and time. Managers use several science applications.
- Mathematical forecasting helps make projections that are useful in the planning process.
- Inventory modeling helps control inventories by mathematically establishing how and when to order a product.
- Queuing theory helps allocate service personnel or workstations to minimize customer waiting and service cost.

Operations Management

Operations management is a narrow branch of the quantitative approach to management. It focuses on managing the process of transforming materials, labor, and capital into useful goods and/or services. The product outputs can be either goods or services; effective operations management is a concern for both manufacturing and service organizations. The resource inputs, or factors of production, include the wide variety of raw materials, technologies, capital information, and people needed to create finished products. The transformation process, in turn, is the actual set of operations or activities through which various resources are utilized to produce finished goods or services of value to customers or clients.

Operations management today pays close attention to the demands of quality, customer service, and competition. The process begins with attention to the needs of customers: What do they want? Where do they want it? When do they want it? Based on the answers to these questions, managers line up resources and take any action necessary to meet customer expectations.

Management information systems

Management information systems (MIS) is the most recent subfield of the quantitative school. A management information system organizes past, present, and projected data from both internal and external sources and processes it into usable information, which it then makes available to managers at all organizational levels. The information systems are also able to organize data into usable and accessible formats. As a result, managers can identify alternatives quickly, evaluate alternatives by using a spreadsheet program, pose a series of "what-if" questions, and finally, select the best alternatives based on the answers to these questions.

Systems management theory

The **systems management theory** has had a significant effect on management science. A system is an interrelated set of elements functioning as a whole. An organization as a system is composed of four elements:

- **Inputs** — material or human resources
- **Transformation processes** — technological and managerial processes
- **Outputs** — products or services
- **Feedback** — reactions from the environment

In relationship to an organization, *inputs* include resources such as raw materials, money, technologies, and people. These inputs go through a transformation process where they're planned, organized, motivated, and controlled to ultimately meet the organization's goals. The *outputs* are the products or services designed to enhance the quality of life or productivity for customers/clients. Feedback includes comments from customers or clients using the products. This overall systems framework applies to any department or program in the overall organization.

Systems theory may seem quite basic. Yet decades of management training and practices in the workplace have not followed this theory. Only recently, with tremendous changes facing organizations and how they operate, have educators and managers come to face this new way of looking at things. This interpretation has brought about a significant change in the way management studies and approaches organizations.

The systems theory encourages managers to look at the organization from a broader perspective. Managers are beginning to recognize the various parts of the organization, and, in particular, the interrelations of the parts.

Contemporary system theorists find it helpful to analyze the effectiveness of organizations according to the degree that they are open or closed. The following terminology is important to your understanding of the systems approach:

- An organization that interacts little with its external environment (outside environment) and therefore receives little feedback from it is called a **closed system.**
- An **open system,** in contrast, interacts continually with its environment. Therefore, it is well informed about changes within its surroundings and its position relative to these changes.
- A **subsystem** is any system that is part of a larger one.
- **Entropy** is the tendency of systems to deteriorate or break down over time.
- **Synergy** is the ability of the whole system to equal more than the sum of its parts.

The **contingency school of management** can be summarized as an "it all depends" approach. The appropriate management actions and approaches depend on the situation. Managers with a contingency view use a flexible approach, draw on a variety of theories and experiences, and evaluate many options as they solve problems.

Contingency management recognizes that there is no one best way to manage. In the contingency perspective, managers are faced with the task of determining which managerial approach is likely to be most effective in a given situation. For example, the approach used to manage a group of teenagers working in a fast-food restaurant would be very different from the approach used to manage a medical research team trying to find a cure for a disease.

Contingency thinking avoids the classical "one best way" arguments and recognizes the need to understand situational differences and respond appropriately to them. It does not apply certain management principles to any situation. Contingency theory is a recognition of the extreme importance of individual manager performance in any given situation. The contingency approach is highly dependent on the experience and judgment of the manager in a given organizational environment.

Continuing Management Themes

The many accumulating insights into management practice have set the foundation for important trends and direction in management thought that are well in the evidence in the 21st century. Among the most important is the recognition that we live and work in a dynamic & ever-changing environment that puts unique and never-ending competitive pressures on organizations. Key themes reflected in this section include continuing pressures for quality and performance excellence, an expanding global awareness, learning organizations and lastly 21st century leadership.

QUALITY AND PERFORMANCE EXCELLENCE

Managers and workers in truly progressive organizations are quality conscious. They understand the basic link between competitive advantage and the ability to always deliver quality goods and services to their customers. The best organizational cultures include quality as a core value and reinforce the quality commitment in all aspects of the work environment. Every effort is made in total quality management (TQM) to build quality into all aspects of operations from initial acquisition of resources, through the transformation processes and work systems, all the way to ultimate product delivery to customers or clients.

Quality must be maintained at each point in the value chain, whether it is performed directly by the organization or is part of its network of relationships with suppliers and contractors. Closely aligned with the pursuit of quality is management commitment to performance excellence, a theme that rose to special prominence over 20 years ago when In Search of Excellence: Lessons from America's Best Run Companies was published by Thomas Peters and Robert Waterman Based on case investigations of successful companies, they identified the eight attributes of performance excellence. Although we now recognize that these attributes are modest insights into a far more complex performance picture, they are useful starting points. In them you will find many themes and directions that are now common practice in organizations today.

Eight attributes of performance excellence :

- Bias toward action—making decisions and making sure things get done.
- Closeness to the customers—knowing their needs and valuing customer satisfaction.
- Autonomy and entrepreneurship—supporting innovation, change, and risk taking.
- Productivity through people—valuing human resources as keys to quality and performance.
- Hands-on and value-driven—having a clear sense of organizational purpose.
- Sticking to the knitting—focusing resources and attention on what the organization does best.
- Simple form and lean staff—minimizing management levels and staff personnel.
- Simultaneous loose-tight properties—allowing flexibility

GLOBAL AWARENESS

We are just emerging from a decade in which the quality and performance excellence themes were reflected in the rise of "process reengineering," "virtual organizations," "agile factories," "network firms," and other concepts introduced in this book. But while the best formulas for success continue to be tested and debated, an important fact remains: Much of the pressure for quality and performance excellence is created by the forces of globalization and a highly competitive global economy. Nowhere is this challenge more evident than in the continuing efforts of businesses around the globe to transform themselves into truly world-class operations. Like the lessons of performance excellence, current trends and directions in global awareness have ties back to the 1980s. That was a time when the success of Japanese industry caught worldwide attention and both scholars and consultants rushed to identify what could be learned from Japanese management practices. The books Theory Z, by William Ouchi, and The Art of Japanese Management, by Richard Tanner Pascale and Anthony G. Athos, were among the first that called attention to the possible link between unique Japanese practices and business success.

Ouchi used the term "Theory Z" to describe a management framework that uses insights found in the Japanese models. Prominent in the Theory Z management approach are such things as long-term employment, slower promotions and more lateral job movements, greater attention to career planning and development, more use of consensus decision making, and high emphasis on use of teamwork and employee involvement. And even though the Japanese economy and management systems face pressures of their own today, these early insights into the Japanese business experience helped to establish a global awareness that continues to enrich management thinking today.

LEARNING ORGANIZATIONS

The change and uncertainty in today's environment have given rise to an emphasis on creating learning organizations, ones that are able to continually learn and adapt themselves to new circumstances. Such organizations are successful because they are uniquely capable of improving themselves by learning from experience.

Consultant Peter Senge popularized the concept of the learning organization in his book The Fifth Discipline, and he identifies the following as its core ingredients:

1. Mental models—everyone sets aside old ways of thinking.
2. Personal mastery—everyone becomes self-aware and open to others.
3. Systems thinking—everyone learns how the whole organization works.
4. Shared vision—everyone understands and agrees to a plan of action.
5. Team learning—everyone works together to accomplish the plan.

Organizations that meet Senge's criteria for learning organizations offer work settings in which members develop their abilities to learn and are encouraged and helped to make that learning continuously available to everyone else. They have value-driven organizational cultures that emphasize information sharing, teamwork, empowerment, participation, and learning. Importantly, the leaders of learning organizations set an example for others by embracing change and communicating enthusiasm for solving problems and growing with new opportunities.

21st-CENTURY LEADERSHIP

There is no doubt that today's social, political, and economic forces make it necessary for people and organizations to continually adapt to new situations if they are to survive and prosper over the long run. Learning, learning, and more learning is the new reality of work in the 21st century. This fact carries with its distinctive personal development and leadership challenges. And when it comes to leadership, history once again sets the stage

for the future. In his book No Easy Victories, John Gardner speaks of leadership as a special responsibility, and his words are well worth considering today.
Leadership and the new directions of learning organizations are singled out again and again in Management as important keys to personal and organizational performance. Managers of the 21st century will have to excel as never before to meet the expectations held of them and of the organizations they lead. Importantly, we must all recognize that new managerial outlooks and new managerial competencies appropriate to the new times are requirements for future leadership success.

At the very least, the 21st-century manager must be a:

- Global strategist—understanding the interconnections among nations, cultures, and economies; planning and acting with due consideration of them.
- Master of technology—comfortable with information technology; understanding technological trends and their implications; able to use technology to best advantage.
- Inspiring leader—attracting highly motivated workers and inspiring them with a high-performance culture where individuals and teams can do their best work.
- Model of ethical behavior—acting ethically in all ways, setting high ethical standards for others to follow, building a work culture that values ethics and social responsibility.

Management scholar and consultant Peter Drucker calls this the age of information and considers knowledge the principal resource of a competitive society. Drucker also cautions that knowledge constantly makes itself obsolete. In a society where knowledge workers are increasingly important, this means that new managers must be well educated . . . and they must continue that education throughout their careers. Success in turbulent times comes only through learning and continuous improvement.

The new economy requires everyone—you included—to be unrelenting in efforts to develop, refine, and maintain job-relevant skills and competencies. It requires leaders with strong people skills, ones attuned to the nature of an information/service society, ones who understand the international dimensions, and ones who establish commitments to work-life balance. And the new economy places a premium on high-performance leadership. Consider, for example, this comment by former corporate CEO and college president Ralph Sorenson: "It is the ability to make things happen that most distinguishes the successful manager from the mediocre or unsuccessful one. . . . The most cherished manager is the one who says, 'I can do it,' and then does. "Do it," advises Sorenson. "Of course," you may quickly answer. But don't forget that the 21st-century manager must also do the "right" things—the things that really count, the things that add value to the organization's goods and/or services, the things that make a real difference in performance results and competitive advantage, and the ethical things. Those are challenging directions for leadership and career success in the new economy.

SECTION 2: MANAGEMENT

What's Lies Ahead…
a. Organizations
b. Goal
c. Management
d. Four Principles of Management

SECTION 2.1 ORGANIZATIONS

Organizations are an organized body of people with a particular purpose, especially a business, society, associations, etc… People working together and coordinating their actions to achieve specific goals.

Four Common Key elements of an organizations' s structure:
- common purpose
- coordinated effort
- division of labor
- hierarchy of authority

Common Purpose

An organization without a clear purpose or mission soon begins to drift and become disorganized. A common purpose unifies employees or members and gives everyone an understanding of the organization's direction. Ensuring that the common purpose is effectively communicated across organizations (particularly large organizations with many moving parts) is a central task for managers. Managers communicate this purpose by educating all employees on the general strategy, mission statement, values, and short- and long-term objectives of the organization.

Coordinated Effort

Coordinating effort involves working together in a way that maximizes resources. The common purpose is achieved through the coordinated effort of all individuals and groups within an organization. The broader group's diverse skill sets, and personalities must be leveraged in a way that adds value. The act of coordinating organizational effort is perhaps the most important responsibility of managers because it motivates and distributes human resources to capture value.

Division of Labor

Division of labor is also known as work specification for greater efficiency. It involves delegating specific parts of a broader task to different people within the organization based upon their particular abilities and skills. Using division of labor, an organization can parcel out a complex work effort for specialists to perform. By systematically dividing complex tasks into specialized jobs, an organization uses its human resources more efficiently.

Hierarchy of Authority

Hierarchy of authority is essentially the chain of command—a control mechanism for making sure the right people do the right things at the right time. While there are a wide variety of organizational structures—some with more centralization of authority than others—hierarchy in decision making is a critical factor for success. Knowing who will make decisions under what circumstances enables organizations to be agile, while ambiguity of authority can often slow the decision-making process. Authority enables organizations to set directions and select strategies, which can in turn enable a common purpose.

SECTION 2.2 GOAL

Goal: The result or achievement toward which effort is directed; aim; end -or- a desired future condition that the organization seeks to achieve.

Goal Setting

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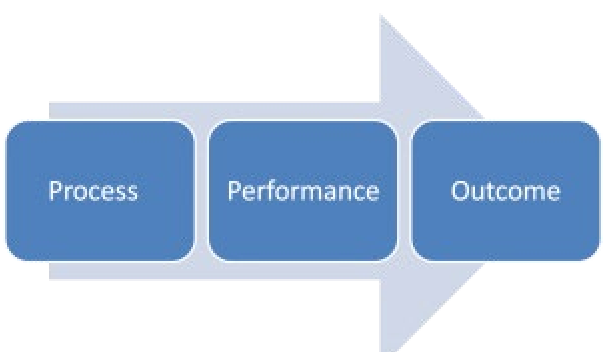
Goal setting is the process of taking active steps to achieve your desired outcome. Maybe your dream is to become a teacher, musician or physical therapist. Each one of these dreams involves setting and reaching small (and big!) goals. Each of these major goals can be broken down into smaller, more attainable goals that will propel you towards success.

There are three types of goals- **process, performance, and outcome goals**.

- **Process goals** are specific actions or 'processes' of performing. For example, aiming to study for 2 hours after dinner every day . Process goals are 100% controllable by the individual.
- **Performance goals** are based on personal standard. For example, aiming to achieve a 3.5 GPA. Performance goals are mostly controllable.
- **Outcome goals** are based on winning. For a college student, this could look like landing a job in your field or landing job at a particular place of employment you wanted. Outcome goals are very difficult to control because of other outside influences.



Process, performance, and outcome goals have a linear relationship. This is important because if you achieve your process goals, you give yourself a good chance to achieve your performance goals. Similarly, when you achieve your performance goals, you have a better chance of achieving your outcome goal.

General Goal Setting Tips

- set both short- and long-term goals
- set SMART goals
- set goals that motivate you
- write your goals down and put them in a place you can see
- adjust your goals as necessary
- Recognize and reward yourself when you meet a goal

Set SMART Goals

Set all three types of goals- process, performance, and outcome – but focus on executing your smaller process goals to give you the best chance for success!

- **Specific** – highly detailed statement on what you want to accomplish (use who, what, where, how etc.)
- **Measurable**- how will you demonstrate and evaluate how your goal has been met?
- **Attainable**- they can be achieved by your own hard work and dedication- make sure your goals are within your ability to achieve
- **Relevant**- how does your goals align with your objectives?
- **Time based**- set 1 or more target dates- these are the "by when" to guide your goal to successful and timely completion (include deadlines, frequency and dates)

SECTION 2.3 MANAGEMENT

Management is a universal process in all organized, social and economic activities. Wherever there is human activity there is management. Management is a vital aspect of the economic life of man, which is an organized group activity. A central directing and controlling agency are indispensable for a business concern. The productive resources –material, labor, capital etc. are entrusted to the organizing skill, administrative ability and enterprising initiative of the management. Thus, management provides leadership to a business enterprise. Without able managers and effective managerial leadership, the resources of production remain merely resources and never become production. Management occupies such an important place in the modern world that the welfare of the people and the destiny of the country are very much influenced by it.

Management is a technique of extracting work from others in an integrated and coordinated manner for realizing the specific objectives through productive use of material resources. Mobilizing the physical, human and financial resources and planning their utilization for business operations in such a manner as to reach the defined goals can be benefited to as management.

Management is a set of principles relating to the functions of planning, organizing, directing, and controlling, and the applications of these principles in harnessing physical, financial, human and informational resources efficiently and effectively to achieve organizational goals. -or- the process of using organizational resources to achieve the organization's goal by **planning, organizing, leading, and controlling**.

In the words of George R Terry - "Management is a distinct process consisting of planning, organizing, actuating and controlling performed to determine and accomplish the objectives by the use of people and resources".

According to James L Lundy - "Management is principally the task of planning, coordinating, motivating and controlling the efforts of others towards a specific objective"

In the words of Henry Fayol - "To manage is to forecast and to plan, to organize, to command, to co-ordinate and to control".

SECTION 2.3.A FOUR PRINCIPLES OF MANAGEMENT

SECTION 3: A CLOSER LOOK- PLANNING, ORGANIZING, LEADING AND CONTROLLING

What's Lies Ahead…
a. Planning
b. Organizing
c. Leading
d. Controlling

The P-O-L-C Framework

A manager's primary challenge is to solve problems creatively. While drawing from a variety of academic disciplines, and to help managers respond to the challenge of creative problem solving, principles of management have long been categorized into the four major functions of planning, organizing, leading, and controlling (the P-O-L-C framework). The four functions, summarized in the P-O-L-C figure, are highly integrated when carried out in the day-to-day realities of running an organization. Therefore, you should not get caught up in trying to analyze and understand a complete, clear rationale for categorizing skills and practices that compose the whole of the P-O-L-C framework.

It is important to note that this framework is not without criticism. Specifically, these criticisms stem from the observation that the P-O-L-C functions might be ideal but that they do not accurately depict the day-to-day actions of actual managers. The typical day in the life of a manager at any level can be fragmented and hectic, with the constant threat of having priorities dictated by the law of the trivial many and important few (i.e., the 80/20 rule). However, the general conclusion seems to be that the P-O-L-C functions of management still provide a very useful way of classifying the activities managers engage in as they attempt to achieve organizational goals.

SECTION 3.1 PLANNING

Understand the importance of planning and why organizations need to plan and control. Planning is the process by which managers establish goals and specify how these goals are to be attained.

The essence of planning is to see opportunities and threats in the future and, respectively, exploit or combat them as the case may be. . . . Planning is a philosophy, not so much in the literal sense of that word but as an attitude, a way of life.

Plans have two basic components: **outcome or goal statements and action statements. Outcome or goal statements** represent the end state—the targets and outcomes managers hope to attain. **Action statements** reflect the means by which organizations move forward to attain their goals.

Planning is an intellectual activity. It is difficult to see managers plan, because most of this activity unfolds in the mind of those doing the planning. While planning, managers must think about what has to be done, who is going to do it, and how and when they will do it. Planners think both retrospectively (about past events) and prospectively (about future opportunities and impending threats). Planning involves thinking about organizational strengths and weaknesses, as well as making decisions about desired states and ways to achieve them.

Planning for organizational events, whether in the internal or external environment, should be an ongoing process—part of a manager's daily, weekly, and monthly duties and a routine task for all members of high involvement organizations. Plans should be continually monitored. Managers and other organizational members should check to see if their plans need to be modified to accommodate changing conditions, new information, or new situations that will affect the organization's future. Plans need to be administered with flexibility, as organizations learn about new and changing conditions. Planning is one process through which organizational activity can be given meaning and direction.

Planning is a basic managerial function. Planning helps in determining the course of action to be followed for achieving various organizational objectives: It is a decision in advance, what to do, when to do how to do and who will do a certain task. Planning is a process which involves 'thinking before doing'.

-Planning

The first of the managerial functions is planning. In this step, the manager will create a detailed action plan aimed at some organizational goal.

Scenario:
For example, let's say Alyssa, the marketing manager has a goal of increasing sales during the month of February. Alyssa needs to first spend time mapping out the necessary steps she and her team of sales representatives must take so that they can increase sales numbers. These steps might include things like increasing advertisements in a particular region, placing some items on sale, increasing the amount of required customer-to-sales rep contact, or contacting prior customers to see if they are interested in purchasing additional products. The steps are then organized into a logical pattern so that Alyssa and her team can follow them. Planning is an ongoing step, and can be highly specialized based on organizational goals, division goals, departmental goals, and team goals. It is up to the manager to recognize which goals need to be planned within his or her individual area.

SECTION 3.2 ORGANIZING

-Organizing

Scenario:

This step requires Alyssa to determine how she will distribute resources and organize her employees according to the plan. Alyssa will need to identify different roles and ensure that she assigns the right amount of employees to carry out her plan. She will also need to delegate authority, assign work, and provide direction so that her team of sales representatives can work towards higher sales numbers without having barriers in their way.

The second of the managerial functions is **organizing**. In **organizing**, managers create the structure of working relationships between organizational members that best allows them to work together and achieve goals.

Managers will group people into departments according to the tasks performed. Managers will also lay out lines of authority and responsibility for members.

An organizational structure is the outcome of organizing. This structure coordinates and motivates employees so that they work together to achieve goals.

Organizing is the function of management that involves developing an organizational structure and allocating human resources to ensure the accomplishment of objectives. The structure of the organization is the framework within which effort is coordinated. The structure is usually represented by an organization chart, which provides a graphic representation of the chain of command within an organization. Decisions made about the structure of an organization are generally referred to as organizational design decisions.

Organizing also involves the design of individual jobs within the organization. Decisions must be made about the duties and responsibilities of individual jobs, as well as the way the duties should be carried out. Decisions made about the nature of jobs within the organization are generally called "job design" decisions.

Organizing at the level of the organization involves deciding how best to departmentalize, or cluster, jobs into departments to coordinate effort effectively. There are many ways to departmentalize, including organizing by function, product, geography, or customer.

Organizing at the level of a particular job involves how best to design individual jobs to most effectively use human resources. Traditionally, job design was based on principles of division of labor and specialization, which assumed that the narrower the job content, the more proficient the individual performing the job could become. However, experience has shown that it is possible for jobs to become too narrow and specialized. For example, how would you like to screw lids on jars one day after another, as you might have done many decades ago if you worked in company that made and sold jellies and jams? When this happens, negative outcomes result, including decreased job satisfaction and organizational commitment, increased absenteeism, and turnover.

Recently, many organizations have attempted to strike a balance between the need for worker specialization and the need for workers to have jobs that entail variety and autonomy. Many jobs are now designed based on such principles as empowerment, job enrichment and teamwork.

SECTION 3.3 LEADING

Leading involves the social and informal sources of influence that you use to inspire action taken by others. If managers are effective leaders, their subordinates will be enthusiastic about exerting effort to attain organizational objectives.

The behavioral sciences have made many contributions to understanding this function of management. Personality research and studies of job attitudes provide important information as to how managers can most effectively lead subordinates. For example, this research tells us that to become effective at leading, managers must first understand their subordinates' personalities, values, attitudes, and emotions.

Studies of motivation and motivation theory provide important information about the ways in which workers can be energized to put forth productive effort. Studies of communication provide direction as to how managers can effectively and persuasively communicate. Studies of leadership and leadership style provide information regarding questions, such as, "What makes a manager a good leader?" and "In what situations are certain leadership styles most appropriate and effective?"

SECTION 3.4 CONTROLLING

Controlling involves ensuring that performance does not deviate from standards. Controlling consists of three steps, which include (1) establishing performance standards, (2) comparing actual performance against standards, and (3) taking corrective action when necessary. Performance standards are often stated in monetary terms such as revenue, costs, or profits but may also be stated in other terms, such as units produced, number of defective products, or levels of quality or customer service.

The measurement of performance can be done in several ways, depending on the performance standards, including financial statements, sales reports, production results, customer satisfaction, and formal performance appraisals. Managers at all levels engage in the managerial function of controlling to some degree.

The managerial function of controlling should not be confused with control in the behavioral or manipulative sense. This function does not imply that managers should attempt to control or to manipulate the personalities, values, attitudes, or emotions of their subordinates.

Leading

In this step, Alyssa spends time connecting with her employees on an interpersonal level. This goes beyond simply managing tasks; rather, it involves communicating, motivating, inspiring, and encouraging employees towards a higher level of productivity. Not all managers are leaders. An employee will follow the directions of a manager because they have to, but an employee will voluntarily follow the directions of a leader because they believe in who he or she is as a person, what he or she stands for, and for the manner in which they are inspired by the leader

Instead, this function of management concerns the manager's role in taking necessary actions to ensure that the work-related activities of subordinates are consistent with and contributing toward the accomplishment of organizational and departmental objectives.

Effective controlling requires the existence of plans, since planning provides the necessary performance standards or objectives. Controlling also requires a clear understanding of where responsibility for deviations from standards lies. Two traditional control techniques are budget and performance audits. An audit involves an examination and verification of records and supporting documents. A budget audit provides information about where the organization is with respect to what was planned or budgeted for, whereas a performance audit might try to determine whether the figures reported reflect actual performance. Although controlling is often thought of in terms of financial criteria, managers must also control production and operations processes, procedures for delivery of services, compliance with company policies, and many other activities within the organization.

The management functions of planning, organizing, leading, and controlling are widely considered to be the best means of describing the manager's job, as well as the best way to classify accumulated knowledge about the study of management. Although there have been tremendous changes in the environment faced by managers and the tools used by managers to perform their roles, managers still perform these essential functions.

Key Aspects

The principles of management can be distilled down to four critical functions. These functions are planning, organizing, leading, and controlling. This **P-O-L-C** framework provides useful guidance into what the ideal job of a manager should look like.

Questions for Review

1. What are the management functions that comprise the P-O-L-C framework?
2. Are there any criticisms of this framework?
3. What function does planning serve?
4. What function does organizing serve?
5. What function does leading serve?
6. What function does controlling serve?

SECTION 4: MANAGERS & MANAGING

What's Lies Ahead...
a. Managers & Supervisors
b. Management Levels
c. Management Roles
d. Management Skills, Traits, Attributes
e. Management Trends

SECTION 4.1 MANAGERS & SUPERVISORS

The role of a manager in organizations is complex. While managers can come in different shapes and sizes, they all share the task of utilizing people and resources to achieve organizational goals. This lesson will discuss the roles and functions of management found in each of the three levels of management.

Managers in the Workforce

In today's fast-paced, competitive world, businesses are continually changing. Most of these organizations are on the hunt for the competitive advantage, or a way to strategically move ahead of the competition in the marketplace. However, earning the competitive advantage takes work; goals must be set, plans must be made, people must be motivated and mobilized, resources must be gathered and distributed, and objectives have to be monitored and assessed.

Enter managers. These men and women come in many forms, but they all share the common task of working with people and resources to achieve organizational goals. An organizational goal can be something as simple as finding a way to shorten the amount of time it takes for a product to leave a warehouse or as elaborate as introducing a new product to the marketplace that makes all previous versions of this type of product obsolete. Regardless of the goal, someone needs to manage all the necessary factors to seeing that goal becomes a reality.

Think of a manager as the foundation, support beams, and roof of a house. He or she provides the necessary support from the bottom up and provides oversight to all of the parts in between.

While this may seem like a great deal of responsibility and accountability for just one person to have, much like an onion, there are several layers of management. The roles and responsibilities a manager correlates to their position in the organization. While job titles and roles can vary from organization to organization, they typically fall into one of three levels of management.

SECTION 4.2 MANAGEMENT LEVELS

Top-Level Managers

The first level of management is called **top-level management.** Top management is made up of senior-level executives of an organization, or those positions that hold the most responsibility. Jobs titles such as Chief Operating Officer (COO), Chief Executive Officer (CEO), Chief Financial Officer (CFO), President, or Vice President are commonly used by top managers in organizations. These top managers are responsible for setting the overall direction of a company and making sure that major organizational objectives are achieved. Their leadership role can extend over the entire organization or for specific divisions such as finance, marketing, human resources, or operations.

-Sets goals, objectives, and guides or sets business practices or model.

Middle-Level Management

The second layer of management is called **middle-level management.** This level of managers' report to top management and serve as the head of major departments and their specialized units. Middle managers serve as a liaison between top managers and the rest of the organization from a very unique standpoint. They are typically much more visible to the greater workforce than top management, but they spend most of their time developing and implementing strategic actions plans needed to achieve the organizational goals set by top management.

Middle managers essentially have the important role of designing, selecting, and carrying out the best plan possible as a means of propelling a company towards its overall goals. Job titles of middle managers include Directors, Assistant Directors, Regional Directors, Division Managers.

-Interpret plans and sets action

First-Line or Front Lane Managers (AKA Supervisors)

Front-line (low-level) Managers (Supervisors): responsible for day-to-day operation. They supervise the people performing the activities required to make the good or service. First-line managers are the entry level of management, the individuals "on the line" and in the closest contact with the workers. They are directly responsible for making sure that organizational objectives and plans are implemented effectively. They may be called assistant managers, shift managers, foremen, section chiefs, or office managers. First-line managers are focused almost exclusively on the internal issues of the organization and are the first to see problems with the operation of the business, such as untrained labor, poor quality materials, machinery breakdowns, or new procedures that slow down production. It is essential that they communicate regularly with middle management.

-Implements the plan

SECTION 4.3 MANAGEMENT ROLES

We have discussed the types (levels) of managers and some of their responsibilities but not their specific activities. All managers must be comfortable with three main types of activities or roles. To do their jobs, managers assume these different roles. No manager stays in any one role all the time but shifts back and forth. These roles are **leadership (or interpersonal), informational, and decision making.** They were written about in detail in the 1970s by Henry Mintzberg, a professor at McGill University in Canada.

Leadership and Interpersonal Roles

Which type of manager spends more time in leadership activities? The short answer is all effective managers display leadership characteristics. Leadership is the ability to communicate a vision and inspire people to embrace that vision.

Top managers are often required to fulfill what Mintzberg described as ***figurehead*** activities. They are the public face of the management team and represent the business in legal, economic, and social forums. Middle managers are also leaders, although their focus may be more on interpersonal skills, such as motivating employees, negotiating salaries, and encouraging innovation and creativity. First-line managers lead both by example when they actively participate in the tasks assigned to their workers and by modeling the policies and work ethics of the organization.

Informational Roles

Informational roles involve the receiving and sending of information—whether as a spokesperson, a mentor, a trainer, or an administrator. A top manager is a voice of the organization and must be aware that even personal opinions will reflect (for better or worse) on the business. With the free flow of information on the Internet, it is very difficult for top managers to separate their personal identities from their corporate positions.

Middle managers must skillfully determine what information from top management should be shared with others, how it should be interpreted, and how it should be presented. Similarly, they must weigh the value of information they receive from first-line managers and employees in order to decide what to forward to top management. If transmitted information tends to be untrue or trivial, then the manager will be viewed as a nonreliable source and his or her opinions discounted.

The informational role for first-line managers is primarily one of disseminating what they have been given and helping the employees to see how their own contributions further organizational goals. They have a responsibility to see that the employees understand what they need to be successful in their jobs.

Decision Making Roles

All managers are required to make decisions, but managers at different levels make different kinds of decisions. According to Mintzberg, there are four primary types of management decision roles. These include the following:

- Entrepreneur. The entrepreneurs in a firm are usually top-level managers. They identify economic opportunities, lead the initiative for change, and make product decisions.
- Disturbance handler. Top and middle managers will react to disturbances (unexpected events) in the organization—whether internal or external. They will decide what corrective actions should be taken to resolve the problems.
- Resource allocator. All levels of management will make resource allocation decisions, depending upon whether the decision affects the entire organization, a single department, or a task or activity.
- Negotiator. Depending on the effect on the organization, most negotiation is done by top and middle-level managers. Top managers will handle negotiations that affect the entire organization, such as union contracts or trade agreements. Middle-level managers negotiate most salary and hiring decisions.

To summarize, managers must play many roles. Some are better than others in a certain role and will tend to be called on for those jobs. Putting a diverse management team in place will ensure that the organization has enough managers to meet most challenges.

SECTION 4.4 MANAGERIAL SKILLS

Variations in Managerial Work

Although each manager may have a diverse set of responsibilities, including those mentioned above, the amount of time spent on each activity and the importance of that activity will vary considerably. The two most salient perceptions of a manager are (1) the manager's level in the organizational hierarchy and (2) the type of department or function for which he is responsible. Let us briefly consider each of these.

Management by Level. We can distinguish three general levels of management: executives, middle management, and first-line management. Executive managers are at the top of the hierarchy and are responsible for the entire organization, especially its strategic direction. Middle managers, who are at the middle of the hierarchy, are responsible for major departments and may supervise other lower-level managers. Finally, first-line managers supervise rank-and-file employees and carry out day-to-day activities within departments.

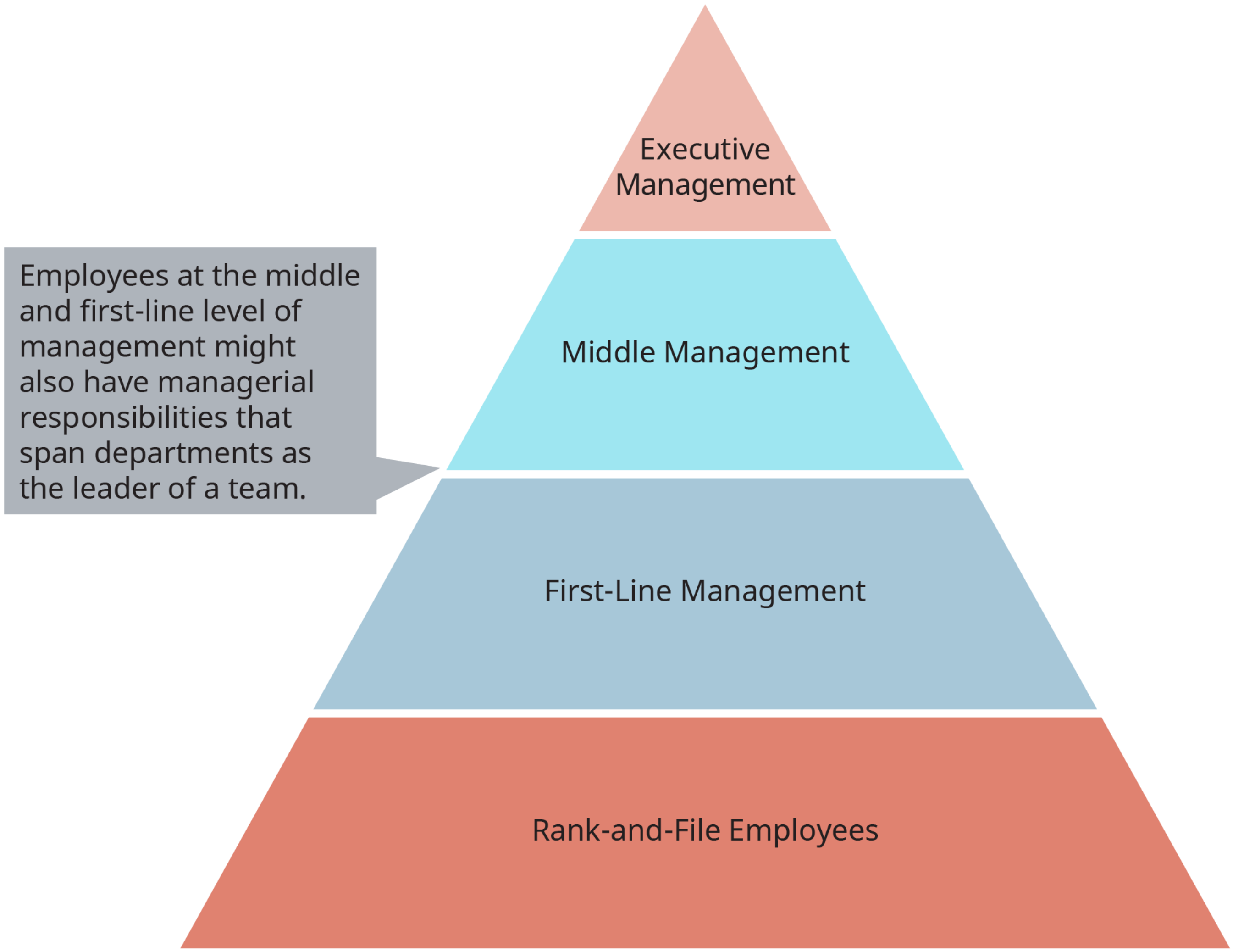


Exhibit 1.1 Levels in the Management Hierarchy (Attribution: Copyright Rice University, OpenStax, under CC-BY 4.0 license)

Exhibit 1.1 shows differences in managerial activities by hierarchical level. Senior executives will devote more of their time to conceptual issues, while front-line managers will concentrate their efforts on technical issues. For example, top managers rate high on such activities as long-range planning, monitoring business indicators, coordinating, and internal consulting. Lower-level managers, by contrast, rate high on supervising because their responsibility is to accomplish tasks through rank-and-file employees. Middle managers rate near the middle for all activities. We can distinguish three types of managerial skills:

1. **Technical skills.** Managers must have the ability to use the tools, procedures, and techniques of their special areas. An accountant must have expertise in accounting principles, whereas a production manager must know operations management. These skills are the mechanics of the job.
2. **Human relations skills.** Human relations skills involve the ability to work with people and understand employee motivation and group processes. These skills allow the manager to become involved with and lead his group.

3. **Conceptual skills.** These skills represent a manager's ability to organize and analyze information in order to improve organizational performance. They include the ability to see the organization as a whole and to understand how various parts fit together to work as an integrated unit. These skills are required to coordinate the departments and divisions successfully so that the entire organization can pull together.

As shown in Exhibit 1.2, different levels of these skills are required at different stages of the managerial hierarchy. That is, success in executive positions requires far more conceptual skill and less use of technical skills in most (but not all) situations, whereas first-line managers generally require more technical skills and fewer conceptual skills. Note, however, that human relations skills, or people skills, remain important for success at all three levels in the hierarchy.

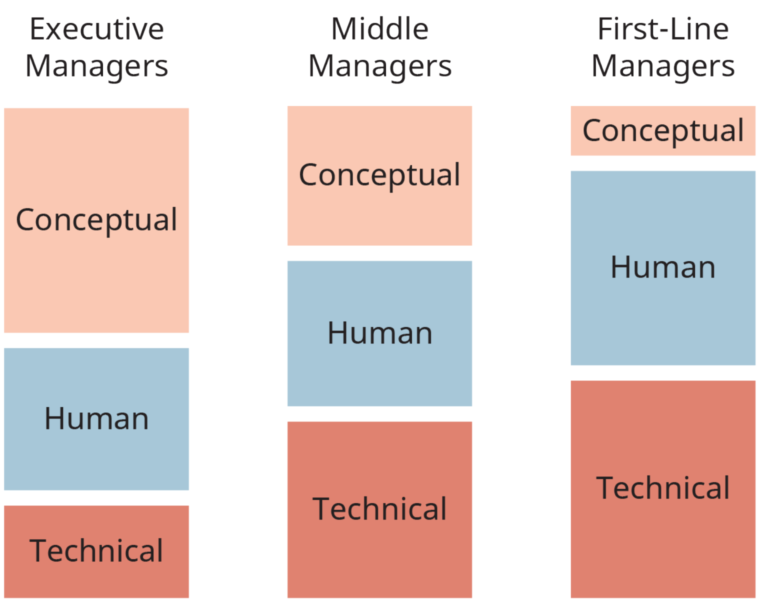


Exhibit 1.2 Difference in Skills Required for Successful Management According to Level in the Hierarchy (Attribution: Copyright Rice University, OpenStax, under CC-BY 4.0 license)

MANAGEMENT BY DEPARTMENT OR FUNCTION

In addition to level in the hierarchy, managerial responsibilities also differ with respect to the type of department or function. There are differences found for quality assurance, manufacturing, marketing, accounting and finance, and human resource management departments. For instance, manufacturing department managers will concentrate their efforts on products and services, controlling, and supervising. Marketing managers, in comparison, focus less on planning, coordinating, and consulting and more on customer relations and external contact. Managers in both accounting and human resource management departments rate high on long-range planning but will spend less time on the organization's products and service offerings.

Managers in accounting and finance are also concerned with controlling and with monitoring performance indicators, while human resource managers provide consulting expertise, coordination, and external contacts. The emphasis on and intensity of managerial activities varies considerably by the department the manager is assigned to.

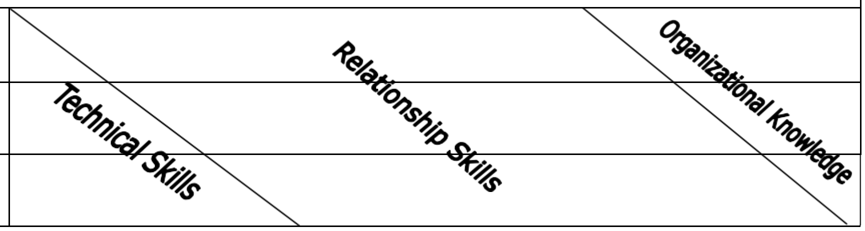
At a personal level, knowing that the mix of conceptual, human, and technical skills changes over time and that different functional areas require different levels of specific management activities can serve at least two important functions. First, if you choose to become a manager, knowing that the mix of skills changes over time can help you avoid a common complaint that often young employees want to think and act like a CEO before they have mastered being a first-line supervisor. Second, knowing the different mix of management activities by functional area can facilitate your selection of an area or areas that best match your skills and interests.

In many firms' managers are rotated through departments as they move up in the hierarchy. In this way they obtain a well-rounded perspective on the responsibilities of the various departments. In their day-to-day tasks they must emphasize the right activities for their departments and their managerial levels. Knowing what types of activity to emphasize is the core of the manager's job.

Success Skills

As a member of the management team, the need to understand the way a management team works is very important. Understanding contributes to job satisfaction, makes better employees, and helps plan career development.

Success Skills	
Top Management	
Middle Management	
Front Line Supervisor	



Front Line Supervisor – Largest amount of Technical skills, good amount of relationship skills and a small amount of organizational knowledge. These employees manage the front-line production staff.

Middle Management – Medium amount of technical skills, good amount of relationship skills and more organizational knowledge. Success depends less on technical skills and more on organizational knowledge. Some staff will have trouble in letting go of the technical, hands-on aspects of the job. Technical skills stay important only in technically oriented careers.

Top Management – Small amount of technical skills, good amount of relationship skills, and large amount of organizational knowledge. Top management needs very little technical skills. They hire qualified professionals to perform technical tasks. Top management requires high level of relationship skills and organizational knowledge.

MANAGERIAL RESPONSIBILITIES

An important question often raised about managers is: What responsibilities do managers have in organizations? According to our definition, managers are involved in planning, organizing, directing, and controlling. Managers have described their responsibilities that can be aggregated into nine major types of activity. These include:

1. *Long-range planning*: Managers occupying executive positions are frequently involved in strategic planning and development.
2. *Controlling*: Managers evaluate and take corrective action concerning the allocation and use of human, financial, and material resources.
3. *Environmental scanning*: Managers must continually watch for changes in the business environment and monitor business indicators such as returns on equity or investment, economic indicators, business cycles, and so forth.
4. *Supervision*. Managers continually oversee the work of their subordinates.
5. *Coordinating*: Managers often must coordinate the work of others both inside the work unit and out.
6. *Customer relations and marketing*: Certain managers are involved in direct contact with customers and potential customers.
7. *Community relations*. Contact must be maintained and nurtured with representatives from various constituencies outside the company, including state and federal agencies, local civic groups, and suppliers.
8. *Internal consulting*. Some managers make use of their technical expertise to solve internal problems, acting as inside consultants for organizational change and development.
9. *Monitoring products and services*. Managers get involved in planning, scheduling, and monitoring the design, development, production, and delivery of the organization's products and services.

As we shall see, not every manager engages in all of these activities. Rather, different managers serve different roles and carry different responsibilities, depending upon where they are in the organizational hierarchy. We will begin by looking at several of the variations in managerial work.

CHARACTERISTICS OF QUALITY MANAGERS

Quality managers (or good managers) are those managers who continuously strive for success and ultimately achieve it. Though success of managers depends on their own characteristics as well as on the contextual variables which affect their working as discussed earlier, managers having characteristics of quality managers tend to be successful even in unfavorable situations as they have qualities to convert unfavorable situations into favorable situations.

Various academicians and practitioners have made attempts to describe characteristics of quality/ effective/successful managers. As a result, there is lot of literature on this issue. In a comparatively recent publication, Rao has identified dimensions of managers who make a difference: versatility, efficacy, internality, values, creativity, interpersonal engagement, team building, time and talent management, communication and motivation, and leadership styles.

Based on this and other literature, it may be concluded that the characteristics of quality managers are as follows:

1. ***Professional Competence:*** Professional competence refers to having thorough knowledge of the field concerned. In the case of management, professional competence involves being well versed in management principles and how these principles can be applied in the given situations.
2. ***Belief in High Achievement:*** Quality managers have belief in high achievement. They have internal locus of control implying that they feel that they can control situations and the situations cannot control them. They have a feeling that if others can do something exceptional, they can also do the same way. This belief instills confidence in them for doing better and better.
3. ***Creativity:*** Creativity involves conceiving of original and unique alternatives to the solution of a problem. Creativity is required because nature of problems goes on changing requiring innovative solutions.
4. ***Analytical Skills:*** Managers must work in complex situations which contain both significant and insignificant factors. With analytical skills, quality managers may be able to identify those factors which are more relevant for their work.
5. ***Decisive:*** Quality managers are quite decisive. They make decisions after careful analysis of the contextual variables well in time. They do not waver between 'what to do' or 'what not to do' in each situation.
6. ***Excellent Communication Skills:*** Communication involves sharing of ideas and understanding with others. In order to understand others and making himself understood by others, excellent communication skills are required. Further, persuasive communication may influence others favorably.
7. ***Leading from the Front:*** Quality managers lead from the front. They do not speak about themselves, but their work speaks on their behalf. This feature leads the followers to follow the leaders enthusiastically.
8. ***Openness:*** Quality managers have quality of openness. They are change-prone and not change resistant. Being open, they appreciate any idea which is fruitful and accept it from whatever source it comes.
9. ***High Integrity:*** Quality managers have high integrity and adopt ethical practices in all types of decisions and dealings. Similarly, they expect the same pattern to be followed by others.
10. ***Team-based Approach:*** Quality managers adopt team-based approach. For work performance,- they adopt 'give and take' approach. They believe in developing themselves as well as others.

SECTION 5: A *FURTHER EXAMINATION* -MANAGEMENT

What's Lies Ahead...
a. Leadership/Leading
b. Communication
c. Decisions
d. Time Management
e. Motivation

LEADERSHIP

Leadership is the process by which an individual mobilizes people and resources to achieve a goal.

Defining Leadership

Leadership is the process by which an individual mobilizes people and resources to achieve a goal. It requires both a set of skills that can be learned as well as certain attributes that can be nurtured. Leaders inspire, challenge, and encourage others. They can persuade and influence, and they show resilience and persistence. All aspects of society have leaders. The concept of leader may call to mind a CEO, a prime minister, a general, a sports team captain, or a school principal; examples of leadership exist across a variety of organizations.

Leaders motivate others to aspire to achieve and help them to do so. They focus on the big picture with a vision of what could be and help others to see that future and believe it is possible. In this way, leaders seek to bring about substantive changes in their teams, organizations, and societies.

Leadership is a relationship between followers and those who inspire them and provide direction for their efforts and commitments. It affects how people think and feel about their work and how it contributes to a larger whole. Effective leaders can mean the difference between increasing a team's ability to perform or diminishing its performance, between keeping efforts on track or encountering disaster, and even between success or failure.

Leadership and Management

Leadership is one of the most important concepts in management, and many researchers have proposed theories and frameworks for understanding it. Some have distinguished among types of leadership such as charismatic, heroic, and transformational leadership. Other experts discuss the distinctions between managers and leaders, while others address the personality and cognitive factors most likely to predict a successful leader. The many dimensions of leadership indicate how complex a notion it is and how difficult effective leadership can be.

Management versus Leadership

Though they have traits in common, leadership and management both have unique responsibilities that do not necessarily overlap.

Leaders vs. Managers

The terms " management " and " leadership " have been used interchangeably, yet there are clear similarities and differences between them. Both terms suggest directing the activities of others. In one definition, managers do so by focusing on the organization and performance of tasks and by aiming at efficiency, while leaders engage others by inspiring a shared vision and effectiveness. Managerial work tends to be more transactional, emphasizing processes, coordination, and motivation, while leadership has an emotional appeal, is based on relationships with followers, and seeks to transform.

One traditional way of understanding differences between managers and leaders is that people manage things but lead other people. More concretely, managers administrate and maintain the systems and processes by which work gets done. Their work includes planning, organizing, staffing, leading, directing, and controlling the activities of individuals, teams, or whole organizations for the purpose of accomplishing a goal. Basically, managers are results-oriented problem-solvers with responsibility for day-to-day functions who focus on the immediate, shorter-term needs of an organization.

In contrast, leaders take the long-term view and have responsibility for where a team or organization is heading and what it achieves. They challenge the status quo, make change happen, and work to develop the capabilities of people to contribute to achieving their shared goals. Additionally, leaders act as figureheads for their teams and organizations by representing their vision and values to outsiders. This definition of leadership may create a negative bias against managers as less noble or less important: "Leader" suggests a heroic figure, rallying people to unite under a common cause, while "manager" calls to mind fewer charismatic individuals who are focused solely on getting things done.

The Role of Influence in Leadership

Influence occurs when a person's emotions, opinions, or behaviors are affected by others. It is an important component of a leader's ability to use power and maintain respect in an organization. Influence is apparent in the form of peer pressure, socialization, conformity, obedience, and persuasion. The ability to influence is an important asset for leaders, and it is also an important skill for those in sales, marketing, politics, and law.

In 1958, Harvard psychologist Herbert Kelman identified three broad varieties of social influence: compliance, identification, and internalization. Compliance involves people behaving the way others expect them to whether they agree with doing so or not. Obeying the instructions of a crossing guard or an authority figure is an example of compliance. Identification is when people behave according to what they think is valued by those who are well-liked and respected, such as a celebrity. Status is a key aspect of identification: when people purchase something highly coveted by many others, such as the latest smartphone, they are under the influence of identification. Internalization is when people accept, either explicitly or privately, a belief or set of values that leads to behavior that reflects those values. An example is following the tenets of one's religion.

How Leaders Use Influence

In an organization, a leader can use these three types of influence to motivate people and achieve objectives. For example, compliance is a means of maintaining order in the workplace, such as when employees are expected to follow the rules set by their supervisors. Similarly, identification happens when people seek to imitate and follow the actions of people they look up to and respect, for example a more experienced co-worker or trusted supervisor. Internalization results when employees embrace the vision and values of a leader and develop a commitment to fulfilling them.

Leaders use these different types of influence to motivate the behaviors and actions needed to accomplish tasks and achieve goals. Individuals differ in how susceptible they are to each type of influence. Some workers may care a great deal about what others think of them and thus be more amenable to identifying the cues for how to behave. Other individuals may want to believe strongly in what they do and so seek to internalize a set of values to guide them. In organizations and in most parts of life, sources of influence are all around us. As a result, our behavior can be shaped by how others communicate with us and how we see them.

A Leader's Vision

A clear and well-communicated vision is essential for a leader to gain support and for followers to understand a leader's goals.

A vision is defined as a clear, distinctive, and specific view of the future, and is usually connected with strategic advances for the organization. Effective leaders clearly define a vision and communicate it in such a way as to foster enthusiasm and commitment throughout the organization. This ability to express a vision and use it to inspire others differentiates a leader from a manager.

Many researchers believe that vision is an essential quality of effective leaders, as important as the abilities to communicate and to build trust. Effective leaders clearly communicate their vision of the organization. Their decisions and strategies reflect their view of what an enterprise can be rather than what it currently is. A strong leader builds trust in the vision by acting in ways that are consistent with it and by demonstrating to others what it takes to make the vision a reality.

Vision is an essential component of an organization's success. A thriving organization will have a vision that is succinct, indicative of the direction that the company is heading, and widely understood throughout all levels of the organization. The more employees are aware of, understand, and believe in the vision, the more useful it is in directing their behavior on a daily basis.

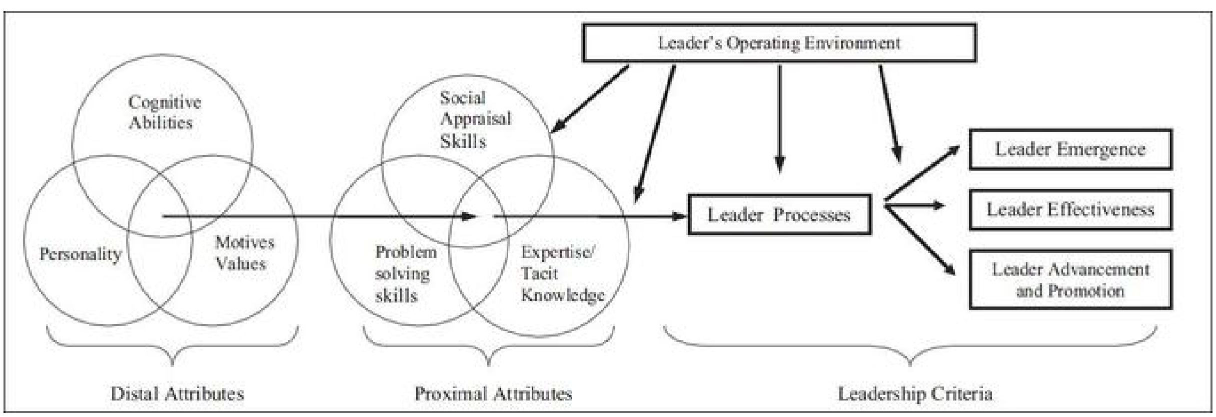
Vision connects to strategy: A concise and clear vision is essential to drive and communicate an organization's strategy.

Vision and mission are sometimes used interchangeably, but there is a useful distinction between the two. A vision describes an organization's direction, while its mission defines its purpose. By focusing on the value an organization creates, the mission helps prioritize activities and provides a framework for decision-making.

Vision also plays a significant role in a leader's strategy for the organization. By setting the direction, a vision underscores the necessity of all the areas of a business working toward the same goal. This unity of purpose often involves changing what is done and how and aligning the activities and behavior of people is critical to fulfilling a leader's vision. A vision reduces ambiguity and provides focus—two benefits that are especially valuable in turbulent or rapidly changing times.

Leadership Traits

Traits of effective leaders are conditionally dependent and have been debated for years, but researchers have identified some commonalities.



Finding the Right Style of Leadership

A leader can take several different approaches to leading and managing an organization. A leader's style of providing direction, setting strategy, and motivating people is the result of his or her personality, values, training, and experience. For example, a leader with a laid-back personality may lead with a less formal style that encourages autonomy and creativity.

Engaging Leadership

Engaging styles of leadership involve reaching out to employees and understanding their concerns and working situations. Dr. Stephen L. Cohen, the senior vice president for Right Management 's Leadership Development Center of Excellence, describes the engaging leadership style as communicating relevant information to employees and involving them in important decisions. This leadership style can help retain employees for the long term.

***Engaging leadership**: The engaging style of leadership involves leaders reaching out to their constituents and being involved in their successes and struggles.*

Autocratic/Authoritarian Leadership

Under the autocratic leadership style, decision-making power is centralized in the leader. Leaders do not entertain any suggestions or initiatives from subordinates. The autocratic management is effective for quick decision making but is generally not successful in fostering employee engagement or maintaining worker satisfaction.

Laissez-faire/Free-Rein Leadership

A person may be in a leadership position without providing clear direction, leaving the group to choose its own path in achieving aims. Subordinates are given a free hand in deciding their own policies and methods. Laissez-faire is most effective when workers have the skills to work independently, are self-motivated, and will be held accountable for results.

Participative or Democratic Leadership

A participative or democratic style of leadership involves the leader's sharing decision- making authority with group members. This approach values the perspectives and interests of individual group members while also contributing to team cohesion. Participative leadership can help employees feel more invested in decision outcomes and more committed to the choices because they have a say in them.

Transformational Leadership

The transformational leadership style emphasizes motivation and morale to inspire followers to change their behavior in service of a greater good. The concept was initially introduced by James MacGregor Burns. According to Burns, transformational leadership is when "leaders and followers make each other advance to a higher level of morality and motivation." Researcher

Bernard M. Bass used Burns's ideas to develop his own theory of transformational leadership. Bass clarified the definition to emphasize that transformational leadership is distinguished by the effect it has on followers.

When to Use Different Styles

Different situations call for particular leadership styles. Under intense time constraints, when there is little room to engage in long discussions that seek consensus, a more directive, top-down style may be appropriate. For a highly motivated and cohesive team with a homogeneous level of expertise, a democratic leadership style may be more effective. Similarly, a participative leadership style may be most appropriate for decisions that will require changes in behavior from a large group of people.

Each style of leadership can be effective if matched with the needs of the situation and used by a skilled leader who can adopt a deft approach. The most effective leaders are adept at several styles and able to choose the one most likely to help the organization achieve its objectives.

Four Theories of Leadership

Theories of effective leadership include the trait, contingency, behavioral, and full-range theories.

For a few years, researchers have examined leadership to discover how successful leaders are created. Experts have proposed several theories, including the trait, behavioral, contingency, and full-range models of leadership.

The Trait Theory of Leadership

The search for the characteristics or traits of effective leaders has been central to the study of leadership. Underlying this research is the assumption that leadership capabilities are rooted in characteristics possessed by individuals. Research in the field of trait theory has shown significant positive relationships between effective leadership and personality traits such as intelligence, extroversion, conscientiousness, self-efficacy, and openness to experience. These findings also show that individuals emerge as leaders across a variety of situations and tasks.

The Contingency Theory of Leadership

Stogdill and Mann found that while some traits were common across a number of studies, the overall evidence suggested that persons who are leaders in one situation may not necessarily be leaders in other situations. According to this approach, called contingency theory, no single psychological profile or set of enduring traits links directly to effective leadership. Instead, the interaction between those individual traits and the prevailing conditions is what creates effective leadership. In other words, contingency theory proposes that effective leadership is contingent on factors independent of an individual leader. As such, the theory predicts that effective leaders are those whose personal traits match the needs of the situation in which they find themselves. Fiedler's contingency model of leadership focuses on the interaction of leadership style and the situation (later called situational control). He identified three relevant aspects of the situation: the quality of the leader's relationships with others, how well structured their tasks were, and the leader's amount of formal authority.

The Behavioral Theory of Leadership

In response to the early criticisms of the trait approach, theorists began to research leadership as a set of behaviors. They evaluated what successful leaders did, developed a taxonomy of actions, and identified broad patterns that indicated different leadership styles. Behavioral theory also incorporates B.F. Skinner's theory of behavior modification, which considers the effect of reward and punishment on changing behavior. An example of this theory in action is a manager or leader who motivates desired behavior by scolding employees who arrive late to meetings and showing appreciation when they are early or on time.

The Full-Range Theory of Leadership

The full-range theory of leadership is a component of transformational leadership, which enhances motivation and morale by connecting the employee's sense of identity to a project and the collective identity of the organization. The four major components of the theory, which cover the full range of essential qualities of a good leader, are:

- Individualized consideration: the degree to which the leader attends to each follower's concerns and needs and acts as a mentor or coach
- Intellectual stimulation: the degree to which the leader challenges assumptions, takes risks, and solicits followers' ideas
- Inspirational motivation: the degree to which the leader articulates a vision that is appealing and inspiring to followers
- Idealized influence: the degree to which the leader provides a role model for high ethical behavior, instills pride, and gains respect and trust

MOTIVATION

The Importance of Motivation

Motivating employees can lead to increased productivity and allow an organization to achieve higher levels of output.

Motivation in the Workplace

Generally speaking, motivation is what energizes, maintains, and controls behavior. As such, it is clear why it plays an important role in the workplace. But empirically measuring that role is another matter; it is challenging to capture an individual's drive in quantitative metrics in order to ascertain the degree to which higher motivation is responsible for higher productivity. However, it is widely accepted that motivated employees generate higher value and lead to more substantial levels of achievement. The management of motivation is therefore a critical element of success in any business; with an increase in productivity, an organization can achieve higher levels of output.

Research has shown that motivated employees will:

- Always look for a "better" way to complete a task

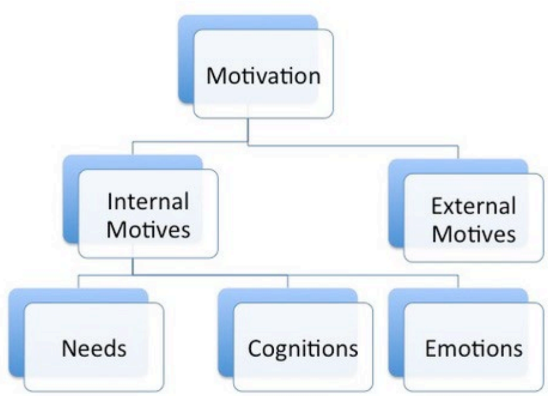
- Be more quality-oriented
- Work with higher productivity and efficiency

In summary, motivated employees will retain a high level of innovation while producing higher-quality work more efficiently. There is no downside—i.e., the opportunity cost of motivating employees is essentially zero, assuming it does not require additional capital to coach managers to act as effective motivators.

Internal and External Motivation

Salary is often enough to keep employees working for an organization, but it's not always necessarily enough to push them to fulfill their full potential. Herzberg's theory emphasizes that while salary is enough to avoid dissatisfaction, it is not necessarily enough to propel employees to increase their productivity and achievement. In fact, the output of employees whose motivation comes solely from salary and benefits tends to decline over time. To *increase* employees' efficiency and work quality, managers must turn to understanding and responding to individuals' internal and external motivations. External motives include work environment (e.g., cramped cubicle vs. airy, open office); internal motivations include thoughts and emotions (e.g., boredom with performing the same task over and over vs. excitement at being given a wide variety of project types).

Hierarchy of the Four Sources of Motivation



Adapted from Reeve (2009) p9.

Perspectives on Motivation

Motivation in the workplace is primarily concerned with improving employees' focus through the use of incentives.

From a managerial perspective, very few ideas are more important than the dynamics of motivation. Understanding what moves employees toward efficiency and fulfillment is at the core of any manager's responsibilities. Motivation in the workplace is primarily concerned with improving employees' focus, often through pursuing positive incentives and avoiding negative ones.

Theories of motivation are of course rooted in psychology. An individual must direct their attention toward a task, generate the necessary effort to achieve that task, and persist in working toward it despite potential distractions. Various theories have attempted to identify the factors that contribute to effective employee motivation, most of which are easily divided into four broad categories:

- Needs-oriented theories
- Cognition-oriented theories
- Behavior-oriented theories
- Job-oriented theories

Needs-Oriented Theories

At its most basic, motivation can be defined as the fulfillment of various human needs. These needs can encompass a range of human desires, from basic, tangible needs of survival to complex, emotional needs surrounding an individual's psychological well-being.

Hierarchy of Needs

The most well-known example of a needs-oriented theory of motivation is Maslow's Hierarchy of Needs. Maslow postulated that needs should be fulfilled in a particular scaffolded order, with food, water, and shelter in the bottom, most fundamental two tiers and intangible needs such as fulfillment, self-esteem, and a sense of belonging in the upper three tiers. While this framework makes a certain amount of logical sense, critics have noted that there have been minimal data that suggest employees strive to satisfy needs in the workplace in accordance with this hierarchical framework. But the fundamental idea behind Maslow's model is that individuals have various tangible and intangible desires that can be leveraged in the use of motivational incentives.

Maslow's Hierarchy of Needs: Maslow's Hierarchy of Needs postulates that need must be fulfilled in a hierarchical order, from basic needs such as food and water to more intangible needs such as self-esteem and a sense of belonging.

Need for Achievement Theory

Atkinson and McClelland proposed the Need for Achievement Theory, which highlights three particular needs in the context of the workplace: achievement, authority, and affiliation. Atkinson and McClelland hypothesized that every individual has a need for all three of these intangible segments of fulfillment but that most individuals lean more toward one of the three. For example, a salesman with a quota to fulfill would be best paired with an achievement-oriented manager, as such a goal-oriented approach toward, for example, a specific number of sales would be highly motivating.

Cognition-Oriented Theories

Cognition-oriented theories generally revolve around expectations and deriving equitable compensation for a given effort or outcome. There are two main cognition-oriented theories: equity theory and expectancy theory.

Equity Theory

Equity Theory is based on the basic concept of exchange. It values the culmination of employee experience, skills, and performance against their respective compensation and advancement opportunities.

Expectancy Theory

Expectancy Theory is similarly derived, but it states this relationship through an equation: Motivation = Expectation (Σ Instrumentality × Valence). Instrumentality simply refers to the belief that a level of performance will result in a level of outcome; valence refers to the value of that outcome.

Essentially, Expectation Theory and Equity Theory demonstrate the value of rewarding an employee's investment of time and effort with appropriate compensation.

Behavior-Oriented Theories

The underlying concept of behavioral approaches to motivation is rooted in theories of "conditioning," particularly the work of psychologist B.F. Skinner. Behaviorism stipulates that an employer should promote positive behavior and deter negative behavior, generally through a basic rewards system. Variable compensation, as found in many sales jobs, is a prime example of this concept. When an employee makes a sale, the employer provides a certain portion of income to the employee that executed that sale. This positive reinforcement serves as a behavior modifier, motivating the employee to repeat this behavior and make more sales.

Job-Oriented Theories

Job-oriented theories adhere to the view that employees are motivated to complete tasks effectively because of an innate desire to be fulfilled or to contribute and that compensation and other forms of incentives are less important to them.

Two-Factor Theory

Frederick Herzberg's Two-Factor Theory is the most well-known of the job-oriented theories, despite the fact that it has not been supported by empirical evidence. Herzberg states that salary, benefits, status, and other tangible benefits for employees can only reduce dissatisfaction and that intangibles—such as autonomy, natural interest, recognition, and the responsibility of the work itself—are the true basis of motivation.

Work Engagement Theory

Other theories, such as Work Engagement Theory, similarly propose that intellectually fulfilling and emotionally immersive work is the foundation of a motivated workforce.

Thought

Communication and management are closely linked. Communication refers to the process by which information is exchanged between two or more people (increasingly, machines are also included in communication, but we limit the discussion here to communication between people). Each of the management roles—planning, organizing, leading, and controlling—depends on effective communication. Managers must be able to receive accurate information to determine plans, and they must be able to send accurate information for the plans to be implemented. When information is accurately sent and received, everyone in an organization can be informed. As we see in the earlier example, however, when information is misinterpreted or when incorrect information spreads, communications can create significant problems in organizations.

Clearly, our understanding of workplace motivation could benefit from further research and empirical analysis. But the variety of theories also highlights the fact that people can be motivated by different things in different circumstances. Effective organizational management requires an understanding of these theories as well as of their possible limitations.

COMMUNICATION

The Vital Organ of Management

Just as vital as your brain, heart, lungs, kidney, liver, pancreas, and spleen are to sustaining human life, communication is vital to management. Through the process of **communication**, organizational members will exchange information with one another in an effort to influence each other's thoughts, behaviors, or attitudes, and understandings.

Communication is the fundamental process a manager will use to plan, lead, organize, and control. Without communication, a manager would be unable to convey organizational needs, agendas, values, goals, authority, relationships, and any other related organizational factor.

Much like your vital organs, communication is necessary for all business activities in some form or another. Put simply, vital organs are necessary to sustain life in a human, and communication is necessary to sustain organizational success.

Communication supports each of a manager's **P-O-L-C** functions. The ability to effectively communicate is a necessary condition for successfully planning, organizing, leading, and controlling. Communication is vital to organizations—it's how we coordinate actions and achieve goals. It is defined in the Merriam-Webster's dictionary as "a process by which information is exchanged between individuals through a common system of symbols, signs, or behavior." We know that 50%–90% of a manager's time is spent communicating and that communication ability is related to a manager's performance. In most work environments, a miscommunication is an annoyance—it can interrupt workflow by causing delays and interpersonal strife. And in some work arenas, like operating rooms and airplane cockpits, communication can be a matter of life and death.

Communication fulfills three main functions within an organization: (1) transmitting information, (2) coordinating effort, and (3) sharing emotions and feelings. All these functions are vital to a successful organization. Transmitting information is vital to an organization's ability to function. Coordinating effort within the organization helps people work toward the same goals. Sharing emotions and feelings bonds teams and unites people in times of celebration and crisis. Effective communication helps people grasp issues, build rapport with coworkers, and achieve consensus. So, how can we communicate effectively? The first step is to understand the communication process.

Interpersonal communication

Interpersonal communication is an important part of being an effective manager:

- It influences the opinions, attitude, motivation, and behaviors of others.
- It expresses our feelings, emotions, and intentions to others.
- It is the vehicle for providing, receiving, and exchanging information regarding events or issues that concern us.
- It reinforces the formal structure of the organization by such means as making use of formal channels of communication.

Interpersonal communication allows employees at all levels of an organization to interact with others, to secure desired results, to request or extend assistance, and to make use of and reinforce the formal design of the organization. These purposes serve not only the individuals involved, but the larger goal of improving the quality of organizational effectiveness.

The model that we present here is an oversimplification of what really happens in communication, but this model will be useful in creating a diagram to be used to discuss the topic. **Exhibit 5.1** illustrates a simple communication episode where a **communicator** encodes a message, and a **receiver** decodes the message.

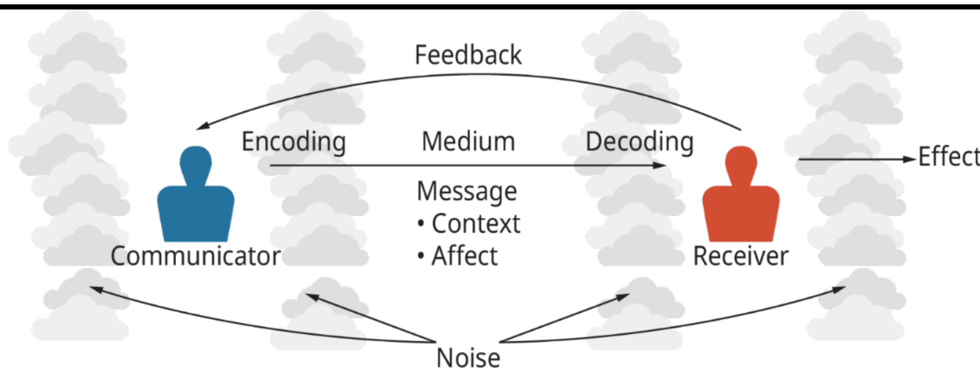


Exhibit 5.1 The Basic Communication Model (Attribution: Copyright Rice University, OpenStax, under CC-BY 4.0 license)

Encoding and Decoding

Two important aspects of this model are **encoding** and **decoding**. Encoding is the process by which individuals initiating the communication translate their ideas into a systematic set of symbols (language), either written or spoken. Encoding is influenced by the sender's previous experiences with the topic or issue, her emotional state at the time of the message, the importance of the message, and the people involved. Decoding is the process by which the recipient of the message interprets it. The receiver attaches meaning to the message and tries to uncover its underlying intent. Decoding is also influenced by the receiver's previous experiences and frame of reference at the time of receiving the message.

Feedback

Several types of feedback can occur after a message is sent from the communicator to the receiver. Feedback can be viewed as the last step in completing a communication episode and may take several forms, such as a verbal response, a nod of the head, a response asking for more information, or no response at all. As with the initial message, the response also involves encoding, medium, and decoding.

There are three basic types of feedback that occur in communication. These are informational, corrective, and reinforcing. In informational feedback, the receiver provides nonevaluative information to the communicator. An example is the level of inventory at the end of the month. In corrective feedback, the receiver responds by challenging the original message. The receiver might respond that it is not her responsibility to monitor inventory. In reinforcing feedback, the receiver communicated that she has clearly received the message and its intentions. For instance, the grade that you receive on a term paper (either positive or negative) is reinforcing feedback on your term paper (your original communication).

Noise

There is, however, a variety of ways that the intended message can get distorted. Factors that distort message clarity are **noise**. Noise can occur at any point along the model shown in **Exhibit 5.1**, including the decoding process. For example, a manager might be under pressure and issue a directive, "I want this job completed today, and I don't care what it costs," when the manager does care what it costs.

In the communication model described above, three types of communication can be used by either the communicator in the initial transmission phase or the receiver in the feedback phase. These three types are discussed next.

Oral Communication

This consists of all messages or exchanges of information that are spoken, and it's the most prevalent type of communication.

Written Communication

This includes e-mail, texts, letters, reports, manuals, and annotations on sticky notes. Although managers prefer oral communication for its efficiency and immediacy, the increase in electronic communication is undeniable. As well, some managers prefer written communication for important messages, such as a change in a company policy, where precision of language and documentation of the message are important.

Nonverbal Communication

There is also the transformation of information without speaking or writing. Some examples of this are things such as traffic lights and sirens as well as things such as office size and placement, which connote something or someone of importance. As well, things such as body language and facial expression can convey either conscious or unconscious messages to others.

Major Influences on Interpersonal Communication

Regardless of the type of communication involved, the nature, direction, and quality of interpersonal communication processes can be influenced by several factors.

Social Influences

Communication is a social process, as it takes at least two people to have a communication episode. There is a variety of social influences that can affect the accuracy of the intended message. For examples, status barriers between employees at different levels of the organization can influence things such as addressing a colleague as at a director level as "Ms. Jones" or a coworker at the same level as "Mike." Prevailing norms and roles can dictate who speaks to whom and how someone responds. Exhibit 5.2 illustrates a variety of communications that illustrate social influences in the workplace.

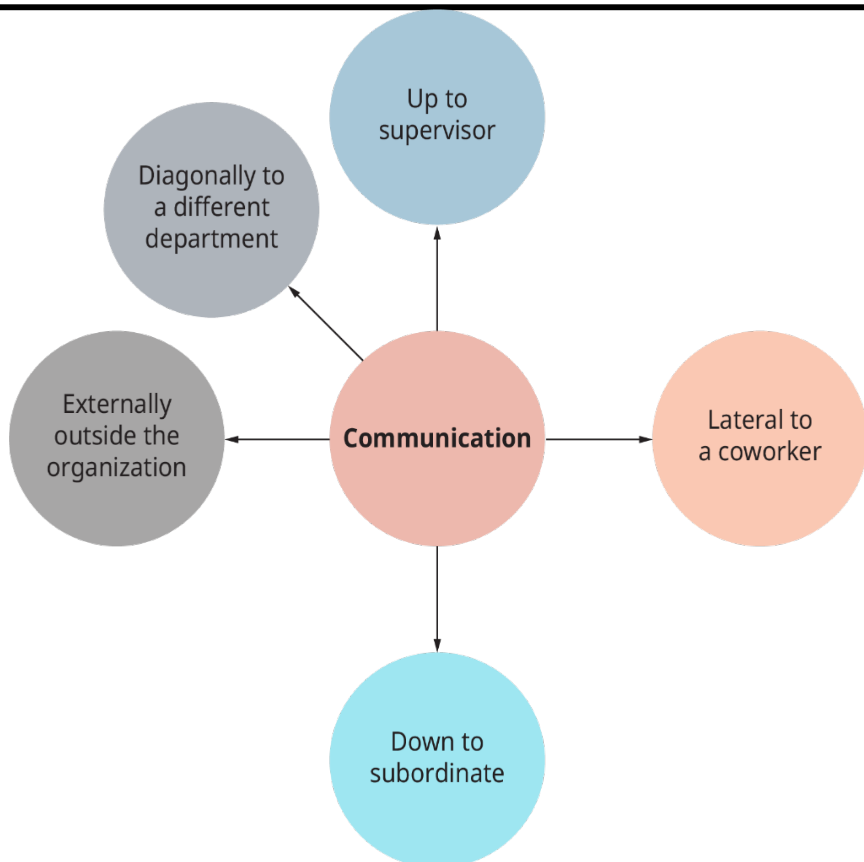


Exhibit 5.2 Patterns of Managerial Communication (Attribution: Copyright Rice University, OpenStax, under CC-BY 4.0 license)

Perception

In addition, the communication process is heavily influenced by perceptual processes. The extent to which an employee accurately receives job instructions from a manager may be influenced by her perception of the manager, especially if the job instructions conflict with her interest in the job or if they are controversial. If an employee has stereotyped the manager as incompetent, chances are that little that the manager says will be taken seriously. If the boss is well regarded or seen as influential in the company, everything that she says may be interpreted as important.

Interaction Involvement

Communication effectiveness can be influenced by the extent to which one or both parties are involved in conversation. This attentiveness is called **interaction attentiveness** or **interaction involvement**. If the intended receiver of the message is preoccupied with other issues, the effectiveness of the message may be diminished. Interaction involvement consists of three interrelated dimensions: responsiveness, perceptiveness, and attentiveness.

Organizational Design

The communication process can also be influenced by the design of the organization. It has often been argued to decentralize an organization because that will lead to a more participative structure and lead to improved communication in the organization. When messages must travel through multiple levels of an organization, the possibility of distortion can also occur, which would be diminished with more face-to-face communication.

The Role of Communication in Management

The role of management is to accomplish the goals of an organization. To do this, managers create a plan that defines what needs to be done, when it will be done, and how it will be done. To implement the plan, managers must convey this information to everyone in the organization. That is, they must communicate the plan to members of the organization. However, managers need to do much more than just inform people what they need to do to support the plan. They also must motivate people to support the plan, build commitment to the organization, establish rapport and collaboration, and keep everyone informed of events and actions that affect the organization. Good communication not only informs but also helps to create a culture that makes people feel like they belong to and want to support the organization. The opening example shows what can result from poor communication. Following are some of the benefits of effective communication.

- **Provides clarity.** Confusion, uncertainty, and ambiguity make people uncomfortable and uncooperative. Making roles, responsibilities, and relationships clear gives everyone the information they need to do their jobs and to understand their contributions to the organization. Effective communication reduces the cost associated with conflicts, misunderstandings, and mistakes.
- **Builds Relationships.** A culture that promotes open communication reduces tension between hierarchical levels of employees, both professionally and socially. In a trusting and collaborative culture, people are more likely to seek help with problems and to suggest solutions and improvements. Effective communication creates a collegial culture that fosters teamwork and encourages cooperation.
- **Creates commitment.** Effective communication involves not only sending information but also receiving it. By listening to employees' concerns, allowing them to have input on their work and their workplace, and considering their suggestions, managers can make everyone in the organization feel like they are valued contributors. When employees feel like they are valued in the organization, they will likely be more engaged and motivated. Effective communication creates support and commitment.
- **Defines expectations.** When people are uncertain about what is expected of them and how they will be evaluated, they can't do their jobs well. Performance reviews are difficult because the employee does not know the performance standards they are expected to meet. And if corrective measures are necessary, the employee may be resentful if he can't see how his behaviors reduced his effectiveness. When expectations and standards are clear, employees know what they need to do to get a positive review and the benefits that come with it.

These are just a few of the many benefits that come from effective communications. Managers can only reach organizational goals when the people in the organization are committed to the goals. People perform much better when they are informed and involved.

"I already talked to him about the schedule. Wasn't he listening?" How often have you said words like these (or heard them said about a coworker)? Every time we talk or listen, there are things that get in the way of clear communication—things that interfere with the receiver getting the message from the sender. This interference is referred to as "noise," and there are various types of noise that can cause a message to be misinterpreted.

Barriers to Effective Communication

<u>Even though the setting is informal, can you identify some signs that indicate that good communication is taking place?</u>

Common sources of noise are explained in this section. How many of these examples can you remember affecting your conversations with friends, classmates, or coworkers?

Physical Conditions

Sometimes "noise" is just exactly that—loud or distracting sounds that make it impossible to hear or concentrate. Or the general level of background noise can be so intense that it is hard to focus for long on one particular voice. A room may be so hot or so cold that people can't get comfortable and cannot pay attention. Outside activities may be a distraction to those with a view out windows. Finally, it may be lunchtime or too close to quitting time to keep people focused. Fortunately, with some awareness and advance planning, physical barriers to effective communication are some of the easiest to overcome.

Filtering

Personal and particular experiences, color how people view the world and how they communicate. A message sender sees the world through one set of filters (experiences and values) and the receiver sees it through a different set of filters. Each message has to pass, therefore, through at least two sets of filters. The more similar people are in lifestyle, experience, culture, and language, the more similar their mental filters are likely to be, and the less distortion should occur. This is why people who come from very different social and economic situations than their audience must work extra hard to say exactly what they mean to avoid confusion. Also, the fewer people involved in the transmission of a message, the greater the chance that it will be received as the sender intended. In business, however, messages may be summarized by a manager and relayed through an administrative assistant who has clarified or edited the message. Messages exposed to many filters should be repeated in various ways to make sure they were understood as the sender intended.

Selective Perception

Selective perception is the tendency to either "under notice" or "over focus on" stimuli that cause emotional discomfort or contradict prior beliefs. For instance, some people live purposefully healthy lifestyles by frequently exercising and eating only nutritious food but still smoke cigarettes. Psychologists believe that they are selectively ignoring the evidence that smoking is dangerous to their health. They have chosen to disregard the information that would make them feel guilty or fearful about this habit. This is called *perceptual defense*. Selective perception can also be *vigilant*, meaning people are extra sensitive to things that are significant to them. If a manager doesn't like a particular employee, for example, she may be super critical of that person's behavior and notice every time he is a minute late to a meeting. On the other hand, a favorite employee coming late to work one morning might elicit concern that she had car trouble. Selective perception introduces bias into the communication process.

Information Overload

We have all been in situations when we felt that too much information was coming at us. When this happens, we feel overwhelmed and fear that we will not be able to retain any information at all. Sometimes it is not just the quantity of communication but the level that causes overload. If the message contains information that is new to the receiver, including processes or concepts that are not familiar, then the chances of overload increase greatly. The sender should break up the message into more palatable or digestible bits and reduce the amount of information that has to be absorbed at any one time. One technique is to make a high-level announcement and then follow it up later with more details. The sender has the primary responsibility to check that the receiver has understood the message. This means that a manager may have to adjust a message to reflect the various experiences of the employees. A new employee may need repeated explanations before beginning an operation, whereas an experienced employee may start rolling his eyes at the same old instructions.

Semantics

Semantics is the study of the meaning of words and phrases. You might hear one person say to another "Let's not argue semantics," meaning he doesn't want to get caught up in trivial and unimportant details or playing with words. But semantics is extremely important in effective communication. There are some semantic rules in English that may trip up non-native English speakers, such as the concept of subject-verb agreement and gender pronouns. These can cause confusion, as seen in the following examples:

- Six man is coming to the meeting on Tuesday. (How many men are coming?)
- Rachel is going to introduce the speaker at the conference. He may be asking you for information about her to make the job easier. (Who is asking for information, Rachel or the speaker?)

When your audience involves people, whose native language is not English or individuals of different educational backgrounds, messages need to be direct and clearly stated to help ensure they are understood.

Denotation and Connotation

Confusion can also arise from the use of language by people from different educational levels, culture, and dialect. For instance, the terms *lift,* and *braces* denote two entirely different meanings in the United States and in England. A Londoner might reasonably ask her partner if he was planning on wearing braces with his pants.

Some words have a connotation for one group of people that is not shared by another. "That's sick!" could be a compliment or an insult, depending upon the listener. (You probably already know that slang does not belong in written business communications.) Fortunately for all of us, paying attention to the context of the message often reduces confusion. The meaning of *homophones* (buy, by, bye; meet, meat, mete; pair, pare, pear) and *homographs* (read, read; lead, lead) are often easily understood by their context or pronunciation.

Emotional Disconnects

Almost the first thing parents learns is never to try to have a rational discussion with a screaming toddler or an angry teenager. If they wait until the young person is more receptive to what they have to say, the odds of a successful conversation improve dramatically. Adults also experience emotional disconnects that affect the chance of successful communication. For example, when a person is feeling stressed or anxious, an expressed concern is more likely to be interpreted as criticism. Constructive criticism made while an employee is emotionally fragile may be perceived as a personal attack. If possible, it is better to postpone a communication if there is a strong likelihood that the intended receiver will misinterpret it because of his emotional state.

Credibility

There are better ways to communicate your credibility than reminding everyone of your position.

In communication, the validity of the message is tied to the reputation of the sender. If the receiver doesn't trust the sender, he will view the message itself with skepticism or suspicion. If the sender is trustworthy, the receiver will likely believe the message despite her personal opinions about that subject. In other words, the trustworthiness of a communication, regardless of format, is heavily influenced by the perceived credibility of the source of that communication.

Source credibility describes the sender's positive characteristics that affect the receiver's acceptance of a message. A manager's source credibility is based on experience, knowledge, and interpersonal skills. Managers who deal openly and candidly with employees will find it easier to solicit the kind of feedback that tells them whether their message has been understood.

Message Sent—But Was It Received?

After delivering a message, how does the sender know if the receiver got the message that was intended? Is it the job of the sender or receiver to make sure that the communication has been understood? The answer is that both ends of the communication chain have some responsibility to verify what was both said and heard. In the workplace, however, the manager has the primary responsibility because a main part of her role is to gather and disperse information so organizational goals can be achieved. Managers need to have strategic conversations by asking questions and collecting feedback. One technique to gather feedback is active listening.

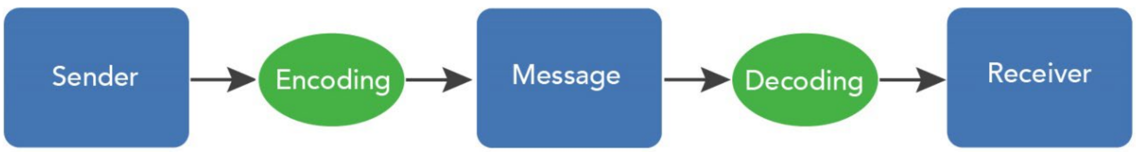
Active listening is a communication technique that has been around for many years and that has been used successfully in all types of endeavor—not just business. Parenting classes, marital relationships, public schools, counseling, and tutoring are just some of the areas where active listening is a valued skill. As the name implies, the focus of active listening as a tool for improving communication is on listening rather than talking. (Think here of the expression "You have two ears and one mouth for a reason.") It is a process where the listener sets aside his own thoughts to concentrate more clearly what the speaker is actually saying instead of what the listener *thinks* the speaker is saying.

It takes practice to master the basic techniques of active listening, and you will probably feel awkward applying the technique in the beginning. But because the point is to increase effectiveness by decreasing the possibility of misunderstandings, it is worth a little discomfort. The basic method is briefly summarized in these steps:

- Look at the speaker and make eye contact to indicate that the speaker has your undivided attention.
- Note the body language of the speaker to help process the speaker's message. Is the speaker angry, frustrated, frightened, rebellious, or tentative? Classic signs of anger include arms folded tightly in front of the body or held rigidly at the side. Fright or guilt may be shown by the refusal to look at you directly in the eyes or continually shifting gaze away from the listener's face. The speaker may be feeling confrontational if his arms are on his hips and his legs are spread apart as if ready to move. If the speaker is constantly turning away from you, she may be hiding something and definitely wants to leave. If any of these signs are present, it is probably better to finish the conversation at a later time.
- Don't allow yourself to prepare a response before the speaker has finished his remarks. Keep your mind open and free of judgment until the end.
- Ask questions to verify or confirm what you heard the speaker say. You might even ask a question or make a statement using the very same words as the speaker. "I heard you say that you were unhappy with the way John is managing the team." Or "You said that you feel left out of the decision-making process for the project."
- Wait for the speaker to confirm or to correct your understanding of his message. He may respond with something like "Well, unhappy is too strong a word. I meant that there are times

when I disagree with the decisions that John makes." Then you can respond, "OK. You are not completely unhappy. You don't always disagree with John." Here you are confirming your understanding of the speaker's corrected statement.

The other major advantage of active listening (besides preventing misunderstandings) is that you convey to the speakers that you care about them and their opinions. They become empowered to be more proactive because they believe they will get an unbiased hearing. For busy managers, actively listening can be time-consuming and require emotional investment. You really have to interrupt your work to stop and listen. The speaker may become emotional during the attempt to clarify the communication, especially while you are learning the approach. But in the end, you will have earned the trust and respect of an employee, and that is a worthwhile goal.



TIME MANAGEMENT TIPS FOR MANAGERS

A Few Time Management Tips for Managers:

1. Plan - take time to make time

Time spent planning is not time wasted at the expense of doing. A bit of time spent in understanding what needs to be done, and planning how to achieve it, will have a massive return on investment. Training and coaching staff can seem like an interruption to other work but will pay off in the long run.

Try not to plan for every moment of your day; leave time for dealing with unexpected tasks and for adapting to interruptions and changing priorities.

2. Make lists – but not lists of lists

Making lists is an important part of planning your day based on workload and priorities. These may be daily to-do lists or ongoing lists that are constantly revisited and updated - whichever works for you.

Making lists of lists is something that managers often boast about – but it suggests procrastination. Make sure your planning is not veering into the territory of planning for procrastination.

3. Communicate

Effective communication is often one of the first things to go when a manager is struggling to manage their own time. Rather than taking the time to listen, understand and explain; their minds are on their workload and misunderstandings occur. Management relies so heavily on communication that you absolutely must check regularly that you are taking the time to communicate effectively with your team.

4. Take breaks

It's always tempting, when you have a big workload, to skip your breaks. This is generally a false economy, as it means your concentration can wane later in the day and make you less efficient.

Taking breaks is especially important for managers as they need to set an example for other staff – you don't want to set a precedent that taking breaks means a lack of commitment.

5. Manage your emails

A manager's email inbox is usually a busy place, with all kinds of emails that need addressing. Put aside a certain amount of time each day to reply to the emails – and don't cherry pick.

If you're worried that urgent emails will arrive outside of the set time then check your inbox regularly – but commit yourself to your routine and don't break it unless it's to deal with something important.

6. Address your habits

You should address all your activities at regular intervals to ensure they are efficient and productive, rather than just ingrained habits. For example, a manager who is a prolific typist may instinctively write up notes themselves rather than asking someone else. **Just because you can do it, doesn't mean you should. If you're under pressure, think about what tasks you can delegate – and, unfortunately, this does sometimes include the tasks you enjoy!**

7. Embrace Delegation

Effective delegation empowers your staff to work independently and confidently. Staff who are not often given responsibility will be needier and require more of your time. Making sure everyone has the training and resources to do their jobs will make life easier all round.

8. Keep up appearances

If all else fails, make sure you appear to your team to be on top of your time management, even if you're not.

It's vital that employees feel like they can approach you for help and guidance. If you give the impression of being too busy to be approached, you risk not being made aware of important issues. You will need to adjust your mindset to ensure you deal with interruptions in a flexible and open manner...

9. Know how to deal with interruptions

When team members do approach you for ad-hoc help or advice, the first thing to consider is whether it would be more efficient for the request needs to be addressed now or later.

The temptation is usually to react and try and deal with all issues immediately – but the disturbance to your working day may not be worth it. If you find interruptions frustrating, then consider a time-sensitive open/shut door policy – so people can come to you with issues only during certain times.

Make yourself aware of conversation 'closers' – polite ways of firmly ending a conversation that threatens to drag on, e.g. "Well, I'm glad we got that sorted out. Let me know if it happens again."

10. Know what to do if it gets too much

A bit of pressure is a great motivator – especially when you know you can get everything done by just organizing yourself a bit more and working that much harder. In the long term, if your workload is so much that you just can't manage your time, then this needs to be addressed with your manager or CEO to avoid burn out.

WHAT ARE THE 4 DS OF TIME MANAGEMENT?

The 4 Ds of time management, sometimes referred to as the 4 Ds of productivity, is a popular strategy for discerning whether or not a task or project is worth your time. It involves making a quick decision about what to act on now either by doing it yourself or delegating to someone else, what to act on in the future, or what to drop from your to-do list.

The 4 Ds are: Do, Defer (Delay), Delegate, and Delete (Drop). Placing a task or project into one of these categories helps you manage your limited time more effectively and stay focused on what matters most to you.

Why are the 4 Ds Important for Product Managers?

Product managers (PMs) are notoriously busy and have a million and one requests and demands vying for their attention and time every day, all day. To keep projects and people moving in the right direction, PMs must effectively prioritize the constant flow of tasks to stay focused on what truly matters. Successful PMs become masters of time management.

How to Apply the 4 Ds Technique

We all have an ever-growing to-do list, and PMs are certainly no exception. Because our responsibilities and demands limit our time, we must choose carefully how we spend this precious resource to make sure that we align our tasks with our larger goals.

To get started with the 4 Ds technique, look at your to-do list at the beginning of the workday and assess which tasks can be done quickly right now either by you or someone else on your team, which ones to drop altogether, and which essential tasks to defer for now.

The 4 Ds of Time Management

Category	Action	Examples
Do	Work on tasks that only take a few minutes to complete. Quickly accomplishing a series of smaller tasks builds momentum for working on larger projects.	• Answering an email • Returning a phone call • Printing a report
Defer (Delay)	Temporarily pause a task that doesn't need to be handled right away, and schedule when you have the availability.	• New request from a colleague • New project idea
Delegate	Reassign an essential task to someone else.	• Weigh tasks that benefit from your specific expertise vs. those tasks that deliver the same outcome regardless of who is doing it
Delete (Drop)	Remove unnecessary tasks from your schedule and move on.	• Unproductive meetings • Unnecessary email

ProductPlan

DECISIONS

Understanding Decision Making

Learning Objectives

1. **Define decision making.**
2. **Understand different types of decisions.**

What Is Decision Making?

Decision making refers to making choices among alternative courses of action—which may also include inaction. While it can be argued that management *is* decision making, half of the decisions made by managers within organizations fail. Therefore, increasing effectiveness in decision making is an important part of maximizing your effectiveness at work. This section will help you understand how to make decisions alone or in a group while avoiding common decision-making traps.

Individuals throughout organizations use the information they gather to make a wide range of decisions. These decisions may affect the lives of others and change the course of an organization. For example, the decisions made by executives and consulting firms for Enron ultimately resulted in a $60 billion loss for investors, thousands of employees without jobs, and the loss of all employee retirement funds. But Sherron Watkins, a former Enron employee and now-famous whistleblower, uncovered the accounting problems and tried to enact change. Similarly, the decisions made by firms to trade in mortgage-backed securities is having negative consequences for the entire U.S. economy. Each of these people made a decision, and each person, as well as others, is now living with the consequences of his or her decisions.

Because many decisions involve an ethical component, one of the most important considerations in management is whether the decisions you are making as an employee or manager are ethical. Here are some basic questions you can ask yourself to assess the ethics of a decision.

- Is this decision fair?
- Will I feel better or worse about myself after I make this decision?
- Does this decision break any organizational rules?
- Does this decision break any laws?
- How would I feel if this decision was broadcast on the news?

Types of Decisions

Despite the far-reaching nature of the decisions in the previous example, not all decisions have major consequences or even require a lot of thought. For example, before you come to class, you make simple and habitual decisions such as what to wear, what to eat, and which route to take as you go to and from home and school. You probably do not spend much time on these mundane decisions. These types of straightforward decisions are termed programmed decisions; these are decisions that occur frequently enough that we develop an automated response to them. The automated response we use to make these decisions is called the decision rule. For example, many restaurants face customer complaints as a routine part of doing business. Because this is a recurring problem for restaurants, it may be regarded as a programmed decision. To deal with this problem, the restaurant might have a policy stating that every time they receive a valid customer complaint, the customer should receive a free dessert, which represents a decision rule. Making strategic, tactical, and operational decisions is an integral part of the planning function in the P-O-L-C (planning-organizing-leading-controlling) model.

However, decisions that are unique and important require conscious thinking, information gathering, and careful consideration of alternatives. These are called nonprogrammed decisions. For example, in 2005, McDonald's became aware of a need to respond to growing customer concerns regarding foods high in fat and calories. This is a nonprogrammed decision because for several decades, customers of fast-food restaurants were more concerned with the taste and price of the food, rather than the healthiness. In response, McDonald's decided to offer healthier alternatives, such as substituting apple slices in Happy Meals for French fries and discontinuing the use of trans fats. A crisis situation also constitutes a nonprogrammed decision for companies. For example, the leadership of Nutrorim was facing a tough decision. They had recently introduced a new product, ChargeUp with Lipitrene, an improved version of their popular sports drink powder, ChargeUp. But a phone call came from a state health department to inform them that several cases of gastrointestinal distress had been reported after people consumed the new product. Nutrorim decided to recall ChargeUp with Lipitrene immediately. Two weeks later, it became clear that the gastrointestinal problems were unrelated to ChargeUp with Lipitrene. However, the damage to the brand and to the balance sheets was already done. This unfortunate decision caused Nutrorim to rethink the way decisions were made under pressure so that they now gather information to make informed choices even when time is of the essence.

Figure 5.1

To ensure consistency around the globe such as at this St. Petersburg, Russia, location, McDonald's trains all restaurant managers (over 65,000 so far) at Hamburger University where they take the equivalent of two years of college courses and learn how to make decisions. The curriculum is taught in 28 languages.

Decision making can also be classified into three categories based on the level at which they occur. Strategic decisions set the course of organization. Tactical decisions are decisions about how things will get done. Finally, operational decisions are decisions that employees make each day to run the organization. For example, remember the restaurant that routinely offers a free dessert when a customer complaint is received. The owner of the restaurant made a strategic decision to have great customer service. The manager of the restaurant implemented the free dessert policy as a way to handle customer complaints, which is a tactical decision. And the servers at the restaurant are making individual decisions each day evaluating whether each customer complaint received is legitimate to warrant a free dessert.

Figure 5.2 Decisions Commonly Made within Organizations

Level of Decision	Examples of Decision	Who Typically Makes Decisions
Strategic Decisions	Should we merge with another company? Should we pursue a new product line? Should we downsize our organization?	Top Management Teams, CEOs, and Boards of Directors
Tactical Decisions	What should we do to help facilitate employees from the two companies working together? How should we market the new product line? Who should be let go when we downsize?	Managers
Operational Decisions	How often should I communicate with my new coworkers? What should I say to customers about our new product? How will I balance my new work demands?	Employees throughout the organization

In this section, we are going to discuss different decision-making models designed to understand and evaluate the effectiveness of nonprogrammed decisions. We will cover four decision-making approaches starting with the rational decision-making model, moving to the bounded rationality decision-making model, the intuitive decision-making model, and ending with the creative decision-making model.

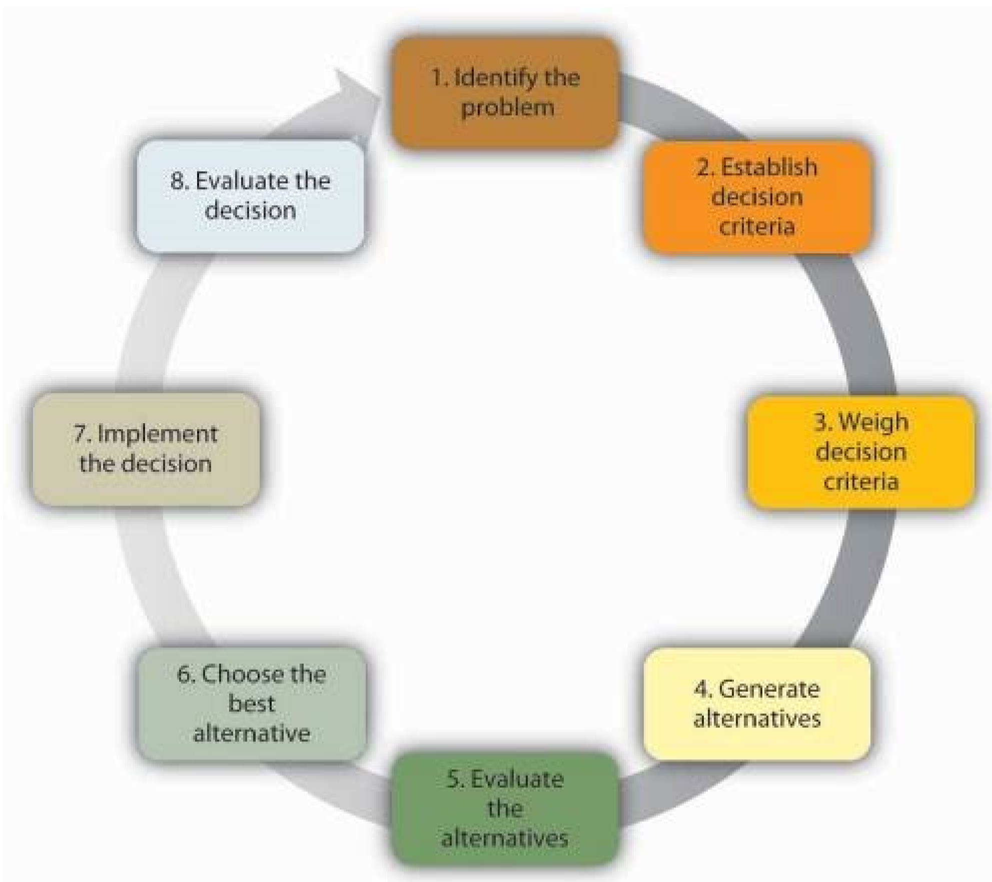
Making Rational Decisions

The rational decision-making model describes a series of steps that decision makers should consider if their goal is to maximize the quality of their outcomes. In other words, if you want to make sure you make the best choice, going through the formal steps of the rational decision-making model may make sense.

Let’s imagine that your old, clunky car has broken down and you have enough money saved for a substantial down payment on a new car. It is the first major purchase of your life, and you want to make the right choice. The first step, therefore, has already been completed—we know that you want to buy a new car. Next, in step 2, you’ll need to decide which factors are important to you. How many passengers do you want to accommodate? How important is fuel economy to you? Is safety a major concern? You only have a certain amount of money saved, and you don’t want to take on too much debt, so price range is an important factor as well. If you know you want to have room for at least five adults, get at least 20 miles per gallon, drive a car with a strong safety rating, not spend more than $22,000 on the purchase, and like how it looks, you’ve identified the decision criteria. All of the potential options for purchasing your car will be evaluated against these criteria.

Before we can move too much further, you need to decide how important each factor is to your decision in step 3. If each is equally important, then there is no need to weight them, but if you know that price and gas mileage are key factors, you might weight them heavily and keep the other criteria with medium importance. Step 4 requires you to generate all alternatives about your options. Then, in step 5, you need to use this information to evaluate each alternative against the criteria you have established. You choose the best alternative (step 6), and you go out and buy your new car (step 7). Of course, the outcome of this decision will be related to the next decision made; that is where the evaluation in step 8 comes in. For example, if you purchase a car but have nothing but problems with it, you are unlikely to consider the same make and model in purchasing another car the next time!

Figure 5.3 Steps in the Rational Decision-Making Model



While decision makers can get off track during any of these steps, research shows that limiting the search for alternatives in the fourth step can be the most challenging and lead to failure. In fact, one researcher found that no alternative generation occurred in 85% of the decisions studied. Conversely, successful managers are clear about what they want at the outset of the decision-making process, set objectives for others to respond to, carry out an unrestricted search for solutions, get key people to participate, and avoid using their power to push their perspective.

The rational decision-making model has important lessons for decision makers. First, when making a decision you may want to make sure that you establish your decision criteria before you search for all alternatives. This would prevent you from liking one option too much and setting your criteria accordingly. For example, let's say you started browsing for cars before you decided your decision criteria. You may come across a car that you think really reflects your sense of style and make an emotional bond with the car. Then, because of your love for this car, you may say to yourself that the fuel economy of the car and the innovative braking system are the most important criteria. After purchasing it, you may realize that the car is too small for all of your friends to ride in the back seat when you and your brother are sitting in front, which was something you should have thought about! Setting criteria before you search for alternatives may prevent you from making such mistakes. Another advantage of the rational model is that it urges decision makers to generate all alternatives instead of only a few. By generating a large number of alternatives that cover a wide range of possibilities, you are likely to make a more effective decision in which you do not need to sacrifice one criterion for the sake of another.

Despite all its benefits, you may have noticed that this decision-making model involves a number of unrealistic assumptions. It assumes that people understand what decision is to be made, that they know all their available choices, that they have no perceptual biases, and that they want to make optimal decisions. Nobel Prize–winning economist Herbert Simon observed that while the rational decision-making model may be a helpful tool for working through problems, it doesn't represent how decisions are frequently made within organizations. In fact, Simon argued that it didn't even come close!

Think about how you make important decisions in your life. Our guess is that you rarely sit down and complete all eight steps in the rational decision-making model. For example, this model proposed that we should search for all possible alternatives before making a decision, but this can be time consuming, and individuals are often under time pressure to make decisions. Moreover, even if we had access to all the information, it could be challenging to compare the pros and cons of each alternative and rank them according to our preferences. Anyone who has recently purchased a new laptop computer or cell phone can attest to the challenge of sorting through the different strengths and limitations of each brand, model, and plans offered for support and arriving at the solution that best meets their needs.

In fact, the availability of too much information can lead to analysis paralysis, where more and more time is spent on gathering information and thinking about it, but no decisions actually get made. A senior executive at Hewlett-Packard admits that his company suffered from this spiral of analyzing things for too long to the point where data gathering led to "not making decisions, instead of us making decisions." Moreover, you may not always be interested in reaching an optimal decision. For example, if you are looking to purchase a house, you may be willing and able to invest a great deal of time and energy to find your dream house, but if you are looking for an apartment to rent for the academic year, you may be willing to take the first one that meets your criteria of being clean, close to campus, and within your price range.

Making "Good Enough" Decisions

The bounded rationality model of decision making recognizes the limitations of our decision-making processes. According to this model, individuals knowingly limit their options to a manageable set and choose the best alternative without conducting an exhaustive search for alternatives. An important part of the bounded rationality approach is the tendency to satisfice, which refers to accepting the first alternative that meets your minimum criteria. For example, many college graduates do not conduct a national or international search for potential job openings; instead, they focus their search on a limited geographic area and tend to accept the first offer in their chosen area, even if it may not be the ideal job situation. Satisficing is similar to rational decision making, but it differs in that rather than choosing the best choice and maximizing the potential outcome, the decision maker saves time and effort by accepting the first alternative that meets the minimum threshold.

Making Intuitive Decisions

The intuitive decision-making model has emerged as an important decision-making model. It refers to arriving at decisions without conscious reasoning. Eighty-nine percent of managers surveyed admitted to using intuition to make decisions at least sometimes, and 59% said they used intuition often. When we recognize that managers often need to make decisions under challenging circumstances with time pressures, constraints, a great deal of uncertainty, highly visible and high-stakes outcomes, and within changing conditions, it makes sense that they would not have the time to formally work through all the steps of the rational decision-making model. Yet when CEOs, financial analysts, and healthcare workers are asked about the critical decisions they make, seldom do they attribute success to luck. To an outside observer, it may seem like they are making guesses as to the course of action to take, but it turns out that they are systematically making decisions using a different model than was earlier suspected. Research on life-or-death decisions made by fire chiefs, pilots, and nurses finds that these experts do not choose among a list of well-thought-out alternatives. They don't decide between two or three options and choose the best one. Instead, they consider only one option at a time. The intuitive decision-making model argues that, in a given situation, experts making decisions scan the environment for cues to recognize patterns. Once a pattern is recognized, they can play a potential course of action through to its outcome based on their prior experience. Due to training, experience, and knowledge, these decision makers have an idea of how well a given solution may work. If they run through the mental model and find that the solution will not work, they alter the solution and retest it before setting it into action. If it still is not deemed a workable solution, it is discarded as an option and a new idea is tested until a workable solution is found. Once a viable course of action is identified, the decision maker puts the solution into motion. The key point is that only one choice is considered at a time. Novices are not able to make effective decisions this way because they do not have enough prior experience to draw upon.

Making Creative Decisions

In addition to the rational decision making, bounded rationality models, and intuitive decision making, creative decision making is a vital part of being an effective decision maker. Creativity is the generation of new, imaginative ideas. With the flattening of organizations and intense competition among organizations, individuals and organizations are driven to be creative in decisions ranging from cutting costs to creating new ways of doing business. Please note that, while creativity is the first step in the innovation process, creativity and innovation are not the same thing. Innovation begins with creative ideas, but it also involves realistic planning and follow-through.

The five steps to creative decision making are similar to the previous decision-making models in some key ways. All of the models include problem identification, which is the step in which the need for problem solving becomes apparent. If you do not recognize that you have a problem, it is impossible to solve it. Immersion is the step in which the decision maker thinks about the problem consciously and gathers information. A key to success in creative decision making is having or **acquiring expertise** in the area being studied. Then, incubation occurs. During incubation, the individual sets the problem aside and does not think about it for a while. At this time, the brain is actually working on the problem unconsciously. Then comes illumination or the insight moment, when the solution to the problem becomes apparent to the person, usually when it is least expected. This is the "eureka" moment similar to what happened to the ancient Greek inventor Archimedes, who found a solution to the problem he was working on while he was taking a bath. Finally, the verification and application stage happens when the decision maker consciously verifies the feasibility of the solution and implements the decision.

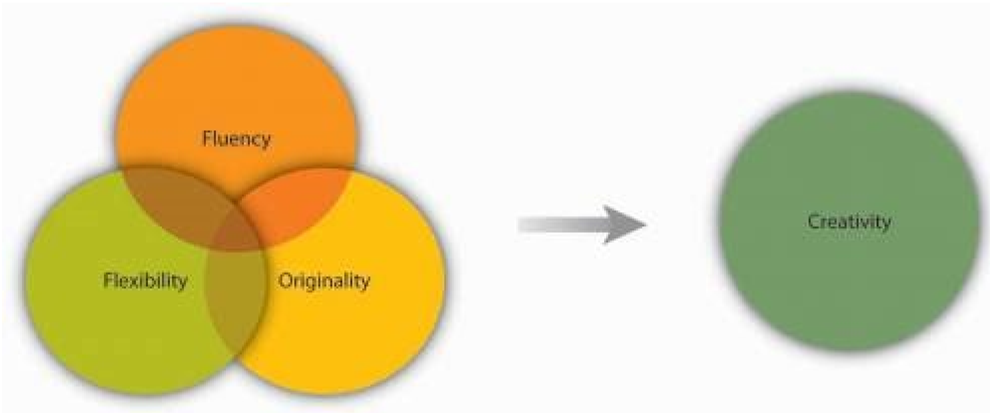
A NASA scientist describes his decision-making process leading to a creative outcome as follows: He had been trying to figure out a better way to de-ice planes to make the process faster and safer. After recognizing the problem, he had immersed himself in the literature to understand all the options, and he worked on the problem for months trying to figure out a solution. It was not until he was sitting outside of a McDonald's restaurant with his grandchildren that it dawned on him. The golden arches of the "M" of the McDonald's logo inspired his solution: he would design the de-icer as a series of M's! This represented the illumination stage. After he tested and verified his creative solution, he was done with that problem except to reflect on the outcome and process.

Figure 5.4 The Creative Decision-Making Process

How Do You Know If Your Decision-Making Process Is Creative?

Researchers focus on three factors to evaluate the level of creativity in the decision-making process. Fluency refers to the number of ideas a person is able to generate. Flexibility refers to how different the ideas are from one another. If you are able to generate several distinct solutions to a problem, your decision-making process is high on flexibility. Originality refers to an idea's uniqueness. You might say that Reed Hastings, founder and CEO of Netflix, is a pretty creative person. His decision-making process shows at least two elements of creativity. We do not exactly know how many ideas he had over the course of his career, but his ideas are fairly different from one another. After teaching math in Africa with the Peace Corps, Hastings was accepted at Stanford University, where he earned a master's degree in computer science. Soon after starting work at a software company, he invented a successful debugging tool, which led to his founding the computer troubleshooting company Pure Software in 1991. After a merger and the subsequent sale of the resulting company in 1997, Hastings founded Netflix, which revolutionized the DVD rental business through online rentals with no late fees. In 2007, Hastings was elected to Microsoft's board of directors. As you can see, his ideas are high in originality and flexibility.

Figure 5.5 Dimensions of Creativity



Some experts have proposed that creativity occurs as an interaction among three factors: (1) people's personality traits (openness to experience, risk taking), (2) their attributes (expertise, imagination, motivation), and (3) the context (encouragement from others, time pressure, and physical structures). For example, research shows that individuals who are open to experience, are less conscientious, more self-accepting, and more impulsive, tend to be more creative.

There are many techniques available that enhance and improve creativity. Linus Pauling, the Nobel prize winner who popularized the idea that vitamin C could help build the immunity system, said, "The best way to have a good idea is to have a lot of ideas." One popular way to generate ideas is to use brainstorming. Brainstorming is a group process of generated ideas that follows a set of guidelines that include no criticism of ideas during the brainstorming process, the idea that no suggestion is too crazy, and building on other ideas (piggybacking). Research shows that the quantity of ideas actually leads to better idea quality in the end, so setting high idea quotas where the group must reach a set number of ideas before they are done, is recommended to avoid process loss and to maximize the effectiveness of brainstorming. Another unique aspect of brainstorming is that the more people are included in brainstorming, the better the decision outcome will be because the variety of backgrounds and approaches give the group more to draw from. A variation of brainstorming is wild storming where the group focuses on ideas that are impossible and then imagines what would need to happen to make them possible.

Ideas for Enhancing Organizational Creativity

We have seen that organizational creativity is vital to organizations. Here are some guidelines for enhancing organizational creativity within teams.

Team Composition (Organizing/Leading)

- *Diversify your team* to give them more inputs to build on and more opportunities to create functional conflict while avoiding personal conflict.
- *Change group membership* to stimulate new ideas and new interaction patterns.
- *Leaderless teams* can allow teams freedom to create without trying to please anyone up front.

Team Process (Leading)

- *Engage in brainstorming* to generate ideas—remember to set a high goal for the number of ideas the group should come up with, encourage wild ideas, and take brainwriting breaks.
- *Use the nominal group technique in person or electronically* to avoid some common group process pitfalls. Consider anonymous feedback as well.
- *Use analogies* to envision problems and solutions.

Leadership (Leading)

- *Challenge teams* so that they are engaged but not overwhelmed.
- *Let people decide how to achieve goals*, rather than telling them what goals to achieve.
- *Support and celebrate creativity* even when it leads to a mistake. But set up processes to learn from mistakes as well.
- *Model* creative behavior.

Culture (Organizing)

- *Institute organizational memory* so that individuals do not spend time on routine tasks.
- *Build a physical space conducive to creativity* that is playful and humorous—this is a place where ideas can thrive.
- *Incorporate creative behavior* into the performance appraisal process.

The four different decision-making models—rational, bounded rationality, intuitive, and creative—vary in terms of how experienced or motivated a decision maker is to make a choice. Choosing the right approach will make you more effective at work and improve your ability to carry out all the P-O-L-C functions.

Figure 5.6

Decision Making Model	Use This Model When:
Rational	• Information on alternatives can be gathered and quantified. • The decision is important. • You are trying to maximize your outcome.
Bounded Rationality	• The minimum criteria are clear. • You do not have or you are not willing to invest much time to making the decision. • You are not trying to maximize your outcome.
Intuitive	• Goals are unclear. • There is time pressure and analysis paralysis would be costly. • You have experience with the problem.
Creative	• Solutions to the problem are not clear. • New solutions need to be generated. • You have time to immerse yourself in the issues.

Which decision-making model should I use?

What are the basic characteristics of managerial decision-making?

Decision-making is the action or process of thinking through possible options and selecting one.

It is important to recognize that managers are continually making decisions, and that the quality of their decision-making has an impact—sometimes quite significant—on the effectiveness of the organization and its stakeholders. Stakeholders are all the individuals or groups that are affected by an organization (such as customers, employees, shareholders, etc.).

Members of the top management team regularly make decisions that affect the future of the organization and all its stakeholders, such as deciding whether to pursue a new technology or product line. A good decision can enable the organization to thrive and survive long-term, while a poor decision can lead a business into bankruptcy. Managers at lower levels of the organization generally have a smaller impact on the organization's survival but can still have a tremendous impact on their department and its workers. Consider, for example, a first-line supervisor who is charged with scheduling workers and ordering raw materials for her department. Poor decision-making by lower-level managers is unlikely to drive the entire firm out of existence, but it can lead to many adverse outcomes such as:

- reduced productivity if there are too few workers or insufficient supplies,
- increased expenses if there are too many workers or too many supplies, particularly if the supplies have a limited shelf life or are costly to store, and
- frustration among employees, reduced morale, and increased turnover (which can be costly for the organization) if the decisions involve managing and training workers.

What's the Right (Correct) Answer?

It's also worth noting that making decisions as a manager is not at all like taking a multiple-choice test: with a multiple-choice test there is always one right answer. This is rarely the case with management decisions. Sometimes a manager is choosing between multiple good options, and it's not clear which will be the best. Other times there are multiple bad options, and the task is to minimize harm. Often there are individuals in the organization with competing interests, and the manager must make decisions knowing that someone will be upset no matter what decision is reached.

What's the Right (Ethical) Answer?

Sometimes managers are asked to make decisions that go beyond just upsetting someone—they may be asked to make decisions in which harm could be caused to others. These decisions have ethical or moral implications. Ethics and morals refer to our beliefs about what is right vs. wrong, good vs. evil, virtuous vs. corrupt. Implicitly, ethics and morals relate to our interactions with and impact on others—if we never had to interact with another creature, we would not have to think about how our behaviors affected other individuals or groups. All managers, however, make decisions that impact others. It is therefore important to be mindful about whether our decisions have a positive or a negative impact. "Maximizing shareholder wealth" is often used as a rationalization for placing the importance of short-term profits over the needs of others who will be affected by a decision—such as employees, customers, or local citizens (who might be affected, for example, by environmental decisions). Maximizing shareholder wealth is often a short-sighted decision, however, because it can harm the organization's financial viability in the future.

WHY MANAGERS SHOULD INVOLVE THEIR TEAM IN THE DECISION-MAKING PROCESS

Decision-making is a critical component of every manager's day-to-day. Whether reshuffling the department's budget, delegating tasks, or implementing a new strategy, the daily choices managers make have a direct impact on their organization's success.

But that decision-making process isn't always easy. In a survey by management consulting firm McKinsey, only 28 percent of executives touted the quality of their company's strategic decisions, while 60 percent reported that bad decisions are about as frequent as good ones.

One way to increase your likelihood of success is to include your team in the process. Research shows that diversity leads to better decision-making. By bringing people into the conversation with different disciplinary and cultural backgrounds, you can enhance creativity and gain a fresh perspective on the task or problem at hand.

"Map out the technical, political, and cultural underpinnings of the decision that needs to be made and then build your group accordingly," says Harvard Business School Professor Len Schlesinger, who's featured in the online course Management Essentials. "You're looking for a broad array of experience. You want some newcomers who are going to provide a different point of view, as well as people who have profound knowledge and deep experience with the problem."

Some managers might shy away from integrating their team into the process to avoid additional complexity or a potential clash of opinions. Yet the ideas that could come out of that dialogue are often far more valuable and critical to business success. Here's a closer look at some of the benefits of involving your team in decision-making.

BENEFITS OF TEAM DECISION-MAKING

1. You Stop Defaulting to Consensus

Managers often defer to consensus, or the majority of opinion, to avoid conflict and foster group harmony. But Schlesinger argues that it's not always the right choice.

"Consensus is likely to lead to a lower evaluation of the problem and a less creative solution," Schlesinger says. "You need to be willing to engineer in conflict, which is often perceived as uncomfortable, but is essential to uncovering some of the hidden assumptions and data that leads people to make less-informed decisions."

Schlesinger suggests one approach of establishing a process of devil's advocacy and encouraging individuals to poke holes in arguments and problem framing. As a result, your team will likely conduct a more in-depth critical evaluation, which could lead to a greater number of alternative solutions.

"Managers often get to convergence too quickly, which is one of the most negative byproducts of the consensus-oriented model and why it's only appropriate for the most simplistic decisions," Schlesinger says. "Unless you're intentional about trying to overcome consensus, you're going to be stuck with it and then get a group together who's going to manifest a decision-making process that's essentially no better than what you would come up with by yourself."

The more diverse the thoughts and opinions are around the table, the more innovative your solutions will be.

You Increase Employee Engagement

By involving your team members in the decision-making process, you show that you trust and value their opinion, which, in turn, builds employee engagement.

According to analytics and advisory firm Gallup, highly engaged employees produce substantially better outcomes, are more likely to stay at their organization, and experience less burn-out. They can't reach that level, though, unless they feel invested in their work, are given opportunities to develop their strengths, and understand how their role contributes to the company's overall success.

Every decision you're asked to make is a moment for you to empower others on your team by leveraging their strengths, experiences, and expertise.

3. You Enable Collaboration and Communication

A recent study shows that nearly 75 percent of employers rate teamwork and collaboration as "very important," yet 39 percent of employees say their organization doesn't collaborate enough. In a separate study, 86 percent of respondents attributed workplace failures to a lack of collaboration or ineffective communication.

By involving others in the decision-making process, you create an opportunity for colleagues to share ideas, learn from each other, and work toward a common goal. In turn, you foster collaboration and help break down organizational silos. You might even surface overlapping initiatives within the company, which could save the organization resources and employees from duplicating work.

4. You Surface Your Own Blind Spots

Self-awareness is a vital management skill, and has proven to be what sets high performers apart in the workplace. It's a core tenet of emotional intelligence and describes your ability to understand your strengths, weaknesses, and managerial tendencies.

While you might think you know your blind spots, research suggests otherwise. According to organizational psychologist Tasha Eurich, 95 percent of people think they're self-aware, but only

10 to 15 percent actually are. Meaning, if you're making every decision by yourself, there's likely cultural, informational, or technical data you're missing.

Involving your team in the decision-making process can help surface your blind spots and enable you to cultivate self-awareness in the process.

5. You Get Buy-In from the People Who Need to Implement

The people you include in the decision-making process should be those who need to implement the agreed-upon solution.

"Getting to the 'right answer' without anybody who is supporting it or having to execute it is just a recipe for failure," Schlesinger says.

If, upfront, you assembled a team with an array of skills, experience levels, and backgrounds, established clear goals, and explored all viable solutions, you should reach a stage where you're ready to not only make a decision but execute.

"In the general manager's job, the quality of the decision is only one part of the equation," Schlesinger says. "All of this is oriented toward trying to make sure that once a decision is made, you have the right groupings and support to implement."

SHOULD YOU ALWAYS INVOLVE YOUR TEAM IN DECISION-MAKING?

Managers might fear they'll slow work down if they involve their team in every decision. When faced with the choice of involving your colleagues or going solo, you must determine whether there's absolute clarity and enough widespread, shared data that the decision is on the cusp of obvious. Yet, even then, Schlesinger recommends bringing the issue to a group in a short meeting or touch base.

"Even the most obvious of decisions analytically still have enormous consequences from an implementation perspective," Schlesinger says. "I encourage people, for decisions that have reasonably significant organizational consequences, to recognize that the decision-making group has both analytical and executional responsibilities. Even if the analysis is obvious, the execution generally is not."

IMPROVING THE DECISION-MAKING PROCESS

Involving your team in the decision-making process can benefit your entire organization. The quality of the decisions made will improve, because you'll have the right mix of skills and expertise at the table, but you'll also have the people in place who are prepared, and in sync on what, to implement.

SECTION 6: HUMAN RESOURCES IN MANAGEMENT

What's Lies Ahead...
a. Human Resource Management Systems
b. Human Resource Management & Compliance
c. Discrimination, Ethics & Confidentiality
d. HR Related Functions

HUMAN RESOURCES TODAY

At a macro level, the role of human resources is to ensure that an organization has the talent—the right combination of skills, knowledge, aptitude and attitude—to achieve its strategic goals. In addition, human resource management is responsible for developing people-related structures, policies and procedures. This process role includes ensuring compliance with internal policy—for example, the policies outlined in an Employee Handbook and HR-related union contract provisions—and relevant federal and state legislation such as the Equal Employment Opportunity Act, the Occupational Safety and Health Act and minimum wage laws. This compliance role can lead to a perception of human resource staff as "enforcers." However, a more apt categorization is both guardian and champion, practicing and promoting the type of behavior that contributes to a healthy and productive culture.

Trends in Human Resources Management

The trends shaping HRM are the trends shaping business in general. As we enter the next industrial age, a business's survival will largely depend on the ability of its human resource management to adapt the organization—and transform itself—to a new operating reality. Let's look at some of the macro trends shaping HRM today.

Changes in Workforce Composition

In a *Wall Street Journal* briefing, advisory firm Deloitte observes, The "flexible workforce"—crowd-sourced networks, outsourced teams, independent contractors, freelancers and gig workers—"has joined the mainstream," adding that the ability to "manage this diverse talent segment will become essential to business growth in the years ahead." Deloitte notes that the alternative workforce can be a long-term solution to tight labor markets—driving business growth and extending workforce diversity—if managed strategically; that is, if organizations adopt a source-blind approach to deploying talent and ensure that both alternative and traditional workers "be treated with respect with regard to culture, inclusion, and work assignments—and that perceptions on all sides reflect these values."

Increasing Workforce Diversity

The labor force is not only generationally diverse, it's becoming more racially and ethnically diverse, driven largely by immigration thanks to the U.S.'s relatively low population growth and labor participation rate.

Increased Employee Expectations of Employers

Given the tight labor market, employees are demanding a more personalized work experience, a more flexible, equitable and inclusive culture, and social advocacy on the part of employers. In their Global Talent Trends 2019 report, LinkedIn observed that "Employees expect more transparency, flexibility, and accountability from the companies that hope to attract and retain them."

Changes in Societal Expectations

As Deloitte notes in their Human Capital Trends report, "Organizations are no longer assessed based only on traditional metrics such as financial performance, or even the quality of their products or services. Rather, organizations today are increasingly judged on the basis of their relationships with their workers, their customers, and their communities, as well as their impact on society at large—transforming them from business enterprises into social enterprises."

Infrastructural Obsolescence

Labor market dynamics, employee expectations and technological changes will require fundamental changes in the organization's structure and culture and associated HR systems, policies and procedures. For perspective on the challenge, KPMG reports that 70% of human resource executives who participated in the advisory firm's 2019 Future of HR survey confirmed the need for workforce transformation. However, as noted in the Why It Matters section, only about a third (37%) indicated that they feel "very confident" about HR's ability to effect this transformation.

Changes in the Nature of Work

Automation is expected to significantly shift the division of labor between human and machine, changing job profiles and workforce planning, among other factors. As the World Economic Forum senior writer Sean Fleming phrases, it: "The world of work is going through a period of arguably unprecedented change at the hands of machines; automation and artificial intelligence (AI) are the new kids on the employment block." In their 2019 Talent Trends Report, PwC refers to this trend as "workforce rebalancing," noting that "jobs are being unbundled into tasks that could be offshored, automated, augmented with technology or rebounded into new roles as organizations analyses how work gets done."

Market and Industry 4.0

Multiple recent studies have identified soft skills as a critical complement to functional skills related to automation and AI. Specifically, these studies identified people-oriented skills such as communication, empathy and leadership—as well as an agile, continuous-learning mindset—as essential to take full advantage of new technologies. This is particularly true given the rapid pace of technological change and the associated devaluation of skills.

Changes in the Evaluation and Valuation of Talent

As mentioned above, the change in required skills and abilities will require human resource management to change policies, procedures and programs that define how candidates (internal and external) and employees are evaluated, compensated and developed.

HUMAN RESOURCES

Why does a manager need to understand HR management and its legal constraints?

You're the manager of marketing, and you've just learned you can hire a new person to help with a major project. That's great news—but how do you select the right person for the job? How much can you pay that person? Is there money in the budget for training your new hire to use your company's special software system? This isn't part of your normal job, so how do you know what to do?

Now your new hire has started, and she's doing a great job. There's a deadline coming up, and you need her to work extra hours to get the job done on time. Is it legal to ask her to stay late to meet a deadline? Will you need to pay her extra for the extra hours—or can you offer her different options, such as time off, once the project is completed? Again, these questions don't have anything to do with your role in marketing, so how will you proceed?

The answers fall into the area known as human resources management (HR). Although managers may work in marketing, finance, or some other functional area, it is vital that they understand the basic principles of HR as they interact with their employees. HR covers a broad spectrum of laws and regulations designed to protect the employee, and even though it is not necessary for all managers to be HR specialists, it is important for them to have a general understanding of HR practices.

In this section you will learn about the options, requirements, rules, and laws related to human resources management.

Section 6.1 Components of Humans Resource Management (HRM) System

The Functions of Human Resource Management

Managing employee conflicts and legal issues is only part of HR's function. In fact, HR is a key department in any company, and it is responsible for many areas. Each of these areas can be categorized into the main functions of human resource management:

Functions of Human Resources Management

Function	What It Is
Recruitment and Selection	• Finding and hiring qualified employees and/or contractors • Using recruitment tools and technology • Preparing employee contracts and negotiating salaries and benefits • Meeting legal requirements related to hiring and adhering to ethical practices
Training and Development	• Onboarding training for new employees and ongoing training and development for current employees • Trainings and development activities may include internal meetings, conferences, or external educational courses • Opportunities for employee evaluation
Compensation	• Setting appropriate and competitive wages or salaries for employees • Researching and negotiating insurance and retirement plans, as well as other types of benefits, with third-party providers
Safety and Health	• Ensuring that employees have a safe work environment, and that the organization is complying with legal requirements set forth by the Occupational Safety and Health Administration (OSHA) • Implementing new safety measures when laws change in a given industry • Discussing safety and compliance with relevant government departments • Discussing safety and compliance with unions
Employee and Labor Relations	• Mediating disputes between employees and employers, as well as between employees and other employees • Ensuring employees understand their rights with regard to unions and unionizing
Terminate employee contracts when necessary	• Helping to document employee problems in order to justify firing • Terminating employees for various reasons and following up with appropriate paperwork and legal actions

Human resources management can also play an important role in strategic planning and company growth. For example, HR professionals take part in:

- Planning to hire or transfer employees when a company grows.
- Training new employees as the company makes changes or expands.
- Developing incentive programs to help the company compete with other employers.
- Researching laws and policies related to employees in other states or countries.
- Setting up employee transportation, moves, and other logistics as needed.

Why is all this important? HR is a specialty that involves a great many legal details. Mistakes in employee benefits, mismanaging sensitive employee records, or glossing over company ethics policies could land a company in legal trouble. HR professionals are the people who have the knowledge, time, and responsibility to ensure that employees receive the services, resources, and support they need to be successful at work.

A recent trend is more part-time and contract workers. HR professionals' source and hire both and handle the contracts and legal risks.

SECTION 6.1 a RECRUITMENT & SELECTION

Recruitment is the process of identifying an organizational gap and attracting, evaluating, and hiring employees to fill that role.

Recruitment is the process of attracting, screening, and selecting employees for an organization. The different stages of recruitment are **job analysis, sourcing, screening and selection, and onboarding.**

The Four Stages

1. Job analysis involves determining the different aspects of a job through, for example, job description and job specification. The former describes the tasks that are required for the job, while the latter describes the requirements that a person needs to do that job.
2. Sourcing involves using several strategies to attract or identify candidates. Sourcing can be done by internal or external advertisement. Advertisement can be done via local or national newspapers, specialist recruitment media, professional publications, window advertisements, job centers, or the Internet.
3. Screening and selection is the process of assessing the employees who apply for the job. The assessment is conducted to understand the relevant skills, knowledge, aptitude, qualifications, and educational or job-related experience of potential employees. Methods of screening include evaluating resumes and job applications, interviewing, and job-related or behavioral testing.

4. After screening and selection, the best candidate is selected. Onboarding is the process of helping new employees become productive members of an organization. A well-planned introduction helps new employees quickly become fully operational.

Recruitment Approaches

There are many recruitment approaches as well. *Approaches*, in this context, refers to strategies or methods of executing the recruitment process. As recruitment is a complex and data-heavy process, particularly considering the global economy and Internet job boards, the supply of applications and interest can be quite overwhelming. These strategies assist in simplifying the process for HR professionals:

- In-house personnel may manage the recruitment process. At larger companies, human resources professionals may be in charge of the task. In the smallest organizations, recruitment may be left to line managers.
- Outsourcing of recruitment to an external provider may be the solution for some businesses. Employment agencies are also used to recruit talent. They maintain a pool of potential employees and place them based on the requirements of the employer.
- Executive search firms are used for executive and professional positions. These firms use advertising and networking as a method to find the best fit.
- Internet job boards and job search engines are commonly used to communicate job postings. Social media is also playing a vital role in recruitment in this century.
- Social networking, whereby websites such as LinkedIn enable employers and prospective employees to interact and share information, is perhaps the most recent trend in recruitment.

Employee Selection

Selection is the process—based on filtering techniques that ensure added value—of choosing a qualified candidate for a position.

Selection is the process of choosing a qualified person for specific role who can successfully deliver valuable contributions to the organization. The term *selection* can be applied to many aspects of the process, such as recruitment, hiring, and acculturation. However, it most commonly refers to the selection of workers. A selection system should depend on job analysis. This ensures that the selection criteria are job related and propose value additions for the organization.

Avoiding Discrimination in Recruiting

In order to avoid discrimination in the recruiting process, human resource personnel need to review recruiting policies and procedures to ensure compliance with federal discrimination legislation. In particular, employers need to evaluate their advertising and use of employee recruiting, screening, testing and selection techniques to avoid not only intentional discrimination but also practices that have an “adverse impact” on protected groups.

To the advertising point, the EEOC states that "it is illegal for an employer to publish a job advertisement that shows a preference for or discourages someone from applying for a job because of his or her race, color, religion, sex (including gender identity, sexual orientation, and pregnancy), national origin, age (40 or older), disability or genetic information." For example, a job ad that specifies "male" or "female" or language that suggests age such as "recent college graduate" or "retiree" may violate the law.

With the emphasis on social and employee-supported recruiting, it's important to note the potential danger of employee referrals. Specifically, it's illegal for an employer to engage in recruiting practices that have a discriminatory impact. The example the EEOC cites is an employer's reliance on word-of-mouth recruitment by its mostly Hispanic workforce, noting that if the result is that most new hires are Hispanic, that practice may violate the law.

To quote from the Equal Employment Opportunity Commission's (EEOC) Employment Tests & Selection Procedures Fact Sheet: "The use of tests and other selection procedures can be a very effective means of determining which applicants or employees are most qualified for a particular job. However, use of these tools can violate the federal anti-discrimination laws if an employer intentionally uses them to discriminate based on race, color, sex, national origin, religion, disability, or age (40 or older). Use of tests and other selection procedures can also violate the federal anti-discrimination laws if they disproportionately exclude people in a particular group by race, sex, or another covered basis, unless the employer can justify the test or procedure under the law.

Title VII of the Civil Rights Act of 1964 permits the use of employment tests unless they are "designed, intended or used to discriminate because of race, color, religion, sex or national origin." Additionally, employers are prohibited from using different standards or otherwise altering the results of employment-related tests on the basis of race, color, religion, sex, or national origin. Title VII also applies to employees and, therefore, internal recruiting and selection (for example, transfer or promotion).

Title VII prohibits both "disparate treatment" and "disparate impact" discrimination based on race, color, religion, sex, or national origin. An example of disparate treatment would be testing the reading ability of Hispanic or Latino candidates but not white candidates. To review practices for potential violation of the disparate treatment clause, ask:

- Are candidates of a different race, color, religion, sex, or national origin treated differently?
- Is there any evidence of bias, such as discriminatory statements or written comments?
- Can any difference in treatment be justified under the law?

  These are also the questions that EEOC would consider in evaluating a charge of discrimination.

"Disparate impact" discrimination involves the use of tests or selection procedures that have the effect of disproportionately excluding persons based on race, color, religion, sex, or national origin and are not "job-related and consistent with business necessity."

To review practices for potential violation of the disparate impact clause, ask:

- Do required tests disproportionately screen out members of protected groups?
- If there is a disparate impact, can that be justified as necessary for the safe and efficient performance of the job? Note that the skills tested must be specifically related to the particular job.
- Is there an alternate means of evaluating job-specific skills that is equally effective in predicting job performance that would not disproportionately exclude protected groups?

Policies and procedures should also be reviewed to ensure compliance with Title I of the Americans with Disabilities Act (ADA), which prohibits discrimination against qualified individuals with disabilities on the basis of their disabilities. Review of testing procedures for compliance with the ADA is similar to the points above. Specifically, evaluate employment tests to determine whether they tend to screen out individuals with a specific type of disability or disabilities in general. Any disparate impact must be job-related and consistent with business necessity. Further, employers must ensure that tests are selected and administered in a manner that accurately reflects an applicant's job-related aptitude or skills, not the applicant's impairment. Finally, employers are required to make reasonable accommodations for the known physical or mental limitations of an otherwise qualified candidate unless such accommodation would impose an undue hardship.

The last piece of legislation to factor in is the ADEA, which prohibits both disparate treatment (intentional) and disparate impact discrimination based on age. An example of disparate treatment would be requiring only applicants over the age of 50 to take agility or cognitive tests. similar to Title VII and the ADA, the ADEA also prohibits employers from using tests or selection procedures that have a discriminatory impact on persons 40 or older, unless the evaluation is based on a reasonable factor other than age.

Employee Orientation

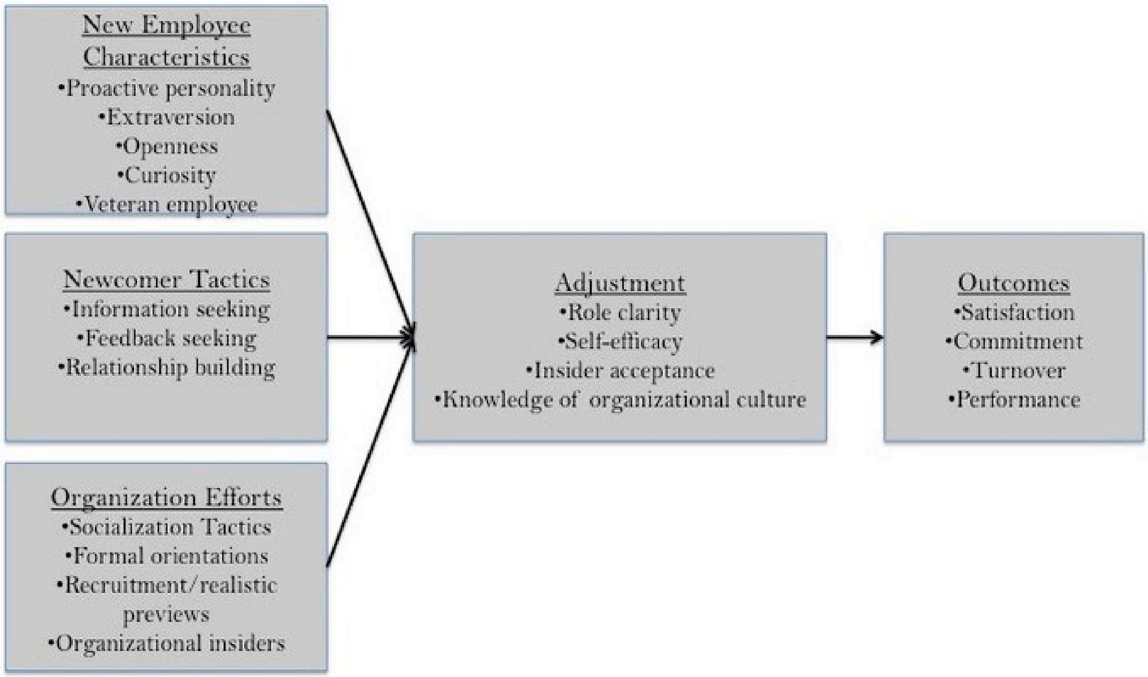
Orientation tactics exist to provide new employees enough information to adjust, resulting in satisfaction and effectiveness in their role.

Employee orientation, also commonly referred to as onboarding or organizational socialization, is the process by which an employee acquires the necessary skills, knowledge, behaviors, and contacts to effectively transition into a new organization (or role within the organization).

Orientation is a reasonably broad process, generally carried out by the human resources department, that may incorporate lectures, videos, meetings, computer-based programs, team-building exercises, and mentoring. The underlying goal of incorporating these varying onboarding tactics is to provide the employee enough information to adjust, ultimately resulting in satisfaction and effectiveness as a new employee (or an existing employee in a new role).

Organizational Socialization Model

A good way to envision this process is through understanding the organizational socialization model. This chart highlights the process of moving the employee through the adjustment stage to the desired outcome:



Organizational socialization model: A model of onboarding (adapted from Bauer & Erdogan, 2011).

- *New Employee Characteristics*—Though this segment of the model overlaps with other human resource initiatives (such as recruitment and talent management), the characteristics of a new employee are central to the strategies used as the employee moves through the orientation process. Characteristics that are particularly useful in this process are extroversion, curiosity, experience, proactiveness, and openness.
- *New Employee Tactics*—The goal for the employee is to acquire knowledge and build relationships. Relationships are central to understanding company culture.
- *Organizational Tactics*—The organization should similarly seek to emphasize relationship building and the communication of knowledge, particularly organizational knowledge that will be useful for the employee when navigating the company. The company should also use many of the resources mentioned above (videos, lectures, team-building exercises) to complement the process.
- *Adjustment*—With a combination of the above three inputs, employees should move through the adjustment phase as they acclimate to the new professional environment. This should focus primarily on knowledge of the company culture and co-workers, along with increased clarity as to how they fit within the organizational framework (i.e., their role).
- *Outcomes*—The goal of effectively orienting the employee for success is twofold: minimize turnover while maximizing satisfaction. The cost of bringing new employees into the mix is substantial, and as a result, high turnover rates are a significant threat to most companies. Ensuring that the onboarding process is effective significantly reduces this risk. Additionally, achieving high levels of employee satisfaction is a substantial competitive advantage, as satisfied employees are motivated and efficient.

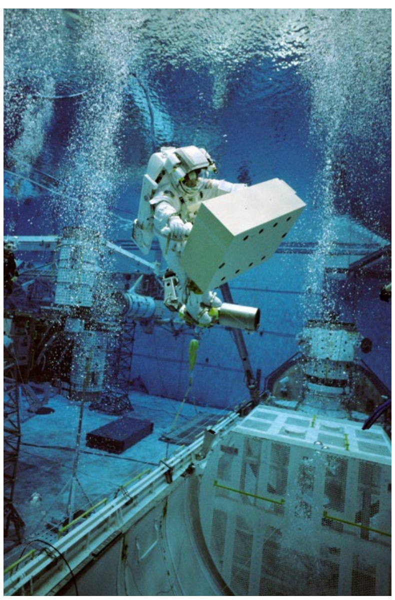
Criticisms

The desired outcome of an onboarding process is straightforward ensuring that new employees are well-equipped to succeed in their new professional environment. However, some critics of orientation processes claim that sometimes extensive onboarding can confuse new employees about their role, as most of their time is spent in company-wide learning, as opposed to role-centric learning. While this criticism may be true in some contexts, it can be offset through a more role-specific onboarding process. It is generally acknowledged that orientation strategies generate positive outcomes and returns on investment.

SECTION 6.1.b EMPLOYEE TRAINING & DEVELOPMENT

A core function of human resource management is development—training efforts to improve personal, group, or organizational effectiveness. Employee development helps organizations succeed through helping employees grow. Human resource development consists of training, organization, and career-development efforts to improve individual, group, and organizational effectiveness.

Development Stakeholders



An astronaut in training: An Example of Training

There are several categories of stakeholders that clarify employee development: sponsors, managers and supervisors, participants, and facilitators. The sponsors of employee development are senior managers. Senior management invests in employees in a top-down manner, hoping to develop talent internally to reduce turnover, increase efficiency, and acquire human resource value. Line managers or direct supervisors are responsible for coaching employees and for employee performance and are therefore much more directly involved in the actual process. The participants are the people who go through the employee development and benefit significantly from effective development. The facilitators are human resource management staff, who usually hire specialists in each field to provide hands-on instruction.

Each of these stakeholder groups has its own agendas and motivations, which can cause conflict with the agendas and motivations of other stakeholder groups. Human resource professionals should focus on aligning the interests of every stakeholder in the development process to capture mutual value.

Talent Development

Talent development refers to an organization's ability to align strategic training and career opportunities for employees. Talent development, part of human resource development, is the process of changing an organization, its employees, and its stakeholders, using planned and unplanned learning, in order to achieve and maintain a competitive advantage for the organization. What this essentially means is that human resources departments, in addition to their other responsibilities of job design, hiring, training, and employee interaction, are also tasked with helping others improve their career opportunities. This process requires investment in growing talent. It is often more economical in the long run to improve on existing employee skill sets, as opposed to investing in new employees. Therefore, talent development is a trade-off by which human resources departments can effectively save money through avoiding the opportunity costs of new employees.

Employee Career-Path Management

Career-path management requires human resource management to actively manage employee skills in pursuit of successful professional careers.

Career-path management refers to the structured planning and active management of an employee's professional career. The results of successful career planning are personal fulfillment, a work and life balance, goal achievement, and financial security. A career encompasses the changes or modifications in employment through advancement during the foreseeable future. There are many definitions by management scholars of the stages in the managerial process. The following classification system (with minor variations) is widely used:

- Development of overall goals and objectives
- Development of a strategy
- Development of the specific means (policies, rules, procedures, and activities) to implement the strategy
- Systematic evaluation of the progress toward achievement of the selected goals and objectives to modify the strategy, if necessary

Human Resource Development

Human resource development (HRD) is the central framework for the way in which a company leverages an effective human resources department to empower employees with the skills for current and future success. The responsibility of the human resources department regarding employee development primarily pertains to varying forms of training, educational initiatives, performance evaluation, and management development. Through employing these practices, human resource managers can significantly improve the potential of each employee, opening new career-path venues by expanding upon an employee's skill set.

This is achieved through two specific human resource objectives: training and development (TD) and organizational development (OD). Training and development, as stated above, is primarily individualistic in nature and focused on ensuring that employees develop throughout their careers to capture more opportunity.

Organizational development must be balanced during this process, ensuring that the company itself is leveraging these evolving human resources to maximum efficiency. Depending too heavily upon TD may result in an organization incapable of capitalizing on employee skills, while focusing too much on OD will generate a company culture adverse to professional development. Therefore, human resources departments are central to empowering employees to take successful career paths while maintaining an organizational balance.

Some Dimensions of Career Management

The first step of career management is setting goals. Before doing so the person must be aware of career opportunities and should also know his or her own talents and abilities. The time horizon for the achievement of the selected goals or objectives—short-term, intermediate, or long-term—will have a major influence on their formulation.

- Short-term goals (one or two years) are usually specific and limited in scope. Short-term goals are easier to formulate. They must be achievable and relate to long-term career goals.
- Intermediate goals (three to 20 years) tend to be less specific and more open-ended than short-term goals. Both intermediate and long-term goals are more difficult to formulate than short-term goals because there are so many unknowns about the future.
- Long-term goals (over 20 years) are the most fluid of all. Lack of both life experience and knowledge about potential opportunities and pitfalls makes the formulation of long-term goals and objectives very difficult. Long-term goals and objectives may, however, be easily modified as additional information is received without a great loss of career efforts, because experience and knowledge transfer from one career to another.

Other Focuses of Career Management

The modern nature of work means that individuals may now (more than in the past) have to revisit the process of making career choices and decisions more frequently. Managing "boundless" careers refers to skills needed by workers whose employment is beyond the boundaries of a single organization, a work style common among, for example, artists and designers. As employers take less responsibility, employees need to take control of their own development to maintain and enhance their employability.

Promotion: A promotion often comes through effective career-path management.

Employee Promotions

A promotion is the advancement of an employee's rank, salary, duties, and/or designation within an organization.

A promotion is the advancement of an employee's rank, salary, duties and/or designation within an organization. Promotions are often a result of good employee performance and/or loyalty (usually via seniority). The opposite of a promotion is a demotion.

The Role of Human Resources

Prior to promoting someone, the human resources department of an organization must ascertain whether the employee in question can manage the increase in responsibilities that accompanies the new role. If not, additional training may be required to prepare the individual for their new organizational role.

Incentives of Being Promoted

Internal promotions carry incentives that motivate employee efficacy and ambition. Human resources can manage internal promotional opportunities and benefits to increase employee engagement. A promotion might involve a higher designation. This means that the more senior position has a different title. An example would be a promotion from office manager to regional manager. A promotion can (and often does) mean an increase in salary. The amount of the raise varies widely from industry to industry and from organization to organization within a given industry.

Promotions can also carry increases in benefits, privileges, and prestige, although in some cases only the title changes. In very hierarchical organizations, like the military, the change in rank alone is significant and brings with its new responsibilities. In the nonprofit sector pay increases are modest, so the prestige of a promotion is one of its main benefits. In the private sector, promotion can include substantial salary increases, benefit increases, stock options, and various "perks," such as a bigger office or executive parking.

Safeguards and Systematic Equity

There are more procedural safeguards against preferential treatment in the public sector as compared with the private sector, where senior managers enjoy broad discretion in making promotions. Review of promotion decisions and mandates to document such decisions in personnel files protect against discrimination, bias, and preferential treatment. It is critical for human resources professionals to understand and describe why a given promotion is occurring, justifying it both quantitatively and qualitatively.

Employee Transfers

Transfers take place in response to goals, needs, talent, or employee requests; HR evaluates and executes transfers.

Evaluating and executing employee transfers is an essential function of human resources management. Transfers can be horizontal, between departments within an organization, or vertical, from one level in the organization to another, either up or down. It is useful to view promotions and demotions as vertical and transfers as horizontal (though they can be vertical as well, to a certain extent). Transfers can occur for many different reasons; they can be driven by employees or managers. Types of employee transfers include strategic transfers, necessity transfers, and talent/management transfers.

Strategic Transfers

A strategic transfer may take place when an organization is trying to grow a specific segment of its business. For example, if a car maker wants to strategically grow its quality department to meet the goal of building safer cars, it may want to train additional staff for a transfer to the quality department. It is also highly useful to have a few experienced employees who understand the company better than new employees guide the trajectory of the new project.

Necessity Transfers

A necessity transfer may take place when there is a demand for employees in a department of the organization where a specific skill set is scarce. This may happen because of layoffs, a change in company strategy, or a scarcity of a certain type of employee. A necessity transfer usually includes an incentive, like a raise, to give employees an incentive to put in the training the transfer will require.

Talent Transfers

A talent transfer usually moves employees from their original department after it becomes clear that their skill set is more suited to another department. It is predicated on the original department's ability to absorb the loss of that employee as well as the level of need in the new department. Talent transfers are more likely to be initiated by employees who perceive that they can contribute more to a new department.

Finally, employees may also request transfers in an organization for a number of different reasons (i.e., family or personal requirement, location requirements, change in interest, and working with different people). The important component from a human resources perspective is making sure that the employee's concerns are legitimate and ensuring that the transfer will be beneficial for the organization by assessing the employee's fit in the proposed transfer location. Making sure that employees are working where they have the best fit promotes higher efficiency and synergy.

Employee Discipline

Organizations must create strong, clear disciplinary policies; all disciplinary actions should be well documented and fairly applied.

Employee discipline problems can be minimized by ensuring that organizational policies are clearly communicated to employees. Consequences for violating organizational policies must be clearly communicated so that employees know and understand them. Organizations must create strong, clear disciplinary policies and enforce them when needed. In addition, organizations must prohibit discrimination and harassment by creating clear and detailed written policies.

Types of Discipline

Corrective discipline and progressive discipline are the two most common disciplinary systems in the workplace:

- First, *progressive discipline* sets forth clear but general steps that must be completed for all infractions. This limits the disciplinary actions that can be taken against an employee by referencing the employee's prior disciplinary history. This system has the advantage of eliminating most disparate treatment claims, since everyone receives the same disciplinary steps regardless of other factors.

- Second, *corrective discipline* allows managers more flexibility and permits the manager to tailor disciplinary action to fit different situations. This flexibility does not remove the onus on the manager and the organization at large to ensure that similar cases are treated equally. Review of disciplinary actions falls to the HR department to ensure that employees experience no disparate treatment. This is key to avoiding legal charges of inequitable treatment: HR has a very important organizational role in preventing long-term issues and potentially high costs.

Documentation of Discipline

Documentation is crucial in cases of employee discipline. If an employee is penalized or fired for an infraction that the organization cannot document, s/h might file–and win—a wrongful termination suit. This is particularly true when performance appraisals are not detailed enough.

A lack of consistency in disciplinary procedures is equally dangerous for organizations. If employees receive different disciplinary responses to the same infraction, the organization can be found liable for discrimination even when none was intended. Aggravating and mitigating factors should be considered and documented in each situation. This means that all disciplinary procedures must be well-documented and fairly applied.

Methods of Discipline

There are four main methods of discipline for employee failures and poor conduct: verbal counseling, written warning, suspension, and termination. Other less common forms of discipline include demotion, transfer, and withholding of bonuses.

- *Verbal counseling* is typically the first response to an infraction. A verbal warning must be administered to the employee in private and as objectively as possible. The presence of one management-level witness, preferably an HR professional, is recommended. Any verbal counseling must be documented in writing in the employee's personnel file.
- *A written warning* is usually the next level of discipline and typically follows a verbal warning. After the employee has received a written warning and has had time to review it, there should be a private meeting between the manager and the employee and a witness (and the employee's representative if s/he has one). Disciplined employees should sign the written warning to show that they received it and should be informed that signing the warning does not indicate that they agree with it. Should the employee refuse to sign, the witness can sign to acknowledge that they observed the meeting and the employee's refusal to sign.
- The next form of discipline is typically *suspension*. This is usually unpaid and varies in length. Paid suspensions can function in practice as inadvertent rewards for disciplinary infractions and should be avoided. Whether the suspension leads automatically to termination upon the next infraction is up to the employer. Generally, if there are multiple suspensions they should increase in length and ultimately result in termination. Whatever procedure an organization adopts, it should be clear about the next step, whether suspension or termination. All of this must be documented in writing.
- *Termination* is the last disciplinary step. Before taking this step a manager should review employee files to ensure that this is an appropriate step, and that similar action has been taken in similar circumstances before. Some behavior should automatically give rise to termination regardless of context. Violence and threatened violence, drug or alcohol use in the workplace,

bringing weapons onto organization property, ignoring safety regulations, stealing, falsifying documents, and abandoning a job (no call, no show for three consecutive days) are all grounds for immediate termination. Any other course of action puts the organization and other employees at risk.

Employee Dismissal

Dismissal is the involuntary termination of an employee due to incompetence, poor job performance, or violation of policy.

Dismissal is the involuntary termination of an employee. It is colloquially referred to as being "fired." Dismissal implies employee fault, although this is not always the case. In most states, an employee can be fired for any reason or no reason at all, as long as they are not fired for a prohibited reason. Indeed, most dismissals are a by-product of economic conditions or organizational failure beyond the individual employee's control (i.e., layoffs).

Reasons for Dismissal

Common reasons for dismissal include absenteeism, "time theft" offenses (i.e., improper use of breaks), incompetence, or poor job performance. Gross misconduct offenses, such as violence, serious negligence, repeated insubordination, fraud in the job application process (whenever it is discovered), harassment of co-workers, or drug use at work are grounds for immediate dismissal.

At times, even off-the-clock behavior can impact employment and result in a dismissal. For example, if an employee is convicted of driving while under the influence, s/he will not be able to keep a job that requires driving. Other offenses, even if unrelated to job performance, can be seen as a sign of unreliability on the part of the employee and can result in dismissal. Similarly, employees often represent organizations outside of work. It is bad PR for an organization's employees to be in trouble outside of work.

The Role of Human Resources

Dismissal is almost always the last step in a chain of disciplinary actions. Most workplaces recognize some sequence of disciplinary consequences, starting with verbal counseling, moving to written warnings and suspension, usually without pay.

In extreme circumstances, however, employees can be summarily dismissed. Regardless of the circumstances of the dismissal, organizations must document all infractions carefully and be consistent in their application of disciplinary measures including dismissal. Organizations that dismiss some employees for a particular infraction but not others leave themselves open to legal liability, even in right-to-work states.

Human resources departments are tasked with managing this process and must ensure complete coordination of company policy with state or federal law. If the dismissal is seen as harassment-based or founded in discrimination, the organization's unethical acts will have significant legal ramifications and costs. Human resources professionals are mediators who must remain objective when assessing possible employee termination.

PERFORMANCE APPRAISAL AND FEEDBACK

Evaluating Employee Performance

Performance evaluation is the process of assessing an employee's job performance and productivity over a specified period of time.

Performance evaluation, or performance appraisal (PA), is the process of assessing an employee's job performance and productivity. The assessment is conducted based on previously established criteria that align with the goals of the organization.

Various employee attributes can be assessed during this process, including organizational-citizenship behavior, accomplishments, strengths and weaknesses, and potential for future improvement. The management of performance plays a vital role in the success or failure of the organization, as human resources are a significant investment that must provide meaningful returns. An ineffective performance-evaluation system can create high turnover and reduce employee productivity.

Pros and Cons of Performance Appraisals

Benefits of the PA system include increased employee effectiveness, higher likelihood of improved employee performance, the prompting of feedback, enhanced communication between employers and employees, fostering of trust, promotion of goal setting, and assessment of educational and other training needs. Detriments of the PA system include the possible hindrance of quality control, stress for both employees and management, errors in judgment, legal issues arising from improper evaluations, and the implementation of inappropriate performance goals.

Performance appraisal is situated at both the individual employee level and the organizational level because human resources (HR) conducts evaluations of individuals in light of organizational goals with the object of improving achievement of these goals. HR relies on a strong performance-management policy; a proper PA should be able to educate employees on the organization, its goals, and its expectations in legal ways. This means that antidiscrimination laws and other employment laws need to shape the PA policy.

Methods of Performance Evaluation

There are various ways human resource professionals can approach assessing performance, though integrating various perspectives (i.e., collecting the most differentiated data) will paint the clearest picture. Some examples include:

Objective production: Under this method, direct data is used to evaluate the performance of an employee. This often relates to simple and quantifiable data points, such as sales figures, production numbers, etc. However, one drawback of this process is that the variability in performance can be due to factors outside employees' control. Also, the quantity of production does not necessarily indicate the quality of the products. Still, this data reflects performance to some extent.

Personnel: This is the method of recording the withdrawal behavior of employees, such as absences. This personnel data usually is not a comprehensive reflection of an employee's performance and is best complemented with other metrics.

Judgmental evaluation: One of the primary drawbacks of employee performance evaluation is the tendency for positive feedback despite negative behavior. That is, often people are nice enough to provide good evaluations for work that isn't up to par. Judgmental evaluations focus on benchmarks to more accurately promote constructive criticism (through relative scales). A few examples include:

- *Graphic rating scale*: Graphic rating scales are the most used performance-evaluation system. Typically, the raters use a 5 to 7-point scale to rate employees' productivity.
- *Employee-comparison methods*: Rather than subordinates being judged against pre-established criteria, they are compared with one another. This method eliminates central-tendency and leniency errors but still allows for halo-effect errors to occur.
- *Behavioral checklists and scales*: Behaviors are more definite than traits. Supervisors record behaviors that they judge to be job-performance relevant, and they keep a running tally of good and bad behaviors and evaluate the performance of employees based on their judgement.

Peer and Self Assessments

Often, peer assessments and self-assessments are used to paint a clearer image of performance. Managers are often less aware of employee efficacy than team members or other peers. In self-assessments employees have the right to underline what they think their performance is, and why certain metrics may be misleading. Peer assessments and self-assessments are useful in capturing this data:

- *Peer assessments*: members of a group evaluate and appraise the performance of their fellow group members.
- *Self-assessments*: in self-assessments, individuals assess and evaluate their own behavior and job performance.
- *360-degree feedback*: 360-degree feedback includes multiple evaluations of employees; it often integrates assessments from superiors and peers, as well as self-assessments. This is the ideal situation.

A manager rating an employee.: Rating an Employee

Structuring Employee Feedback

Effective feedback is structured in a way that provides actionable conclusions to motivate employee growth through objective assessments.

Why Structure Feedback?

Employee and manager feedback is one of the more sensitive issues in a workplace and can be greatly enhanced by careful planning and critical thinking about how to objectively, equitably, and efficiently discuss employee outcomes and assessments.

As a result, structuring feedback strategically can be a great benefit to both managers and employees. There are a wide variety of models and structures for providing employee feedback. A few of the more useful structures for feedback are listed below.

Feedback Structures

Objective Production

The simplest of feedback mechanisms, this essentially looks at basic performance methods such as output, sales, volume, profitability, or other concrete and objective methods of overall productivity. As a structural option for feedback delivery, there are some pros and cons to this method. It works well in jobs where data is readily available and objective, but not so well in jobs relying on more ambiguous metrics. It is also quite impersonal and can result in employees feeling like 'just another gear in the machine'.

Judgment Evaluation

A much less objective approach would be various formats of judgment evaluation. All this really means is that an individual or group of individuals will assess the performance of a given employee and provide this feedback directly (often in the form of a scale or model). As a result of the potential subjectivity, it is best to provide training to ensure consistency and informed assessment.

Some assessment formats include:

- Graphic Rating Scales: On some sort of relative scale (usually 1-5 or 1-7), employees are assessed on specific characteristics, accomplishments and behaviors. This is a useful method to observe improvements over time.
- Employee Comparison Models: Two of the main culprits of subjectivity are leniency error and central-tendency error (judging to favorably and judging everyone the same respectively). To avoid these, management could be asked to directly compare various employees. This does incur halo effect errors, however.
- Behavioral Checklists and Scales: Certain behaviors can have positive or negative implications and monitoring specific key behaviors over a given time frame can be a useful feedback structure as well.

360 Degree Feedback

While managerial feedback is important, it is also important to balance this with the perspectives of colleagues, subordinates, and those of the individual being assessed (self-assessment). In this model, all work groups and implications of a given individual's work decisions can be assessed from various perspectives. Compared to a static top-down feedback structure, 360-degree feedback has significant advantages in accuracy, objectivity and equality.

Start-Stop-Continue
Often simplicity excels in implementing feedback, and the Start-Stop-Continue model is just about as simple as it gets. Agile teams and flat organizational structures focus on peer assessments that leverage models such as this (often coupled with some basic rating scales) to assess employees with the goal of personal growth. This is done using three points of commentary:

- Start: What tasks, habits, and/or behaviors should the employee begin doing to improve?
- Stop: What should a given employee discontinue doing to improve performance?
- Continue: What does the employee excel in doing, and should continue?

The key advantage of this structure is the simplicity of it. Employees have immediate feedback that they can actually act on right away.

PERFORMANCE MANAGEMENT

The primary purpose of performance management is to manage employee alignment, motivation, and development. From a process perspective, the objective is to establish employee goals that are aligned with departmental and overall organizational goals and objectives and to develop, recognize, and incentivize desired behavior and performance.

Performance appraisal is the assessment aspect of performance management. And, critically, that assessment involves not only evaluation but specific feedback—both positive and constructive. Although performance appraisals are often thought of as an annual process that serves as the basis for a performance action (for example, a raise or—at the other extreme—being put on a "PIP" or performance improvement plan) observation and feedback can and should be an ongoing process. As HR software provider Clear Company notes "'Players and underperformers alike need timely, specific, and helpful feedback to reach their full potential. Positive feedback helps build confidence, while constructive criticism clarifies expectations and allows people to learn from their mistakes." Author Daniel Pink captures the developmental reality in his observation that "There's no way to get better at something you only hear about once a year."

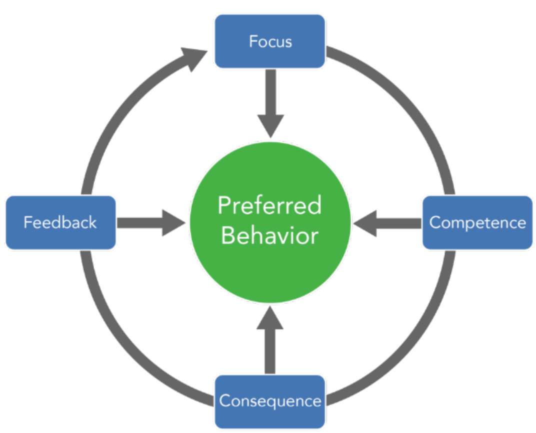
Perspective Point

Feedback doesn't need to be a major production; daily check-ins, weekly planning meetings and monthly 1-on-1s are all ways to incorporate feedback in the usual flow of work. This is not only a management best practice, it's what most employees want. Office Vibe's State of Employee Engagement survey found that 96% of employees said that receiving feedback regularly is a good thing. Even more significantly, the survey found 82% of employees appreciate receiving feedback, regardless of whether it's positive or negative.

Formal performance appraisals also serve an administrative function; specifically, documenting employee performance relative to established standards. Although documentation is particularly critical to support employee disciplinary action—for example, to avoid or defend against a charge of discrimination or retaliation—it is also essential for development. To be effective, feedback needs to be actionable. Praise or constructive feedback that is non-specific doesn't reinforce or clarify desired behavior. Specific, timely feedback is a habit that yields both performance and motivation benefits. Perspective point: recognition doesn't need to be tied to a financial or other reward to be effective. Office Vibe's survey indicated that 82% of employees prefer praise to a gift.

There are four elements that come together to result in a preferred behavior (see Figure 1 for an illustration):

- Focus—knowing what to do
- Competence—knowing how to do it
- Consequence—knowing why you're doing it
- Feedback—knowing how well you're doing it



Introduction to the Appraisal Process

What you'll learn to do: Discuss the appraisal process

Given the stakes—that is, the upside potential of an engaged workforce—performance management is a critical organizational competency. As former Airbnb product lead Lenny Rachitsky phrases it, "done well, performance reviews improve performance, align expectations and accelerate your report's career. Done poorly, they accelerate their departure." In this section, we'll discuss how to do it well, including the steps in the appraisal process, appraisal methods and how to present the appraisal.

The appraisal process consists of six steps (see Figure 1). We'll dive into each step below.

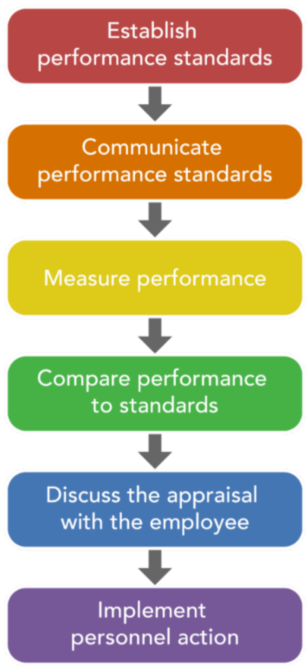


Figure 1. Steps in the Appraisal Process

Step 1: Establish performance standards

Performance standards are set to ensure achievement of departmental goals and objectives and the organization's overall strategy and objectives. Standards are based on the position, rather than an individual. In order to be clearly understood and perceived as objective, standards should adhere to the same rules that apply to goal-setting; that is, they should be "SMART:" specific, measurable, achievable, relevant and timebound.

Indiana University's Human Resource department explains that "while a list of major job duties tells the employee what is to be done, performance standards provide the employee with specific performance expectations for each major duty." Performance standards include both observable behaviors—the how—and the expected results that comprise satisfactory job

Step 2: Communicate performance standards

In order to be effective, performance standards must be clearly communicated and understood to be expectations. Performance standards assume that an individual is competent, so initial and corrective training should be factored into the performance management process. If there is a specific training period after which an employee is assumed to be competent and performing to standards, that should be communicated as well.

Step 3: Measure performance

Performance that is expressed in numeric terms—for example, cost, quantity, quality, timeliness—is relatively easy to measure. Performance in the area of soft skills—for example, communication, customer service and leadership—is more difficult to evaluate. DeCenzo, Robbins and Verhulst recommend using a variety of sources of information including personal observation, oral reports and written reports. They note, however, that what is measured is probably more critical than how an aspect is measured. The focus should be on measuring what matters rather than measuring what's easy to measure.

Step 4: Compare actual performance to performance standards

In this step of the appraisal process, actual performance is compared to the performance standards. Documentation should highlight actions and results. For example, "Amir left confidential documents on the printer even after he had been warned to maintain control of confidential information." Or "Amir's process improvement recommendations saved the department $3,500."

Indiana University's Human Resource department identifies the following characteristics of effective documentation:

- Accurate
- Specific
- Consistent (covering the entire review period)
- Factual (not based on conjecture)
- Balanced, including instances of both positive and unsatisfactory performance
- In writing

Step 5: Discuss the appraisal with the employee

This is generally the step in the process that is the most difficult for managers and employees alike and it can be a challenge to manage emotions and expectations. Even when performance is strong, there can be differences of opinion on the next action. A significant difference of opinion regarding performance can create an emotionally-charged situation. If the manager is providing feedback and coaching on a regular basis, this shouldn't be the case. Related point: If an employee has consistently poor performance, the issue should be addressed—corrective action taken—in a timely manner and not deferred to an annual review. To identify and prepare for differences of opinion, management can ask employees to complete and submit a self-evaluation prior to the appraisal meeting. A key point to keep in mind is that the manager's ability to remain calm and civil will have a significant impact on the employee's confidence, motivation and future performance.

Step 6: Implement personnel action

The final step in the appraisal process is the discussion and/or implementation of any next steps: a reward of some sort—a raise, promotion or coveted development opportunity—or corrective action—a performance plan or termination. Note, however, that corrective action that might help an employee achieve expectations shouldn't be tabled until the next formal appraisal. As performance gaps are identified, supervisors and managers should take the time to identify why performance is not meeting expectations and determine whether the employee can meet expectations with additional training and/or coaching. As mentioned above, if performance is such that termination is warranted, that action should be taken in a timely manner as well.

SECTION 6.1.c COMPENSATION

Employee Pay Decisions

Making pay decisions can be a function of HR; payroll surveys and internal measures can help determine what is appropriate.

Pay decisions refer to the methods used by human resources and payroll professionals to choose the pay scales of employees. Techniques that assist payroll professionals in making their pay decisions include:

- External measures such as benchmarking (salary surveys) and ongoing reporting that constitute a market survey approach.
- Internal measures such as projections, simulations, and predictive modeling or the use of pay grades use an organization's needs to assess the relative value of tasks within it.
- Variable systems like pay-for-performance create a policy line that connects job pay and job evaluation points.

Benchmarking

Benchmarking is when an organization compares its own pay practices and job functions against those of its competitors. Obvious cautionary points in the use of these kinds of salary surveys include the inclusion of only appropriately similar peers in the comparison, the inclusion of only appropriately similar jobs in the comparison, and accurately weigh and combining rates of pay when multiple surveys are used.

Measuring up: Managers benchmark the metrics of their company against those of industry competitors.

There are two types of salary surveys that can be used in benchmarking: labor market comparisons and product market comparisons. Labor market comparisons are best when employee recruitment and retention is a major concern for the employer and when recruiting costs are a significant expense. Product market comparisons are more salient when labor expenses make up a major share of the employer's total expenses, when product demand is very fluid, when the labor supply is relatively steady, and/or when employee skills are specific to the product market in question.

Within the benchmarking process, the job category and range of pay rates within it are important to the payroll professional. Certain key jobs are very common to organizations in a given field and have a relatively stable set of duties. As a result, key jobs are useful in benchmarking since they allow for more accurate comparison across many organizations. Non-key jobs are unique to their organizations and are therefore not useful in benchmarking. Job content is far more important than job title in this context, although it is easy to confuse content for title. Range of pay rates refers to the variety in pay rates that workers in one job area might receive.

Salary Surveys

The use of salary surveys demands credible survey sources with multiple participating organizations. Organizations responding to a given survey must be similar to the organization using that survey. Close attention to job function is also crucial; it is inappropriate to match and compare salaries based on job title alone.

Internal Measures

Benchmarking uses external measures to make internal pay decisions. Internal measures are also available in most cases and include the use of analytic techniques such as projections, simulations, and predictive modeling in the pay decision-making process. External and internal measures have very different focuses. External measures ask the market what any given individual should be paid. Internal measures correlate pay decisions to potential organizational benefits.

Pay Grade System

A pay grade system is simply tiered levels of pay based on position, experience, and seniority. Using a pay grade system has its own risks that should be backed by strongly predictive internal measures because 0nce pay grades are in place, the cost of changing and updating them is significant. This can lead to stagnation in an organization's pay scale system.

Connected to this problem is the fact that an existing pay scale can reward skill sets that were highly useful to the organization in the past more than skill sets that are currently needed. Projections, simulations, and predictive modeling assist in counteracting these issues, as they make use of an organization's own internal data to ensure that assessments of value and need are accurate.

Pay for Performance Systems

Variable pay decision systems like pay-for-performance are designed to motivate employees and ensure intra-organizational cooperation. When designing this kind of system, the first thing to assess is the personnel goals of the organization (as this kind of system can be tailored significantly). Interacting with managers across departments can help payroll professionals understand what is most important to the various areas of the organization at any given time.

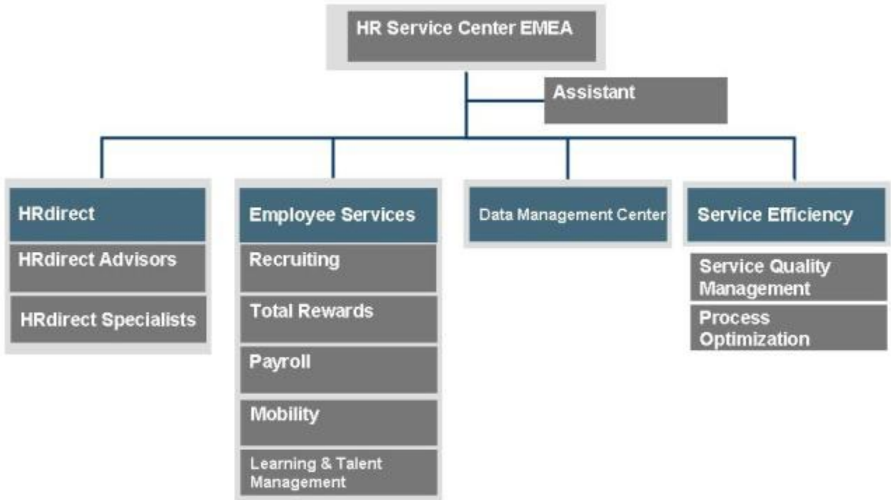
Merit and incentive pay programs are common forms of pay-for-performance systems. Promotions based on performance rather than set time periods are also critical to pay-for-performance schemes.

Employee Benefits Management

Employee benefits are non-wage compensations designed to provide employees with extra economic security. Employee benefits are non-wage compensations designed to provide employees with extra economic security. These benefits ensure that employees have access to health insurance, retirement capital, disability compensation, sick leave and vacation time, profit sharing, educational funding, day care, and other forms of specialized benefits. Receiving these benefits along with one's salary is standard in full-time professional employment.

Human Resource Responsibilities

The human resources department is the area of an organization responsible for organizing, implementing, and managing employee benefits across the company. Human resources (HR) has a wide range of responsibilities, including hiring, training, assessment, and compensation across the company. Benefits and compensation, however, lay at the center of HR operations and play a central role in both the financial capacity and talent management of any institution.



HR responsibilities: Human resources departments carry out many services, including data management, service efficiency, and employee services.

Human resources contribute to the overall employee experience across the span of an employee's time with the company. Benefits play an important role in maintaining high levels of satisfaction. Employee satisfaction is often overlooked in favor of customer satisfaction but is just as critical to a healthy business. As a result, HR has a critical task in maintaining high levels of employee satisfaction to ensure maximum operational efficiency.

Benefits provided by the company, particularly retirement investing and health insurance, ensure that employees feel taken care of and secure in return for their investment of time and effort. The safety net provided and maintained by the company is a strong motivator of employee loyalty and satisfaction.

Legal Concerns

In most developed nations there are laws that govern benefits and agencies to enforce them. HR is also tasked with understanding the benefits that employees have a legal right to and implementing them properly. The Employee Benefits Security Administration (EBSA) is the agency in the United States responsible for administering, regulating, and enforcing many of these benefits. HR also works closely with the legal department to understand and provide the benefits required by each country they operate in.

HR is a central element of any successful business because it maintains the most valuable investment of any business: its people. Employee satisfaction and compensation help companies achieve high efficiency and strong performance from their employees by administering the appropriate level of compensation and benefits.

SECTION 6.2 HUMAN RESOURCE MANAGEMENT & COMPLIANCE

Human resources compliance is an area that traces back to the very origin of the human resources function—to administrative and regulatory functions. Compliance continues to be a very important area that HR manages, and there are numerous regulations and laws that govern the employment relationship. HR professionals must be able to understand and navigate these laws to help their organizations remain compliant and avoid having to pay fines or penalties. The additional threat of reputational harm to the organization is another reason that HR needs to be aware and alert to any potential gaps in compliance.

Some of the most common examples of laws and regulations that govern the **employer-employee relationship** include the following (SHRM.org):

- Age Discrimination in Employment Act (ADEA)
- Americans with Disabilities Act (ADA)
- Fair Labor Standards Act (FLSA)
- Family and Medical Leave Act (FMLA)
- National Labor Relations Act (NLRA)
- Worker Adjustment and Retraining Notification Act (WARN)

The Age Discrimination in Employment Act (ADEA) of 1967 protects individuals who are 40 years of age or older from employment discrimination based on age. These protections apply to both employees and job applicants. It also makes it unlawful to discriminate based on age with respect to any terms of employment, such as hiring, firing, promotion, layoff, compensation, benefits, job assignments, and training.

The Americans with Disabilities Act (ADA) of 1990 prohibits private employers, state and local governments, employment agencies, and labor unions from discriminating against qualified individuals with disabilities. The ADA defines an individual with a disability as a person who: 1) has a mental or physical impairment that substantially limits one or more major life activities, 2) has a record of such impairment, or 3) is regarded as having such impairment. An employer is required to make a reasonable accommodation to the known disability of a qualified applicant or employee if it would not impose an “undue hardship” on the operation of the employer’s business.

The Fair Labor Standards Act (FLSA) of 1938 establishes the minimum wage, overtime pay, recordkeeping, and youth employment standards affecting full-time and part-time workers in the private sector and in federal, state, and local governments. Special rules apply to state and local government employment involving fire protection and law enforcement activities, volunteer services, and compensatory time off instead of cash overtime pay.

The Family and Medical Leave Act (FMLA) of 1993 entitles eligible employees to take up to 12 weeks of unpaid, job-protected leave in a 12-month period for specified family and medical reasons. FMLA applies to all public agencies, including state, local, and federal employers, local education agencies (schools), and private-sector employers who employed 50 or more employees in 20 or more workweeks in the current or preceding calendar year, including joint employers and successors of covered employers.

The National Labor Relations Act (NLRA) of 1947 extends rights to many private-sector employees, including the right to organize and bargain with their employer collectively. Employees covered by the act are protected from certain types of employers and union misconduct and have the right to attempt to form a union where none exists.

The Worker Adjustment and Retraining Notification Act (WARN) of 1988 generally covers employers with 100 or more employees, not counting those who have worked less than six months in the last 12 months and those who work an average of less than 20 hours a week. Regular federal, state, and local government entities that provide public services are not covered. WARN protects workers, their families, and communities by requiring employers to provide notification 60 calendar days in advance of plant closings and mass layoffs.

These are just a few of the key regulatory federal statutes, regulations, and guidance that human resources professionals need to understand to confirm organizational compliance. For additional information on HR compliance resources, the **Society of Human Resource Management (SHRM)** at SHRM.org maintains a plethora of resources for the HR professional and the businesses that they support.

To ensure the successful management and oversight of the many compliance rules and regulations, the human resources team must utilize best practices to inform and hold employees accountable to HR compliance practices. Some of these best practices include education and training, documentation, and audit. Each of these is described in greater detail and will help HR achieve its important goal of maintaining HR compliance for the organization.

Education and training in the areas of compliance and labor law is critical to ensure that all applicable laws and regulations are being followed. These laws can change from year to year, so the HR professionals in the organization need to ensure that they are engaged in ongoing education and training. It is not just imperative for the HR professional to receive training. In many organizations, managers receive training on key rules and regulations (such as FMLA or ADA, to name a few) so that they have a foundation of knowledge when dealing with employee situations and potential risk areas. Human resources and management need to partner to ensure alignment on compliance issues—especially when there is a risk that an employee situation treads into compliance regulation territory. See **Table 6.1** for a partial list of federal labor laws by number of employees, as displayed on the Society for Human Resource Management website.

Federal Labor Laws by Number of Employees
American Taxpayer Relief Act of 2012
Consumer Credit Protection Act of 1968
Employee Polygraph Protection Act of 1988
Employee Retirement Income Security Act of 1974 (ERISA)
Equal Pay Act of 1963
Fair and Accurate Credit Transaction Act of 2003 (FACT)
Fair Credit Reporting Act of 1969
Fair Labor Standards Act of 1938
Federal Insurance Contributions Act of 1935 (Social Security) (FICA)
Health Insurance Portability and Accountability Act of 1996 (if a company offers benefits) (HIPPA)
Immigration Reform and Control Act of 1986
These federal laws cover all employees of all organizations. Several other factors may apply in determining employer coverage, such as whether the employer is public or private, whether the employer offers health insurance, and whether the employer uses a third party to conduct background checks. Source: SHRM website, https://www.shrm.org/, accessed February 24, 2021.

***Table 6.1** (Attribution: Copyright Rice University, OpenStax, under CC-BY 4.0 license)*

Documentation of the rules and regulations—in the form of an employee handbook—can be one of the most important resources that HR can provide to the organization to mitigate compliance risk. The handbook should be updated regularly and should detail the organization's policies and procedures and how business is to be conducted. Legal counsel should review any such documentation before it is distributed to ensure that it is up-to-date and appropriate for the audience.

Scheduling HR compliance audits should be part of the company's overall strategy to avoid legal risk. Noncompliance can cause enormous financial and reputational risk to a company, so it is important to have audits that test the organization's controls and preparedness. When the human resource's function takes the lead in implementing audits and other best practices, they create real value for the organization.

WORKPLACE SAFETY AND HEALTH

Workplace safety isn't just a business best practice, it is, as OSHA posters declare, the law. Passed by Congress in 1970, the Occupational Safety and Health (OSH) Act created the Occupational Safety and Health Administration (OSHA), whose mission is "to assure safe and healthful working conditions for working men and women by setting and enforcing standards and by providing training, outreach, education and assistance." In this section, we'll discuss employer requirements and employee rights under the OSH Act and associated state plans.

An agency of the U.S. Department of Labor, OSHA has the primary responsibility for administering and enforcing the Occupational Safety and Health (OSH) Act, with covers a majority of employers and workers; the primary exceptions are (many) public sector employees and the self-employed. Youth worker safety and health is addressed in the Fair Labor Standards Act (FLSA). However, all OSHA rules also apply to young workers.

The OSH Act establishes an employer's responsibility to provide a safe workplace. In brief, the act requires employers to "provide a workplace free from serious recognized hazards and comply with standards, rules and regulations issued under the OSH Act." On it's website, OSHA highlights the following supporting actions:

- Examine workplace conditions to make sure they conform to applicable OSHA standards.
- Make sure employees have and use safe tools and equipment and properly maintain this equipment.
- Use color codes, posters, labels or signs to warn employees of potential hazards.
- Establish or update operating procedures and communicate them so that employees follow safety and health requirements.
- Provide safety training in a language and vocabulary workers can understand.
- If hazardous chemicals are present, develop and implement a written hazard communication program and train employees on the hazards they are exposed to and proper precautions. A copy of safety data sheets must be readily available.
- Provide medical examinations and training when required by OSHA standards.
    - For more details on training, refer to the Training Requirements in OSHA Standards publication.
- Post the OSHA poster or the state-plan equivalent in a prominent location in the workplace.
    - OSHA regulations do not require employers to display the poster in a foreign language. However, However, OSHA encourages employers with Spanish-speaking workers to also display the Spanish version of the poster.
- Report all significant work-related injuries, including those requiring hospitalization, amputation, loss of an eye or death.
- Maintain records of work-related injuries and illnesses and provide access as appropriate.
- Provide to the OSHA compliance officer the names of authorized employee representatives who may be asked to accompany the compliance officer during an inspection.
- Do not discriminate or retaliate against employees who exercise their rights under the Act.
- Post OSHA citations at or near the work area involved. Each citation must remain posted until the violation has been corrected, or for three working days, whichever is longer. Post abatement verification documents or tags.
- Correct cited violations by the deadline set in the OSHA citation and submit required abatement verification documentation.

IMPROVING WORKPLACE SAFETY

If you are a manager, HR manager or business owner interested in improving workplace safety, you will find OSHA's website an excellent resource. In this section, we'll mine their site and cite SHRM research to identify key workplace safety factors and HR's role in improving workplace safety.

According to OSHA, most successful safety and health programs are based on a common set of key elements that include management leadership, worker participation, and a systematic approach to finding and fixing hazards. OSHA's Safe and Sound page provides resources to support the development of a Safe + Sound Program and promotes an annual Safe + Sound week. Resources include a variety of why and how materials including videos/webinars, tip sheets, course offerings and recommended practices.

There are three core elements of effective safety and health programs:

1. Management Leadership
2. Worker Participation
3. Find & Fix

Let's take a closer look at each of these elements.

Management Leadership

Executive commitment to implementing a program and using it to drive continuous improvements in safety and health.

Associated action items:

- Developing and communicating a safety and health policy statement.
- Providing the resources needed to implement and operate the program.
- Factoring safety and health into operational planning and decisions.
- Recognizing or rewarding safety and health contributions and achievements.
- Leading by example, by practicing safe behaviors and making safety part of daily conversations.
- Additional perspective and specifics in OSHA's Be Safe + Sound at Work: Management Leadership Guide

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Worker Participation

Effective safety and health programs tap into workers' collective experience, knowledge, and insight in order to find solutions to workplace safety and health challenges.

Opportunities for worker participation include:

- Developing the initial program design.
- Reporting incidents (including near misses) so they can be investigated.
- Analyzing hazards associated with routine and nonroutine jobs, tasks, and processes.
- Defining and documenting safe work practices.
- Conducting site inspections and incident investigations.
- Training current coworkers and new hires.
- Evaluating program performance and identifying ways to improve it.
- Additional perspective and specifics in OSHA's Be Safe + Sound at Work: **Worker Participation**

Find & Fix

Developing a systematic process for identifying and controlling (i.e., finding and fixing) workplace hazards is at the core of every effective safety and health program.

A systematic approach includes:

- Involving workers, who often have the best understanding of the conditions that create hazards and insights into how they can be controlled.
- Reviewing all available information about hazards that might be present.
- Conducting inspections to identify new or emerging hazards.
- Investigating incidents to identify root causes and potential solutions.
- Evaluating options using the "hierarchy of controls."
- Considering how to protect workers during emergencies and nonroutine activities.

- Checking that existing controls are intact and remain effective.
- Additional perspective and specifics in OSHA's Be Safe + Sound at Work: Find & Fix Hazards Resource Guide

FAIR LABOR STANDARDS ACT

Signed into law in 1938, then-President Franklin D Roosevelt referred to the Fair Labor Standards Act as "the most far-reaching, far-sighted program for the benefit of workers ever adopted in this or any other country." As History.com reports, "the FLSA was designed to 'put a ceiling over hours and a floor under wages.'" More broadly, the intent was to eliminate "labor conditions detrimental to the maintenance of the minimum standards of living necessary for health, efficiency and well-being of workers."

Minimum Wage

To that end, FLSA establishes minimum wages, overtime pay, recordkeeping, and youth employment standards for all American workers.

The initial minimum wage was $0.25/hour, rising, over the period of 71 years, to the current federal rate of $7.25 per hour (since July 24, 2009). On July 18, 2019, the House passed a bill raising the federal minimum wage to $15.00 per hour and extending the $15.00 per hour minimum to tipped workers, who are currently paid a minimum of $2.13. However, ABC News reports that "the bill has almost no chance [of passing] in the Republican-controlled Senate."

States, cities and counties can set their own minimum wage laws. When an employer is subject to multiple minimum wage laws, the higher minimum wage prevails.

Note that the minimum wage is law; employee and employer or cannot negotiate a lower wage and the minimum applies to adults as well as minors—there is no distinction made between adults and minors when it comes to payment of the minimum wage. As stated on the California Department of Industrial Relations website, "The minimum wage is an obligation of the employer and cannot be waived by any agreement, including collective bargaining agreements."

Working Hours and Overtime

Employees covered by the Act must receive overtime pay at a rate of at least 1.5 times their regular rate of pay for any hours worked over 40 in a workweek. The Act does not require overtime pay for work on weekends or holidays unless the overtime hours are worked on those days. An employee's workweek does not need to coincide with the calendar week. It is, however, a fixed and regularly recurring period of 168 hours. The Act defines hours worked as "all the time during which an employee is required to be on the employer's premises, on duty, or at a prescribed workplace."

Exempt vs Non-Exempt

FLSA regulations with regards to hours and overtime pay apply to non-exempt employees only. In some cases, the distinction between exempt and non-exempt is based on job classification. In other cases, the distinction is based on three factors, as outlined below:

- **Compensation test.** If employees are paid less than $23,600 per year, they are considered non-exempt.
- **Salary test.** Generally, if employees are paid on a salary basis—that is, they have a "guaranteed minimum" amount of money they can count on receiving for any work week in which they perform "any" work—they are exempt.
- **Work performed.** Employees who meet the compensation and salary tests are exempt only if they also perform exempt job duties. Exempt job duties fall into three categories: "executive," "professional," and "administrative." For additional details and interpretation, refer to attorneys Chamberlain, Kaufman & Jones' discussion of FLSA coverage on the FLSA website.

Record Keeping

FLSA's recordkeeping requirements including the following:

- Employers must post an official poster outlining the provisions of the Act
- Employers must keep records for each non-exempt worker that include specific identifying information, hours worked, and wages earned. For details, refer to the U.S. Department of Labor Wage & Hour Division's FLSA Recordkeeping Fact Sheet.
- Payroll and related records (e.g., collective bargaining agreements) must be retained onsite or in a central records office for 3 years
- Supporting documentation (i.e., work and time schedules and records of any adjustments to wages) should be retained for two years

Records must be open for inspection by Wage & Hour Division representatives, who may ask the employer to make extensions, computations, or transcriptions.

Workers under 18

As stated by the U.S. Department of Labor, "The youth employment provisions of the FLSA were enacted to ensure that when young people work, the work does not jeopardize their health, well-being or educational opportunities." FLSA provisions applicable to nonagricultural occupations are summarized below; for Child Labor Requirements in Agricultural Occupations refer to the associated DOL compliance page.

Both Federal and State laws govern the employment of young workers; when both are applicable, the stricter standard applies.

Minimum Age Standards For Employment

Under 14—May not be employed in non-agricultural occupations covered by the FLSA. Permissible employment includes acting, delivering newspapers, minor chores around private homes, or casual baby-sitting.
14–15—May be employed outside school hours in a variety of non-manufacturing and non-hazardous jobs for limited periods of time and under specified conditions.
16–17—The basic minimum age for employment. May be employed for unlimited hours in any occupation other than those declared hazardous by the Secretary of Labor.
18—No longer subject to youth employment provisions.

Children of any age are generally permitted to work for businesses entirely owned by their parents; however, children under 16 may not be employed in mining or manufacturing, and no one under 18 may be employed in any occupation the Secretary of Labor has declared to be hazardous.

Equal Pay Act of 1963

In the early 1900s, women comprised less than a quarter of the workforce. However, when men joined the military to fight in World War II, women were recruited to take their place and by 1945, 37% of the civilian workforce was female. Since women had traditionally earned less for doing similar work, unions and male workers feared that this growing source of cheap labor would lower their wages. In order to avoid future wage cuts, unions started to advocate for equal pay.

In 1942, the National War Labor Board also endorsed the idea of equal pay for equal work, issuing a "General Order supporting equal pay for men and women for work that was of 'comparable quality and quantity.'" Over two decades later, the Equal Pay Act of 1963 (EPA) was enacted as an amendment to the Fair Labor Standards Act of 1938.

To quote from the U.S. Equal Employment Opportunity Commission site: "The Equal Pay Act requires that men and women be given equal pay for equal work in the same establishment. The jobs need not be identical, but they must be substantially equal. It is job content, not job titles, that determines whether jobs are substantially equal."

Specifically, the EPA requires that employers cannot compensation men and women differently when they "perform jobs that require substantially an equal level of skill, effort and responsibility and when those jobs are performed under similar working conditions within the same establishment." Permitted pay differentials include those based on seniority, merit, quantity or quality of production, or other non-gender-based factors. These factors are referred to as "affirmative defenses"; the employer has the burden of proving that their stated rationale applies. Finally, pay differentials can only be corrected with an increase; no employee's pay may be reduced.

EMPLOYEE INFORMATION

Employee information is an area that is governed by federal, state and local laws. Key legislation includes the following:

- The Fair Credit Reporting Act (FCRA)
- The Drug-Free Workplace Act (1988)
- The Privacy Act (1974)
- The Worker Adjustment & Retraining Notification (WARN) Act
- Employee Polygraph Protection Act (EPPA)

Let's take a closer look at each of these.

The Fair Credit Reporting Act (FCRA)

FCRA is a federal law that regulates the collection of consumers' credit information and access to their credit reports. Specific provisions related to employers:

- An employer must obtain a candidate's written consent to request his or her credit report.
- An employer must notify a candidate is the information in his or her credit report was the basis of a negative decision. For additional notice details, refer to the Federal Trade Commission's publication A Summary of Your Rights Under the Fair Credit Reporting Act.

The Drug-Free Workplace Act (1988)

This Act requires federal contractors and all federal grantees to agree that they will provide drug-free workplaces as a condition of receiving a contract or grant of $100,00 or more.

The Act does not apply to those that do not have, nor intend to apply for, contracts/grants from the federal government. The Act also does not apply to subcontractors or subgrantees.

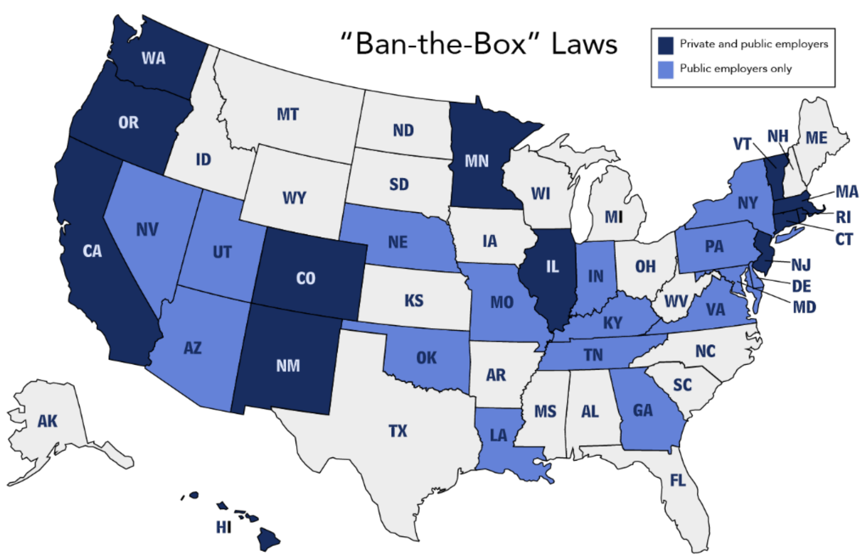
The Privacy Act (1974)

This act, which applies only to federal government agencies, requires employers to provide employees with access to their personnel file.

State law may provide private sector and state and local government employees rights similar to The Privacy Act. For example, attorney Lisa Guerin notes that California law gives both employees and former employees the right to inspect their personnel and payroll records, with some exceptions detailed in her "Accessing Your Personnel File and Payroll Records in California" article on legal publisher Nolo's website. One notable exception: Employers need not provide personnel records to a former or current employee who has filed a lawsuit against the employer based on an employment matter.

A number of states and localities (currently 17 states and 19 localities) prohibit employers from requesting a job applicant's salary history. Some states—California, for example—also prohibit an employer from using an applicant's pay history as a basis for compensation if volunteered.

Thirteen states have "ban the box" laws that prohibit private employers from asking about an applicant's criminal history on a job application and 30 states have laws that apply this ban to government employers. California's Assembly Bill (AB) 1008 which prohibits salary history inquiries also prohibits public and private employers with at least five employees from "inquiring into or considering" an applicant's criminal conviction history until after a conditional offer of employment has been made. Since a background check would reveal this information, that would also have to be deferred until a conditional offer is made. If an employer wants to revoke the offer based on the individual's criminal history, it must engage in a procedure referred to as a "fair chance" process, detailed in California employer law firm Fisher Phillips' article "California Just Banned the Box!"



The Worker Adjustment & Retraining Notification (WARN) Act

This act doesn't protect employee information but rather creates a duty for employers to inform employees of a plant closure or significant layoff. Specifically, the Act requires employers to give employees 60 days' notice of a planned closure or layoff affecting 50 or more workers.

Employee Polygraph Protection Act (EPPA)

The Act "prohibits most private employers from using lie detector tests, either for pre-employment screening or during the course of employment. Employers generally may not require or request any employee or job applicant to take a lie detector test, or discharge, discipline, or discriminate against an employee or job applicant for refusing to take a test or for exercising other rights under the Act." For additional details, including permitted use and guidance, refer to the U.S. Department of Labor's Employee Polygraph Protection Act page.

THE LAW AND DISCRIMINATION

A SHRM article emphasizes: "Discrimination costs employers millions of dollars every year, not to mention the countless hours of lost work time, employee stress and the negative public image that goes along with a discrimination lawsuit." Equal employment opportunity isn't just the right thing to do, it's the law. Specifically, it's a series of federal laws and Executive Orders designed to eliminate employment discrimination. Illegal discrimination is the practice of making employment decisions such as hiring, compensation, scheduling, performance evaluation, promotion, and firing based on factors unrelated to performance. There are currently nine categories protected under federal law: age, disability, genetic information, national origin, pregnancy, race and color, religion and sex. Although the final category is being disputed, the EEOC currently interprets "sex" to include gender, sexual orientation and gender identity.

Employment discrimination laws and regulations are enforced by the Equal Employment Opportunity Commission (EEOC), an agency established by the Civil Rights Act of 1964 (Title VII). The agency's mission is to stop and remedy unlawful employment discrimination. Specifically, the EEOC is charged with "enforcing protections against employment discrimination on the bases of race, color, national origin, religion, and sex." Congress has expanded the agency's jurisdiction over the years and the EEOC is now responsible for enforcing the Equal Pay Act of 1963 (APA), the Age Discrimination in Employment Act of 1967 (ADEA), Section 501 of the Rehabilitation Act of 1973, Titles I and V of the Americans with Disabilities Act of 1990 (ADA), and Title II of the Genetic Information Nondiscrimination Act of 2008 (GINA). In 1972, Congress expanded Title VII protections to include federal government employees and granted the EEOC authority to pursue independent litigation against private employers under Title VII. Note that state and local laws may provide broader discrimination protections. If in doubt, contact your state department of labor for clarification.

EQUAL EMPLOYMENT OPPORTUNITY

The EEOC is the front-line of the battle for equal employment opportunity and is the source for EEO practices, process and impacts.

Protected Classes of Employees

Certain groups of employees are legally protected from discrimination. In other words, if an employee belongs to a protected group and is discriminated against because of his or her status as a member of that group, that employee can take legal action against the employer. But being part of a protected group does not mean an employee can never be disciplined or fired.

For example, imagine a female employee who shows up late, meets few of her goals, and receives a poor evaluation. She applies for promotion but loses out to a white man who has worked hard, met his goals, and received a very positive evaluation. In this case, the woman was not discriminated against because of her gender; rather, she was denied promotion because of poor work performance. As a result, she would not have legal cause for action.

On the other hand, imagine a Latino employee who has a stellar work record. He is laid off, whereas a Caucasian worker with a poor work record is kept on. In this case, there is a good chance the Latino employee could win a legal case against his employer for racial discrimination.

HR managers can protect the company against discrimination lawsuits by understanding discrimination law and putting policies into place to avoid discrimination. Should discrimination occur despite workplace policies against it, HR managers can work with upper management to quickly address individual issues, compensate employees, and discipline managers who discriminate. The Equal Employment Opportunity Commission (EEOC) is responsible for interpreting and enforcing the laws against discrimination in the workplace.

Employers may not discriminate against employees because of:

1. Race or Color: This category includes blacks, whites, people of Latino or Asian origin or descent, and indigenous peoples.
2. National Origin: This means employers may not discriminate based on the country where a person was born or the country from which his or her ancestors came—unless language or other requirements make it impossible for the individual to do the job effectively. For

example, a native Russian speaker with no English language skills could reasonably be denied a job as a lecturer in a U.S. college.

3. Sex: This means an employer cannot discriminate against either men or women as a result of their gender. Title VII as it is currently interpreted provides protection based on gender identity or sexual orientation. To quote the EEOC "these protections apply regardless of any contrary state or local laws."
4. Religion: According to the EEOC, protections "include moral or ethical beliefs as to what is right and wrong which are sincerely held with the strength of traditional religious views." Employers must "reasonably accommodate to an employee's or prospective employee's religious observance or practice" unless doing so would impose an "undue hardship on the conduct of the employer's business."

EEO Best Practices

As part of its E-Race (Eradicating Racism & Colorism from Employment) Initiative, the EEOC has identified a number of best practices that are applicable broadly, including the following:

Training, Enforcement, and Accountability

Ensure that management—specifically HR managers—and all employees know EEO laws. Implement a strong EEO policy with executive level support. Hold leaders accountable. Also: If using an outside agency for recruitment, make sure agency employees know and adhere to relevant laws; both an agency and hiring organization is liable for violations.

Promote an Inclusive Culture

It's not just enough to talk about diversity and inclusion—it takes work to foster a professional environment with respect for individual differences. Make sure that differences are welcomed. Being the "only" of anything can get tiring, so make sure you're not putting further pressure on people by surrounding them in a culture that encourages conformity. A great way to promote an inclusive culture is to make sure your leadership is diverse and to listen to the voices of minorities.

Develop Communication

Fostering open communication and developing an alternative dispute-resolution (ADR) program may reduce the chance that a miscommunication escalates into a legally actionable EEO claim. If you're not providing a path for employees to have issues resolved, they'll look elsewhere. Additionally, it's essential to protect employees from retaliation. If people think reporting an issue will only make the situation worse, they won't bring it up, which will cause the issue to fester and lead to something worse than it once was.

Evaluate Practices

Monitor compensation and evaluation practices for patterns of potential discrimination and ensure that performance appraisals are based on job performance and accurate across evaluators and roles.

Audit Selection Criteria

Ensure that selection criteria do not disproportionately exclude protected groups unless the criteria are valid predictors of successful job performance and meet the employer's business needs. Additionally, make sure that employment decisions are based on objective criteria rather than stereotypes or unconscious bias.

Make HR Decisions with EEO in Mind

Implement practices that diversify the candidate pool and leadership pipeline. Provide training and mentoring to help employees thrive. All employees should have equal access to workplace networks.

Enforce an Anti-Harassment Policy

Establish, communicate and enforce a strong anti-harassment policy. You should conduct periodic training for all employees and enforce the policy. The policy should include:

- A clear explanation of prohibited conduct, including examples
- Clear assurance that employees who make complaints or provide information related to complaints will be protected against retaliation
- A clearly described complaint process that provides multiple, accessible avenues of complaint
- Assurance that the employer will protect the confidentiality of harassment complaints to the extent possible
- A complaint process that provides a prompt, thorough, and impartial investigation
- Assurance that the employer will take immediate and appropriate corrective action when it determines that harassment has occurred

ANTI-DISCRIMINATION LEGISLATION

The Civil Rights Act of 1964

Figure 6.2 Lyndon B. Johnson signs the Civil Rights Act of 1964

History.com notes that "The Civil Rights Act of 1964, which ended segregation in public places and banned employment discrimination on the basis of race, color, religion, sex or national origin, is considered one of the crowning legislative achievements of the civil rights movement." Indeed, civil rights leader Martin Luther King, Jr. referred to the Act as a "second emancipation." The Act was originally proposed by President John F. Kennedy, who stated, "the United States 'will not be fully free until all of its citizens are free.'" Despite strong opposition from southern Congressional members, including a record 75-day filibuster and a 14-hour speech by former Ku Klux Klan member and West Virginia Senator Robert Byrd, the Act passed and was signed into law by President Kennedy's successor, Lyndon B. Johnson.

Fundamentals of Human Resource Management authors DeCenzo, et.al. also state that "no single piece of legislation has had a greater effect on reducing employment discrimination than the Civil Rights Act of 1964." For Human Resource Management purposes, the section or "title" of the Act that's particularly relevant is Title VII, which, as amended, "protects individuals against employment discrimination on the basis of race and color as well as national origin, sex, or religion." Title VII makes it unlawful to discriminate against any employee or applicant for employment because of race or color in regard to hiring, termination, promotion, compensation, job training, or any other term, condition, or privilege of employment. Title VII prohibits not only intentional discrimination but also neutral policies that disproportionately exclude minorities and are not job related. Title VII is applicable to private sector employers with fifteen or more employees, federal government employers, employment agencies, and labor organizations.

Title VII also prohibits employment decisions based on stereotypes and assumptions about abilities, traits, or the performance of individuals of certain racial groups. The law also makes it illegal to retaliate against a person because the person complained about discrimination, filed a charge of discrimination, or participated in an employment discrimination investigation or lawsuit. Finally, the law requires employers to make reasonable accommodations for applicants' and employees' sincerely held religious practices, unless doing so would impose an undue hardship on the operation of the employer's business.

Title VII Exceptions

An employer is permitted to take employment actions that would otherwise be held as discriminatory if the decision is based on a **bona fide occupational qualification** (BFOQ). Workforce states that "Title VII of the Civil Rights Act of 1964 provides that employment decisions may be made on the basis of sex, religion, or national origin (but not race or color) if the sex, religion, or national origin is a BFOQ reasonably necessary to the normal operation of the business. The Age Discrimination in Employment Act of 1967 contains a similar provision for the BFOQ exception in regard to age."

To be applicable, a BFOQ exception must meet two conditions: (1) A particular religion, sex, national origin or age must be an actual qualification for performing the job; and (2) the requirement must be necessary to the normal operation of the employer's business. The same exception is allowed for job notices and advertisements, where the position at issue requires a worker of a particular religion, sex, national origin or age. For example, Civil.laws.com notes that "it would not be a violation of Title VII for a Jewish center to refuse employment to a Catholic individual in a shul or school funded by the congregation if the employment required a statement of adherence to and promulgation of Judaism or the Jewish faith.

Civil Rights Act of 1991

The Civil Rights Act of 1991 was passed to address a series of decisions by the Supreme Court that undermined discrimination protections. In effect, the law nullified these decisions, re-establishing an employer's burden of proof and the disparate impact theory of discrimination. The Act also amended "Title VII and the ADA to permit jury trials and compensatory and punitive damage awards in intentional discrimination cases." Specifically, "the Act provided that where the plaintiff shows that discrimination was a motivating factor for an employment decision, the employer is liable for injunctive relief, attorney's fees, and costs (but not individual monetary or affirmative relief) even though it proves it would have made the same decision in the absence of a discriminatory motive."

The Act also extended employment discrimination protection to employees of Congress and Title VII and ADA coverage to include American and American-controlled employers operating abroad.

The Equal Pay Act (APA) of 1963

The Equal Pay Act (APA) of 1963 makes it illegal to pay different wages to men and women if they perform equal work in the same workplace. The law also makes it illegal to retaliate against a person because the person complained about discrimination, filed a charge of discrimination, or participated in an employment discrimination investigation or lawsuit.

The Age Discrimination in Employment Act (ADEA) of 1967

ADEA protects applicants and employees 40 years or older from discrimination because of age and for retaliation for a discrimination complaint or related action. ADEA applies to private employers with 20 or more employees, state and local governments, employment agencies, labor organizations and the federal government. As mentioned above, it is generally unlawful to state an age-related preference in job advertisements except when age is demonstrated to be a

BFOQ. In a Recruitment & Selection training manual, SHRM recommends cross-referencing state's discrimination laws, noting that "some states require compliance with age discrimination law for employers of two or more workers, and some states have lowered the age discrimination threshold far below 40 years old."

The Pregnancy Discrimination Act of 1978

The Pregnancy Discrimination Act of 1978 is an amendment to Title VII of the Civil Rights Act. The Act makes it illegal to discriminate against a woman because of pregnancy, childbirth, or a medical condition related to pregnancy or childbirth. SHRM notes that "the basic principle is that a woman affected by pregnancy or other related medical condition must be treated the same as any other applicant in the recruitment and selection process." The law also makes it illegal to retaliate against a person because the person complained about discrimination, filed a charge of discrimination, or participated in an employment discrimination investigation or lawsuit.

Title I of the Americans with Disabilities Act (ADA) of 1990

Title I makes it illegal to discriminate against a qualified person with a disability in the private sector and in state and local governments. The law also makes it illegal to retaliate against a person because the person complained about discrimination, filed a charge of discrimination, or participated in an employment discrimination investigation or lawsuit. The law also requires that employers reasonably accommodate the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or employee, unless doing so would impose an undue hardship on the operation of the employer's business. SHRM expands on the EEOC description, stating that "employers are prohibited from using an employment test to disqualify a disabled candidate unless that test is valid for the skills necessary in the job to which they are applying and unless the same test is given to all applicants, not just to those with disabilities." Sections 501 and 505 of the Rehabilitation Act of 1973 extend ADA Title I protections to federal government applicants and employees.

The Genetic Information Nondiscrimination Act (GINA) of 2008

GINA makes it illegal to discriminate against employees or applicants because of genetic information. Genetic information includes information about an individual's genetic tests and the genetic tests of an individual's family members, as well as information about any disease, disorder or condition of an individual's family members (i.e., an individual's family medical history). The law also makes it illegal to retaliate against a person because the person complained about discrimination, filed a charge of discrimination, or participated in an employment discrimination investigation or lawsuit.

SHRM's caution regarding differences in state and local versus federal laws applies across the board, and state/local laws are generally more stringent. HR personnel are advised to contact the relevant state department of labor to confirm the extent of specific employment laws and to develop a process to remain up to date on changes.

Executive Orders

Executive orders generally extend discrimination protections to federal workers, including those working under federal contracts.

- Executive Order (E.O.) 11246. Issued by President Lyndon B. Johnson, prohibits federal contractors from discriminating "against any employee or applicant for employment because of race, color, religion, sex, or national origin." Amended by President Obama (E.O. 13672) to extend protection to include sexual orientation or gender identity.
- E.O. 11478. Issued by President Nixon, bars discrimination against federal employees on the basis of race, color, religion, sex, national origin, disability, and age. Amended by President Clinton (E.O 13087) to include sexual orientation as a protected category. Amended by President Obama (E.O. 13672) to extend protection to include gender identity as a protected category.

Question

You are researching discrimination-related Supreme Court cases to incorporate in a discrimination training program. Which of the following is a clarification based on Supreme Court decisions that you may want to include?

a. Sexual harassment is only actionable under Title VII if it consists of male-female harassment.

b. An employer can prohibit women of childbearing age from certain jobs due to potential harm that could occur to a fetus.

c. Only citizens are entitled to the Title VII protection based on national origin.

d. Sexual harassment is actionable under Title VII if it consists of either opposite sex or same sex harassment.

Supplemental Material

SUPREME COURT CASES

As we saw with the passage of the Civil Rights Act of 1991, "justice"—at whatever level—is not always blind (or fair) and we may be entering another phase of regressive judicial activism with the recent appointments of conservatives Neil Gorsuch and Brett Kavanaugh to the bench. However, the Court has also contributed to diversity and preventing discrimination and, equally importantly, clarifying what is permissible under the law. Here are a few key discrimination decisions drawn from the EEOC's list of Selected Supreme Court Decisions.

Phillips v. Marin Marietta Corp. (1971)

Photo of the Supreme Court Building. It has a Roman style, with large white columns and sculptures of people in the Tympanum. The Frieze has the words "Equal Justice Under Law" on it.

The Supreme Court holds that Title VII's prohibition against sex discrimination means that employers cannot discriminate on the basis of sex plus other factors such as having school age children. In practical terms, EEOC's policy forbids employers from using one hiring policy for women with small children and a different policy for males with children of a similar age.[1]

Griggs v. Duke Power Co. (1971)

The Supreme Court decides that where an employer uses a neutral policy or rule, or utilizes a neutral test, and this policy or test disproportionately affects minorities or women in an adverse manner, then the employer must justify the neutral rule or test by proving it is justified by business necessity. The Court reasons that Congress directed the thrust of Title VII to the consequences of employment practices, not simply the motivation. This decision paves the way for EEOC and charging parties to challenge employment practices that shut out groups if the employer cannot show the policy is justified by business necessity.

Espinoza v. Farah Manufacturing Co. (1973)

The Supreme Court holds that non-citizens are entitled to Title VII protection and states that a citizenship requirement may violate Title VII if it has the purpose or effect of discriminating on the basis of national origin.

Alexander v. Gardener-Denver Co. (1974)

The Supreme Court rules that an employee who submits a discrimination claim to arbitration under a collective bargaining agreement is not precluded from suing his or her employer under

Title VII. The court reasons that the right to be free of unlawful employment discrimination is a statutory right and cannot be bargained away by the union and employer.

UAW v. Johnson Controls (1991)

The Supreme Court addresses the issue of fetal hazards. In this case, the employer barred women of childbearing age from certain jobs due to potential harm that could occur to a fetus. The Court rules that the employer's restriction against fertile women performing "dangerous jobs" constitutes sex discrimination under Title VII. The Court further rules that the employer's fetal protection policy could be justified only if being able to bear children was a bona fide occupational qualification (BFOQ) for the job. The fact that the job posed risk to fertile women does not justify barring all fertile women from the position.

Oncale v. Sundowner Offshore Services (1998)

In a unanimous decision, the Supreme Court rules in that sex discrimination consisting of same-sex sexual harassment is actionable under Title VII. The Court reiterates that the plaintiff must prove that there was discrimination because of sex and that the harassment was severe.

"**Selected Supreme Court Decisions**." EEOC.gov. Accessed February 23,2021.

KEY LAWS RELATED TO EMPLOYEE DISCRIMINATION

Employee discrimination has been the focus of several important laws. They include the following:

Equal Pay Act of 1963: This law makes it illegal to pay men more than women for the same work.

Civil Rights Act of 1964: This act is intended to protect people who were often discriminated against because of their race, national origin, gender, color, or religion. The Title VII of the act relates specifically to employment. The law, which applies to any company with more than fifteen employees, also makes it illegal to discriminate against an employee because she is pregnant or coping with conditions (such as morning sickness) caused by pregnancy. New rules also provide some protections to transgender individuals. Title VII also created the EEOC to implement the law.

Age Discrimination in Employment Act of 1967: This law, which applies to companies with twenty-plus employees, makes it illegal to discriminate against employees because they are more than forty years old.

Pregnancy Discrimination Act of 1978: This act amended Title VII of the Civil Rights Act to also prohibit discrimination on the basis of pregnancy.

Americans with Disabilities Act of 1990: According to this act, employers must make "reasonable" workplace modifications to accommodate the needs of a person with a disability. Examples include addition of ramps for wheelchairs, adjustments to work schedules, etc.

Family Medical Leave Act of 1993: This law offers job protections to individuals for parental leave and medical leave. For covered employers, a parent may take up to 12 weeks after the birth of a child.

Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA): This law offers job protections to individuals when they are called to uniformed service.

Genetic Information Nondiscrimination Act of 2008: According to this act, genetic information cannot be used to make employment or health insurance decisions.

In addition to these laws, there are also several that relate only to federal government employees. These include sections 501 and 505 of the Rehabilitation Act of 1973 and the Civil Service Reform Act of 1978. Individual states also have their own employee protection laws; for example, some states forbid discrimination based on sexual orientation, weight, marital status, etc.

SECTION 7: ETHICS

Why It Matters: Ethics in Business

Why does a manager need to understand ethics in business?

The events leading to the Great Recession highlighted the importance of ethics in business.

Why is the study of ethics important? Given all the things that a student of management needs to learn, why include ethics? In this module, you'll begin to understand just how much of an impact the decisions that businesses make can have on society. Let's start with a recent historical example.

The Great Recession was a period of significant economic stress that the United States faced during 2008 and 2009. The nation experienced massive job loss, a significant stock market swing, and the collapse of the housing market. But what does this have to do with ethics?

If you've read the book *The Big Short* by Michael Lewis or seen the movie of the same name, then you'll recall that one of the primary reasons for the collapse of the housing market was that many mortgages were extended to individuals who were terrible credit risks. These mortgages were known as "liar loans" because borrowers could put almost anything on a mortgage application, and lenders were not confirming the information. The lenders adopted these practices because they could easily sell these loans, and they were making a lot of money. They were willing to put aside ethics and overlooked their responsibility to verify the accuracy of the information on the loan applications they were approving.

Another factor was that all of these loans were being packaged together to be sold as a financial product called a collateralized mortgage obligation, or CMO. These CMOs were reviewed by many of the large credit rating agencies and given the highest credit ratings. In truth, the rating agencies were not fulfilling their obligation to thoroughly analyze these products because they were being paid millions of dollars by the financial institutions that were selling them.

Your study of ethics in this module will help you understand how to evaluate situations like these. Why is it important to have ethical standards in business, and how can managers ensure that employees act ethically? These are important questions given that businesses are part of the social fabric that makes up our culture.

Introduction to the Need for Ethics in the Workplace

What you'll learn to do: explain the need for ethics in the workplace

Corporate fraud can create negative consequences that not only harm individuals but also ultimately lead to the economic downfall of a nation. Managers must prevent harm by understanding what is considered ethical behavior, by being committed to making ethical decisions, and by encouraging stakeholders to take ethical actions. Exhibiting good ethics not only protects the external constituents of a company but also members of the organization.

Ethics is defined as principles of conduct or moral behavior. **Business ethics** is ethics as it relates to the conduct or behavior of the members of a business organization. The need for ethics in business is twofold. First, it prevents the external constituents of an organization (i.e., the public, other organizations, and the environment) from being harmed. Second, it benefits the organization internally by helping to ensure its success.

Good business ethics involves, but is not limited to, adhering to laws, regulations, and standards related to fair employment, product safety and quality, truthful advertisement, and environmental responsibility. Companies do suffer for bad ethical behavior and gain from good ethical behavior.

The reputation of a company reflects the ethical or unethical decisions of managers, and consumers often purchase the products or services of companies with a good reputation. If a business has a good reputation, consumers may prefer that company over similar businesses that offer the same products or services, even at higher prices. The companies Tom's Shoes and Patagonia both advertise their ethical practices. And wise executives go to great lengths to repair their company's reputation. For example, British Petroleum (BP) has extended cleanup and conservation efforts following oil spills, and Toyota has issued several major recalls to address potential problems associated with a faulty accelerator pedal.

A broad survey of consumers shows that many factors affect reputation, but that ethics is the primary concern. Customers will switch to other brands when a company appears in headlines reporting ethics violations. BP gas stations suffered a boycott for a year after the Gulf of Mexico spill. The volume of sales did not recover to pre-spill levels in that time.

A good reputation creates a buffer, a "halo" effect, where customers, suppliers, and regulators are slower to judge a company. Employees' morale is better in ethical companies, and new employees are easier to hire. An ethics program also gives stock an edge. Ethisphere, an ethics consulting firm, found that share price of the publicly traded companies recognized as the 2016 World's Most Ethical Companies consistently outperform other major indices, including performing 3.3 percent higher than the S&P 500 last year. Exhibiting good business ethics is essential to the survival and success of a company.

Costs of Unethical Behavior

The costs of unethical behavior are varied and numerous. In addition to a poor reputation, these costs can include reduced customer loyalty and subsequent revenue loss, heavy fines, probation, criminal or civil prosecution, and the loss of needed employee talent. For example, Wells Fargo has paid penalties totaling $170 million and faces civil lawsuits for defrauding customers.

To reach high sales goals, Wells Fargo employees opened unauthorized customer accounts, forged client signatures, charged unnecessary fees on unwanted accounts, and misstated customer phone numbers to hinder customer-satisfaction surveys. Employees resorted to issuing illegal credit cards and lines of credit to avoid pressure from managers. Some employees lost their jobs after reporting the illegal tactics. A civil lawsuit filed in California in 2015 called for reimbursement of the fraudulent fees charged to customers, a fine of $2,500 for each violation of California's Unfair Competition Law, and an injunction against unethical practices.

As a result of the unethical behavior of executives and employees, there has been a strong drive to improve business ethics. Congress passed the **Sarbanes-Oxley Act** in 2002 to impose sanctions on executives who commit unethical acts in financial reporting and to protect employees who report fraud. In addition, business schools have increased their focus on informing students of ethical/unethical acts, and more individuals and organizations have filed lawsuits against companies involved in fraud, regardless of whether senior executives are aware of the unethical acts committed.

ETHICS

What you'll learn to do: Explain the concept and business relevance of ethics

Is the concept of ethics relevant in the twenty-first century? Scanning news or social media feeds—or simply observing human behavior—it may seem that ethics is neither relevant nor valued, much less practiced. Flagrant abuses of power and generally accepted practice aside, ethics are essential for the integrity of our social systems and business survival. In this section, we'll discuss ethics, trust and the why and the how of creating an ethical workplace.

Ethics is a system of moral principles that provide a framework for decision-making and conduct. Variously derived from culture, philosophy and religion, these principles define what is right and wrong in order to prompt conduct that is good for individuals and society. Practically speaking, ethics is experienced as trust or a belief that an individual or institution will "do the right thing." Although there are many ethical positions that are generally accepted, there are also a number of issues where there are polarized positions based on differences in perception and priorities, which may reflect socialization (including stereotypes), prejudice and religious doctrine. For example, differences in interpretation—and, therefore, protection—of civil rights is a point of ongoing debate in society, politics, the courts and workplaces. Perception and priority differences also impact individual, corporate and government policy positions and action on environmental and social issues such as climate change and pay equity.

What's important to note is that a person's perceptions aren't simply a personal matter; they influence workplace behavior and culture and may represent both a legal and brand liability.

CREATING AN ETHICAL WORKPLACE

LEARNING OUTCOMES

- Discuss how to create an ethical workplace

In an article for SHRM, Dori Meinert notes that "HR professionals are in a unique position to help build an ethical workplace culture because their involvement in hiring, training and evaluating employees allows them to influence their organizations at many levels." Steven Olson, author and Director of Georgia State University's Center for Ethics and Corporate Responsibility states that Human Resources personnel should be both guardians and champions of their organization's ethical culture. In their role as guardians, they have a duty to protect employees, clients/customers and other stakeholders from unethical conduct. As champions, they practice and promote ethical behavior in daily operations.

In an article on her website, author and leadership development consultant Linda Fisher Thornton breaks the ethical culture-building task into the following 40 specific action items. This list serves as both an ethical culture assessment and a to-do list. Items that are in effect or true to your organization can be checked off; those that remain are culture-building opportunities. You can also modify the checklist to reflect degrees of attainment; that is, instead of a simple yes (check) or no, indicating the state of development/implementation or a target date. Finally, to add intention and incentive, include action items in relevant management evaluations.

ETHICAL CULTURE CHECKLIST

1. Avoid Harm To a Wide Variety of Constituents
2. Balance Ethics With Profitability and Results
3. Carefully Build and Protect Trust
4. Choose the Ethical Path, Even if Competitors Aren't
5. Clarify What "Ethical" Means in the Organization
6. Clear Code of Ethics
7. Clear Messages About Ethics and Values
8. Commitment to Protecting the Planet
9. Consistently Demonstrate Care and Respect for People
10. Decision-Making Carefully Incorporates Ethics
11. Develop Leaders in How To Implement Proactive Ethical Leadership
12. Do Business Sustainably
13. Enforce Ethical Expectations
14. Embrace Corporate Social Responsibility
15. Engaging and Relevant Ethics Training and Messages (Not The Same Old Boring Stuff)
16. Ethical Actions Match Ethical Marketing
17. Frequent Conversations About Ethics (That Honor Work Complexity)
18. Full Accountability for Ethics At Every Level Including the C-Suite
19. High Degree of Transparency
20. Leaders Aware of Increasing Ethical Expectations
21. Leaders Stay Competent as Times Change
22. Open Leadership Communication and Invitation to Participate in Decisions
23. Open, Supportive Leadership
24. Performance Guidelines and Boundaries For Behavior
25. Performance System Fully Integrated With Ethical Expectations
26. Positive Ethical Role Models
27. Recognize and Praise Ethical Actions
28. Recognize and Punish Unethical Actions
29. Safe Space to Discuss Ethical Grey Areas
30. Set Ethical Boundaries
31. Strong Commitment to Improving Leadership and Culture
32. Take Broad Responsibility For Actions
33. Think Long Term About Our Impact
34. Treat Ethics as an Ongoing Priority
35. Treat People With Care
36. Use the Precautionary Principle
37. Use Systems Thinking to See the Big Picture
38. Values Mindset (Not A Compliance Mindset)
39. Welcome and Act on Feedback From Constituents
40. Willing to Do What it Takes to Become an Ethical Organization

In addition to cultivating a positive ethical culture, it's important to be aware of ethical "danger zones" or high-risk behaviors and situations. Meinert summarizes the six "danger signs" Olson identified:

- **Conflicting goals.** If goals or objectives are perceived as unrealistic, employees may feel they need to engage in unethical behavior to achieve them.
- **Fear of retaliation.** If reporting unethical behavior is punished, it's unlikely that employees will report violations.
- **Avoidance.** If unethical behavior isn't acknowledged and punished, it sends a message that ethics don't matter.
- **Rationalization.** The perception that "everybody's doing it" can may lead employees to think unethical behavior is "the way we do things."
- **Lowered thresholds (slippery slope).** Unethical decisions tend to erode one's sense of standards, making it easier to commit additional acts.
- **Euphemisms.** Rephrasing questionable behavior—for example, "creative accounting"—in neutral terms.

As Meinert cautions: "a culture where misconduct is tolerated—or, worse, encouraged—could result in higher turnover, lower productivity and, ultimately, a diminished reputation and profitability."

How Managers Can Encourage Ethical Behavior

Codes of Ethics

A code of ethics, also known as a code of conduct or statement of values, is a policy statement of a company's values, responsibilities, and conduct expectations. The purpose of a code of ethics is to guide employees in handling ethical dilemmas. It is essentially a moral compass.

The ethical lapses of global companies, such as Enron, Arthur Andersen, and WorldCom, over the span of a few years caused much devastation. Enron and WorldCom executives used deceptive accounting and sold inflated stock while recommending it to employees and external investors. Arthur Andersen's accountants, who audited Enron and WorldCom, turned a blind eye to the fraud. As a result, in 2002, Congress passed the Sarbanes-Oxley Act, which requires that companies listed or applying to be listed on a public stock exchange establish and enforce a code of ethics. It also requires that any changes to an established code of ethics be disclosed to the public. A code of ethics that meets the requirements of the act comprises the standards necessary to promote "honest and ethical conduct; full, fair, accurate, timely and understandable disclosure in periodic reports" and "compliance with applicable governmental rules and regulations."

Codes of ethics vary in content, length, and complexity. Johnson & Johnson has a relatively simple code of conduct, with just four paragraphs that can be summarized as: Our customers are our first priority, then our employees, then our communities. Stockholders come last. But if we take care of the others, then stockholders will do well. Without being too detailed or lengthy, this credo expresses the company's values and gives employees the guidance they need to make ethical decisions.

Ethics Training

Having codes and policies in place that address ethics is not enough. Employees need to be taught how to respond in situations involving ethics. Therefore, many managers enroll their employees in an ethics training program. Ethics programs often involve activities that encourage ethical behavior and reinforce a company's ethics code/policies.

One ethics activity involves having employees match various scenarios on one set of cards with the possible responses on another set of cards. Every scenario will have appropriate and inappropriate answers. After the participants match scenarios with responses, the group discusses the decision. Discussing the responses gives managers the opportunity to explain why some policies are in place and demonstrate how employees should respond in ethical situations they will likely face on the job.

Selecting and Hiring Ethical Employees

Although it is important, or even required in some cases, to have an established and effective code of ethics, it is crucial to the stability of a company to first hire ethical employees. It is better to hire someone who is naturally inclined to behave in an ethical manner than to rely on a company code of ethics to encourage an unethical employee to make ethical choices.

One method of selecting and hiring ethical employees is the use of personality tests or situation-specific questionnaires. Personality tests can be used to determine temperament, outlook (i.e., whether positive or negative), and mood. Situation-specific questionnaires can be customized by a company and used to uncover how a candidate would react when faced with an ethical dilemma.

Calling personal references may also help hiring managers filter out less ethical candidates. Although this method is used often, it is important to be aware that references often withhold negative information about a candidate. Managers should supplement references with another method of weeding out dishonest candidates.

Best practices in the selection and hiring of ethical employees involve including the company's most ethical employees in the interview process. Interviewers already doing the job a candidate is applying for can ask relevant questions that can lead to answers that reveal a lot about the candidate, such as a propensity to make unethical decisions.

Whistleblower Protection

One of the best enforcement tools is a **whistleblower hotline**, which is a phone number or other method for employees or other stakeholders to report suspected acts of impropriety, such as fraud, waste, abuse, misconduct, or violations of policy, laws, or regulations. These reports are usually confidential and may be anonymous. Colleagues often see suspicious behavior and are well-positioned to report it or fix it. However, some employees are reluctant to speak up for fear of retaliation.

A **whistleblower** is an individual such as an employee who reports the misconduct of someone in a position of authority in his or her own organization. In the past, whistleblowers had no protection from retaliation by those they reported—reporting a superior's wrongdoings often required risking one's livelihood. This discouraged employees from reporting offenses.

Under the whistleblower protection offered by the Sarbanes-Oxley Act, anyone who reports a corporate wrongdoing and believes he or she could be penalized for it can request that the Occupational Safety and Health Administration (OSHA) investigate the matter. If the whistleblower is an employee who was fired and the termination of employment was found to be improper, the company can be ordered to rehire the individual and give him or her back pay as well as a penalty award.

In 2017, OSHA ordered Wells Fargo to pay $5.4 million to a former manager who said he was fired in 2010 after reporting to his supervisors and to a bank ethics hotline what he suspected was fraudulent behavior. OSHA also said the bank must rehire him.

The $5.4 million, intended to cover back pay, compensatory damages, and legal fees, was the largest individual award ever ordered through OSHA's whistleblower protection program at the time.

Another agency, the Securities and Exchange Commission, also strengthened whistleblower protections and rewards. In 2011, the SEC issued new whistleblower rules, required by the Dodd-Frank Act. Under the new rules, a whistleblower is eligible for a bounty equal to 10 percent to 30 percent of monetary sanctions resulting from an enforcement action. Accordingly, companies will be faced with the prospect that their employees, suppliers, customers, consultants, advisors, and others may report possible violations directly to the SEC without providing the companies with an opportunity to first investigate the allegations and remediate any violations. Under the act, employers are prohibited from retaliating against whistleblowing employees.

The SEC announced the largest award ever in July 2017. Two whistleblowers are set to share a record $61 million award from the SEC for helping make the case that JPMorgan Chase & Co. failed to disclose to wealthy clients that it was steering them into investments that would be most profitable for the bank.

Whistleblowing pays, and so does an ethics program that prevents the need for whistleblowers.

Fostering Ethical Decisions

In addition to establishing a code of ethics, hiring ethical employees, and protecting whistleblowers, key aspects of senior management's role in fostering ethical decisions and behavior in any organization include planning, implementing, and communicating the specifics of an ethics program. Ethics programs disclose important corporate values, often through the use of policies and employee/manager training. After a program has been implemented, senior management should monitor and evaluate it and then modify the program as needed or desired to ensure its effectiveness.

It is also important for senior management to model ethical behavior. The responsibilities of senior management in modeling ethical behavior include the following:

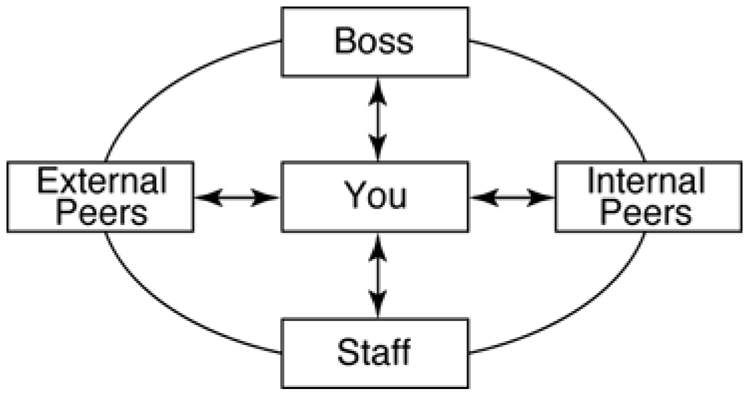
- Act ethically and be seen to act ethically.
- Be active in the ethics program. For example, introduce the ethics training or be the person to speak.
- Encourage employees to raise issues.
- Address ethics issues.
- Enforce the ethics program, such as by punishing violators.

Ethics programs are like an insurance policy. They help mitigate the worst consequences when employees do stray, and they help prevent "accidents" by raising employee "safety" awareness.

Supplemental Material

You're in the Middle – Time Grabbers
Time Management: Who's Got the Monkey?
Douglas McGregor's XY Theory
The ABCs of Customer Service & Telephone Etiquette
Leaders Questionnaire
Maslow
Leadership Development Tips
Leadership Behavior
Employee Motivation
Employee Motivational Principles
Communicating with People
Sample Job Description data & Interviewing
Performance Scope
Additional Discrimination material

You're in the Middle – Time Grabbers



It is your job to arrange for the support of your boss, peers and subordinates. If higher management has to do it for you, what do they need you for?

Intra-Organization Politics

Since there are not enough hours in the day to cultivate the support of everybody in the organization, you must choose whom to invest your time with to produce the greatest value to your organization.

Self-Inflicted Problems

It is sometimes tempting to do things that other people are paid to do: we do them well, thus like to do them; doing is often easier than managing them; and doing them gives our subordinates the chance to watch genius in action. "Working Supervisor Theory" A supervisor who keeps work rather than delegating because they are a "working supervisor".

Boss

Boss-Imposed Time: is the time we spend doing things we would not be doing if we did not have a boss.

Bosses Are Problems. Though not necessarily the most frequent or the most severe disrupter of your time, your boss can be the principle disrupter because he/she has final say as to your priorities.

Managing Your Boss

Right or wrong, your boss' anxieties are the source of impositions on your time. Your strategy is to maximize your freedom-of-action by minimizing anxieties.

External Peers

"Welcome interruptions" include: repeat orders, praise, more funding, etc.

"Unwelcome interruptions" include: customer complaints, cancelled orders, withdrawn support, etc.

Staff

Subordinate-Imposed Time: is the time you spend working on things your subordinates could work on but have given to you, thus making them "Boss-reliant" rather than "self-reliant members of an interdependent team"

Subordinates Are Also Part of the Problem. When your subordinates' monkeys wind up on your back, you have one more thing to do, they have one less, throwing you behind in their work as well as your own.

Self-Analysis

- How much time do you spend with subordinates?
- Do you solve subordinates' problems?
- Who's got the next move, you or the subordinate?
- Your subordinates - do they really want authority?
- Who makes the decisions, you or your subordinates?
- Are projects dying for lack of attention?

Managing Your Subordinates

The amateur way - The amateur boss takes on so much of the subordinate's work (making his staff boss-reliant rather than self-reliant) that he/she inevitably runs out of time for them, himself/herself, the boss, and the peers... everybody is dissatisfied.

The professional way - The professional manager eliminates subordinate-imposed time by requiring that his subordinates become self-reliant members of an interdependent team, thus giving him/her more time for (a) subordinates, boss, peers and for (b) planning, organizing, leading and seeing to it that things stay on track.

Internal Peers

System-Imposed Time: is the time you spend doing things (e.g. filling out forms, conforming to System requirements) in return for the support you need.

Peers, too, Can Cause Problems Unless you get three-point landings - what you want, when and where you want it - from your peers, you have time-management problems!

Managing Your Peers.

The support of your internal peers is never free - you give something to get something. Remember: *No manager is an island,* there is no free lunch

Freedom and Leverage

Both the manager’s leverage and the manager’s freedom increase when the manager’s do more and more on their own (Output) per unit of their boss' time (Input). *Thus, a manager’s leverage and manager’s freedom are inextricably interdependent, making it to the advantage of both parties to work together.*

Time Management: Who's Got the Monkey?

The burdens of subordinates always seem to end up on the manager's back. Here's how to get rid of them.

WHY IS IT THAT MANAGERS ARE typically running out of time while their subordinates are typically running out of work? Here we shall explore the meaning of management time as it relates to the interaction between managers and their bosses, their peers, and their subordinates.

Specifically, we shall deal with three kinds of management time:

Boss-imposed time--used to accomplish those activities that the boss requires, and that the manager cannot disregard without direct and swift penalty.

System-imposed time--used to accommodate requests from peers for active support. Neglecting these requests will also result in penalties, though not always as direct or swift.

Self-imposed time--used to do those things that the manager originates or agrees to do. A certain portion of this kind of time, however, will be taken by subordinates and is called subordinate-imposed time. The remaining portion will be the manager's own and is called discretionary time. Self-imposed time is not subject to penalty since neither the boss, nor the system can discipline the manager for not doing what they didn't know he had intended to do in the first place.

To accommodate those demands, managers need to control the timing and the content of what they do. Since what their bosses and the system impose on them is subject to penalty, managers cannot tamper with those requirements. Thus, their self-imposed time becomes their major area of concern.

Managers should try to increase the discretionary component of their self-imposed time by minimizing or doing away with the subordinate component. They will then use the added increment to get better control over their boss-imposed and system-imposed activities. Most managers spend much more time dealing with subordinates' problems than they even faintly realize.

Hence we shall use the monkey-on-the-back metaphor to examine how subordinate-imposed time comes into being and what the superior can do about it.

Where Is the Monkey?

Let us imagine that a manager is walking down the hall and that he notices one of his subordinates, Jones, coming his way. When the two meet, Jones greets the manager with, "Good morning. By the way, we've got a problem. You see.... "As Jones continues, the manager recognizes in this problem the two characteristics common to all the problems his subordinates gratuitously bring to his attention. Namely, the manager knows (a) enough to get involved, but (b) not enough to make the on-the-spot decision expected of him. Eventually, the manager says, "So glad you brought this up. I'm in a rush right now. Meanwhile, let me think about it, and I'll let you know." Then he and Jones part company.

Let us analyze what just happened. Before the two of them met, on whose back was the "monkey"? The subordinates. After they parted, on whose back was it? The managers. Subordinate-imposed time begins the moment a monkey successfully leaps from the back of a subordinate to the back of his or her superior and does not end until the monkey is returned to its proper owner for care and feeding. In accepting the monkey, the manager has voluntarily assumed a position subordinate to his subordinate. That is, he has allowed Jones to make him her subordinate by doing two things a subordinate is generally expected to do for a boss the manager has accepted a responsibility from his subordinate, and the manager has promised her a progress report.

The subordinate, to make sure the manager does not miss this point, will later stick her head in the manager's office and cheerily query, "How's it coming?" (This is called supervision.)

Or let us imagine in concluding a conference with Johnson, another subordinate, the manager's parting words are, "Fine. Send me a memo on that."

Let us analyze this one. The monkey is now on the subordinate's back because the next move is his, but it is poised for a leap. Watch that monkey.

Johnson dutifully writes the requested memo and drops it in his out-basket (or email). Shortly thereafter, the manager plucks it from his in-basket and reads it. Whose move is it now? The managers. If he does not make that move soon, he will get a follow-up memo from the subordinate. (This is another form of supervision.) The longer the manager delays, the more frustrated the subordinate will become (he'll be spinning his wheels) and the more guilty the manager will feel (his backlog of subordinate-imposed time will be mounting).

Or suppose once again that at a meeting with a third subordinate, Smith, the manager agrees to provide all the necessary backing for a public relations proposal he has just asked Smith to develop. The manager's parting words to her are, "Just let me know how I can help."

Now let us analyze this. Again, the monkey is initially on the subordinate's back. But for how long? Smith realizes that she cannot let the manager "know" until her proposal has the manager's approval. And from experience, she also realizes that her proposal will likely be sitting in the manager's briefcase for weeks before he eventually gets to it. Who's really got the monkey? Who will be checking up on whom? Wheel spinning and bottlenecking are well on their way again.

A fourth subordinate, Reed, has just been transferred from another part of the company so that he can launch and eventually manage a newly created business venture. The manager has said they should get together soon to hammer out a set of objectives for the new job, adding, "I will draw up an initial draft for discussion with you."

Let us analyze this one, too. The subordinate has the new job (by formal assignment) and the full responsibility (by formal delegation), but the manager has the next move. Until he makes it, he will have the monkey, and the subordinate will be immobilized.

Why does all of this happen? Because in each instance the manager and the subordinate assume at the outset, wittingly or unwittingly, that the matter under consideration is a joint problem. The monkey in each case begins its career astride both their backs. All it has to do is move the wrong leg, and-presto!--the subordinate deftly disappears. The manager is thus left with another acquisition for his menagerie. Of course, monkeys can be trained not to move the wrong leg. But it is easier to prevent them from straddling backs in the first place.

Who Is Working for Whom?

Let us suppose that these same four subordinates are so thoughtful and considerate of their superior's time that they take pains to allow no more than three monkeys to leap from each of their backs to his in any one day. In a five-day week, the manager will have picked up 6o screaming monkeys- far too many to do anything about them individually. So he spends his subordinate-imposed time juggling his "priorities."

Late Friday afternoon, the manager is in his office with the door closed for privacy so he can contemplate the situation, while his subordinates are waiting outside to get their last chance before the weekend to remind him that he will have to "fish or cut bait." Imagine what they are saying to one another about the manager as they wait: "What a bottleneck. He just can't make up his mind. How anyone ever got that high up in our company without being able to make a decision we'll never know."

Worst of all, the reason the manager cannot make any of these "next moves" is that his time is almost entirely eaten up by meeting his own boss- imposed and system-imposed requirements. To control those tasks, he needs discretionary time that is in turn denied him when he is preoccupied with all these monkeys. The manager is caught in a vicious circle. But time is a-wasting (an understatement). The manager calls his secretary on the intercom and instructs her to tell his subordinates that he won't be able to see them until Monday morning. At 7 PM, he drives home, intending with firm resolve to return to the office tomorrow to get caught up over the weekend. He returns bright and early the next day only to see, on the nearest green of the golf course across from his office window, a foursome. Guess who?

That does it. He now knows who is really working for whom. Moreover, he now sees that if he actually accomplishes during this weekend what he came to accomplish, his subordinates' morale will go up so sharply that they will each raise the limit on the number of monkeys they will let jump from their backs to his. In short, he now sees, with the clarity of a revelation on a mountaintop, that the more he gets caught up, the more he will fall behind.

He leaves the office with the speed of a person running away from a plague. His plan? To get caught up on something else he hasn't had time for in years: a weekend with his family. (This is one of the many varieties of discretionary time.)

Sunday night he enjoys ten hours of sweet, untroubled slumber, because he has clear-cut plans for Monday. He is going to get rid of his subordinate-imposed time. In exchange, he will get an equal amount of discretionary time, part of which he will spend with his subordinates to make sure that they learn the difficult but rewarding managerial art called "The Care and Feeding of Monkeys."

The manager will also have plenty of discretionary time left over for getting control of the timing and the content not only of his boss-imposed time but also of his system-imposed time. It may take months, but compared with the way things have been, the rewards will be enormous. His ultimate objective is to manage his time.

Getting Rid of the Monkeys

The manager returns to the office Monday morning just late enough so that his four subordinates have collected outside his office waiting to see him about their monkeys. He calls them in one by one. The purpose of each interview is to take a monkey, place it on the desk between them, and figure out together how the next move might conceivably be the subordinates. For certain monkeys, that will take some doing. The subordinate's next move may be so elusive that the manager may decide- just for now- merely to let the monkey sleep on the subordinate's back overnight and have him or her return with it at an appointed time the next morning to continue the joint quest for a more substantive move by the subordinate. (Monkeys sleep just as soundly overnight on subordinates' backs as they do on superiors.)

As each subordinate leaves the office, the manager is rewarded by the sight of a monkey leaving his office on the subordinate's back. For the next 24 hours, the subordinate will not be waiting for the manager; instead, the manager will be waiting for the subordinate.

Later, as if to remind himself that there is no law against his engaging in a constructive exercise in the interim, the manager strolls by the subordinate's office, sticks his head in the door, and cheerily asks, "How's it coming?" (The time consumed in doing this is discretionary for the manager and boss imposed for the subordinate.)

When the subordinate (with the monkey on his or her back) and the manager meet at the appointed hour the next day, the manager explains the ground rules in words to this effect:

"At no time while I am helping you with this or any other problem' will your problem become my problem. The instant your problem becomes mine, you no longer have a problem. I cannot help a person who hasn't got a problem.

"When this meeting is over, the problem will leave this office exactly the way it came in -on your back. You may ask my help at any appointed time, and we will make a joint determination of what the next move will be and which of us will make it.

"In those rare instances where the next move turns out to be mine, you and I will determine it together. I will not make any move alone."

The manager follows this same line of thought with each subordinate until about 11am, when he realizes that he doesn't have to close his door. His monkeys are gone. They will return- but by appointment only. His calendar will assure this.

Transferring the Initiative

What we have been driving at in this monkey-on-the-back analogy is that managers can transfer initiative back to their subordinates and keep it there. We have tried to highlight a truism as obvious as it is subtle: namely, before developing initiative in subordinates, the manager must see to it that they have the initiative. Once the manager takes it back, he will no longer have it and he can kiss his discretionary time good-bye. It will all revert to subordinate-imposed time.

Nor can the manager and the subordinate effectively have the same initiative at the same time. The opener, "Boss, we've got a problem," implies this duality and represents, as noted earlier, a monkey astride two backs, which is a very bad way to start a monkey on its career. Let us, therefore, take a few moments to examine what we call "The Anatomy of Managerial Initiative."

There are five degrees of initiative that the manager can exercise in relation to the boss and to the system:

1. wait until told (lowest initiative);
2. ask what to do;
3. recommend, then take resulting action;
4. act, but advise at once;
5. and act on own, then routinely report (highest initiative).

Clearly, the manager should be professional enough not to indulge in initiatives 1 and 2 in relation either to the boss or to the system. A manager who uses initiative 1 has no control over either the timing or the content of boss-imposed or system-imposed time and thereby forfeits any right to complain about what he or she is told to do or when. The manager who uses initiative 2 has control over the timing but not over the content. Initiatives 3, 4, and 5 leave the manager in control of both, with the greatest amount of control being exercised at level 5.

In relation to subordinates, the manager's job is twofold. First, to outlaw the use of initiatives 1 and 2, thus giving subordinates no choice but to learn and master "Completed Staff Work." Second, to see that for each problem leaving his or her office there is an agreed-upon level of initiative assigned to it, in addition to an agreed-upon time and place for the next manager- subordinate conference. The latter should be duly noted on the manager's calendar.

<u>The Care and Feeding of Monkeys</u>

To further clarify our analogy between the monkey on the back and the processes of assigning and controlling, we shall refer briefly to the manager's appointment schedule, which calls for five hard-and-fast rules governing the "Care and Feeding of Monkeys." (Violation of these rules will cost discretionary time.)

Rule 1. Monkeys should be fed or shot. Otherwise, they will starve to death, and the manager will waste valuable time on postmortems or attempted resurrections.

Rule 2. The monkey population should be kept below the maximum number the manager has time to feed. Subordinates will find time to work as many monkeys as he or she finds time to feed, but no more. It shouldn't take more than five to 15 minutes to feed a properly maintained monkey.

Rule 3. Monkeys should be fed by appointment only. The manager should not have to hunt down starving monkeys and feed them on a catch-as- catch-can basis.

Rule 4. Monkeys should be fed face-to-face or by telephone, but never by mail. (Remember-with mail, the next move will be the managers.) Documentation may add to the feeding process, but it cannot take the place of feeding.

Rule 5. Every monkey should have an assigned next feeding time and degree of initiative. These may be revised at any time by mutual consent but never allowed to become vague or indefinite. Otherwise, the monkey will either starve to death or wind up on the manager's back.

"Get control over the timing and content of what you do" is appropriate advice for managing time. The first order of business is for the manager to enlarge his or her discretionary time by eliminating subordinate-imposed time. The second is for the manager to use a portion of this newfound discretionary time to see to it that each subordinate actually has the initiative and applies it. The third is for the manager to use another portion of the increased discretionary time to get and keep control of the timing and content of both boss-imposed and system-imposed time. All these steps will increase the manager's leverage and enable the value of each hour spent in managing management time to multiply without theoretical limit.

Never let your people pass their monkeys to you. Keep monkeys from being upwardly mobile by feeding them face to face.

Suppose that you walk down the hallway at work one day and spot one of your colleagues, Sam, advancing toward you. As he approaches, you know what his opener will be. Sure enough, he says to you, "Boss, we have a problem." You respond, "Sam, we have never had a problem, and if I have anything to say about it, we never will have a problem--it is either yours or mine, but it is not ours. So what we need to do is find out whose problem it is. If it turns out to be yours, I'll be glad to help you with it. And if the problem turns out to be mine, I hope you will help me. But it is not our problem. Now, what's the problem?"

Half an hour later, you say, "Sam, would you please reduce to writing in not more than one page what you said here and send it to me." "Okay," Sam says, a little surprised. You have never done this to him before.

The two of you walk away, and you are grinning from ear to ear, congratulating yourself because Sam has the next move--or so you think. Ten minutes after you finish reading his memo, Sam walks by your office, stick his head in the door and says, "Hi, boss. Did you get my memo?" "Yes, I got it," you answer.

"What are you doing about it?" he demands to know--and with that you again have the next move.

Paper/Email Monkeys

What went wrong? Were you mistaken to ask him for a memo? Of course not. You needed documentation, but instead of saying "Send me a memo," you should have said, "Bring it to me."

A memo is one-half dialogue; a monkey is whatever the next move is when dialogue between two people breaks off. When a person sends you a memo, you've got the next move. So, when you receive a memo, sit down with the sender and resume the dialogue. As long as you have him talking, there's a fighting chance that the next move could be his.

Let's replay the scene that way. The next morning you come to work, and Sam walks in to bring you his memo. He turns around to walk out, and you say to him, "Sam, would you please sit down and read (review) your memo to me?" "Read it to you? I wrote it!"

"Great. So, you are qualified to read it. I want you to read it so that I will be free to interrupt you with what, why, who, how, where, and when questions."

These questions are indispensable tools in the hands of any manager. What Sam really wants to say is not in that memo at all. It's all between the lines. So, don't waste your time reading his memo. Have him read it to you. That way you find out what's between the lines--and that's what you really want to know. He's perfectly willing to tell you what he means in eyeball-to- eyeball dialogue. The memo just provides guidelines as to what you are talking about. Dialogue is the only thing that creates understanding. If, after reaching an understanding, you want to document it, then you can dictate a memo for the file.

While Sam is sitting in your office in dialogue with you, you get a sense for the essence of his message. Finally, you both realize that the dialogue has passed the point of diminished returns, so Sam says, "I've got to get back to work."

"No," you say, "the next item on the agenda is for you and me to figure out how the next move might be yours."

Because Sam wants to be out of your office as soon as possible, he will display great creativity, imagination, drive, and enthusiasm to find some meaningful next move he can make. Necessity is still the mother of creativity and invention.

This brings us to a statement of our rule for feeding monkeys: Monkeys shall be fed face to face whenever possible; otherwise by telephone, but never by mail. Memoranda, email, faxes, and reports must be used at times in the feeding process but cannot substitute for face-to-face dialogue.

<u>What If the Next Move Is Yours?</u>

What course do you follow if the dialogue ends and the next move belongs to you? For example, during a dialogue with Sam, you identify the next move as "touch base with the financial vice president." The question then becomes, Who should make the next move?

Sam wants you to touch base with the financial VP who jealously guards the protocols and status differentials that go with his senior position. These don't permit Sam to interface directly with him. Sam is right in his perception of the situation, but Sam is setting you up. He wants you to talk with the VP because he wants you to keep the monkey.

So you say, "Sam, I'm aware of our corporate customs and the status sensibilities of the vice president. And I know it would make him nervous and insult his ego if you went in there alone. So, you will see him anyway, but I will come along with you. The vice president will think you are coming with me, but you and I will not be confused on that point, will we?" "No, sir!" says Sam.

When you and Sam go together to see the vice president, where is the monkey? On Sam's back! You walk in the office with the monkey on Sam's back, and you leave with the monkey on Sam's back.

Every monkey has a home room: Some belong to you; others to your boss; others to your subordinates. But when monkeys get lost, they have no instincts for returning to home rooms. Impulsively they want to climb--all the more reason to feed monkeys face to face.

Excellence in Action: Feed monkeys face to face to avoid having the next move.

By William Oncken, Jr.; Donald L. Wass and Stephen R. Covey

William Oncken, Jr., was chairman of the William Oncken Corporation until his death in 1988. His son, William Oncken III, now heads the company. Donald L. Wass was president of the William Oncken Company of Texas when the article first appeared. He now heads the Dallas-Fort Worth region of The Executive Committee (TEC), an international organization for presidents and CEOs. This article was originally published in the November December 1974 issue of HBR.

Douglas McGregor's XY Theory

Douglas McGregor, an American social psychologist, proposed his famous X-Y theory in his 1960 book 'The Human Side of Enterprise'. Theory x and theory y are still referred to commonly in the field of management and motivation, and whilst more recent studies have questioned the rigidity of the model, McGregor’s X-Y Theory remains a valid basic principle from which to develop positive management style and techniques. McGregor's XY Theory remains central to organizational development, and to improving organizational culture.

McGregor's X-Y theory is a salutary and simple reminder of the natural rules for managing people, which under the pressure of day-to-day business are all too easily forgotten.

McGregor maintained that there are two fundamental approaches to managing people. Many managers tend towards theory x, and generally get poor results. Enlightened managers use theory y, which produces better performance and results, and allows people to grow and develop.

Theory X ('authoritarian management' style)

- The average person dislikes work and will avoid it he/she can.
- Therefore, most people must be forced with the threat of punishment to work towards organizational objectives.

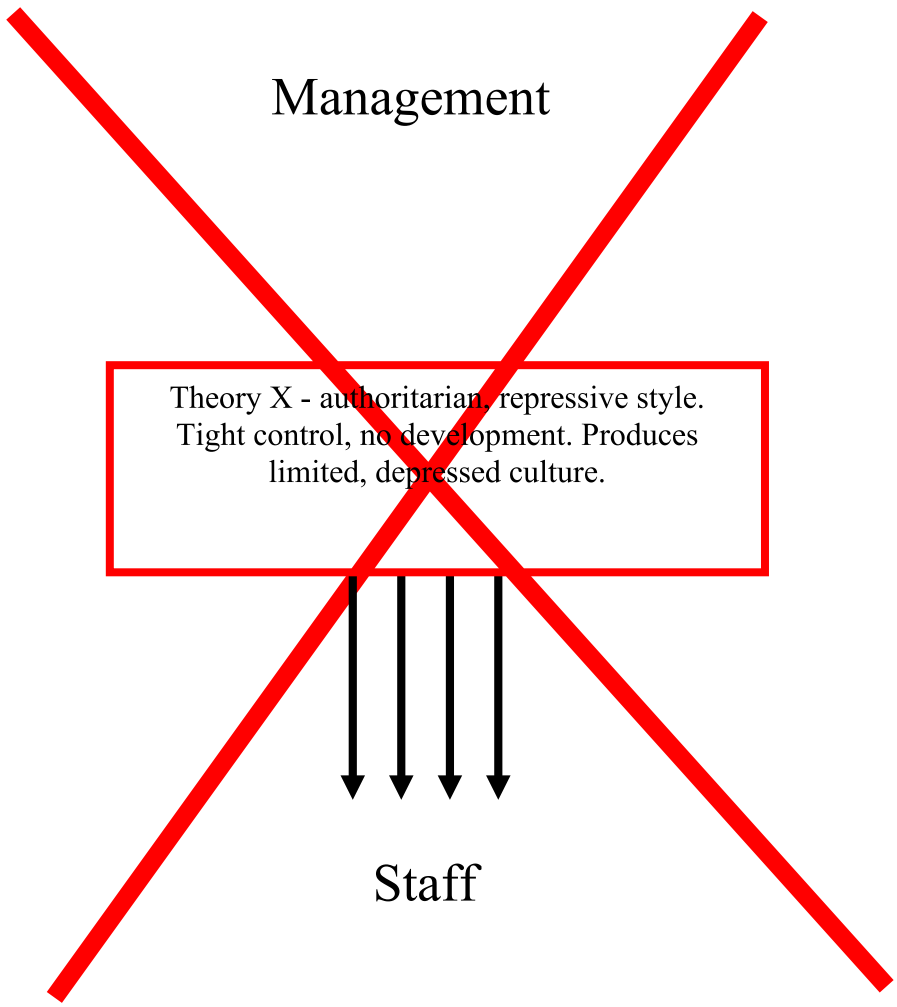
The average person prefers to be directed; to avoid responsibility; is relatively un-ambitious and wants security above all else.

Theory Y ('participative management' style)

- Effort in work is as natural as work and play.
- People will apply self-control and self-direction in the pursuit of organizational objectives, without external control or the threat of punishment.
- Commitment to objectives is a function of rewards associated with their achievement.
- People usually accept and often seek responsibility.

- The capacity to use a high degree of imagination, ingenuity and creativity in solving organizational problems is widely, not narrowly, distributed in the population.
- In industry the intellectual potential of the average person is only partly utilized.

‘Theory X’



‘Theory Y’


Staff
Theory Y - liberating and developmental. Control, achievement and continuous improvement achieved by enabling, empowering and giving responsibility.
Management

Characteristics of the X Theory manager

What are the characteristics of a Theory X manager? Typically, some, most or all of these:

- results-driven and deadline-driven, to the exclusion of everything else
- intolerant
- issues deadlines and ultimatums
- distant and detached
- aloof and arrogant
- elitist
- short temper
- shouts
- issues instructions, directions, edicts
- issues threats to make people follow instructions
- demands, never asks
- does not participate
- does not team-build
- unconcerned about staff welfare, or morale
- proud, sometimes to the point of self-destruction
- one-way communicator
- poor listener
- fundamentally insecure and possibly neurotic
- anti-social
- vengeful and recriminatory
- does not thank or praise
- withholds rewards, and suppresses pay and remunerations levels
- scrutinizes expenditure to the point of false economy
- seeks culprits for failures or shortfalls
- seeks to apportion blame instead of focusing on learning from the experience and preventing recurrence
- does not invite or welcome suggestions
- takes criticism badly and likely to retaliate if from below or peer group
- poor at proper delegating - but believes they delegate well
- thinks giving orders is delegating
- holds on to responsibility but shifts accountability to subordinates
- relatively unconcerned with investing in anything to gain future improvements
- unhappy

How you can manage upwards your X theory boss

Working for an X theory boss isn't easy - some extreme X theory managers make extremely unpleasant managers, but there are ways of managing these people upwards. Avoiding confrontation (unless you are genuinely being bullied, which is a different matter) and delivering results are the key tactics.

- Theory X managers (or indeed theory Y managers displaying theory X behavior) are primarily results oriented - so orientate your own discussions and dealings with them around results - i.e. what you can deliver and when.
- Theory X managers are facts and figures oriented - so cut out the incidentals, be able to measure and substantiate anything you say and do for them, especially reporting on results and activities.
- Theory X managers generally don't understand or have an interest in the human issues, so don't try to appeal to their sense of humanity or morality. Set your own objectives to meet their organizational aims and agree these with the managers; be seen to be self-starting, self-motivating, self-disciplined and well-organized - the more the X theory manager sees you are managing yourself and producing results, the less they'll feel the need to do it for you.
- Always deliver your commitments and promises. If you are given an unrealistic task and/or deadline state the reasons why it's not realistic, but be very sure of your ground, don't be negative; be constructive as to how the overall aim can be achieved in a way that you know you can deliver.
- Stand up for yourself, but constructively - avoid confrontation. Never threaten or go over their heads if you are dissatisfied or you'll be in big trouble afterwards and life will be a lot more difficult.
- If an X theory boss tells you how to do things in ways that are not comfortable or right for you, then don't questioning the process, simply confirm the end-result that is required, and check that it's okay to 'streamline the process' or 'get things done more efficiently' if the chance arises - they'll normally agree to this, which effectively gives you control over the 'how', provided you deliver the 'what' and 'when'.

And this is really the essence of managing upwards X theory managers - focus and get agreement on the results and deadlines - if you consistently deliver, you'll increasingly be given more leeway on how you go about the tasks, which amounts to more freedom. Be aware also that many X theory managers are forced to be X theory by the short-term demands of the organization and their own superiors - an X theory manager is usually someone with their own problems, so try not to give them anymore.

X-Y Theory Questionnaire 1 - Score the statements

(5 = always, 4 = mostly, 3 = often, 2 = occasionally, 1 = rarely, 0 = never)
To indicate whether the situation and management style is 'X' or 'Y':

1. My boss asks me politely to do things, gives me reasons why, and invites my suggestions.
2. I am encouraged to learn skills outside of my immediate area of responsibility.
3. I am left to work without interference from my boss, but help is available if I want it.
4. I am given credit and praise when I do good work or put in extra effort.
5. People leaving the company are given an 'exit interview' to hear their views on the organization.
6. I am incentives to work hard and well.
7. If I want extra responsibility my boss will find a way to give it to me.
8. If I want extra training my boss will help me find how to get it or will arrange it.
9. I call my boss and my boss's boss by their first names.
10. My boss is available for me to discuss my concerns or worries or suggestions.
11. I know what the company's aims and targets are.
12. I am told how the company is performing on a regular basis.
13. I am given an opportunity to solve problems connected with my work.
14. My boss tells me what is happening in the organization.
15. I have regular meetings with my boss to discuss how I can improve and develop.

X-Y Theory Questionnaire 2 - Score the statements

(5 = always, 4 = mostly, 3 = often, 2 = occasionally, 1 = rarely, 0 = never)
To indicate whether the person prefers being managed by 'X' or 'Y' style:

1. I like to be involved and consulted by my boss about how I can best do my job.
2. I want to learn skills outside of my immediate area of responsibility.
3. I like to work without interference from my boss but be able to ask for help if I need it.
4. I work best and most productively without pressure from my boss or the threat of losing my job.
5. When I leave the company, I would like an 'exit interview' to give my views on the organization.
6. I like to be incentives and praised for working hard and well.
7. I want to increase my responsibility.
8. I want to be trained to do new things.
9. I prefer to be friendly with my boss and the management.
10. I want to be able to discuss my concerns, worries or suggestions with my boss or another manager.
11. I like to know what the company's aims and targets are.
12. I like to be told how the company is performing on a regular basis.
13. I like to be given opportunities to solve problems connected with my work.
14. I like to be told by my boss what is happening in the organization.
15. I like to have regular meetings with my boss to discuss how I can improve and develop.

X-Y Theory Questionnaire - Results

Questionnaire 1:

To indicate whether the situation and management style is 'X' or 'Y':

60-75 = strong Y-theory management (effective short and long term)

45-59 = generally Y-theory management

16-44 = generally X-theory management

0 -15 = strongly X-theory management (autocratic, may be effective short-term, poor long-term)

Questionnaire 2:

To indicate whether the person prefers being managed by 'X' or 'Y' style:

60-75 = strongly prefers Y-theory management

45-59 = generally prefers Y-theory management

16-44 = generally prefers X-theory management

0 -15 = strongly prefers X-theory management

The ABCs of Customer Service

A - Arrive at work on time, prepared, and with a smile.

B - Believe in the organization and the products or services you are representing.

C - Choose an attitude of service. Your customers should feel that you enjoy your job.

D - Dress appropriately for the work that you do.

E - Empathize with customers and show them that you understand.

F - Find answers if you don't have them.

G - Give customers outstanding service even when they are not buying from you.

H - Help coworkers and other internal customers when needed.

I - Initiate contact with customers. Don't wait to be approached.

J - Justify your reasoning and offer available alternatives when you must say "no."

K - Know as much as possible about your organization and its products and services.

L - Leave your personal problems at the door.

M - Mind your manners. Say "please" and "thank you" often.

N - Never say, "That's not my job."

O - Own problems. Don't pass the buck.

P - Prioritize what's important. People should come before inventory, internal processes, etc.

Q - Question your organization about policies and procedures that hinder your ability to give good service.

R - Respond quickly and efficiently to customer requests.

S - Speak clearly and professionally. Save slang for your off time.

T - Treat people fairly and apply policies and processes consistently.

U - Use body language that says, "I'm here and ready to help."

V - Verify that your customers are satisfied and that you have answered all of their questions before ending calls.

W - Walk customers through any complicated processes or procedures to reduce confusion later.

X - X-out complaining, personal conversations, and other behaviors that reduce your ability to remain positive and engaged.

Y - Yell or yell back at no one while at work. Keep your conversations professional at all times, even if you are being attacked.

Z - Zero in on how you can help by listening more and talking less.

Telephone Etiquette

Answering the Telephone

- Good Morning/Afternoon/Evening (Your Organization's Name). This is (Your Name) How may I help you?
- Thank you for calling (Your Organization's Name). This is (Your Name). How may I help you?
- Remember to sound upbeat, positive, and calm.

To Place Someone on Hold

- May I put you on hold for a moment while I look that up/handle that issue/etc.?
- If you could hold for a moment, I would be happy to look that up/handle that issue/etc.
- May I please put you on hold for a moment?
- Would you like to hold for a moment, or would you like for me to call you back?
- Remember to wait for the caller's answer.
- If it takes you more than one minute, pick the telephone back up and let the caller know you are still working on finding a resolution.

To Transfer

- Let me put you in touch with (Person's Name/Department's Name). They can handle that for you.
- (Person's Name/Department's Name) is the subject matter expert. I can connect you with them.
- (Person's Name/Department's Name) can help you with that. One moment and I can put you through. (If appropriate give the extension to the caller. If possible, stay on the line and introduce the caller to the person/department who can help.)

To End a Call

- Is there anything else I can help you with today?
- Thank you for calling. (If appropriate, recap any actions you will take after the call.)

When a Customer or Client Thanks You

- It's my pleasure.
- I'm glad to be able to help.
- You are welcome. Is there anything else I can help you with today?

When a Customer or Client Is Frustrated

- Let me see if I can help you work through this issue.

- Let's take it from the beginning and see if we can work through this together.
- I can hear that you are upset, and I do want to help you.

(If appropriate, repeat what the caller has said. Reframe any negative statements into solution-oriented ones. **Stay calm**. If the customer needs to vent, don't jump to the solution too quickly. The caller may not be ready to listen to you yet.)

General Guidelines for Better Customer and Client Telephone Relations.

Always remain positive about your own organization, its processes, and its people.

Replace the words "but" and "however" with "**and**" whenever possible. Your message will sound more positive and professional.

Avoid having food or gum in your mouth when talking on the telephone.

Remember to go slowly and to carefully articulate your words.

Leaders Questionnaire - Walking the Talk
One Point Each

This questionnaire on employee motivation focuses on the role of leaders in empowering employees and improving motivation. Answer the questions honestly to score your motivational capability.

- I arrive at the office on time and do not leave early.
- I expect the same levels of accuracy in my own work as my employees'.
- I do not blame others. I take responsibility for my part in mistakes.
- I encourage a 'no blame' culture where staff is able to admit mistakes and learn from them.
- I do not keep secrets from my employees.
- I do not encourage gossip or rumor.
- I set high ethical standards for my behavior towards employees and hold myself to those standards.
- I ensure that staff has the training they require.
- I participate in training to improve my own skills and competencies.
- Employees have an active role in developing objectives for themselves, their team and the company as a whole.
- I regularly check that objectives between different parts of the team or company are congruent. Everyone pulls together for the same end rather than competing for different results.
- I have a clear system for handling employee discontent.
- Employees are aware of the system for handling discontent and feel encouraged to use it to address problems.
- Members of my team do not ask me simple questions. Significant matters are brought to my attention. But smaller challenges are considered and resolved by those responsible. I am not bothered by minor matters.
- I do not build rapport with my team by sharing my weaknesses and fears. I am honest but professional.
- Employees are encouraged to make mistakes.
- Employees tell me when mistakes have been made, how they have been rectified and what the key learning was from such mistakes.
- I have a coach or mentor who keeps me focused and motivated about my work.
- I do not teach. Instead, I lead, share, encourage and stimulate team members to grow, develop and learn.
- I trust my staff.

Total score (one point for each selection) __________

Leaders Questionnaire - Walking the Talk

Interpretation:

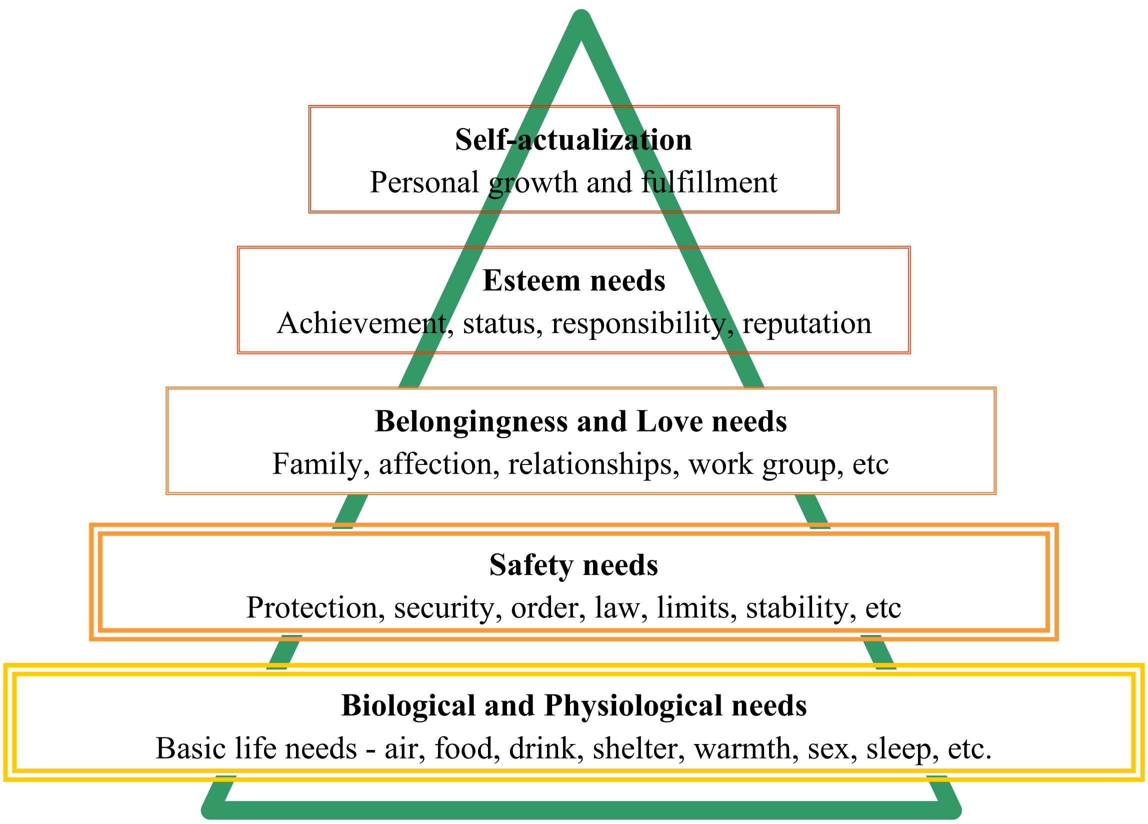
15 to 20: Well done. You are walking the talk. Of those statements you were unable to tick, which ones would you like to work on?

10-14: The basics are there. Now you need to upgrade. What would need to change for you to score 15 or more?

5-9: You need to raise your standards. Some essential systems are missing in terms of empowerment motivation for employees. Commit to raising your score to 15 in the next 3 months.

0-4 : You can probably see the results of your lack of integrity in your team. Take three simple steps to improve employee motivation immediately. Commit to raising your score to 15 in the next 6 months.

Maslow's Hierarchy of Needs
(Original five-stage model)



Abraham Maslow's Hierarchy of Needs Motivational Model

Abraham Maslow developed the Hierarchy of Needs model in 1940-50's USA. Maslow's Hierarchy of Needs remains valid today for understanding human motivation and for management training. Abraham Maslow's key book, Motivation and Personality, was first published in 1954 (second edition 1970). Maslow's PhD in psychology in 1934 at the University of Wisconsin formed the basis of his motivational research, initially studying rhesus monkeys. Maslow later moved to New York's Brooklyn College.

Maslow's Hierarchy of Needs

Each of us is motivated by needs. Our most basic needs are inborn, having evolved over tens of thousands of years. Abraham Maslow's Hierarchy of Needs helps to explain how these needs motivate us all.

Maslow's Hierarchy of Needs states that we must satisfy each need in turn, starting with the first, which deals with the most obvious needs for survival itself.

Only when the lower order needs of physical and emotional well-being are satisfied are we concerned with the higher order needs of influence and personal development.

Conversely, if the things that satisfy our lower order needs are swept away, we are no longer concerned about the maintenance of our higher order needs.

Maslow's original Hierarchy of Needs model was developed between 1943-1954, and first widely published in Motivation and Personality in 1954. At this time the Hierarchy of Needs model comprised five needs. This original version remains for most people the definitive Hierarchy of Needs.

1. **Biological and Physiological needs** - air, food, drink, shelter, warmth, sex, sleep, etc.

2. **Safety needs** - protection from elements, security, order, law, limits, stability, etc.

3. **Belongingness and Love needs** - work group, family, affection, relationships, etc.

4. **Esteem needs** - self-esteem, achievement, mastery, independence, status, dominance, prestige, managerial responsibility, etc.

5. **Self-Actualization needs** - realizing personal potential, self-fulfillment, seeking personal growth and peak experiences.

Examples in use:

You can't motivate someone to achieve their sales target (level 4) when they're having problems with their marriage (level 3).

You can't expect someone to work as a team member (level 3) when they're having their house re-possessed (level 2).

Interpreting Behavior According to Maslow's Hierarchy of Needs

Maslow's Hierarchy of Needs is an excellent model for understanding human motivation, but it is a broad concept. If you are puzzled as to how to relate given behavior to the Hierarchy it could be that your definition of the behavior needs refining. For example, 'where does 'doing things for fun' fit into the model? The answer is that it can't until you define 'doing things for fun' more accurately.

You'd need to define more precisely each given situation where a person is 'doing things for fun' in order to analyze motivation according to Maslow's Hierarchy, since the 'fun' activity motive can potentially be part any of the five original Maslow needs.

Understanding whether striving to achieve a particular need or aim is 'fun' can provide a helpful basis for identifying a Maslow driver within a given behavior, and thereby to assess where a particular behavior fits into the model:

- Biological - health, fitness, energizing mind and body, etc.
- Safety - order and structure needs met for example by some heavily organized, structural activity
- Belongingness - team sport, club 'family' and relationships
- Esteem - competition, achievement, recognition
- Self-Actualization drivers - challenge, new experiences, love of art, nature, etc.

However, in order to relate a particular 'doing it for fun' behavior the Hierarchy of Needs we need to consider what makes it 'fun' (i.e. rewarding) for the person. If a behavior is 'for fun', then consider what makes it 'fun' for the person - is the 'fun' rooted in 'belongingness', or is it from 'recognition', i.e., 'esteem'. Or is the fun at a deeper level, from the sense of self- fulfillment, i.e. 'self-actualization'.

Apply this approach to any behavior that doesn't immediately fit the model, and it will help you to see where it does fit. Maslow's Hierarchy of Needs will be a blunt instrument if used as such. The way you use the Hierarchy of Needs determines the subtlety and sophistication of the model.

For example: the common broad-brush interpretation of Maslow's famous theory suggests that that once a need is satisfied the person moves onto the next, and to an extent this is entirely correct. However, an overly rigid application of this interpretation will produce a rigid analysis, and people and motivation are more complex. So, while it is broadly true that people move up (or down) the hierarchy, depending on what's happening to them in their lives, it is also true that most people motivational 'set' at any time comprises elements of all of the motivational drivers. For example, **self-actualizers** (level 5 - original model) are mainly focused on **self-actualizing** but are still motivated to **eat** (level 1) and **socialize** (level 3). Similarly, homeless folk whose main focus is **feeding themselves** (level 1) and **finding shelter** for the night (level 2) can also be, albeit to a lesser extent, still concerned with **social relationships** (level 3), how their friends perceive them (level 4), and even the **meaning of life** (level 5 - original model).

Like any simple model, Maslow's theory not a fully responsive system - it's a guide which requires a little interpretation and thought, given which, it remains extremely useful and applicable for understanding, explaining and handling many human behavior situations.

Quick self-test based on the adapted 5-stage "Hierarchy of Needs"

Read the following five statements and tick beside those that apply to you. There are no right or wrong answers. Interpretation guide below.

A - I am successful in life and/or work, and I'm recognized by my peers for being so. I'm satisfied with the responsibility and role that I have in life and/or work, my status and reputation, and my level of self-esteem.

B - I am part of, and loved by, my family. I have good relationships with my friends and colleagues - they accept me for who I am.

C - I generally feel safe and secure - job, home, etc - and protected from harm. My life generally has routine and structure - long periods of uncontrollable chaos are rare or non-existent.

D - Aside from dieting and personal choice, I never starve through lack of food, or lack of money to buy food. Aside from the usual trauma of moving to a new house, I have no worry at all about having somewhere to live - I have 'a roof over my head'.

E - Improving my self-awareness is one of my top priorities. The pursuit of knowledge and meaning of things, other than is necessary for my work, is extremely important to me.

Interpretation:

Maslow said that needs 1-4 are deficiency motivators and are generally satisfied in order when the previous need is fully or partially satisfied. If ticked above, they are probably satisfied. If a need ceases to be satisfied there is less or no motivation to strive to maintain or satisfy higher level needs. Needs 5-8 are growth motivators. If ticked above, they are likely to be a focus of personal growth motivation. This test is based on Maslow's Hierarchy of Needs.

Interpretation:

1 Biological Needs	D
2 Safety Needs	C
3 Belongingness and Love Needs	B
4 Esteem Needs	A
5 Cognitive Needs	E

Leadership Development Tips

While leadership is easy to explain, leadership is not so easy to practice. Leadership is about behavior first, skills second. Good leaders are followed chiefly because people trust and respect them, rather than the skills they possess. Leadership is different to management. Management relies more on planning, organizational and communications skills. Leadership relies on management skills too, but more so on qualities such as integrity, honesty, humility, courage, commitment, sincerity, passion, confidence, positivity, wisdom, determination, compassion and sensitivity. Some people are born more naturally to leadership than others. Most people don't seek to be a leader. Those who want to be a leader can develop leadership ability.

Leadership can be performed with different styles. Some leaders have one style, which is right for certain, situations and wrong for others. Some leaders can adapt and use different leadership styles for given situations.

Ten Tips

1. There is only one way - the straight way. It sets the tone of the organization.
2. Be open to the best of what everyone, everywhere, has to offer; transfer learning across your organization.
3. Get the right people in the right jobs - it is more important than developing a strategy.
4. An informal atmosphere is a competitive advantage.
5. Make sure everybody counts and everybody knows they count.
6. Legitimate self-confidence is a winner - the true test of self-confidence is the courage to be open.
7. Business has to be fun - celebrations energize and organization.
8. Never underestimate the other guy.
9. Understand where real value is added and put your best people there.
10. Know when to meddle and when to let go - this is pure instinct.

As a leader, your main priority is to get the job done, whatever the job is. Leaders make things happen by:

- knowing your objectives and having a plan how to achieve them
- building a team committed to achieving the objectives
- helping each team member to give their best efforts

As a leader you must know yourself. Know your own strengths and weaknesses, so that you can build the best team around you.

Plan carefully, with your people where appropriate, how you will achieve your aims. You may have to redefine or develop your own new aims and priorities. Leadership can be daunting for many people simply because no-one else is issuing the aims - leadership often means you have to create your own from a blank sheet of paper. Set and agree clear standards. Keep the right balance between 'doing' yourself and managing others 'to do'.

Build teams. Ensure you look after people and that communications and relationships are good. Select good people and help them to develop. Develop people via training and experience, particularly by agreeing objectives and responsibilities that will interest and stretch them, and always support people while they strive to improve and take on extra tasks. Follow the rules about delegation closely as this process is crucial. Ensure that your managers are applying the same principles. Good leadership principles must cascade down through the whole organization. This means that is you are leading a large organization you must check that the processes for managing, communicating and developing people are in place and working properly.

Communication is critical. Listen, consult, involve, and explain why as well as what needs to be done.

Some leaders lead by example and are very 'hands on'; others are more distanced and let their people do it. Whatever - your example is paramount - the way you work and conduct yourself will be the most you can possibly expect from your people. If you set low standards you are to blame for low standards in your people.

"... Praise loudly, blame softly." (Catherine the Great). Follow this maxim.

If you seek one single most important behavior that will rapidly earn you respect and trust among your people, this is it: Always give your people the credit for your achievements and successes. Never take the credit yourself - even if it's all down to you, which would be unlikely anyway. You must however take the blame and accept responsibility for any failings or mistakes that your people make. Never never never publicly blame another person for a failing. Their failing is your responsibility - true leadership offers is no hiding place for a true leader.

Take time to listen to and really understand people. Walk the job. Ask and learn about what people do and think, and how they think improvements can be made.

Accentuate the positive. Express things in terms of what should be done, not what should not be done. If you accentuate the negative, people are more likely to veer towards it. Like the mother who left her five-year-old for a minute unsupervised in the kitchen, saying as she left the room, "...don't you go putting those beans up your nose..."

Have faith in people to do great things - given space and air and time, everyone can achieve more than they hope for. Provide people with relevant interesting opportunities, with proper measures and rewards and they will more than repay your faith.

Take difficult decisions bravely and be truthful and sensitive when you implement them.

Constantly seek to learn from the people around you - they will teach you more about yourself than anything else. They will also tell you 90% of what you need to know to achieve your business goals.

Embrace change, but not for change's sake. Begin to plan your own succession as soon as you take up your new post, and in this regard, ensure that the only promises you ever make are those that you can guarantee to deliver.

Leadership Behavior

Leadership skills are based on leadership behavior. Skills alone do not make leaders - style and behavior do. If you are interested in leadership training and development - start with leadership behavior. Leadership is mostly about behavior, especially towards others. People who strive for these things generally come to be regarded and respected as a leader by their people:

- Integrity - the most important requirement; without it everything else is for nothing.
- Being very grown-up - never getting emotional with people - no shouting or ranting, even if you feel very upset or angry.
- Leading by example - always be seen to be working harder and more determinedly than anyone else.
- Help alongside your people when they need it.
- Fairness - treat everyone equally and on merit.
- Be firm and clear in dealing with bad or unethical behavior.
- Listen to and really understand people and show them that you understand (this doesn't mean you have to agree with everyone - understanding is different to agreeing).
- Always take the responsibility and blame for your people's mistakes.
- Always give your people the credit for your successes.
- Never self-promote.
- Back up and support your people.
- Be decisive but be seen to be making fair and balanced decisions.
- Ask for people's views but remain neutral and objective.
- Be honest but sensitive in the way that gives bad news or criticism.
- Always do what you say you will do - keep your promises.
- Work hard to become expert at what you do technically, and at understanding your people's technical abilities and challenges.

- Encourage your people to grow, learn and take on as much as they want to, at a pace they can handle.
- Always accentuate the positive (say 'do it like this', not 'don't do it like that').
- Smile and encourage others to be happy and enjoy themselves.
- Relax, and give your people and yourself time to get to know and respect each other.
- Take notes and keep good records.
- Plan and prioritize.
- Manage your time well and help others to do so too.
- Involve your people in your thinking and especially in managing change.
- Read good books, and take advice from good people, to help develop your own understanding of yourself, and particularly of other people's weaknesses (some of the best books for leadership are not about business at all - they are about people who triumph over adversity).
- Achieve the company tasks and objectives, but never at the cost of your integrity or the trust of your people.

Employee Motivation

Principles of improving employee motivation and empowerment

This section provides a structure and tips for creating an employee motivation survey questionnaire, and also the principles of employee motivation and empowerment in organizations. This organizational motivation article is provided by the motivational expert and writer Blaire Palmer.

Employee motivation questionnaires or surveys

Staff surveys are usually very helpful in establishing whether staff in your company is motivated and therefore performing to best effect. Aside from the information that questionnaires reveal, the process of involving and consulting with staff is hugely beneficial and motivational in its own right. While your survey will be unique to your company, your staff issues, your industry and culture, some useful generic guidelines apply to most situations. Although not exhaustive, the following ten points may help you cover the relevant subject areas and help towards establishing facts rather than making assumptions about motivation when designing your own questionnaires on employee motivation.

Ten tips for questionnaires on employee motivation

1. What is the 'primary aim' of your company?

Your employees may be more motivated if they understand the primary aim of your business. Ask questions to establish how clear they are about your company's principles, priorities and mission.

2. What obstacles stop employees performing to best effect?

Questionnaires on employee motivation should include questions about what employees are tolerating in their work and home lives. The company can eliminate practices that zap motivation.

3. What really motivates your staff?

It is often assumed that all people are motivated by the same things. Actually, we are motivated by a whole range of factors. Include questions to elicit what really motivates employees, including learning about their values. Are they motivated by financial rewards, status, praise and acknowledgment, competition, job security, public recognition, fear, perfectionism, results...

4. Do employees feel empowered?

Do your employees feel they have job descriptions that give them some autonomy and allow them to find their own solutions or are they given a list of tasks to perform and simply told what to do?

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5. Are there any recent changes in the company that might have affected motivation?

If your company has made redundancies, imposed a recruitment freeze or lost a number of key people this will have an effect on motivation. Collect information from employees about their fears, thoughts and concerns relating to these events. Even if they are unfounded, treat them with respect and honesty.

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6. What are the patterns of motivation in your company?

Who is most motivated and why? What lessons can you learn from patches of high and low motivation in your company?

7. Are employee goals and company goals aligned?

First, the company needs to establish how it wants individuals to spend their time based on what is most valuable. Secondly this needs to be compared with how individuals actually spend their time. You may find employees are highly motivated but about the "wrong" priorities.

8. How do employees feel about the company?

Do they feel safe, loyal, valued and taken care of? Or do they feel taken advantage of, dispensable and invisible? Ask them what would improve their loyalty and commitment.

9. How involved are employees in company development?

Do they feel listened to and heard? Are they consulted? And, if they are consulted, are their opinions taken seriously? Are there regular opportunities for them to give feedback?

10. Is the company's internal image consistent with its external one?

Your company may present itself to the world as the 'caring airline', 'the forward-thinking technology company' or the 'family hotel chain'. Your employees would have been influenced, and their expectations set, to this image when they joined your company. If you do not mirror this image within your company in the way you treat employees you may notice motivation problems. Find out what the disparity is between the employees' image of the company from the outside and from the inside.

Employee motivation principles

When Michael started his own consultancy, he employed top people; people he'd worked with in the past who had shown commitment, flair and loyalty and who seemed to share his values. But a few months down the line one of his team members started to struggle. Jo was putting in the hours but without enthusiasm. Her confidence was dropping; she was unfocused and not bringing in enough new business.

Michael explained to Jo the seriousness of the situation. Without new business he would lose the company and that would mean her job. He showed her the books to illustrate his point. He again ran through her job description and the procedures she was expected to follow. He told her that he was sure she was up to the job, but he really needed her to bring in the new business or they would all be out on their ear.

Jo told Michael that she understood. She was doing her best, but she'd try harder.

But a month later nothing had changed. After an initial burst of energy, Jo was back to her old ways.

No matter how experienced a leader you are, chances are at times you have struggled to motivate certain individuals. You've tried every trick in the book. You've sat down one-to-one with the individual concerned and explained the situation. You've outlined the big vision again in the hope of inspiring them. You've given them the bottom line: "Either you pull your finger out or your job is on the line". You've dangled a carrot in front of them: "If you make your targets you'll get a great bonus". And sometimes it works. But not every time. And there have been casualties. Ultimately if someone can't get the job done they have to go.

The granddaddy of motivation theory, Frederick Herzberg, called traditional motivation strategies 'KITA' (something similar to kick in the pants). He used the analogy of a dog. When the master wants his dog to move he either gives it a nudge from behind, in which case the dog moves because it doesn't have much choice, or he offers it a treat as an inducement, in which case it is not so much motivated by wanting to move as by wanting choc drops! KITA does the job (though arguably not sustainably) but its hard work. It means every time you want the dog to move you have to kick it (metaphorically).

Wouldn't it be better if the dog wanted to move by itself?

Transferring this principle back into the workplace, most motivation strategies are 'push' or 'pull' based. They are about keeping people moving either with a kick from behind (threats, fear, tough targets, and complicated systems to check people follow a procedure) or by offering chocolate drops (bonuses, grand presentations of the vision, conferences, campaigns, initiatives, etc).

Ten motivation Examples

Blaire Palmer's experience has enabled her to work with a wide range of individuals and groups from a variety of backgrounds. Some of these people are highly motivated themselves but struggle to extend this state of mind to the people they manage. Other people are at the receiving end of KITA motivation strategies that (obviously) aren't working on them. These people know they 'should' be more engaged with their work. Sometimes they fake it for a few months but it's not sustainable. In this paper Blaire identifies some common assumptions about motivation and presents some new paradigms that can help motivate more effectively.

By adding these coaching tools and motivation principles to your capabilities you should find the job of leading those around you, and/or helping others to do the same, more of a joyful and rewarding activity. Instead of spending all your time and energy pushing and cajoling (in the belief that your people's motivation must come from you) you will be able to focus on **leading your team** and **enabling them** to achieve their full potential - **themselves**.

Ultimately, motivation must come from within each person. No leader is ever the single and continuing source of motivation for a person. While the leader's encouragement, support, inspiration, and example will at times motivate followers, the leader's greatest role in motivating is to recognize people for who they are, and to help them find their own way forward by making best use of their own strengths and abilities. **In this way, achievement, development, and recognition will all come quite naturally to the person, and it is these things which are the true fuels of personal motivation.**

By necessity these case studies initially include some negative references and examples, which I would urge you to see for what they are. How not to do things, and negative references, don't normally represent a great platform for learning and development.

In life it's so important always to try to accentuate the positive - to encourage positive visualization - so, see the negatives for what they are; silly daft old ways that fail, and focus on the positives in each of these examples. There are very many.

Motivation example 1 - 'everyone is like me'

One of the most common assumptions we make is that the individuals who work for us are motivated by the same factors as us. Perhaps you are motivated by loyalty to the company, enjoying a challenge, proving yourself to others or making money. One great pitfall is to try to motivate others by focusing on what motivates you.

Marie, a director in her company, was being coached. She was a perfectionist. Every day she pushed herself to succeed and was rewarded with recognition from her peers. But she was unable to get the same standard of work from her team members. In the first few weeks of her coaching she would say, "If only people realized how important it was to put in 110% and how good it felt to get the acknowledgment, then they would start to feel more motivated".

But it wasn't working. Instead people were starting to become resentful towards Marie's approach. Acknowledgment was a prime motivator for Marie so to help her consider some other options; she was helped to brainstorm what else might motivate people in their work. Marie's list grew: 'learning new skills', 'accomplishing a goal as part of a team', 'creativity', 'achieving work-life balance', 'financial rewards' and 'the adrenaline rush of working to tight deadlines'. Marie began to see that perhaps her team was indeed motivated - it was simply that the team members were motivated in a different way to her own.

If the leader can tap into and support the team members' own motivations then the leader begins to help people to realize their full potential.

Motivation example 2 - 'no-one is like me'

Since the 1980's, research has shown that although we know that we are motivated by meaningful and satisfying work (which is supported by Herzberg's timeless theory on the subject, and virtually all sensible research ever since), **we assume others are motivated mainly by financial rewards**. Chip Heath, associate professor at Stanford University carried out research that found **most people believe** that others are motivated by 'extrinsic rewards', such as pay or job security, rather than 'intrinsic motivators', like a desire to learn new skills or to contribute to an organization.

Numerous surveys show that most people are motivated by intrinsic factors, and in this respect we are mostly all the same.

Despite this, while many leaders recognize that their own motivation is driven by factors that have nothing to do with money, they make the mistake of assuming that their people are somehow different, and that money is central to their motivation.

If leaders assume that their team members only care about their pay packet, or their car, or their monthly bonus, this inevitably produces a faulty and unsustainable motivational approach.

Leaders must recognize that people are different only in so far as the different particular 'intrinsic' factor(s) which motivate each person, but in so far as we are all motivated by 'intrinsic' factors, we are all the same.

Motivation example 3 - 'people don't listen to me'

When some people talk, nearly everyone listens: certain politicians, business leaders, entertainers; people we regard as high achievers. You probably know people a little like this too. You may not agree with what they say, but they have a presence, a tone of voice and a confidence that is unmistakable. Fundamentally these people are great sales-people. They can make an unmitigated disaster sound like an unqualified victory. But do you need to be like this to motivate and lead?

Certainly not. Many people make the mistake of thinking that the only people who can lead others to success and achieve true excellence, and are the high-profile, charismatic, 'alpha-male/female' types. This is not true.

James was a relatively successful salesman but he was never at the top of his team's league table. In coaching sessions, he would wonder whether he would ever be as good as his more flamboyant and aggressive colleagues. James saw himself as a sensitive person and was concerned that he was too sensitive for the job.

James was encouraged to look at how he could use his sensitivity to make more sales and beat his teammates. He reworked his sales pitch and instead of focusing his approach on the product, he based his initial approach on building rapport and asking questions. He made no attempt to 'sell'. Instead he listened to the challenges facing the people he called and asked them what kind of solution they were looking for. When he had earned their trust and established what they needed he would then describe his product. A character like James is also typically able to establish highly reliable and dependable processes for self-management, and for organizing activities and resources, all of which are attributes that are extremely useful and valued in modern business. When he began to work according to his natural strengths, his sales figures went through the roof.

Each of us has qualities that can be adapted to a leadership role and/or to achieve great success. Instead of acting the way we think others expect us to, we are more likely to get others behind us and to succeed if we tap in to our natural, authentic style of leadership and making things happen. The leader has a responsibility to facilitate this process.

Motivation example 4 - 'some people can't be motivated'

While it's true that not everyone has the same motivational triggers, as already shown, the belief that some people cannot be motivated is what can lead to the unedifying 'pep-talk and sack them' cycle favored by many X-Theory managers. Typically managers use conventional methods to inspire their teams, reminding them that they are 'all in this together' or that they are 'working for the greater good' or that the management has 'complete faith in you', but when all this fails to make an impact the manager simply sighs and hands the troublesome employee the termination letter.

The reality is that motivating some individuals does involve an investment of time.

When his manager left the company, Bob was asked by the site director, Frank, to take over some extra responsibility. As well as administrative work he would be more involved in people management and report directly to Frank. Frank saw this as a promotion for Bob and assumed that he would be flattered and take to his new role with gusto. Instead Bob did little but complain. He felt he had too much to do, he didn't trust the new administrator brought in to lighten his workload, and he felt resentful that his extra responsibility hadn't come with extra pay. Frank was a good manager and told Bob that he simply had to be a little more organized, and that he (Frank) had complete belief in Bob to be able to handle this new challenge. But Bob remained sullen.

So, Frank took a different approach: He tried to see the situation from Bob's point of view. Bob enjoyed his social life but was no longer able to leave the office at 5pm. Bob was dedicated to doing a good job, but was not particularly ambitious, so promotion meant little to him. Bob was also expected to work more closely now with a colleague with whom he clashed. Then Frank looked at how Bob might perceive him as his boss. He realized Bob probably thought Frank's hands-off management style meant he didn't care. To Bob it might look as if Frank took no direct interest except when he found fault. Finally, Frank looked at the situation Bob was in to see if there was anything bringing out the worst in him. He realized two weeks of every month were effectively 'down-time' for Bob, followed by two weeks where he was overloaded with work. Having set aside his assumptions about Bob and armed with a more complete picture from Bob's point of view, Frank arranged for the two of them to meet to discuss a way forward.

Now the two were able to look at the real situation, and to find a workable way forward.

While there is no guarantee that this approach will always work, 'seeking to understand', as Stephen Covey's 'Seven Habits of Highly Effective People' puts it, is generally a better first step than 'seeking to be understood'.

It's easier to help someone when you see things from their point of view.

Motivation example 5 - 'but I am listening'

We are always told how valuable listening is as a leadership tool and encouraged to do more of it. So, when we remember, we listen really hard, trying to catch every detail of what is being said and maybe follow up with a question to show that we caught everything. This is certainly important. Checking your email, thinking about last night's big game and planning your weekend certainly stop you from hearing what is being said.

But there is another important aspect to listening and that is: Listening Without Judgment.

Often when an employee tells us why they are lacking motivation we are busy internally making notes about what is wrong with what they are saying. This is pre-judging. It is not listening properly.

Really listening properly means shutting off the voice in your head that is already planning your counter-argument, so that you can actually hear, understand and interpret what you are being told.

This is not to say that 'the employee is always right', but only when you can really understand the other person's perception of the situation are you be able to help them develop a strategy that works for them.

Listening is about understanding how the other person feels - beyond merely the words that they say.

Motivation example 6 - 'if they leave, I've failed'

What happens if, at their meeting, Bob admits to Frank that he doesn't see his future with that company?

What if he says the main reason he is de-motivated is that he isn't really suited to the company culture, and would be happier elsewhere? Has Frank failed?

Not necessarily. It's becoming more widely accepted that the right and sustainable approach is to **help individual employees to tap into their true motivators and understand their core values**. Katherine Benziger's methodologies are rooted in this philosophy: Employees who 'falsify type' (ie. behave unnaturally in order to satisfy external rather than internal motives and drivers) are unhappy, stressed, and are unable to sustain good performance.

Effort should be focused on helping people to **align company goals with individual aspirations**. Look at Adam's Equity Theory to help understand the complexity of personal motivation and goals alignment. Motivation and goals cannot be imposed from outside by a boss - motivation and goals must be determined from within the person, mindful of internal needs, and external opportunities and rewards.

Sometimes the person and the company are simply unsuited. In a different culture, industry, role or team that individual would be energized and dedicated, whereas in the present environment the same person doesn't fit.

Sometimes 'success' doesn't look the way we expect it to. A successful outcome for an individual and for a company may be that a de-motivated person, having identified what sort of work and environment would suit them better, leaves to find their ideal job elsewhere.

You succeed as a leader by helping and enabling people to reach their potential and to achieve fulfillment. If their needs and abilities could be of far greater value elsewhere, let them go; don't force them to stay out of loyalty. Helping them identify and find a more fitting role elsewhere not only benefits you and them - it also enables you to find a replacement who is really suited and dedicated to the job.

True leaders care about the other person's interests - not just your own interests and the interests of your organization.

Motivation example 7 - 'the same factors that de-motivate, motivate'

When asked what brought about lack of motivation at work, the majority of people in research carried out by Herzberg blamed 'hygiene factors' such as working conditions, salary and company policy. When asked what motivated them they gave answers such as 'the sense of achievement', 'recognition', 'the opportunity to grow and advance' and 'greater responsibility'.

Herzberg's findings about human motivation have been tested and proven time and gain. His theory, and others like it, tells us that the factors that de-motivate do not necessarily motivate when reversed. The conventional solution to dissatisfaction overpay levels would be to increase pay in the belief that people would then work harder and be more motivated. However, this research shows that whilst increasing wages, improving job security and positive working relationships have a marginal impact, the main factors that characterize extreme satisfaction at work are: **achievement, recognition, interesting work, responsibility, advancement and growth**.

So, it follows that leaders who focus on these aspects - people's true motivational needs and values - are the true leaders.

Help people to enrich their work and you will truly motivate.

Motivation example 8 - 'people will rise to tough challenges'

Many managers hope to motivate by setting their people challenging targets. They believe that raising the bar higher and higher is what motivates.

Tracey was an effective and conscientious account manager. Her boss habitually set her increasingly tough objectives, which Tracey generally achieved. However, in achieving her targets last month Tracey worked several eighteen-hour days, traveled extensively overseas, and had not had a single weekend break. Sometimes Tracey would mention to her boss that the effort was taking its toll on her health and happiness.

When Tracey handed in her latest monthly report, her boss said, 'You see? It's worth all the hard work. So, don't complain about it again.'

Her boss's belief was that Tracey would get a sense of satisfaction from completing an almost impossible workload. He was relying on her sense of duty - which she had in bucket-loads - to get the job done.

But this is the KITA style of motivation. It doesn't really acknowledge a dedication to the job or a sense of pride. Its leverage or 'motivation' is simply a lack of choice.

Job enlargement is different to Job enhancement. Herzberg's research shows that improving the 'meaningfulness' of a job (see also motivation example 7) has the motivational impact, not simply increasing the amount of pressure or volume of the tasks.

Achievement for achievement's sake is no basis for motivation - a person's quality of life must benefit too.

Motivation example 9 - 'I tried it and it didn't work'

When you try new things - new motivational ideas, especially which affect relationships and feelings - it is normal for things initially to get a little worse. Change can be a little unsettling at first. But keep the faith.

People are naturally skeptical of unconventional motivational approaches. They may wonder why you have suddenly taken such an interest in them. They may feel you are giving them too much responsibility or be concerned that changes in the way they work may lead to job losses. Herzberg's research is among other evidence, and modern experience, that after an initial drop in performance, people quickly adjust and respond to more progressive management and motivational attitudes.

Supporting and coaching people through this stage of early doubt is vital.

Encourage and help people to grow and develop, and performance improvement is inevitable.

Motivation example 10 - 'this type of motivation takes too much time'

If you've absorbed the ideas above, you might wonder where you would find the time to motivate people using these approaches.

It is true that this style of leadership, sustainable motivation, commitment and focus is in the beginning more time consuming than 'KITA' methods; this is bound to be, since KITA methods require far less thought.

Engaging fully with your staff, understanding their wants, desires and values, getting to know them as individuals and developing strategies that achieve a continuous release of energy is more intensive and takes time to work.

But consider the advantages. This investment of time means you will eventually have less to do. Instead of constantly urging your people along and having to solve all the problems yourself, you'll be the leader of a group performing at a higher level of ability and productivity, giving you the chance to step back from fire-fighting and to consider the bigger picture.

Herzberg was not alone in identifying that leaders need invest in the development of their teams, and also of their own successors. The principles of Douglas McGregor's X-Y Theory is pretty central to all this too. So is Maslow's Hierarchy of Needs, from the individual growth perspective. Hersey's and Blanchard's Situation Leadership® model also illustrates clearly how important team development is for leaders and organizations. And see also Bruce Tuckman's 'Forming, Storming, Norming, Performing' model. All of these renowned theories clearly demonstrate the need for teams, and the individuals within them, to be positively led and developed.

Your responsibility as leader is to develop your team so that it can take on more and more of your own responsibility. A mature team should be virtually self-managing, leaving you free to concentrate on all the job-enhancing strategic aspects that you yourself need in order to keep motivated and developing.

Communicating with People
Hard to do Right the First Time

The actual exchange of understanding so that both the sender and listener(s) understand the message identically after telling it once is not normal. In fact, the actual exchange of complete understanding after explaining something only once is uncommon. That does not mean it is impossible, but it is very unusual. Understanding is the sender's goal, but it does not normally take place. This inescapable fact is illustrated by the following commonly used quotation:

I know you believe you understand what you think I said, but I am not sure you realized that what you heard is not what I meant.

Supervisors spend 60-90 percent of their time communicating. About 90 percent of this time is used making changes, adjustments and new assignments in order to keep the job on track. These changes are usually completed verbally with crews, individuals, supervisors and others.

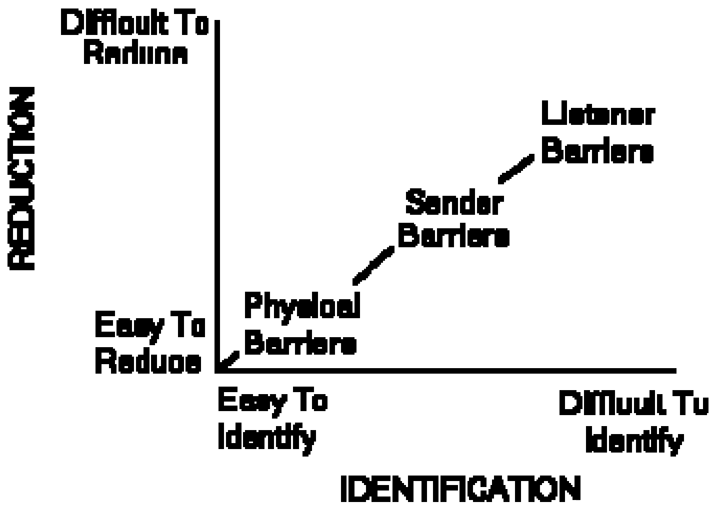
Verbal communication is relied upon heavily in the field because daily developments occur so rapidly that there is not time for written communication. It is not practical to write a memo for all the exchanges between office and field, supervisor and crew, craft to craft, architect to supervisor, and so on. Nothing would ever get done on schedule if you had to rely on written communication at the job site.

How effective is this heavy reliance on verbal communication? Research has proven that when people try hard to listen, they absorb only about half of what they hear. After a week, people remember only about 20 percent of what they actually heard. This indicates that people remember about 10 percent of any message after a week. That is, provided they listened carefully in the first place.

Communication Barriers

It is important to recognize the most common communication barriers and understand their negative impact on communication. Frequently, others are not influenced the way we want because we have failed to recognize and deal with communication barriers. In order to overcome these barriers, we must recognize their characteristics and their effects.

RELATIVE STRENGTH OF COMMUNICATIONS BARRIERS



The three kinds of communications barriers are Sender-message, physical, and listener-receiver. When effective exchange of understanding is not taking place, one or more of these barriers is getting in the way. When a barrier is present in a communication exchange, communication will suffer to some degree. The figure at the right illustrates the strength of the three barriers in relationship to our attempt to identify and reduce them. The figure illustrates that physical barriers are the easiest to identify and reduce or eliminate while the listener barriers are most often the hardest to identify and reduce or eliminate.

Acceptance of the responsibility of communication breakdown is quite a different matter. It is difficult to get anyone to admit that they might be the cause of ineffective communication. A sender feels that most communication problems are the fault of the listener or receiver. These people are not anxious to confess that they might be the cause of communication barriers. The same is true with the listeners. A listener feels that most communication problems are a result of sender or message caused communication barriers. They show little interest in accepting responsibility for poor or inadequate communication.

Listener Barriers

These barriers relate to the listeners **mind set**. Typical mind sets of listeners include not paying attention or daydreaming. The listener generally exhibits resistance toward the sender and/or the message. Listener resistance can also be characterized as **uneasy** communication, perhaps even confrontational communication.

Examples of listener barriers include:

1. Listener jumps to conclusions.
2. Listeners tend to see and hear what they want to see and hear. This usually means they listen to that which seems to agree with their own preconceived ideas.
3. Listeners tend to reject any message that contradicts their beliefs and assumptions.
4. Listeners may have emotional problems that cause their minds to be preoccupied.
5. Listeners do not ask questions to clarify when they do not understand a point. They tend to fill in with their own ideas.
6. Listeners may nod their heads in agreement when they actually do not agree or are not sure that they agree.

Listener barriers that arise in situations where communication is taking place for the first time usually happen by surprise after the exchange process starts. In situations such as disciplinary reviews, accident reviews or review of inadequate performance, the receiver may feel resistance at the start of the exchange process.

The title **Listener Barrier** fixes ownership of this barrier with the listener. Even so, it is the sender's responsibility to achieve understanding and therefore, the sender's responsibility to recognize and take action to overcome these barriers. Because the ownership of this barrier is with the listener, there tends to be reluctance by the sender and receiver (listener) to deal with (neutralize) this barrier. Following are some reasons:

- Sender may not discover listener resistance.
- Sender may be aware of listener resistance, but not know what to do about it.
- Sender may dislike or be disliked by the receiver.

- Sender may be aware of their resistance and not want to do anything about it.
- Listener feels resistance and does not understand why.

No matter what the cause of listener resistance or the reluctance to overcome it, it is necessary to neutralize listener resistance to achieve commitment.

Sender-Message Barriers

These barriers generally relate to style and content of communication, both of which originate with the sender. Examples of sender barriers include:

1. Sender has not decided or specified precisely what listener response is expected.
2. Sender incorrectly assumes the listener has adequate knowledge to understand the message.
3. Sender uses words and examples unfamiliar to the listener.
4. Sender continues talking when the listener's attention has been distracted (i.e. noise, uncomfortably cold or hot, other people, dangerous objects, etc.).
5. The sender may say the message in a way that turns of the listener or may even antagonize the listener to cause a totally different message to come through than the one intended.
6. The 500 most commonly used words in the English language have 14,070 dictionary meanings. They mean different things to different people.
7. More words are used than are necessary to convey the message, which forces the listener to make conclusions about which words carry the real meaning of the message.
8. More than one issue is included in a single message, which confuses the listener.
9. Illustrations or examples used may not be appropriate to get the point across to the listener.
10. The sender may intentionally **beat around the bush** and never get to the point of the communication.

Sender-message barriers start to develop before there is any attempt to exchange understanding with anyone else. They continue throughout the exchange whether the exchange is written, spoken, or a combination of both.

The title **Sender-Message** fixes ownership and responsibility for this barrier with the sender. Oftentimes, there is a reluctance to deal with (overcome) this kind of barrier for the following reasons:

- Sender may not be aware of the barrier's existence.
- Sender, in a supervisory position, may feel that the receiver is responsible for understanding.
- Senders may be aware of their existence, but not know what to do about it.
- Senders may be aware of their existence but feel that the urgency is too great to spend sufficient time to overcome it.
- Receivers may not be aware of their existence.
- Receiver may realize that a message is unclear or that the method or style of presentation is causing the barrier but hesitates to take a risk and mention it to the sender.

It is the sender's responsibility to achieve understanding and, therefore, the sender's responsibility to take action to overcome sender-message barriers and achieve commitment from the listener to respond as expected. Sender-message barriers are by far the most common barriers and contribute to more communication failures than physical and listener barriers combined.

Physical Barriers

These barriers usually relate to environmental factors that affect communication. In relation to the sender or the receiver of the communication, these barriers are neutral. They are not originated by the sender or the receiver. Common examples include:

1. Noise may make hearing difficult.
2. Listener hearing loss.
3. The temperature is uncomfortably cold or hot.
4. The communication may be taking place where there is danger.
5. Distracting activities may be going on nearby.

Physical or environmental barriers most often begin at the start of the communication exchange. They are usually fairly obvious and because they are neutral, there is not risk to anyone's ego for either the sender or receiver to mention physical barriers when they exist. It usually is a very simple matter to overcome them once they are acknowledged.

Even though physical barriers are neutral, and even though listeners commonly initiate action to overcome them, it is the sender's responsibility to achieve understanding. It is, therefore, the sender's responsibility to initiate action to overcome physical barriers to achieve commitment from the listener to respond as expected.

The Sender's Solution: Get Tell back

The solution to the Communication Problem is to have the listener(s) tell you back what they understood about the message. This practice can make sure the exchange of understanding takes place no matter how many barriers are present.

You can never be sure how your message is being received without checking to determine what the listener understands. However, if you continue to check a listener's understanding until the listener demonstrates complete understanding, you will achieve communication no matter how many barriers are in the way.

The single most important step in verbal communication is to check what part of your message was understood as intended. When you find out what your listener did not understand, you can explain or discuss that part of your message and check it again. You can keep the process going until the listener demonstrates that your complete message has been understood as intended.

Make it a practice to check with your production team members to determine what they understand of every message you give them. It is common for the sender to ask the listener, *Do you understand?* after giving directions or instructions. Often, they do not even know what they do not understand. People say *yes* legitimately because they do understand what they do understand.

Recall the research that indicated that people only get about 50 percent of any message when they listen? When you ask, *Do you understand?* The listener can say *yes* or *no*. What you are offering them is a 50 percent chance of making a liar out of themselves unknowingly. It is likely they only understand about 50 percent of the communication.

The only way you can find out what part of your message was understood is to have listeners tell you back what they understand. It is not uncommon to feel uneasy the first several times you ask for tell back. Practice will more than convince you of the benefits. It will make you a better communicator. It will also save you time. Requests tell back even when you are rushed.

Feedback

Feedback is different from tell back. Feedback is different from tell back. Feedback may add new information to the communication or contribute to the speaker's understanding of what he/she was talking about. Tell back merely restates what the speaker said to assure both speaker and listener that the listener understood what was said.

Guidelines for giving feedback

1. Note readiness of the receiver.

Give feedback only when there are clear indications the receiver is ready to listen to it. If not ready, the receiver may misinterpret it or not hear it at all.

2. Be descriptive, not interpretive.

Giving feedback should be like acting as a candid camera. Feedback is a clear report of the facts, rather than our ideas about why things happen or what was meant by them.

3. Use appropriately.

Feedback should be given when there is a good chance it can be used helpfully. It may not be helpful if the receiver feels there is currently other work that demands more attention. Or critical feedback in front of others may be more damaging than helpful.

4. Avoid the obvious.

There is a tendency in giving feedback to say only the obvious. Consider whether the idea or thought you are reacting to is really new information for the receiver.

5. Do not demand change.

Feedback is not a request for a change. Let the receiver, on the basis of new information; make up his or her mind whether to change. You may suggest a change, but don't say I have told you what's wrong with you, now change!

6. Do not overload.

When learning how to give feedback, we sometimes tend to overdo it. It's as though we were telling the receiver, I just happen to have a list of reactions here and if you'll settle back for a few hours I'll read them off to you. The receiver may prefer time to consider each item.

7. Be helpful.

Consider your own reasons for giving your reactions. Are you trying to be helpful to the receiver? Or are you unloading some of your own feelings or using the occasion to try to get the receiver to do something that would be helpful to you.

8. Keep in balance.

Giving feedback can become one-upmanship. The receiver goes away feeling not as good as the giver because it was his or her potential for improvement that was focused upon. The exchange often can be kept in better balance if the giver includes some feelings and concerns.

Guidelines for receiving feedback.

1. State what you want feedback about.

Help the giver provide useful reactions by asking for feedback about specific things.

2. Check what you have heard.

Use paraphrasing to be sure you understand the giver's message. You may react to the feedback before you are sure you heard correctly what was intended.

3. Share your reactions to the feedback.

As your own feelings become involved, you may forget to share your reactions to the feedback you have received. Knowing what was and what was not helpful assists the giver in improving skills at giving useful feedback. If he/she is uncertain about your reactions, he/she may be less apt to risk sharing in the future.

Job descriptions are important

Job descriptions improve an organization's ability to manage people and roles in the following ways:

- clarifies employer expectations for employee
- provides basis of measuring job performance
- provides clear description of role for job candidates
- provides a structure and discipline for company to understand and structure all jobs and ensure necessary activities, duties and responsibilities are covered by one job or another
- provides continuity of role parameters irrespective of manager interpretation
- enables pay and grading systems to be structured fairly and logically
- prevents arbitrary interpretation of role content and limit by employee and employer and manager
- essential reference tool in issues of employee/employer dispute
- essential reference tool for discipline issues
- provides important reference points for training and development areas
- provides neutral and objective (as opposed to subjective or arbitrary) reference points for appraisals, performance reviews and counseling
- enables formulation of skill set and behavior set requirements per role
- enables organization to structure and manage roles in a uniform way, thus increasing efficiency and effectiveness of recruitment, training and development, organizational structure, workflow and activities, customer service, etc
- enables factual view (as opposed to instinctual) to be taken by employees and managers in career progression and succession planning

Job description template:

- Job Title
- Based at (Business Unit, Section - if applicable)
- Position reports to (Line Manager title, location, and Functional Manager, location if matrix management structure)
- Job Purpose Summary (ideally one sentence)
- Key Responsibilities and Accountabilities, (or 'Duties'. 8-15 numbered points)
- Dimensions/Territory/Scope/Scale indicators (the areas to which responsibilities extend and the scale of responsibilities - staff, customers, territory, products, equipment, premises, etc)
- Date and other relevant internal references

For senior job descriptions it is useful to break key responsibilities into sections covering Functional, Managerial, and Organizational areas.

The most difficult part is the Key Responsibilities and Accountabilities section. Large organizations have generic versions for the most common organizational roles - so don't re-invent the wheel if something suitable already exists. If you have to create a job description from scratch, use this method to produce the 8-15 responsibilities:

1. Note down in a completely random fashion all of the aspects of the job.
2. Think about: processes, planning, executing, monitoring, reporting, communicating, and managing people / resources / activities / money / information / inputs / outputs / communications / time.
3. Next combine and develop the random collection of ideas into a set of key responsibilities. (A junior position will not need more than 8. A senior one might need 15.)
4. Rank them roughly in order of importance.
5. Have someone who knows or has done the job well check your list and amend as appropriate.
6. Double check that everything on the list is genuinely important and achievable.

Do not put targets into a job description. Targets are a moving output over which you need flexible control.

Do not put 'must achieve sales target' into a job description. This is a pure output and does not describe the job. The job description must describe the activities required to ensure that target will be met.

Do not have as one of the key responsibilities 'and anything else that the manager wants'. It's not fair, and no-one is ever committed to or accountable for such a thing.

If you are recruiting to fill a role it is important to formulate a person-profile to help with job advert wording; psychometric profiling; short listing; interviewing points to assess; and final selection.

Person-profile template:

- Personality
- Personal Situation
- Specific Job Skills
- Computer Skills
- Literacy and Numeracy
- Commercial Skills
- Management Ability

Tips on creating, introducing, and agreeing job descriptions

There are several ways to approach the need for new or updated job descriptions within an organization or department, and these methods can achieve some other useful benefits too. The workshop method is particularly effective and time-saving.

Workshop - people brainstorm and draft job descriptions in pairs or threes - ideas are shared, best formats agreed, and senior management is able to participate, guide and approve. This process for creating or revising job descriptions is also very good for creating a sense of ownership of responsibilities and accountabilities, and for clarifying mutual understanding and expectations.

Cascade a basic empty template down through staff, asking for each staff member to draft what they believe is their own JD, and for each person to provisionally agree/modify JD with their line boss. These drafts then come back up to center for review, adjustment, and re-issue. Also promotes useful discussion and clarification of expectations between staff members and their line-managers.

Draft provisional generic formats at center - then cascade through staff via line managers for comment/agreement, between staff members and line managers.

General points on creating or updating job descriptions:

Where you have a number of similar job functions, try to limit the main job description types to as few as possible. Reflect job differences in levels of authority, seniority and scale etc, in the parameters section of the main job description.

Encourage line managers to hold their own workshop meetings to arrive at shared best ideas and consensus.

Your trade association(s) might be able to assist with some generic job description samples. It's also worth asking large partners/customer organizations if they can show you their equivalent job descriptions, where they have similar jobs.

Writing job descriptions - guidelines

A good job description must be a brief concise document - not lots of detail of how each individual task is done, which should be in an operational manual, which can of course then be referenced by very many different job descriptions, saving lots of time, especially when operational details change, as they inevitably do.

A job description is in essence a list of 8-15 short sentences or points which cover the main responsibilities of the role, not the detailed processes.

Follow the job description structure and guidelines on this webpage - **don't get side-tracked or persuaded into writing an operational manual**. Detailed tasks belong in an operational manual, not a job description. If your boss or organization thinks your job description should contain the detail of how you do your job, and then encourage him/her/your organization to produce an operational manual instead and explain the logic and time-saving benefits that are shown on this page.

Use the job description structure on this webpage as a template into which you should put your main 8-15 responsibilities.

If you need to re-write job descriptions (or your own job description) then structure it in terms of main responsibilities - not the detail. If you wish, or if helpful to arrive at your main responsibilities, you can list the detail of your job tasks elsewhere, as this effectively represents a section in an operations manual - which shows the detail of how the job is done. You can use the detail to indicate (to yourself) the main responsibilities, but for the job description you must summarize the detail into broad descriptions, for example:

All the detail concerned with, for instance 'invoicing', could be covered by: 'manage and report on all invoicing activities using agreed systems and processes (as defined in the operational manual).'

All the detailed process concerned with, say 'cash management', could be included in 'manage movement, security and accounting of cash in accordance with agreed processes and standards (as defined in the operating manual).'

See what I mean? Try to identify the main activities by type, not the detail.

Where appropriate refer to where the detail is held (for example the operational manual, safety manual, or say 'agreed procedures/standards') - do not attempt to include the detail in the job description.

It might help to see things in terms of the main types of activities (rather than your specific task detail), as listed at the top of the webpage and listed here again:

Bold type indicates that these responsibility areas would normally feature in most job descriptions:

- **communicating (in relation to whom, what, how - and this is applicable to all below)**
- **Planning and organizing (of what...)**
- **Managing information or general administration support (of what...)**
- **Monitoring and reporting (of what...)**
- Evaluating and decision-making (of what...)
- Financial budgeting and control (of what...)
- Producing things (what...)
- Maintaining/repairing things (what...)
- Quality control (for production roles normally a separate responsibility; otherwise this is generally incorporated within other relevant responsibilities) (of what...)
- **health and safety (normally the same point for all job descriptions of a given staff grade)**
- Using equipment and systems (what...)
- Creating and developing things (what...)
- **self-development (normally the same point for all job descriptions of a given staff grade)**

Plus, any responsibilities for other staff if applicable, typically:

- recruiting (of direct-reporting staff)
- assessing (direct-reporting staff)
- training (direct-reporting staff)
- managing (direct-reporting staff)

Senior roles will include more executive aspects:

- developing policy
- duty of care and corporate responsibility
- formulation of direction and strategy

You will find that you can cluster most of the tasks on your (initially very long) list into a list of far fewer broad (but still specific) responsibilities according to the above examples of typical job description activity areas.

The tendency when having to create or re-write job descriptions is to under-estimate the strategic nature of the role and responsibilities, and to be too detailed.

If writing your own job description, especially if you perform a wide range of responsibilities in a small company, then try to be bold in the way you describe what you do - use the sort of terminology that is found in senior-level job descriptions - it is likely that you could have a similar type of strategic responsibility without realizing it or being recognized for it.

Doing this will help you and others to recognize, formalize and acknowledge the importance of what you do, and therefore your value to the organization. It will also suggest several ways in which you could grow and to develop (into) the functions involved, and also indicate ways that the responsibilities activities can be developed, whether you do them or not, although you may be surprised at the high level of your own influence to drive and decide these decisions. Empowerment is often what you make it.


Behavioral interviewing:
taking the guesswork out of recruitment
OHP-1
Memorably entertaining training
video arts

The key points:

Preparation

The preparation prior to an interview is as crucial in obtaining good behavioral evidence. Know what you are looking for or the skills and techniques exercised in the interview are likely to come to the wrong conclusion.

Read the documentation such as job description and person specification.

Decide the behavioral selection criteria for the job.

Be clear on what it is that distinguishes a good worker from a poor worker?

A clear focus on these features will help the interviewer to know what qualities to look for.

Prepare questions which will elicit behavioral answers - no hypothetical questions; focus on past actions not future ones.

Interview conduct

The primary consideration is to obtain sufficient valid information from the interview to allow a judgement to be made about the candidate's suitability and relative strengths and weaknesses. This rules out ***stressful*** interviews but not ***stretching*** interviews where penetrating questions may be asked without unduly upsetting the candidate.

At all times you should adopt an encouraging manner. Attempt to keep the candidate talking, by sympathetic nods and sounds if necessary. The candidate should remain in total ignorance of your own personal views although it is sometimes useful to express an opposing opinion to see how successful he or she is in defending their own point of view.

The interview is a ***two-way*** process; listen to the responses carefully and analyze what is being said.

Establishing rapport

Many factors combine to cause stress in a candidate, and most of these will be outside the control of the assessor. A lot of stress stems from the fact that the candidate is in setting in which he or she has little control and wishes to appear at their best.

Reduce stress as much as possible. The assessor can influence this (either positively or negatively) by their facial expression, body posture, gestures, tone of voice and questioning style.

It is extremely difficult, if not impossible, to exercise complete conscious control over these essential unconscious factors. The best way to appear friendly and benign is, to feel friendly and benign. The unconscious indicators will then follow naturally.

Questioning skills

The point about questions is that different types elicit different types of answer; some provide behavioral evidence and some do not. Using the right type of question at the right time is crucial to a successful interview. Every question must have a purpose and that is to gain evidence.

"Tell me about a time when you needed to implement something which affected other parts of the business." (consultation)

"Describe a time when you needed the co-operation of other teams or particular team members" (consultation and possibly flexibility)

"Think of a time when you have been presented with a barrier to achieving your goals. What did you do?" (flexibility, drive)

How helpful were her chums? Did they readily agree, or did she have to persuade them, if so how did she do it? (Consulting)

How did she decide on the best two to look at? (Responsibility, Planning)

What criteria did she use when assessing the systems? (Responsibility, Planning)

How did the negotiations go? What did she achieve and what did she say to win it? (Cost controller)

The first broad distinction to understand is between open and closed questions.

Open questions

Require the candidate to string more than one or two words together in order to answer.

Closed questions

These questions can be answered with a "yes" or "no" response. They are useful for checking facts and understanding.

Unfortunately, the simple division between open and closed questions is not the only one. Within the open and closed categories there are further sub-divisions.

For example, as you will see below, leading questions can be open or closed and multiple questions can be both. There are some questions to be avoided.

Avoid

Leading questions

Questions that lead the candidate to the answer you wish to hear are counterproductive. In order to ask questions that gather evidence you must keep your mind open.

Seeking to confirm a conclusion

Many interviewers try to work things out in their own mind and then spend their time at the interview seeking to confirm their conclusion.

Giving away your view

In this type of leading question, the interviewer hints at or sometimes blatantly gives his or her point of view. The candidate is likely to trim his or her sails and tell you what you want to hear. If you do need to put contrary views try a third-party approach.

Answering your own questions

Don't be tempted to answer your own questions, either by jumping in too soon to help the candidate out, or by giving a number of alternatives for the candidate to choose from- some of which they may never have thought of for themselves.

Vague questions

These are questions that do not gather evidence because they are either not specific or not practical. Remember what constitutes evidence:

Behavioral – behavior in a certain situation
Situational – application of mind to problems

Theoretical questioning

Theoretical questions are useful when the candidate has no experience in the area you wish to explore or where you wish to test their intellectual application to situations that are new to them by asking them how they would respond.

They should be AVOIDED for BEHAVIOURAL evidence.

Complicated questions

There are long-winded questions which confuse the candidate and probably the interviewer. They waste time because they involve the interviewer talking and the candidate listening - while you are talking you are not gathering evidence.

Multiple questions

Again, these can lead to confusion and loss of control.

Correct questions

Introductory questions (broad questions)

These are open questions that are used to lead into topic areas, to pave the way for further probing. They allow the candidate to expand on points and produce leads for the interviewers to pick up on.

Probing questions

These questions seek out more detail on what actually happened, they are usually open but can be closed.

Bridging questions

These can be used to steer the interview to ensure a smooth flow, they refer to earlier comments and ask for more detail.

Key word/phrase repetition

This is where the interviewer cues the candidate to elaborate on a particular point by repeating the key word or phrase with an enquiring intonation.

Words which help candidates think behaviorally

Give me an example/ an instance of…

What exactly/specifically…

What did you personally…

What precisely…

Think of one instance/person…

Funneling

Start with open questions: - How, which, why, what and who?

Get the candidate to think of a ***specific*** situation or person, if they have more than one person in mind get them to select one of them.

Ask questions which get you to the actions they ***personally*** took or what they ***actually,*** said in that situation or to that person.

Take them back to the start of the situation and ask them to talk you through what happened ***one step at a time***. Take them back a stage if they skip something. Phrases that work well are "What happened next?" or "What did you do next?

Contra evidence

If you are forming a particular view of a candidate, whether good or bad, then ask questions about the opposite. For example, if a candidate appears to have had a problem with a colleague ask them about a time a colleague was helpful, or they helped out a colleague.

Funnel hopping

If a funnel produces an example which is weak or they haven't really experienced what you are looking for in that example ask if they have experienced it in another role/situation. If so, this saves time in building a funnel from scratch.

Active listening

Don't make assumptions. Ask the candidate to explain what they mean and to fill in any gaps in the story.

Analyze what they are saying; build a picture in your mind; think of problems they may have encountered then ask an *open* or *closed* question to check – not a *leading* question.

Listen for strong or emotive words and phrases and follow these up.

Listen for generalizations; words like "usually", "generally", "normally". Get them to give an example of a particular time it happened, or a specific example.

Decision making

Look for behavioral evidence on each selection criterion. Remember, behavioral evidence is what they actually did or said in a particular situation they have actually experienced – not what they would do.

Weight the evidence. The more *recent* the example the better the evidence.

Look for *trends* rather than one off experiences. Look for the negative behaviors which would seriously *impact* on their ability to do the job. Remember that everyone has weaknesses; decide can you live with them for this job?

Interviews Tips

1. You must make notes of the questions you intend to ask - otherwise you'll forget.
2. Decide the essential things you need to learn and prepare questions to probe them.
3. Plan the environment - privacy, no interruptions, ensure the interviewee is looked after while they wait.
4. Arrange the seating in an informal relaxed way. Don't sit behind a desk directly facing the interviewee - sit around a coffee table or meeting room table.
5. Clear your desk, apart from what you need for the interview, so it shows you've prepared and are organized, which shows you respect the situation and the interviewee.
6. Put the interviewee at ease - it's stressful for them, so don't make it any worse.
7. Begin by explaining clearly and concisely the general details of the organization and the role.
8. Ask open-ended questions - how, why, tell me, what, (and to a lesser extent where, when, which) to get the interviewee talking.
9. Make sure the interviewee does 90% of the talking.
10. Use 'Why?' often to probe reasons, thinking and to get to the real motives and feelings.
11. High pressure rarely exposes hidden issues - calm, relaxed, gentle, clever questions do.
12. Probe the cv/resume/application form to clarify any unclear points.
13. If possible, and particular for any position above first line, use some form of psychometric test, or graphology, and have the results available for the interview, so you can discuss them with the interviewee. Always give people the

results of their tests. Position the test as a helpful discussion point, not the deciding factor. Take care when giving the test to explain and reassure.

References

As an employer - employers should always follow up and check successful job interview candidates' references. Not to do so is irresponsible, especially if recruiting for jobs that carry serious responsibilities, such as working with children, disabled people, sensitive data, money, valuables, etc.

You must inform or ask permission from the candidate prior to checking their references.

The extent and depth to which references should be checked depend on the situation and the referees given by the job applicant. Certainly, make job offers conditional to satisfactory checking of references, and if as an employer you are not happy about the referees provided then ask for others. Checking references can be a very sensitive area, so care needs to be used. Many references will not be comfortable providing personal information about a person, not least due to fear of defaming someone and the liabilities concerned. Postal reference checking is an alternative to telephoning, although many references feel less comfortable effectively making a written record of negative comments and may be more forthcoming in a telephone conversation.

Refusal to provide a reference about someone is obviously not a helpful sign, and considerable positive feedback from reliable alternative references would normally be required to proceed with a job offer following such a response.

Bear in mind also that the reference may have their own agenda. Take care to interpret carefully any personal comments which might stem from personality clash. Try to concentrate on facts with evidenced examples rather than opinions.

References should definitely be checked concerning job-critical areas (relevant to the new job for which serious liabilities might exist if candidate is not telling the truth), as should any areas of suspicion or doubt that cannot be resolved/proven for sure at interview.

And for everyone, irrespective of satisfaction with interview answers, it is important to check some basic facts with past employers to ensure that the candidate has not been telling a pack of lies.

Possible areas to check (a sort of checklist - not a fixed agenda):

- CV/career history, dates, salaries.
- Qualifications and training.
- Personal details, age, etc.
- Claims about achievements and performance in past jobs.
- Personality and relationships at work.
- Domestic situation, financial situation.

Seek local qualified advice from your HR department or advisor if in doubt, and also if you want to use a postal reference checking method, since most HR departments will already have a standard approved document for this purpose.

PAINless performance improvement

Performance Improvement Discussions – How Do I Dread Thee?

Take a few minutes to assess your uneasiness with performance improvement discussions.

When I get ready to meet with someone to talk about a performance problem, I:

a. Break out in a cold sweat.
b. Try to think of a reason to reschedule until tomorrow.
c. Feel giddy with anticipation.

Instead of having a performance improvement discussion this afternoon with one of my employees, I would rather:

a. Have a root canal.
b. Take the day off.
c. Move it up to this morning.

It's been a month since I last had to deal with a performance problem on my team and I am:

a. Dreading the next problem.
b. Hoping nothing comes up but will address it if it does.
c. Anxiously awaiting the next time that one of my employees messes up.

Working with employees to improve their performance is the:

a. Worst part of my job.
b. Is an important part of my job.
c. Best part of my job.

The statement that best describes how I feel about performance improvement is:

a. "Do I have to?"
b. "I don't like it but I know it's important so I'll do it."
c. "I can't believe they pay me to do this!"

Scoring

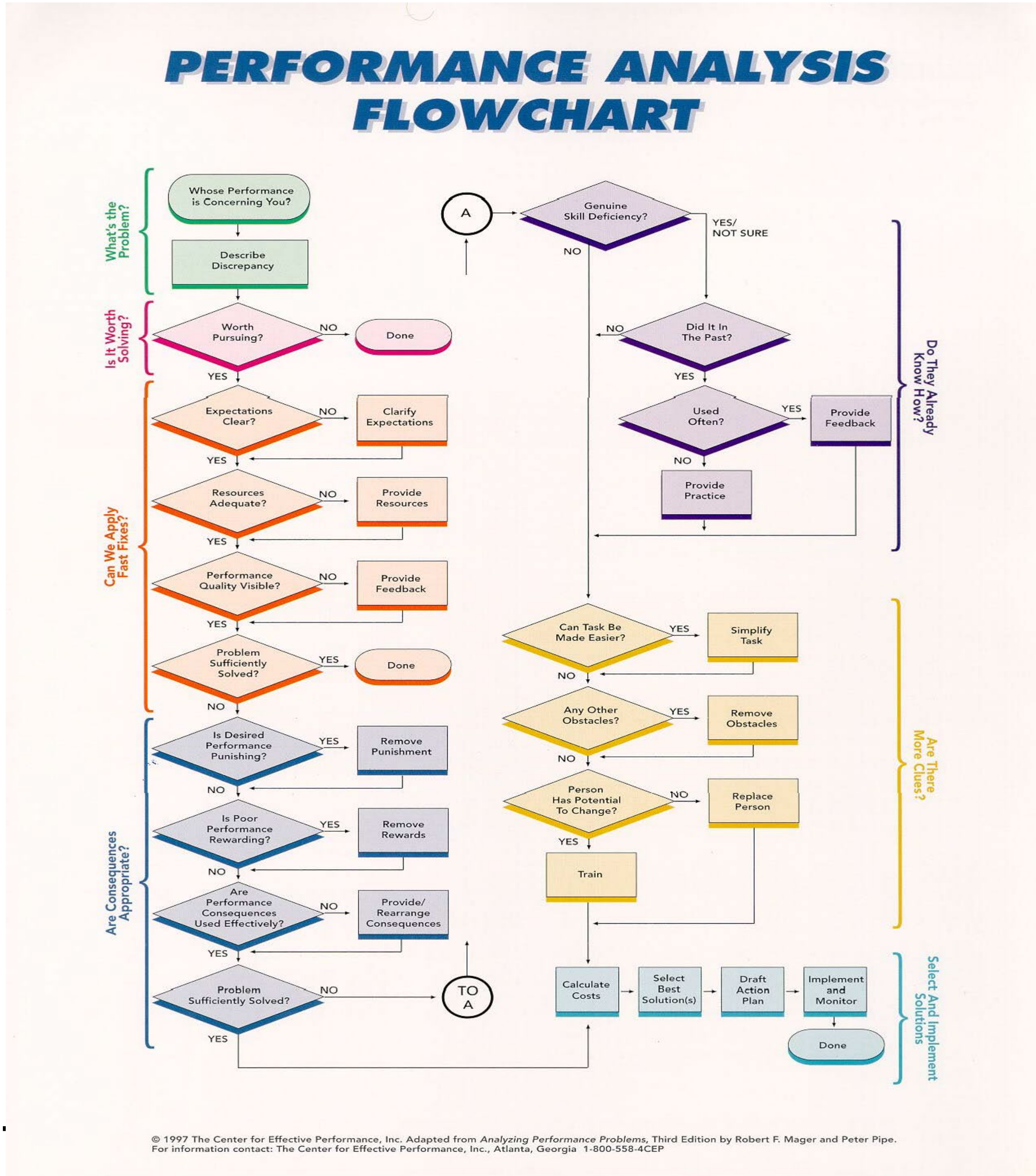
Count the number of a, b, and c responses you have and record them below.
Number of responses: a. ______ b. _____ c. _____

If the majority of your responses are:

a. You believe performance improvement discussions are wrought with conflict. In case it makes you feel any better, you're not alone! The good news is that after you finish this training, we're confident you won't look forward to letting a dentist grind through one of your molars just to avoid a performance improvement discussion.

b. You may look for reasons to legitimately postpone a performance improvement discussion, but you understand its importance. The good news is that when you finish this training, you'll feel much more comfortable and confident when you meet with an employee to discuss poor performance.

c. We're a little worried about you. Either you need a vacation or you need to go back and complete the activity again. We're guessing you were a bit optimistic with your responses.


PERFORMANCE ANALYSIS FLOWCHART
What's the Problem?
Whose Performance is Concerning You?
Describe Discrepancy
Is It Worth Solving?
Worth Pursuing?
NO
Done
YES
Can We Apply Fast Fixes?
Expectations Clear?
NO
Clarify Expectations
YES
Resources Adequate?
NO
Provide Resources
YES
Performance Quality Visible?
NO
Provide Feedback
YES
Problem Sufficiently Solved?
YES
Done
NO
Are Consequences Appropriate?
Is Desired Performance Punishing?
YES
Remove Punishment
NO
Is Poor Performance Rewarding?
YES
Remove Rewards
NO
Are Performance Consequences Used Effectively?
NO
Provide/ Rearrange Consequences
YES
Problem Sufficiently Solved?
NO
TO A
YES
A
Genuine Skill Deficiency?
YES/ NOT SURE
NO
Do They Already Know How?
Did It In The Past?
NO
YES
Used Often?
YES
Provide Feedback
NO
Provide Practice
Are There More Clues?
Can Task Be Made Easier?
YES
Simplify Task
NO
Any Other Obstacles?
YES
Remove Obstacles
NO
Person Has Potential To Change?
NO
Replace Person
YES
Train
Select And Implement Solutions
Calculate Costs
Select Best Solution(s)
Draft Action Plan
Implement and Monitor
Done
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For information contact: The Center for Effective Performance, Inc., Atlanta, Georgia 1-800-558-4CEP

Quick Reference Guide

Use the following guide as a way to help others see why they "really oughta wanna" re-evaluate solutions they have already decided upon.

I. Describe the problem

1. What is the performance discrepancy?
   a. Whose performance is at issue?
   b. Why is there said to be a problem?
   c. What is the actual performance at issue?
   d. What is the desired performance?

2. Is is worth pursuing?
   a. What would happen if I let it alone?
   b. Are our expectations reasonable?
   c. What are the consequences caused by the discrepancy?
   d. Is that cost enough to justify going on?

II. Explore Fast Fixes

3. Can we apply fast fixes?
   a. Do those concerned know what is expected of them?
   b. Can those concerned describe desired performance? Expected accomplishments?
   c. Are there obvious obstacles to performance?
   d. Do these people get feedback on how they are doing?

III. Check Consequences

4. Is desired performance punishing?
   a. What are the consequences of performing as desired?
   b. Is it actually punishing or perceived as punishing?

5. Is undesired performance rewarding?
   a. What rewards, prestige, status, or comfort support the present way of doing things?
   b. Does misbehaving get more attention than doing it right?

6. Are there any consequences at all?
   a. Does desired performance lead to consequences that the performer sees as favorable?

IV. Enhance Competence

7. Is it a skill deficiency?
   a. Could they do it if their lives depended on it, i.e., could they do it if they really had to?
   b. Could they once perform the task but have forgotten how?
   c. Is the skill used often?

V. Remove Other Obstacles

8. Can the task be simplified?
   a. Particularly for "hurry up" demands, can I reduce the standards by which performance is judged?
   b. Can I provide some sort of performance aid?
   c. Can I redesign the workplace or provide other physical help?
   d. Can I parcel off part of the job to someone else or arrange a job swap?

9. Does something get in the way of doing it right?
   a. Lack of knowledge about what's expected?
   b. Conflicting demands?
   c. Restrictive policies?

10. Is it likely that this person could learn to do the job?
    a. Does this person lack the physical or mental potential to perform as desired?
    b. Is this person over-qualified for this job?

VI. Develop Solutions

11. Which solution is best?
    a. Have all potential solutions been identified?
    b. Does each address one or more parts of the problem(s)?
    c. Have estimates of any intangible costs of the problem(s) been included?
    d. What is the cost of each potential solution?
    e. Which solution(s) are most practical, feasible, and economical?
    f. Which yields most value, solving the largest part of the problem(s) for least effort?

Discrimination

http://www.eeoc.gov/types/index.html

Protected Classes:

Age Discrimination

The Age Discrimination in Employment Act of 1967 (ADEA) protects individuals who are 40 years of age or older from employment discrimination based on age. The ADEA's protections apply to both employees and job applicants. Under the ADEA, it is unlawful to discriminate against a person because of his/her age with respect to any term, condition, or privilege of employment, including hiring, firing, promotion, layoff, compensation, benefits, job assignments, and training.

It is also unlawful to retaliate against an individual for opposing employment practices that discriminate based on age or for filing an age discrimination charge, testifying, or participating in any way in an investigation, proceeding, or litigation under the ADEA.

The ADEA applies to employers with 20 or more employees, including state and local governments. It also applies to employment agencies and labor organizations, as well as to the federal government. ADEA protections include:

Apprenticeship Programs

It is generally unlawful for apprenticeship programs, including joint labor-management apprenticeship programs, to discriminate on the basis of an individual's age. Age limitations in apprenticeship programs are valid only if they fall within certain specific exceptions under the ADEA or if the EEOC grants a specific exemption.

Job Notices and Advertisements

The ADEA generally makes it unlawful to include age preferences, limitations, or specifications in job notices or advertisements. A job notice or advertisement may specify an age limit only in the rare circumstances where age is shown to be a "bona fide occupational qualification" (BFOQ) reasonably necessary to the normal operation of the business.

Pre-Employment Inquiries

The ADEA does not specifically prohibit an employer from asking an applicant's age or date of birth. However, because such inquiries may deter older workers from applying for employment or may otherwise indicate possible intent to discriminate based on age, requests for age information will be closely scrutinized to make sure that the inquiry was made for a lawful purpose, rather than for a purpose prohibited by the ADEA.

Benefits

The Older Workers Benefit Protection Act of 1990 (OWBPA) amended the ADEA to specifically prohibit employers from denying benefits to older employees. Congress recognized that the cost of providing certain benefits to older workers is greater than the cost of providing those same benefits to younger workers, and that those greater costs would create a disincentive to hire older workers. Therefore, in limited circumstances, an employer may be permitted to reduce benefits based on age, as long as the cost of providing the reduced benefits to older workers is the same as the cost of providing benefits to younger workers.

Waivers of ADEA Rights

An employer may ask an employee to waive his/her rights or claims under the ADEA either in the settlement of an ADEA administrative or court claim or in connection with an exit incentive program or other employment termination program. However, the ADEA, as amended by OWBPA, sets out specific minimum standards that must be met in order for a waiver to be considered knowing and voluntary and, therefore, valid. Among other requirements, a valid ADEA waiver must:

1. be in writing and be understandable;
2. specifically refer to ADEA rights or claims;
3. not waive rights or claims that may arise in the future;
4. be in exchange for valuable consideration;

5. advise the individual in writing to consult an attorney before signing the waiver; and
6. provide the individual at least 21 days to consider the agreement and at least seven days to revoke the agreement after signing it.

If an employer requests an ADEA waiver in connection with an exit incentive program or other employment termination program, the minimum requirements for a valid waiver are more extensive.

Disability Discrimination

Title I of the Americans with Disabilities Act of 1990 prohibits private employers, state and local governments, employment agencies and labor unions from discriminating against qualified individuals with disabilities in job application procedures, hiring, firing, advancement, compensation, job training, and other terms, conditions, and privileges of employment. The ADA covers employers with 15 or more employees, including state and local governments. It also applies to employment agencies and to labor organizations. The ADA's nondiscrimination standards also apply to federal sector employees under section 501 of the Rehabilitation Act, as amended, and it's implementing rules.

An individual with a disability is a person who:

Has a physical or mental impairment that substantially limits one or more major life activities;

Has a record of such an impairment; or

Is regarded as having such an impairment.

A qualified employee or applicant with a disability is an individual who, with or without reasonable accommodation, can perform the essential functions of the job in question. Reasonable accommodation may include, but is not limited to:

Making existing facilities used by employees readily accessible to and usable by persons with disabilities.

Job restructuring, modifying work schedules, reassignment to a vacant position;

Acquiring or modifying equipment or devices, adjusting or modifying examinations, training materials, or policies, and providing qualified readers or interpreters.

An employer is required to make a reasonable accommodation to the known disability of a qualified applicant or employee if it would not impose an "undue hardship" on the operation of the employer's business. Undue hardship is defined as an action requiring significant difficulty or expense when considered in light of factors such as an employer's size, financial resources, and the nature and structure of its operation.

An employer is not required to lower quality or production standards to make an accommodation; nor is an employer obligated to provide personal use items such as glasses or hearing aids.

Title I of the ADA also covers:

Medical Examinations and Inquiries

Employers may not ask job applicants about the existence, nature, or severity of a disability. Applicants may be asked about their ability to perform specific job functions. A job offer may be conditioned on the results of a medical examination, but only if the examination is required for all entering employees in similar jobs. Medical examinations of employees must be job related and consistent with the employer's business needs.

Drug and Alcohol Abuse

Employees and applicants currently engaging in the illegal use of drugs are not covered by the ADA when an employer acts on the basis of such use. Tests for illegal drugs are not subject to the ADA's restrictions on medical examinations. Employers may hold illegal drug users and alcoholics to the same performance standards as other employees.

It is also unlawful to retaliate against an individual for opposing employment practices that discriminate based on disability or for filing a discrimination charge, testifying, or participating in any way in an investigation, proceeding, or litigation under the ADA.

Equal Pay and Compensation Discrimination

The right of employees to be free from discrimination in their compensation is protected under several federal laws, including the following enforced by the U.S. Equal Employment Opportunity Commission (EEOC): the Equal Pay Act of 1963, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, and Title I of the Americans with Disabilities Act of 1990.

The Equal Pay Act requires that men and women be given equal pay for equal work in the same establishment. The jobs need not be identical, but they must be substantially equal. It is job content, not job titles, that determines whether jobs are substantially equal. Specifically, the EPA provides:

Employers may not pay unequal wages to men and women who perform jobs that require substantially equal skill, effort and responsibility, and that are performed under similar working conditions within the same establishment. Each of these factors is summarized below:

> **Skill** - Measured by factors such as the experience, ability, education, and training required to perform the job. The key issue is what skills are required for the job, not what skills the individual employees may have. For example, two bookkeeping jobs could be considered equal under the EPA even if one of the job holders has a master's degree in physics, since that degree would not be required for the job.
>
> **Effort** - The amount of physical or mental exertion needed to perform the job. For example, suppose that men and women work side by side on a line assembling machine parts. The person at the end of the line must also lift the assembled product as he or she completes the work and place it on a board. That job requires more effort than the other assembly line jobs if the extra effort of lifting the assembled product off the line is substantial and is a regular part of the job. As a result, it would not be a violation to pay that person more, regardless of whether the job is held by a man or a woman.

Responsibility - The degree of accountability required in performing the job. For example, a salesperson who is delegated the duty of determining whether to accept customers' personal checks has more responsibility than other salespeople. On the other hand, a minor difference in responsibility, such as turning out the lights at the end of the day, would not justify a pay differential.

Working Conditions - This encompasses two factors: (1) physical surroundings like temperature, fumes, and ventilation; and (2) hazards.

Establishment - The prohibition against compensation discrimination under the EPA applies only to jobs within an establishment. An establishment is a distinct physical place of business rather than an entire business or enterprise consisting of several places of business. However, in some circumstances, physically separate places of business should be treated as one establishment. For example, if a central administrative unit hires employees, sets their compensation, and assigns them to work locations, the separate work sites can be considered part of one establishment.

Pay differentials are permitted when they are based on seniority, merit, quantity or quality of production, or a factor other than sex. These are known as "affirmative defenses" and it is the employer's burden to prove that they apply.

In correcting a pay differential, no employee's pay may be reduced. Instead, the pay of the lower paid employee(s) must be increased.

Title VII, ADEA, and ADA

Title VII, the ADEA, and the ADA prohibit compensation discrimination on the basis of race, color, religion, sex, national origin, age, or disability. Unlike the EPA, there is no requirement under Title VII, the ADEA, or the ADA that the claimant's job be substantially equal to that of a higher paid person outside the claimant's protected class, nor do these statutes require the claimant to work in the same establishment as a comparator.

Compensation discrimination under Title VII, the ADEA, or the ADA can occur in a variety of forms. For example:

An employer pays an employee with a disability less than similarly situated employees without disabilities and the employer's explanation (if any) does not satisfactorily account for the differential.

A discriminatory compensation system has been discontinued but still has lingering discriminatory effects on present salaries. For example, if an employer has a compensation policy or practice that pays Hispanics lower salaries than other employees, the employer must not only adopt a new non- discriminatory compensation policy, it also must affirmatively eradicate salary disparities that began prior to the adoption of the new policy and make the victims whole.

An employer sets the compensation for jobs predominately held by, for example, women or African-Americans below that suggested by the employer's job evaluation study, while the pay for jobs predominately held by men or whites is consistent with the level suggested by the job evaluation study.

An employer maintains a neutral compensation policy or practice that has an adverse impact on employees in a protected class and cannot be justified as job-related and consistent with business necessity. For example, if an employer provides extra compensation to employees who are the "head of household," i.e., married with dependents and the primary financial contributor to the household, the practice may have an unlawful disparate impact on women.

It is also unlawful to retaliate against an individual for opposing employment practices that discriminate based on compensation or for filing a discrimination charge, testifying, or participating in any way in an investigation, proceeding, or litigation under Title VII, ADEA, ADA or the Equal Pay Act.

National Origin Discrimination

Whether an employee or job applicant's ancestry is Mexican, Ukrainian, Filipino, Arab, American Indian, or any other nationality, he or she is entitled to the same employment opportunities as anyone else. EEOC enforces the federal prohibition against national origin discrimination in employment under Title VII of the Civil Rights Act of 1964, which covers employers with fifteen (15) or more employees.

"With American society growing increasingly diverse, protection against national origin discrimination is vital to the right of workers to compete for jobs on a level playing field," said EEOC Chair Cari M. Dominguez, announcing the issuance of recent guidance on national origin discrimination. "Immigrants have long been an asset to the American workforce. This is more true than ever in today's increasingly global economy. Recent world events, including the events of September 11, 2001, only add to the need for employers to be vigilant in ensuring a workplace free from discrimination."

About National Origin Discrimination

National origin discrimination means treating someone less favorably because he or she comes from a particular place, because of his or her ethnicity or accent, or because it is believed that he or she has a particular ethnic background. National origin discrimination also means treating someone less favorably at work because of marriage or other association with someone of a particular nationality. Examples of violations covered under Title VII include:

Employment Decisions

Title VII prohibits any employment decision, including recruitment, hiring, and firing or layoffs, based on national origin.

Harassment

Title VII prohibits offensive conduct, such as ethnic slurs, that creates a hostile work environment based on national origin. Employers are required to take appropriate steps to prevent and correct unlawful harassment. Likewise, employees are responsible for reporting harassment at an early stage to prevent its escalation.

Language

- Accent discrimination

An employer may not base a decision on an employee's foreign accent unless the accent materially interferes with job performance.

- English fluency

A fluency requirement is only permissible if required for the effective performance of the position for which it is imposed.

- English-only rules

English-only rules must be adopted for nondiscriminatory reasons. An English-only rule may be used if it is needed to promote the safe or efficient operation of the employer's business.

Coverage of foreign nationals

Title VII and the other antidiscrimination laws prohibit discrimination against individuals employed in the United States, regardless of citizenship. However, relief may be limited if an individual does not have work authorization.

Pregnancy Discrimination

The Pregnancy Discrimination Act is an amendment to Title VII of the Civil Rights Act of 1964. Discrimination on the basis of pregnancy, childbirth, or related medical conditions constitutes unlawful sex discrimination under Title VII, which covers employers with 15 or more employees, including state and local governments. Title VII also applies to employment agencies and to labor organizations, as well as to the federal government. Women who are pregnant or affected by related conditions must be treated in the same manner as other applicants or employees with similar abilities or limitations.

Title VII's pregnancy-related protections include:

Hiring

An employer cannot refuse to hire a pregnant woman because of her pregnancy, because of a pregnancy-related condition or because of the prejudices of co-workers, clients, or customers.

Pregnancy and Maternity Leave

An employer may not single out pregnancy-related conditions for special procedures to determine an employee's ability to work. However, if an employer requires its employees to submit a doctor's statement concerning their inability to work before granting leave or paying sick benefits, the employer may require employees affected by pregnancy-related conditions to submit such statements.

If an employee is temporarily unable to perform her job due to pregnancy, the employer must treat her the same as any other temporarily disabled employee. For example, if the employer allows temporarily disabled employees to modify tasks, perform alternative assignments or take disability leave or leave without pay, the employer also must allow an employee who is temporarily disabled due to pregnancy to do the same.

Pregnant employees must be permitted to work as long as they are able to perform their jobs. If an employee has been absent from work as a result of a pregnancy-related condition and recovers, her employer may not require her to remain on leave until the baby's birth. An employer also may not have a rule that prohibits an employee from returning to work for a predetermined length of time after childbirth.

Employers must hold open a job for a pregnancy-related absence the same length of time jobs are held open for employees on sick or disability leave.

Health Insurance

Any health insurance provided by an employer must cover expenses for pregnancy-related conditions on the same basis as costs for other medical conditions. Health insurance for expenses arising from abortion is not required, except where the life of the mother is endangered.

Pregnancy-related expenses should be reimbursed exactly as those incurred for other medical conditions, whether payment is on a fixed basis or a percentage of reasonable-and-customary-charge basis.

The amounts payable by the insurance provider can be limited only to the same extent as amounts payable for other conditions. No additional, increased, or larger deductible can be imposed.

Employers must provide the same level of health benefits for spouses of male employees as they do for spouses of female employees.

Fringe Benefits

Pregnancy-related benefits cannot be limited to married employees. In an all-female workforce or job classification, benefits must be provided for pregnancy-related conditions if benefits are provided for other medical conditions.

If an employer provides any benefits to workers on leave, the employer must provide the same benefits for those on leave for pregnancy-related conditions.

Employees with pregnancy-related disabilities must be treated the same as other temporarily disabled employees for accrual and crediting of seniority, vacation calculation, pay increases, and temporary disability benefits.

It is also unlawful to retaliate against an individual for opposing employment practices that discriminate based on pregnancy or for filing a discrimination charge, testifying, or participating in any way in an investigation, proceeding, or litigation under Title VII.

Race-Based Discrimination

Title VII of the Civil Rights Act of 1964 protects individuals against employment discrimination on the bases of race and color, as well as national origin, sex, and religion. Title VII applies to employers with 15 or more employees, including state and local governments. It also applies to employment agencies and to labor organizations, as well as to the federal government.

It is unlawful to discriminate against any employee or applicant for employment because of his/her race or color in regard to hiring, termination, promotion, compensation, job training, or any other term, condition, or privilege of employment. Title VII also prohibits employment decisions based on stereotypes and assumptions about abilities, traits, or the performance of individuals of certain racial groups. Title VII prohibits both intentional discrimination and neutral job policies that disproportionately exclude minorities and that are not job related.

Equal employment opportunity cannot be denied because of marriage to or association with an individual of a different race; membership in or association with ethnic based organizations or groups; or attendance or participation in schools or places of worship generally associated with certain minority groups.

Title VII violations include:

Race-Related Characteristics and Conditions

Discrimination on the basis of an immutable characteristic associated with race, such as skin color, hair texture, or certain facial features violates Title VII, even though not all members of the race share the same characteristic. Title VII also prohibits discrimination on the basis of a condition that predominantly affects one race unless the practice is job related and consistent with business necessity. For example, since sickle cell anemia predominantly occurs in African-Americans, a policy that excludes individuals with sickle cell anemia must be job related and consistent with business necessity. Similarly, a "no-beard" employment policy may discriminate against African-American men who have a predisposition to pseudo folliculitis barbae (severe shaving bumps) unless the policy is job related and consistent with business necessity.

Harassment

Harassment on the basis of race and/or color violates Title VII. Ethnic slurs, racial "jokes," offensive or derogatory comments, or other verbal or physical conduct based on an individual's race/color constitutes unlawful harassment if the conduct creates an intimidating, hostile, or offensive working environment or interferes with the individual's work performance.

Segregation and Classification of Employees

Title VII is violated where employees who belong to a protected group are segregated by physically isolating them from other employees or from customer contact. In addition, employers may not assign employees according to race or color. For example, Title VII prohibits assigning primarily African- Americans to predominantly African-American establishments or geographic areas. It is also illegal to exclude members of one group from particular positions or to group or categorize employees or jobs so that certain jobs are generally held by members of a certain protected group. Coding applications/resumes to designate an applicant's race, by either an employer or employment agency, constitutes evidence of discrimination where people of a certain race or color are excluded from employment or from certain positions.

Pre-Employment Inquiries

Requesting pre-employment information that discloses or tends to disclose an applicant's race strongly suggests that race will be used unlawfully as a basis for hiring. Therefore, if members of minority groups are excluded from employment, the request for such pre-employment information would likely constitute evidence of discrimination.

If an employer legitimately needs information about its employees' or applicants' race for affirmative action purposes and/or to track applicant flow, it may obtain racial information and simultaneously guard against discriminatory selection by using "tear-off sheets" for the identification of an applicant's race. After the applicant completes the application and the tear- off portion, the employer separates the tear-off sheet from the application and does not use it in the selection process.

It is also unlawful to retaliate against an individual for opposing employment practices that discriminate based on race or color, or for filing a discrimination charge, testifying, or participating in any way in an investigation, proceeding, or litigation under Title VII.

Religious Discrimination

Title VII of the Civil Rights Act of l964 prohibits employers from discriminating against individuals because of their religion in hiring, firing, and other terms and conditions of employment. Title VII covers employers with 15 or more employees, including state and local governments. It also applies to employment agencies and to labor organizations, as well as to the federal government.

Under Title VII:

Employers may not treat employees or applicants less - or more - favorably because of their religious beliefs or practices. For example, an employer may not refuse to hire individuals of a certain religion, may not impose stricter promotion requirements for persons of a certain religion, and may not impose more or different work requirements on an employee because of that employee's religious beliefs or practices.

Employees cannot be forced to participate -- or not participate -- in a religious activity as a condition of employment.

Employers must reasonably accommodate employees sincerely held religious beliefs or practices unless doing so would impose an undue hardship on the employer. A reasonable religious accommodation is any adjustment to the work environment that will allow the employee to practice his religion. Flexible scheduling, voluntary substitutions or swaps, job reassignments and lateral transfers and modifying workplace practices, policies and/or procedures are examples of how an employer might accommodate an employee's religious beliefs.

An employer is not required to accommodate an employee's religious beliefs and practices if doing so would impose an undue hardship on the employers' legitimate business interests. An employer can show undue hardship if accommodating an employee's religious practices requires more than ordinary administrative costs, diminishes efficiency in other jobs, infringes on other employees' job rights or benefits, impairs workplace safety, causes co-workers to carry the accommodated employee's share of potentially hazardous or burdensome work, or if the proposed accommodation conflicts with another law or regulation.

Employers must permit employees to engage in religious expression if employees are permitted to engage in other personal expression at work, unless the religious expression would impose an undue hardship on the employer. Therefore, an employer may not place more restrictions on religious expression than on other forms of expression that have a comparable effect on workplace efficiency.

Employers must take steps to prevent religious harassment of their employees. An employer can reduce the chance that employees will engage unlawful religious harassment by implementing an anti-harassment policy and having an effective procedure for reporting, investigating and correcting harassing conduct.

It is also unlawful to retaliate against an individual for opposing employment practices that discriminate based on religion or for filing a discrimination charge, testifying, or participating in any way in an investigation, proceeding, or litigation under Title VII.

Sex-Based Discrimination

Title VII of the Civil Rights Act of 1964 protects individuals against employment discrimination on the basis of sex as well as race, color, national origin, and religion. Title VII applies to employers with 15 or more employees, including state and local governments. It also applies to employment agencies and to labor organizations, as well as to the federal government.

It is unlawful to discriminate against any employee or applicant for employment because of his/her sex in regard to hiring, termination, promotion, compensation, job training, or any other term, condition, or privilege of employment. Title VII also prohibits employment decisions based on stereotypes and assumptions about abilities, traits, or the performance of individuals on the basis of sex. Title VII prohibits both intentional discrimination and neutral job policies that disproportionately exclude individuals on the basis of sex and that are not job related.

Title VII's prohibitions against sex-based discrimination also cover:

Sexual Harassment

This includes practices ranging from direct requests for sexual favors to workplace conditions that create a hostile environment for persons of either gender, including same sex harassment.

Pregnancy Based Discrimination

Title VII was amended by the Pregnancy Discrimination Act, which prohibits discrimination on the basis of pregnancy, childbirth and related medical conditions.

The Equal Pay Act of 1963 requires that men and women be given equal pay for equal work in the same establishment. The jobs need not be identical, but they must be substantially equal. Title VII also prohibits compensation discrimination on the basis of sex. Unlike the Equal Pay Act, however, Title VII does not require that the claimant's job be substantially equal to that of a higher paid person of the opposite sex or require the claimant to work in the same establishment.

It is also unlawful to retaliate against an individual for opposing employment practices that discriminate based on sex or for filing a discrimination charge, testifying, or participating in any way in an investigation, proceeding, or litigation under Title VII.

Sexual Harassment

Sexual harassment is a form of sex discrimination that violates Title VII of the Civil Rights Act of 1964. Title VII applies to employers with 15 or more employees, including state and local governments. It also applies to employment agencies and to labor organizations, as well as to the federal government.

Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when this conduct explicitly or implicitly affects an individual's employment, unreasonably interferes with an individual's work performance, or creates an intimidating, hostile, or offensive work environment.

Sexual harassment can occur in a variety of circumstances, including but not limited to the following:

The victim as well as the harasser may be a woman or a man. The victim does not have to be of the opposite sex.

The harasser can be the victim's supervisor, an agent of the employer, a supervisor in another area, a co-worker, or a non-employee.

The victim does not have to be the person harassed but could be anyone affected by the offensive conduct.

Unlawful sexual harassment may occur without economic injury to or discharge of the victim.

The harasser's conduct must be unwelcomed.

It is helpful for the victim to inform the harasser directly that the conduct is unwelcome and must stop. The victim should use any employer complaint mechanism or grievance system available.

When investigating allegations of sexual harassment, EEOC looks at the whole record: the circumstances, such as the nature of the sexual advances, and the context in which the alleged incidents occurred. A determination on the allegations is made from the facts on a case-by-case basis.

Prevention is the best tool to eliminate sexual harassment in the workplace. Employers are encouraged to take steps necessary to prevent sexual harassment from occurring. They should clearly communicate to employees that sexual harassment will not be tolerated. They can do so by providing sexual harassment training to their employees and by establishing an effective complaint or grievance process and taking immediate and appropriate action when an employee complains.

It is also unlawful to retaliate against an individual for opposing employment practices that discriminate based on sex or for filing a discrimination charge, testifying, or participating in any way in an investigation, proceeding, or litigation under Title VII.

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