

Chapter 02

Values, Attitudes, Emotions, and Culture: The Manager as a Person

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LEARNING OBJECTIVES

LO 2-1. *Describe the various personality traits that affect how managers think, feel, and behave.*

LO 2-2. *Explain what values and attitudes are, and describe their impact on managerial action.*

LO 2-3. *Appreciate how moods and emotions influence all members of an organization.*

LO 2-4. *Describe the nature of emotional intelligence and its role in management.*

LO 2-5. *Define organizational culture, and explain how managers both create and are influenced by organizational culture*

KEY DEFINITIONS/TERMS

agreeableness: The tendency to get along well with other people

attitude: A collection of feelings and beliefs

attraction-selection-attrition (ASA) framework: A model that explains how personality may influence organizational culture

conscientiousness: The tendency to be careful, scrupulous, and persevering

emotional intelligence: The ability to understand and manage one's own moods and emotions and the moods and emotions of other people

emotions: Intense, relatively short-lived feelings

external locus of control: The tendency to locate responsibility for one's fate in outside forces and to believe that one's own behavior has little impact on outcomes

extraversion: The tendency to experience positive emotions and moods and to feel good about oneself and the rest of the world

instrumental value: A mode of conduct that an individual seeks to follow

internal locus of control: The tendency to locate responsibility for one's fate within oneself

job satisfaction: The collection of feelings and beliefs that managers have about their current jobs

mood: A feeling or state of mind

need for achievement: The extent to which an individual has a strong desire to perform challenging tasks well and to meet personal standards for excellence

need for affiliation: The extent to which an individual is concerned about establishing and maintaining good interpersonal relations, being liked, and having other people get along

need for power: The extent to which an individual desires to control or influence others

negative affectivity: The tendency to experience negative emotions and moods, to feel distressed, and to be critical of oneself and others

norms: Unwritten, informal codes of conduct that prescribe how people should act in particular situations and are considered important by most members of a group or organization

openness to experience: The tendency to be original, have broad interests, be open to a wide range of stimuli, be daring, and take risks

organizational citizenship behaviors (OCBs): Behaviors that are not required of organizational members but that contribute to and are necessary for organizational efficiency, effectiveness, and competitive advantage

organizational commitment: The collection of feelings and beliefs that managers have about their organization as a whole

organizational culture: The shared set of beliefs, expectations, values, norms, and work routines that influence how individuals, groups, and teams interact with one another and cooperate to achieve organizational goals

organizational socialization: The process by which newcomers learn an organization's values and norms and acquire the work behaviors necessary to perform jobs effectively

personality traits: Enduring tendencies to feel, think, and act in certain ways

self-esteem: The degree to which individuals feel good about themselves and their capabilities

terminal value: A lifelong goal or objective that an individual seeks to achieve

value system: The terminal and instrumental values that are guiding principles in an individual's life

CHAPTER OVERVIEW

This chapter focuses upon the manager as a feeling, thinking human being. We start by describing enduring personality characteristics that influence how managers 'manage,' as well as how they view other people, their organizations, and the world around them. We discuss as well how managers' values, attitudes, and moods play out in organizations, shaping organizational culture. This chapter provides a strong appreciation of how the personal characteristics of managers influence the process of management in general, and organizational culture in particular.

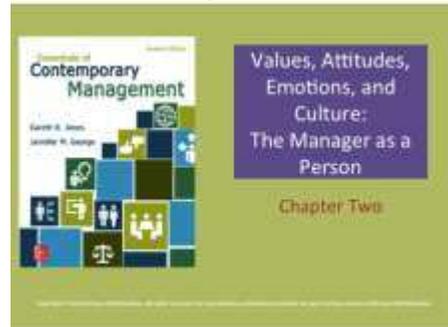
LECTURE OUTLINE

NOTE ABOUT INSTRUCTOR'S POWERPOINT SLIDES

The Instructor PowerPoint Slides include most Student PowerPoint slides, along with additional material that can be used to expand the lecture. Images of the Instructor PowerPoint slides can be found at the end of this chapter on page 2-24.



BASIC POWERPOINT SLIDE 1 (INSTRUCTOR'S POWERPOINT SLIDE 1) Chapter Title



Management Snapshot (pp. 43-44 of text)

Jess Lee's Determination and Broad Interests Lead to the Top at Polyvore

What does it take to land a top position in Silicon Valley?

When Jess Lee was growing up in Hong Kong, she loved to draw. She attended Stanford University, where she received a degree in computer science. After graduating, she got a job as a product manager at Google Maps. While working at Google, she became an avid user of the Polyvore website, which enables users to build sets or collages of products. Lee let Polyvore's founders know that she liked the site but also give them suggestions for improvements and complaints and problems she had with the site. Impressed by her comments, Polyvore offered her a job and she accepted. Lee engaged in all manner of tasks to help Polyvore create a great user experience, ranging from coding and management to sales. Eventually, the founders appointed her CEO. Under her leadership, Polyvore became profitable. Although she is somewhat introverted, Lee has found her own leadership style that works well at Polyvore. Three values are key to Polyvore's culture: (1) focus on improving the user experience, (2) do a few things well, and (3) make an impact. Time.com named Polyvore one of the five best sites for online shopping on a single site. Lee sees Polyvore expanding beyond fashion and also expanding internationally.

expanding internationally.

I. Enduring Characteristics: Personality Traits

Personality traits are enduring tendencies to feel, think, and act in certain ways. It is important to understand the personalities of managers because their personalities influence their behavior and their approach to managing people and resources.

A. The Big Five Personality Traits

The Big Five is a group of five general traits that contribute to the composition of an individual's personality. Each should be evaluated along a continuum.

1. **Extraversion** is the tendency to experience positive emotions and moods and feel good about oneself and the rest of the world. Being high on this trait can be an asset for managers whose jobs entail an especially high level of social interaction. Those low on this factor can be highly effective if excessive social interaction is not required by their job.

2. **Negative Affectivity** is the tendency to experience negative emotions and moods, feel distressed, and be critical of others. Managers high on this trait may often feel angry and dissatisfied and complain about their own and others' lack of progress. Those who are low on negative affectivity do not tend to experience many negative emotions and are less pessimistic and critical of themselves and others.

3. **Agreeableness** is the tendency to get along well with others. Managers high on this continuum are likeable, tend to be affectionate, and care about other people. Those who are low may be somewhat distrustful of others, unsympathetic, uncooperative, and even at times antagonistic. See Figure 2.2 for a measure of this.

4. **Conscientiousness** is the tendency to be careful, scrupulous, and persevering. Managers who are high on this factor are organized and self-disciplined while those who are low may seem to lack self-direction and self-discipline.

5. **Openness to experience** is the tendency to be original, have broad interests, be open to a wide range of stimuli, be daring, and take risks. Those high on this trait continuum like to take risks and sometimes

LO 2-1: Describe the various personality traits that affect how managers think, feel and behave.

POWERPOINT SLIDES 2-3 TO 2-18

TEXT REFERENCE



Manager as a Person: Kevin Plank's Openness to Experience and Conscientiousness Pay Off at Under Armour

When Kevin Plank was a football player at the University of Maryland in the 1990s, he often became annoyed that his T-shirt was soaked and weighted down with sweat. He wondered why athletic apparel couldn't be made out of some kind of polyester blend that would help athletes' and sports aficionados' muscles stay cool while wicking away moisture. Soon he started experimenting with different fabrics, testing their durability, comfort, and water resistance. Before long, a prototype of Under Armour's first product was developed. (p.48)

Entering and succeeding in the competitive sports apparel industry dominated by huge players, such as Nike, seemed like an impossible feat. With around \$20,000 in the bank and the resolve to turn his idea into a viable venture, Plank succeeded against all odds.

Plank used his network of athletic contacts from playing on teams in high school, military school, and the University of Maryland to get the word out about the shirt. As business and orders picked up, Under Armour outgrew the its basement office and set up shop on Sharp Street in Baltimore.

Under Armour is currently headquartered in a 400,000-square-foot complex. It is a global company that produces apparel and accessories for women, men, and youth for athletics. Clearly Plank demonstrates that being original, daring, and taking risks while at the same time being highly determined, disciplined, and persevering can help managers and entrepreneurs succeed

<p>choose to become an entrepreneur, while those low on this scale tend to be more conservative in their planning and decision-making.</p>	<p>against tough odds.</p>
<p>B. Other Personality Traits that Affect Managerial Behavior</p> <ol style="list-style-type: none"> 1. The locus of control trait captures an individual's beliefs concerning the amount of control they have over what happens to and around them. <ol style="list-style-type: none"> a. People with an internal locus of control believe that they are responsible for their own fate and see their own actions and behaviors as being important and decisive determinants of future outcomes. b. People with an external locus of control believe that outside forces are responsible for what happens to and around them and that their own actions don't make much of a difference. 2. Self-esteem is the degree to which individuals feel good about themselves and their capabilities. 3. Needs for achievement, affiliation and power have been extensively researched by psychologist David McClelland. <ol style="list-style-type: none"> a. The need for achievement is the extent to which an individual has a strong desire to perform challenging tasks well and to meet personal standards for excellence. b. The need for affiliation is the extent to which an individual is concerned about establishing and maintaining good interpersonal relations, being liked and getting along with other people. c. The need for power is the extent to which an individual desires to control or influence others. 	
<p>II. Values, Attitudes, and Moods and Emotions</p> <p>A. Values: Terminal and Instrumental</p> <ol style="list-style-type: none"> 1. A terminal value is a personal conviction about lifelong goals or objectives while an instrumental value is a personal conviction about desired modes of 	<p>LO 2-2: <i>Explain what values and attitudes are, and describe their impact on managerial action.</i></p>
	<p>POWERPOINT SLIDES 2-19 TO 2-25</p>

conductor ways of behaving.

2. Terminal values often lead to the formation of **norms**, which are informal rules of conduct for behaviors considered to be important within an organization.

3. A leading researcher identified 18 terminal values and 18 instrumental values that when placed in rank order, will describe a person's **value system**.

B. Attitudes

An *attitude* is a collection of feelings and beliefs. A manager's attitude affects how they approach their job. Two of the most important attitudes in this context are:

1. **Job Satisfaction** is the collection of feelings and beliefs that managers have about their current job. See Figure 2.3 for a sample items from two measures of job satisfaction.

a. Managers who are satisfied with their jobs are more likely to perform organizational citizenship behaviors (**OCBs**). OCBs are behaviors that are not required but contribute to organizational efficiency, effectiveness, and gaining a competitive advantage.

b. A growing source of dissatisfaction for many lower and middle-level managers and employees is the threat of unemployment and increased workloads from downsizing.

c. The ways in which layoffs are handled is important for both layoff victims and survivors.

2. **Organizational commitment** is the collection of feelings and beliefs that managers have about their organization as a whole. With organizational commitment, managers:

- a. Believe in what their organizations are doing
- b. Are proud of what the organization stands for
- c. Feel a high degree of loyalty toward their organizations.

TEXT REFERENCE



ETHICS IN ACTION: *Telling the Truth at Gentle Giant Moving*

Gentle Giant Moving Company was founded by Larry O'Toole in 1980 in Massachusetts and now has over \$28 million in revenues with offices in multiple states. Its unique culture and approach to managing people have not only contributed to the company's success but also given its employees satisfying careers.

O'Toole seeks to hire employees who start out driving moving trucks and eventually move into management positions running offices. Whereas some moving companies hire a lot of temporary help in the summer to meet seasonal demand, 60 percent of Gentle Giant employees are employed full-time. Because the demand for moving services is lower in the winter, Gentle Giant uses this time to train and develop employees. An overarching goal of Gentle Giant's training efforts is inculcating in employees the importance of honesty.

Having fun and getting to know each other as people are also important at Gentle Giant. The company holds parties and arranges outings for employees to sporting events, amusement parks, and other local attractions. (pp. 52-53)

<p>C. Moods and Emotions</p> <p>1. Mood: A mood is a feeling or state of mind. Personality traits and current circumstances often determine a person's mood. See Figure 2.4 for a measure of positive and negative mood at work</p> <p>2. Emotions: Emotions are more intense than moods, are more short-lived, and are usually linked to a specific cause.</p>	
<p>III. Emotional Intelligence (EI)</p> <p>Emotional Intelligence is the ability to understand and manage one's own moods and emotions, as well as the moods and emotions of others.</p> <p>1. Managers with high levels of EI are able to prevent their emotions from getting in the way of making effective decisions.</p> <p>2. EI helps managers perform the interpersonal roles of figurehead, leader, and liaison.</p> <p>3. Emotional intelligence helps managers understand and relate well to other people.</p>	<p>LO 2-3: <i>Appreciate how moods and emotions influence all members of an organization</i></p>
<p>IV. Organizational Culture</p> <p>Organizational culture describes the set of beliefs, expectations, values, norms, and work routines that influence how members of an organization relate to one another and work together to achieve organizational goals.</p> <p>1. When members share an intense commitment to goals, a strong organizational culture exists. When the opposite is true, the organization's culture is weak</p> <p>2. When an organization's culture is very strong, it is often referred to as the organization's 'personality' because it influences the way its members behave.</p> <p>A. Managers and Organizational Culture</p> <p>1. Managers play a particularly important part in</p>	<p>POWERPOINT SLIDES 2-26</p>
	<p>LO 2-4: <i>Describe the nature of emotional intelligence and its role in management</i></p>
	<p>POWERPOINT SLIDES 2-27 TO 2-29</p>
	<p>LO 2-5: <i>Define organizational culture, and</i></p>

influencing organizational culture. This is most evident in the start-up of new companies

2. Management researcher Benjamin Schneider developed a model called the **attraction-selection-attrition (ASA) framework**, which posits that entrepreneurs tend to hire employees whose personalities are similar to their own.

B. The Role of Values and Norms in Organizational Culture

Shared values, as well as shared norms, play a particularly important role in organizational culture. **Terminal values** signify what an organization and its employees are trying to accomplish, and **instrumental values** guide how the organization and its members achieve organizational goals.

1. **Values of the founder:** From the ASA model previously discussed, it is clear that founders can have a profound and long-lasting effect on organizational culture.

2. **Organizational Socialization:** This is the process by which newcomers learn an organization's values and norms and acquire the work behaviors necessary to perform jobs effectively. As a result, organizational values and norms are internalized.

3. **Ceremonies and rites:** These are formal events that recognize incidents of importance to the organization as a whole and to specific employees. The most common rites that organizations use to transmit cultural norms and values to their members are rites of passage, of integration, and of enhancement. (See Table 2.1 for examples of the rites listed below.)

- a. Rites of passage determine how individuals enter, advance within, or leave an organization.
- b. Rites of integration build and reinforce common bonds among organizational members.
- c. Rites of enhancement let organizations publicly recognize and reward employee contributions and thus strengthen their commitment to organizational values.

explain how managers both create and are influenced by organizational culture

POWERPOINT SLIDES 2-30 TO 2-44

4. Stories and language: Stories frequently told within an organization, either fact or fiction, provide important clues about values and norms. The slang or jargon that people within an organization use to frame and describe events also provides important clues about norms and values.

C. Culture and Managerial Action

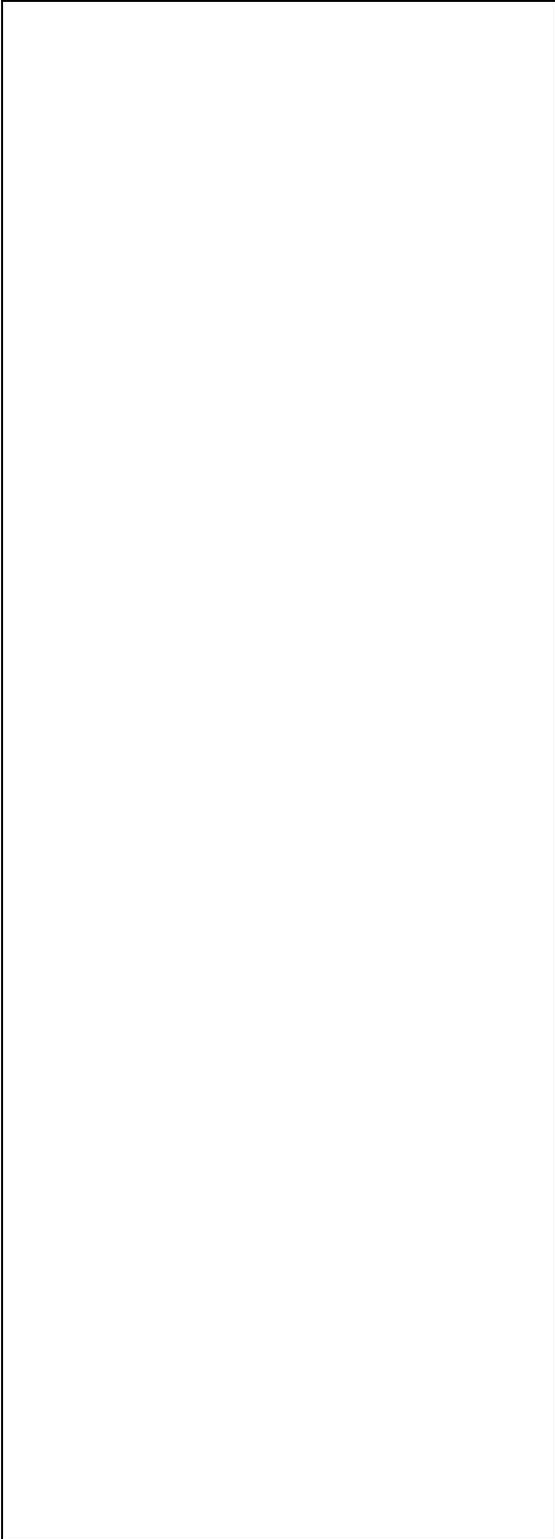
Culture influences the way in which managers perform their four main functions.

1. **Planning:** In an innovative organizational culture, top managers are likely to develop a flexible approach to planning and to encourage participation by subordinates. In contrast, managers in a conservative organizational culture are likely to emphasize top-down planning.

2. **Organizing:** Because they value creativity, managers in an innovative culture are likely to create an organic structure that is flat and in which authority is decentralized. In contrast, managers in a conservative culture are likely to create a well-defined hierarchy of authority and establish clear reporting relationships.

3. **Leading:** In an innovative culture, managers are likely to lead by example, encourage employees to take risks and experiment, and to be supportive regardless of success or failure. In a conservative culture, they are likely to use management by objectives, constantly monitor progress toward goals, and oversee their every move.

4. **Controlling:** Managers in innovative cultures tend to recognize that there are multiple, potential paths to success and that failure must be accepted in order for creativity to thrive. Therefore, they are more concerned that employees be flexible and take risks and less concerned about their adherence to pre-determined routines and goals. In contrast, managers in more conservative cultures emphasize caution and maintenance of the status quo.



LECTURE ENHANCERS

Lecture Enhancer 2.1

DANIEL GOLEMAN AND EMOTIONAL INTELLIGENCE

For eight years, Daniel Goleman has argued persuasively that emotionally intelligent managers become the best and most profitable business leaders in the world. Beginning with 1995 bestseller *Emotional Intelligence*, Goleman has sought to strip away conventional notions of what it means to be intelligent by examining how key personality traits can lead to measurable success. Although his background is in psychology, he has become a powerful voice in the corporate world. It is Goleman's contention that top leaders will recognize that they cannot function without a clear understanding of their own feelings and those of the people around them. "Emotions have their place, and your emotions have an enormous impact on how well you can do the task as hand," he says. Below are excerpts from an interview with Dr. Goleman.

Industry observers often complain about the dichotomy in the business world today. Executives are expected to behave as if they have no emotions while they make decisions that will have profound effects on other people's lives. What do you think has brought us to this state where businesspeople are supposed to 'check their emotions at the door'?

Goleman: The first analysis of the organizational life was conducted in a sociological tradition by Max Weber and Talcott Parsons, and it pretty much ignored to emotional reality of work. It analyzed the workplace and organizational dynamics as though emotions were not part of the equation. That framework has survived to this day, even though everyone who works knows it's a lie. We don't leave emotions at home and we don't check them at the door. We can either acknowledge this fact or not.

You maintain that companies perform better if top managers have emotional intelligence, but the business world is rife with stories of CEOs and top managers who have been wildly successful even though they are insensitive jerks. If emotional intelligence is so important, how do you account for their successes?

Goleman: The question to ask is not, "Is a specific company successful despite the fact that the head guy is a jerk?" Rather, you should ask, "If all things were equal – if there were two companies with similar markets, similar opportunities, and similar resources, and one boss was a jerk and the other was a dream boss – which company would do better? In fact, the insurance industry did exactly that study. It was commissioned LOMO, an insurance industry organization and carried out by the Hay Group. The researchers looked at moderately successful companies of the same size and evaluated CEOs on their emotional intelligence and leadership abilities. They found that the more these bosses exhibited empathy, initiative, and a drive to achieve, the more profitable the companies were. That's the better way to answer this question.

Is it there ever a point at which someone is too old to learn these competencies?

Goleman: You are never too old to learn emotional intelligence. In fact, people tend to improve in emotional intelligence over the course of a lifetime, because life lessons often make people wiser in this domain. They get more comfortable with themselves and other people. So in a rough way, a slow way, there's a tendency to learn. But someone who wants to be a leader needs to have a relatively high level of these abilities. A business school that wants to help its students achieve high leadership levels either has to select people who have already developed these abilities, or it has to help its students to learn them.

Essentially, you are saying that individuals must be able to draw on the so-called 'soft skills' or they won't be good leaders.

Goleman: It's a paradox. Soft skills have hard consequences.

Taken from *Intelligence at Work* by Sharon Shinn, published in BizEd Magazine, September/October 2003.

Lecture Enhancer 2.2

BIRTH ORDER AND PERSONALITY

Birth-order guru Kevin Leman, Ph.D. says he can explain how a simple understanding of birth order enhances the chance of success in business. In his book, "The Birth Order Book," Leman profiles three birth-order positions.

The firstborn tends to be a perfectionist, conscientious, list maker who doesn't like surprises. The only child has similar, yet often more intense personality traits.

The middle child is a master negotiator who never had his parents to himself, and endured hand-me-downs. The good news is he can compromise, share and negotiate.

Leman describes the baby of the family as manipulative, social, outgoing, and a natural salesperson. She is the child who got her siblings in trouble while she was cute, helpless and got away with murder.

A fourth birth-order position, identified by Michael Maniaci, a clinical psychologist and member of the faculty at the Adler School of Professional Psychology in Chicago, is the second born. The second born tends to be more rebellious, non-conforming and independent than the middle child.

After reading these descriptions, most either buy into the birth-order concept as a perfect description of their family or discount it. Either way, Leman says, there are other birth-order rules that impact children's development.

Sex of children is an important variable in the birth-order equation. “If there are three daughters and a last-born son, the son may possess the characteristics of the firstborn, rather than the baby,” Leman says.

Maniacci says: “In my practice, I’ve found the greater the sex differentiation between the parents, the less children of the opposite sex compete with each other. That impacts birth-order roles.

“In a family with a firstborn boy and a second born girl, if both parents work, both wear pants, and equally share housework tasks, the girl is more likely to be a rebellious second born. There is not much distinction between being a girl and a boy. Conversely, if Dad has short hair and Mom has long, and Mom stays at home and Dad works, the boy holds the role of the oldest born male and the girl the oldest born female.”

If there is a five-year age gap between the children, you can draw a line and start another family with a whole new set of firstborns and middles, Maniacci says. Physical differences play a role too. If the oldest child is physically or psychologically challenged, the second child usually takes on the role of the firstborn.

Other experts caution that understanding and using birth order is anything but simple, and many variables mold personality. Experts generally agree interpreting birth order can be complicated and only presents part of the picture.

But Leman says, “As a psychologist, I have not found a more practical tool for understanding human dynamics than birth order.”

Lecture Enhancer 2.3 **THE BIG THRILL PERSONALITY**

Another facet of personality is one’s tolerance for risk taking. Some individuals have a kind of psychological urge to reach beyond the status quo and seek out novelty, change, and excitement. Psychologist Frank Farley, of the University of Wisconsin, has spent twenty years examining what he calls the Type T (thrill-seeking) personality. According to Farley’s theory, Big T types are high-profile individuals who seek excitement and stimulation wherever they can find it or create it. For some the thrills are mostly physical. For others they’re mental.

The degree of risk that individuals are willing to assume spans a broad continuum. Big T personalities, those who continually live on the edge, are at one end of the scale. Little t’s, who cling to certainty and predictability, are at the other. Most people fall somewhere in the middle. But Farley believes it’s the Big T segment, a group that makes up an estimated 10 to 30 percent of the American population, that holds the key to America’s future. “Type T’s are the people who are likely to have enormous impact on society,” he says. “They are the great experimenters in life; they break the rules.”

Whether male or female, risk-taking individuals tend to be what Farley calls “transmutative thinkers,” adept at shifting from one cognitive process to another, and from the abstract to the concrete and vice versa. Thrill seekers are happiest in jobs that provide change, excitement, and an ample outlet for their creativity. They are often drawn to careers in advertising, journalism, or in the brokerage business, where novelty and uncertainty are a given.

Whether individuals seek risks or avoid them affects not only their own job performance but also boss-employee relationships and co-worker production. An organization with too many risk takers can spell trouble. So can one top-heavy with cautious, security-minded individuals. A synergistic mix is best. If it's the thrill-seeking visionaries who drive a company with their ideas, it's their more pragmatic peers who help implement those concepts. Finally, says Farley, “people who are the most successful realize that if they're going to take risks, they're going to fail once in a while.”

MANAGEMENT IN ACTION

Notes for Topics for Discussion and Action

DISCUSSION

1. *Discuss why managers who have different types of personalities can be equally effective and successful.*

The chapter notes that there is no single “right” or “wrong” personality trait for being an effective manager; rather, effectiveness is determined by a complex interaction between characteristics of managers (including personality traits) and the nature of the job and organization. Furthermore, personality traits that contribute to the managerial effectiveness in one situation may actually hinder the effectiveness in another situation.

2. *Can managers be too satisfied with their job? Can they be too committed to their organizations? Why or why not?*

(Note to Instructors: Student answers will vary.)

The text defines job satisfaction as the feelings and beliefs people have about their current jobs and organizational commitment as the collection of feelings and beliefs people have about their organizations as a whole. Students may mention that managers who are too satisfied with their jobs may not look to improve the current state of affairs, preferring to let things go on as they are. This may harm the prospects of the team as a whole. On the personal level, managers who are too satisfied with their jobs or too committed to the organization may harm their own prospects of career improvement or advancement.

3. *Assume that you are a manager of a restaurant. Describe what it is like to work for you when you are in a negative mood.*

(Note to Instructors: Student answers will vary based on their personalities. The text identifies characteristics of a negative mood as feelings of distress, fearful, scornful, hostile, jittery or nervous.)

This question is very individualized. However, you might turn it into an interesting exercise. You could have the individual student answer the question and then have their classmates react to their self-description as to its accuracy from their perspective.

4. *Why might managers be disadvantaged by low levels of emotional intelligence?*

Social skills are increasingly important in organizations today. People work more and more in teams. Emotional intelligence enables managers to interact more effectively both internally with co-workers and externally with customers.

ACTION

5. *Interview a manager in a local organization. Ask the manager to describe situations in which he or she is especially likely to act in accordance with his or her values. Ask the manager to describe situations in which he or she is less likely to act in accordance with his or her values.*

(Note to Instructor: Student answers will vary based on the manager's value system and experiences.)

This question to potential strangers is tricky. People are sometimes quite guarded about their values and are not eager to discuss them with others. It is suggested that the class or a team of students, as interviewers, should be more comfortable and aware when asking ethical questions and capturing a response. You may also want to suggest that students interview a manager who is someone they know.

6. *Watch a popular television show and as you watch it, try to determine the emotional intelligence levels of the characters the actors in the show portrays. Rank the characters from highest to lowest in terms of emotional intelligence. As you watched the show, what factors influenced your assessments of emotional intelligence levels?*

(Note to Instructors: Student answers will vary based upon the television show they view. You may want to request that the entire class watch the same episode of a popular television show.)

The ranking of characters by students will probably vary, thereby providing the basis for an interesting discussion. Factors influencing student assessment of emotional intelligence may include awareness of and ability to manage one's own emotions, the ability to perceive and understand the emotions of others, good listening skills, and the ability to effectively deal with interpersonal conflict.

7. *Go to an upscale clothing store in your neighborhood and go to a clothing store that is definitely not upscale. Observe the behavior of employees in each store as well as the store's environment. In what ways are the organizational cultures in each store similar? In what ways are they different?*

Often the environment of upscale clothing stores is rather quiet and formal, and salespersons are dressed rather conservatively. On the other hand, less upscale stores often have a much more casual environment in which music that appeals to the younger generation is played. Salespeople sometimes dress in trendy, casual clothing that reflects the store's product line and the taste of the target audience. Normative behavior for employees in the upscale store is reflected in the reserved and cautious manner required when interacting with customers. In a less upscale environment, however, interaction with customers is less formal and more casual. For example, slang language may be used. However, core values common to both stores would include high levels of customer responsiveness, honesty, and integrity, operational efficiency, and a strong work ethic.

AACSB: Analytic

AACSB: Reflective Thinking

BUILDING MANAGEMENT SKILLS

Diagnosing Culture

1. *What values are emphasized in this culture?*

Student answers will vary but they should give specific examples of behaviors or policies that reflect specific values such as a sense of accomplishment, self-control, dependability, independence, and honesty.

2. *What norms do members of this organization follow?*

Again, student answers will vary but they should give specific examples of behaviors or policies that reflect specific norms such as courtesy, informality, and a willingness to take risks.

3. *Who seems to have played an important role in creating the culture?*

Founders, managers, or even employees often establish or influence the culture.

4. *In what ways is the organizational culture communicated to organizational members?*

Often founders use their own values to determine and guide organizational culture. Culture can also be communicated to organizational members through formal or informal socialization programs, ceremonies, rites, stories, and language.

AACSB: Analytic

AACSB: Reflective Thinking

MANAGING ETHICALLY

Notes for Managing Ethically

1. Either individually or in a group, think about the ethical implications of using personality and interest inventories to screen potential employees. How might this practice be unfair to potential applicants? How might organizational members who are in charge of hiring misuse it?

It is important that companies make every effort to hire employees whose values, personality, and interests fit with their organizational culture. However, reliance upon personality and inventory tests is an ineffective means of evaluating such factors. Because of their measurement error and validity problems, these tests could mistakenly screen out those candidates who are well suited for the job. Managers in charge of hiring may think these tests are a quick and easy substitute for a thorough interviewing process, but will regret their decision later.

2. Because of measurement error and validity problems, some relatively trustworthy people may “fail” an honesty test given by an employer. What are the ethical implications of trustworthy people “failing” honesty tests, and what obligations do you think employers should have when relying on honesty tests for screening?

(Note to Instructor: Student answers will vary.)

When candidates apply for a job, they generally assume that they will be evaluated and compared to other applicants in a fair, nonbiased manner. The use of such tests violates that trust, thus representing an ethical breach.

AACSB: Analytic

AACSB: Reflective Thinking

SMALL GROUP BREAKOUT EXERCISE

1. Develop a list of options and potential courses of action to address the heightened competition and decline in profitability that your company has been experiencing.

(Note to instructors: student answers will vary based on their experiences.)

Possible options include:

- Employ a consultant to help management determine additional ways to cut costs.
- Implement a hiring freeze and reduce workforce through attrition.
- Build employee motivation to increase performance levels by providing incentives linked to performance, issuing "star-performer" awards, and holding parties or arranging activities for employees.
- Increase marketing and advertising efforts to improve sales.
- Lay off employees.

2. Choose your preferred course of action and justify why you will take this route.

(Note to instructors: Student answers will vary.)

3. Describe how you will communicate your decision to employees.

Since "rumors are rampant", it is important to communicate with everyone in a clear and timely manner. Top management needs to increase the employees' sense of security and confidence about the company's commitment to resolving the situation. Moreover, since the stakes are high and people's jobs are on the line, the decision should be communicated in a face-to-face meeting.

If layoffs are being announced, the meetings should be individualized and terminated employees should be assured that the terminations were based on objective criteria. Specific information regarding severance pay etc. should be clearly communicated as well.

4.If your preferred option involves a layoff, justify why.If it doesn't involve a layoff, explain why.

Layoffs could be justified if the slowdown of work is so severe that the company cannot keep its workers occupied or is facing a financial crisis, such as bankruptcy. In this case, the only way to save the company and protect the majority of stakeholders could be through downsizing.

Because maintaining the company's no-layoff policy is an important aspect the company's culture, this action should still be considered only as a last resort, as it could be demoralizing to the remaining workers. Other companies, such as Southwest Airlines, have stood by their employees even in the toughest of times, which has resulted in a high level of employee loyalty and commitment.

AACSB: Analytic

AACSB: Reflective Thinking

BE THE MANAGER

In this situation it is best to take a collaborative approach toward conflict resolution. A collaborative approach encourages the disputing parties to solve the problem together. The position of both parties should be treated as equally important (though not necessarily the case), and equal emphasis should be placed on the quality of the outcome and the fairness of the decision making process. The intent is to find solutions that are satisfactory to both parties rather than find fault or assign blame. The first step of the vice president for human resources should be to bring the disputing parties together for the purpose of focusing upon a shared goal, such as improved work climate, improved quality of work, improved work relationships, etc. The establishment of common goals will provide a context for the continuance of discussions between disputants. As the collaborative effort to identify mutually acceptable resolutions continues, it is important that emphasis always rests upon issues, not personalities. In other words, people must remain separated from the problem and that the focus must remain upon interests, not position. Doing so will depersonalize their disagreement and allow all parties to feel less vulnerable about opening up to a different point of view.

After the source of conflict has been identified and resolved, the attitudes and behavior of the disputants should change, gradually eliminating any lingering feelings distress, fear, or hostility in the office environment.

AACSB: Reflective Thinking

AACSB: Communication Skills

BLOOMBERG BUSINESSWEEK CASE IN THE NEWS

Case Synopsis: Wipe Off That Smile: An Amazon Veteran is Launching a Shopping Site That Is Part Costco, Part Mall, and All Anti-Amazon

Jet.com is the brainchild of Marc Lore. Through this company, he wants to reinvent the wholesaleshopping club. Customers will find just about everything, including clothes, books, and electronics. After a 90-day free trial period, Jet customers will be asked to pay \$49.99 a year for access to what Lore claims will be prices that are 10 percent to 15 percent lower than anywhere else online.

Lore spent a little less than two-and-a-half years inside Amazon. After leaving the company, he came up with the idea to bring the membership-based shopping club model online. With Jet.com, customers will be able to make multiple online purchases from a range of sellers and combine the merchandise in one box, which is then cheaper to ship. Jet turns these savings over to the customer. When Jet.com members add more items to their shopping cart, they'll see the price for each product fall. Buyers will also save by being offered items from sellers located near them.

In many ways, Lore has conceived of Jet.com's culture as the antithesis of Amazon's, which is known for its confrontational style, internal secrecy, and deliberate avoidance of friendly consensus. At Jet, there will be no annual performance reviews, because Lore thinks feedback should be immediate and civil.

The startup's success is hardly assured. Sellers won't come to the service until it has customers, and to get customers it has to entice online shoppers, many of whom are quite satisfied hunting for bargains at Walmart, eBay, and Amazon.

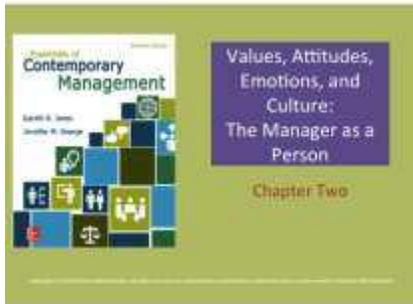
SUPPLEMENTAL FEATURES

MANAGER'S HOT SEAT (MHS)

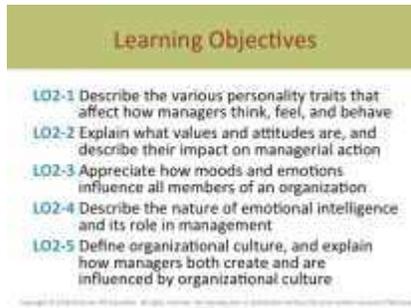
- **Whistle blowing: Code Red or Red Ink?**

INSTRUCTOR'S POWERPOINT SLIDES

These Instructor's PowerPoint slides can be used to supplement the lecture material.



INSTRUCTOR'S POWERPOINT SLIDE 1
Chapter Title



INSTRUCTOR'S POWERPOINT SLIDE 2
Learning Objectives



INSTRUCTOR'S POWERPOINT SLIDE 3
Personality Traits



INSTRUCTOR'S POWERPOINT SLIDE 4
Managers and Traits



INSTRUCTOR'S POWERPOINT SLIDE 5
Figure 2.1 - Big Five Personality Traits



INSTRUCTOR'S POWERPOINT SLIDE 6
Extraversion

Big Five Personality Traits

◆ **Negative Affectivity**
 – Tendency to experience negative emotions and moods, feel distressed, and be critical of oneself and others

INSTRUCTOR'S POWERPOINT SLIDE 7
 Negative Affectivity

Big Five Personality Traits

◆ **Agreeableness**
 – Tendency to get along well with others

◆ Managers **high** in agreeableness are likable, affectionate, and care about others

◆ Managers with **low** agreeableness may be distrustful, unsympathetic, uncooperative, and antagonistic

INSTRUCTOR'S POWERPOINT SLIDE 8
 Agreeableness

Big Five Personality Traits

◆ **Conscientiousness**
 – Tendency to be careful, scrupulous, and persevering

◆ Managers **high** in this trait are organized and self-disciplined

◆ Managers **low** in this trait lack direction and self-discipline

INSTRUCTOR'S POWERPOINT SLIDE 9
 Conscientiousness

Big Five Personality Traits

◆ **Openness to Experience**
 – Tendency to be original, have broad interests, be open to a wide range of stimuli, be daring, and take risks

INSTRUCTOR'S POWERPOINT SLIDE 10
 Openness to Experience

Question?

Which personality trait is a tendency to be careful, scrupulous, and persevering?

A. Extraversion
 B. Agreeableness
 C. Conscientiousness
 D. Openness to Experience

INSTRUCTOR'S POWERPOINT SLIDE 11
 Question?

Figure 2.2

Measures of Extraversion, Agreeableness, Conscientiousness, and Openness to Experience

INSTRUCTOR'S POWERPOINT SLIDE 12
 Figure 2.2 - Measures of Extraversion, Agreeableness, etc...

Other Personality Traits

◆ **Internal Locus of Control**
 – Tendency to locate responsibility for one's fate within oneself

◆ Own actions and behaviors are major and decisive determinants of job outcomes

INSTRUCTOR'S POWERPOINT SLIDE 13
 Internal Locus of Control

Other Personality Traits

◆ **External Locus of Control**
 – Tendency to locate responsibility for one's own fate in outside forces and to believe that one's own behavior has little impact on outcomes

INSTRUCTOR'S POWERPOINT SLIDE 14
 External Locus of Control

Other Personality Traits

◆ **Self-Esteem**
 – The degree to which people feel good about themselves and their capabilities

◆ **High** self-esteem causes a person to feel competent and capable

◆ Persons with **low** self-esteem have poor opinions of themselves and their abilities

INSTRUCTOR'S POWERPOINT SLIDE 15
 Self-Esteem

Other Personality Traits

- ◆ **Need for Achievement**
 - The extent to which an individual has a strong desire to perform challenging tasks well and to meet personal standards for excellence

INSTRUCTOR'S POWERPOINT SLIDE 16
Need for Achievement

Other Personality Traits

- ◆ **Need for Affiliation**
 - The extent to which an individual is concerned about establishing and maintaining good interpersonal relations, being liked, and having other people get along

INSTRUCTOR'S POWERPOINT SLIDE 17
Need for Affiliation

Other Personality Traits

- ◆ **Need for Power**
 - The extent to which an individual desires to control or influence others

INSTRUCTOR'S POWERPOINT SLIDE 18
Need for Power

Values, Attitudes, and Moods and Emotions

- ◆ **Values**
 - Describe what managers try to achieve through work and how they think they should behave
- ◆ **Attitudes**
 - Capture managers' thoughts and feelings about their specific jobs and organizations
- ◆ **Moods and Emotions**
 - Encompass how managers actually feel when they are managing

INSTRUCTOR'S POWERPOINT SLIDE 19
Values, Attributes, and Moods and Emotions

Values

- ◆ **Terminal Values**
 - A lifelong goal or objective that an individual seeks to achieve
- ◆ **Instrumental Values**
 - A mode of conduct that an individual seeks to follow

INSTRUCTOR'S POWERPOINT SLIDE 20
Values

Values

- ◆ **Norms**
 - Unwritten, informal codes of conduct that prescribe how people should act in particular situations and are considered important by most members of a group or organization
- ◆ **Value System**
 - The terminal and instrumental values that are guiding principles in an individual's life

INSTRUCTOR'S POWERPOINT SLIDE 21
Values

Attitudes

- ◆ **Attitudes**
 - A collection of feelings and beliefs
- ◆ **Job Satisfaction**
 - A collection of feelings and beliefs that managers have about their current jobs
 - Managers **high** on job satisfaction like their jobs, feel that they are being fairly treated, and believe that their jobs have many desirable features

INSTRUCTOR'S POWERPOINT SLIDE 22
Terminal and Instrumental Values

Attitudes

Figure 2.3

Sample Items From Two Measures of Job Satisfaction

INSTRUCTOR'S POWERPOINT SLIDE 23
Figure 2.3 – Sample Items from Two Measures of Job Satisfaction

Attitudes

- ◆ **Organizational Citizenship Behaviors**
 - Behaviors that are not required of organizational members but contribute to and are necessary for organizational efficiency, effectiveness, and competitive advantage.

INSTRUCTOR'S POWERPOINT SLIDE 24
Attitudes

Attitudes

- ◆ **Organizational Commitment**
 - The collection of feelings and beliefs that managers have about their organization as a whole.

INSTRUCTOR'S POWERPOINT SLIDE 25
Attitudes

Moods and Emotions

- ◆ **Mood**
 - A feeling or state of mind
- ◆ **Emotion**
 - Intense, relatively short-lived feelings

INSTRUCTOR'S POWERPOINT SLIDE 26
Moods and Emotions

Question?

What is the ability to understand and manage one's own moods and emotions and the moods and emotions of other people?

- A. Emotional Intelligence
- B. Extraversion
- C. Locus of Control
- D. Machiavellianism

INSTRUCTOR'S POWERPOINT SLIDE 27
Question?

Emotional Intelligence		Organizational Culture
<p>❖ Emotional Intelligence</p> <ul style="list-style-type: none"> - The ability to understand and manage one's own moods and emotions and the moods and emotions of other people - Helps managers carry out their interpersonal roles of figurehead, leader, and liaison 	<p>Figure 2.4</p> <p>A Measure of Positive and Negative Mood at Work</p>	<p>❖ Organizational Culture</p> <ul style="list-style-type: none"> - Shared set of beliefs, expectations, values, norms, and work routines that influence how members of an organization relate to one another and cooperate to achieve organizational goals

INSTRUCTOR'S POWERPOINT SLIDE 28
Emotional Intelligence

INSTRUCTOR'S POWERPOINT SLIDE 29
Figure 2.4 – A Measure of Positive and Negative Mood at Work

INSTRUCTOR'S POWERPOINT SLIDE 30
Organizational Culture

Organizational Culture	Role of Values and Norms	Factors that Maintain and Transmit Organizational Culture
<p>❖ Attraction-Selection-Attrition Framework</p> <ul style="list-style-type: none"> - A model that explains how personality may influence organizational culture - Founders of firms tend to hire employees whose personalities are similar to their own 	<p>❖ Terminal Values</p> <ul style="list-style-type: none"> - Signify what an organization and its employees are trying to accomplish <p>❖ Instrumental Values</p> <ul style="list-style-type: none"> - Guide how the organization and its members achieve organizational goals <p>❖ Managers determine and shape organizational culture through the kinds of values and norms they promote in an organization</p>	<p>Figure 2.5</p>

INSTRUCTOR'S POWERPOINT SLIDE 31
Organizational Culture

INSTRUCTOR'S POWERPOINT SLIDE 32
Role of Values and Norms

INSTRUCTOR'S POWERPOINT SLIDE 33
Factors that Maintain and Transmit Organizational Culture

Role of Values and Norms

- ◆ **Organizational Socialization**
 - Process by which newcomers learn an organization's values and norms and acquire the work behaviors necessary to perform jobs effectively

INSTRUCTOR'S POWERPOINT SLIDE 34
Role of Values and Norms

Role of Values and Norms

- ◆ **Ceremonies and Rites**
 - Formal events that recognize incidents of importance to the organization as a whole and to specific employees

INSTRUCTOR'S POWERPOINT SLIDE 35
Role of Values and Norms

Question?

What builds and reinforces common bonds among organizational members

- Rites of passage
- Rites of integration
- Rites of enhancement
- Rites of community

INSTRUCTOR'S POWERPOINT SLIDE 36
Question?

Ceremonies and Rites

- ◆ **Rites of Passage**
 - determine how individuals enter, advance within, or leave the organization
- ◆ **Rites of Integration**
 - build and reinforce common bonds among organizational members

INSTRUCTOR'S POWERPOINT SLIDE 37
Ceremonies and Rites

Ceremonies and Rites

- ◆ **Rites of Enhancement**
 - Let organizations publicly recognize and reward employees' contributions and thus strengthen their commitment to organizational values
 - Awards dinners, newspaper releases, employee promotions

INSTRUCTOR'S POWERPOINT SLIDE 38
Ceremonies and Rites

Ceremonies and Rites

- ◆ **Stories and Language**
 - Communicate organizational culture
 - Reveal behaviors that are valued by the organization
 - Includes how people dress, the offices they occupy, the cars they drive, and the degree of formality they use when they address one another

INSTRUCTOR'S POWERPOINT SLIDE 39
Stories and Language

Culture and Managerial Action

- ◆ **Organizational Culture**
 - Shapes and controls the behavior of all employees

INSTRUCTOR'S POWERPOINT SLIDE 40
Culture and Managerial Action

Culture and Managerial Action

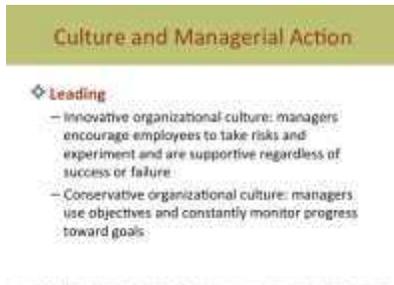
- ◆ **Planning**
 - Innovative organizational culture: top manager takes flexible approach and encourages participation of subordinates
 - Conservative organizational culture: emphasizes top-down management

INSTRUCTOR'S POWERPOINT SLIDE 41
Planning

Culture and Managerial Action

- ◆ **Organizing**
 - Innovative organizational culture: managers create an organic structure that is flat and decentralized
 - Conservative organizational culture: managers create a well-defined hierarchy of authority and establish clear reporting relationships

INSTRUCTOR'S POWERPOINT SLIDE 42
Organizing



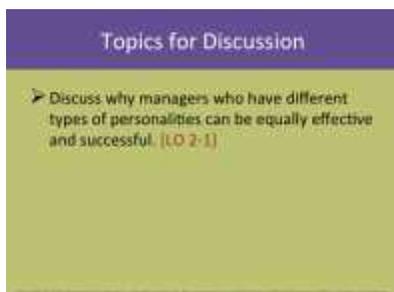
INSTRUCTOR'S POWERPOINT SLIDE 43
Leading



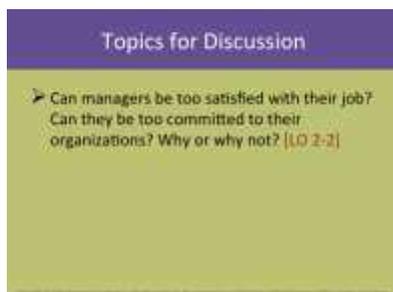
INSTRUCTOR'S POWERPOINT SLIDE 44
Controlling



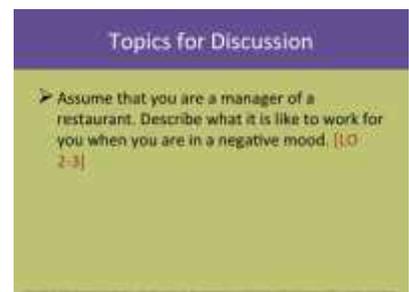
INSTRUCTOR'S POWERPOINT SLIDE 45
Organizational Culture



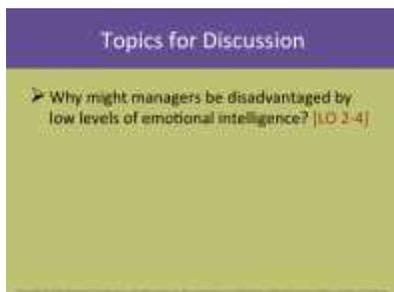
INSTRUCTOR'S POWERPOINT SLIDE 46
Topics for Discussion



INSTRUCTOR'S POWERPOINT SLIDE 47
Topics for Discussion



INSTRUCTOR'S POWERPOINT SLIDE 48
Topics for Discussion



INSTRUCTOR'S POWERPOINT SLIDE 49
Topics for Discussion