

Basic Supervision

PROFESSIONAL DEVELOPMENT HOUR
CONTINUING EDUCATION COURSE



Course Description

BASIC SUPERVISION

Welcome to TLC's Basic Supervision CEU training course. It is our sincere hope that this course will provide each participant with the skills necessary to become a better supervisor.

Management and leadership are not only important, but are a large part of today's business and public works industries. Every public and most private facilities need capable supervisors. One common problem with most supervisors and managers is that they cannot find the time or resources to improve their supervisory skills.

There have been many books and articles published recently to keep pace with the increased interest in developing effective supervisors for today's work force. Most of these books and articles focus on methods and techniques rather than on the **human or people** effects. In contrast, this course attempts to identify and clarify the importance of including each supervisor's present personality, knowledge and skills to become the best kind of supervisor they can be.

The front-line supervisor has an immediate and important impact on each employee's productivity, quality of work and work attitude. Therefore, including supervisors in adequate supervisory training is essential for most organizations. Every new supervisor should attend some kind of formal training before costly mistakes or formation of poor supervisory habits take place.

This course is provided to new supervisors or those that have been supervisors for some time, as a practical way of getting a supervisor off to a successful start.

After you have completed this course and after a period of job adjustment time as a supervisor, you may want to seek additional supervisor training to add to your success.

Take advantage of all training offered to you and become the successful supervisor for which we all want to work.

CEU Course Goals

I. Management Familiarization

- A. Definitions
- B. Terms
- C. Types

II. Problem Solving

- A. Human Relations
- B. Conflict Management
- C. Resolution
- D. Active Listening

III. Management Summary



Relax, TLC has 24 hour course support

Course Learning Objectives

1. Define supervision, integrity, professionalism and other common supervisory terms. 130 Minutes

2. What is and is not **“Supervisory”**. 75 Minutes

Describe the importance of having a respected supervisor.

Outline steps to make a supervisory job easier.

List qualities of successful supervisors.

Analyze aggressive, assertive and passive leadership styles.

3. Define a **“Values”** profile. 95 Minutes

Explain the four primary functions of leadership.

Describe the concept of “buy-in.”

Identify questions to be asked to help better deal with people.

4. How our management style or profile is formulated and how values change. 35 Minutes.

List and explain the fourteen steps to TQM.

Compare the styles of W. Edwards Deming and Abraham Maslow.

5. Required and prohibited standards of conduct. Learn to deal with difficult behaviors and tactics for managing people. 60 Minutes

List steps in the decision-making process.

Outline the problem-solving process.

Describe barriers to making clear decisions.

6. Employee rights regarding standards of conduct. 40 Minutes

Explain Maslow’s hierarchy of needs.

List qualities of “self-actualizers.”

7. The student will describe the 4 management styles. 140 Minutes

Compare the four leadership styles.

Outline the TQM program.

Describe the Peters Principles.

Differentiate between positive and negative aspects of conflict.

Describe difficult behaviors and how to manage them.

8. The student will list ways to prevent impropriety in the employee’s eye. 20 Minutes

Describe a supervisor’s role in communication.

List the different ways people can communicate.

Evaluate barriers to communication.

Analyze the importance of active listening.

Identify the two parts of a message.

State guidelines for good communication.

List and explain four steps to better communication.

9. List causes for dismissal or discipline. 20 Minutes

10. Action expected of employees when faced with management dilemmas. 30 Minutes

List the major principles of the Abilene Paradox.

Describe the characteristics of an effective team.

Compare group vs. team.

Accreditation Formula for Figuring CEU Credit

The results of beta-testing were used in conjunction with a formula to determine average student time for accreditation purposes for intended audiences. This formula may not work for unintended audiences.

1 page of text = 2 minutes of student time.

1 word practice problem = 1 minute of student time.

1 word quiz/exam question = 1 minute of student time.

Written essay question = 24 minutes of student time. This time is based upon three paragraphs utilizing the four "C"s of writing. Answer may also be scored for English and/or Grammar course credit.

****CEU was awarded based on guidelines established by the International Association of Continuing Education and Training (IACET).**

Final Examination for Credit

Opportunity to pass the final comprehensive examination is limited to three attempts per course enrollment.

Prerequisites: None

This syllabus reflects case study-oriented approaches to the presentation of the course material, one that parallels standard approaches to teaching supervision in the professions generally (such as medicine, law, and Government).

Course Procedures for Registration and Support

All of Technical Learning College's correspondence courses have complete registration and support services offered. Delivery of services will include, e-mail, web site, telephone, fax and mail support. TLC will attempt immediate and prompt service.

When a student registers for a distance or correspondence course, he/she is assigned a start date and an end date. It is the student's responsibility to note dates for assignments and keep up with the course work.

If a student falls behind, he/she must contact TLC and request an end date extension in order to complete the course. It is the prerogative of TLC to decide whether to grant the request. You may be required to pay \$50.00.

All students will be tracked by their social security number or a unique number will be assigned to the student.

Instructions for Written Assignments

The Basic Supervision CEU training course will be a written essay type of an exam. TLC will require that the document is typed and preferably e-mailed to TLC.

Feedback Mechanism (examination procedures)

Each student will receive a feedback form as part of their study packet. You will be able to find this form in the rear of the course or lesson.

Security and Integrity

All students are required to do their own work. All lesson sheets and final exams are not returned to the student to discourage the sharing of answers. Any fraud or deceit and the student will forfeit all fees and the appropriate agency will be notified.

In order to successfully pass this course, you will need to have 70% or better on the final exam. The entire assignment is available on TLC's Website in a Word document format for your convenience.

Required Texts

The Basic Supervision CEU Training course does not require any course materials. Course is complete.

Recordkeeping and Reporting Practices

TLC will keep all student records for a minimum of five years. It is the student's responsibility to give the completion certificate to the appropriate agencies.

ADA Compliance

TLC will make reasonable accommodations for persons with documented disabilities. Students should notify TLC and their instructors of any special needs. Course content may vary from this outline to meet the needs of this particular group.

Educational Mission

The educational mission of TLC is:

To provide TLC students with comprehensive and ongoing training in the theory and skills needed for today's work force,

To provide TLC students with opportunities to apply and understand the theory and skills needed for management,

To provide opportunities for TLC students to learn and practice management skills with members of the community for the purpose of sharing diverse perspectives and experience,

To provide a forum in which students can exchange experiences and ideas related to employment education,

To provide a forum for the collection and dissemination of current information related to management and employment education, and to maintain an environment that nurtures academic and personal growth.



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We teach this course in both a classroom setting and in a distance based correspondence course.

Chapter 1

Making the Change - Becoming a Supervisor

As a new supervisor or veteran supervisor, perhaps the most difficult change in your work life will be that of becoming a first line supervisor. Changing from a worker to a successful supervisor of workers is a very difficult task.

As you make the transition into a supervisory role, it is often helpful to model your actions after a successful supervisor you know and respect. Successful supervisors have much in common.

Supervisors You Respect:

- Treats all employees with respect.
- Delegates work and responsibility fairly.
- Communicates well with employees.
- A leader with the team in mind.
- Sets fair and consistent lines.



Can you identify with any of the above traits of a respected Supervisor?

Supervisors Not Respected:

- Uses authority as a club.
- Failed to learn basic supervisory skills.
- Will not delegate duties or responsibilities.
- Not interested in Employees' needs.



Problem Dealing with Former Co-Workers

Relationships with former co-workers, especially for those supervisors who once worked side by side with the people who they now supervise, can be one of the biggest hurdles of all. Relationships with former co-workers can become frayed or be threatened. The pressure can have a devastating effect on morale and productivity.

If you are promoted over co-workers who were once your friends on the job, do not be surprised if they put pressure on you to give them special treatment or favors. They may assume that you will hand them the easiest assignments and overlook their disciplinary infractions.

The numbered questions are your exercise, not your assignment. The entire assignment is available on TLC's Website in a Word document format for your convenience.

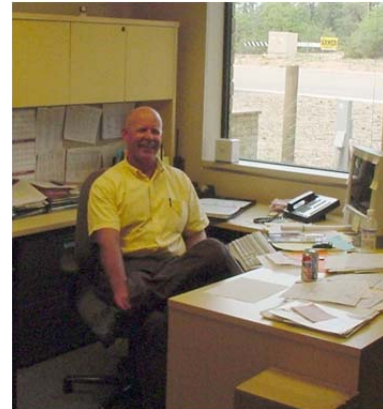
So, what can you do if you end up in this situation?

Try this.....

1. Tell your former co-workers you intend to treat everyone in the unit alike – and all rules and policies will apply to all equally.

How hard will this task be for you to complete? List some of the pitfalls or problems you may encounter.

Your exercise begins here. This is not your assignment; the assignment is a multiple choice exam and found on TLC's website under assignment.



Strive to establish positive relationships with everybody in your unit – especially those with whom you have not enjoyed a good rapport with in the past.

2. Is there someone that works for you now that you can think of that you have not had a good relationship with in the past? As you think of this person, list the ways that you can create an environment for a change in that relationship.

3. Create a sense of team spirit – share your unit and departmental goals with your people and ask for their assistance in meeting those goals.

How can you foster a sense of team spirit among your employees?

4. What ways can you bring together the ideas and suggestions of your employees?

Always Remember....

You are now the person in charge. If workers think you are still a worker at their level, they will not take your words or actions serious. On the other hand, if you choose to deal with workers on a strict business level only, you will end up alienating many of your workers.

Avoid being one of the gang, but do not neglect the importance of asking for positive feedback and reinforcement from workers and other supervisors. Keeping an open door policy and honoring that whenever possible will encourage your employees to share their ideas with you.

Finding a peer you can trust to bounce ideas off of can be a great asset. You can also use them as a sounding board in the beginning as you strive to be the best manager or supervisor you can be.

5. Identify a mentor or a person that you can bounce ideas off of and describe why this person is important to you.

Reviewing Your Own Performance

Keeping up with the responsibilities of supervision takes work. You can make the job easier on yourself and your people if you review your own performance from time to time. You can take some steps that will allow you to do this task:

Be Receptive. Ask for comments and suggestions from your workers. Encourage them to come forward with ideas for improvements. When they do, listen and act on the suggestions whenever possible. If it is not a good idea, explain why and encourage further input in the future.

6. **Scenario:** Mary has an idea of changing an office procedure to improve customer service. You do not think that her idea will work in your area. Mary is an excellent employee and is very sharp. Her last idea was that you should apply for the supervisor's position and she supported you. How would you handle this situation?

Listen to Criticism. Whether or not it comes in form of a complaint or from other means, just listen. Do not feel that because you have been promoted, you have to know it all. You don't! Train your people to present their complaints with a suggestion on how to fix what is wrong. Moreover, do not feel that you always need to defend your actions or decisions.

You will never make decisions that are popular with everyone affected. Listen, validate the feelings ("***I understand what you are feeling...***") and make any comments about the situation that you feel are necessary, then move on.



7. Scenario: You have come to find out that the other departments have implemented Mary's idea and have excelled in customer service. Mary knows that she was correct in her idea and that you should have accepted this idea. Mary feels that you do not like her as an employee any longer. You have been very busy in meetings and it appears that you have avoided her for the last week, but she has noticed that you have been talking to Mary's co-worker Pat more than usual.

Pat has been complaining to you about a personal problem at home that is starting to affect her job performance. As soon as Pat walks out of your office, Mary comes in to ask why you have rejected or been avoiding her. **How do you respond?**



Mary

Set a Good Example. Coming in late and leaving early will give workers the impression that you are not serious about your new role. People may even begin to ask why you received the promotion in the first place – and they will be right to wonder.

Setting a good example sets the pace for the rest of the unit and provides your superiors with a measure of your performance. The attendance records of your subordinates could indicate how effective you are as a supervisor. Besides, how can you discipline for lateness when you arrive for work late?

8. Scenario: You have been leaving 1 hour early each and every Friday to deliver records to the main office and will usually spend an additional 2-3 hours late because of procedures. One Friday, you left early as usual and realized that you had forgotten an item at the office. You return to your office and realize that Pat and Mary have left also.

Monday morning you ask both of them why they left work early on Friday and they reply ***“they follow your lead and leave early on Friday too”***. How do you respond?



← **Pat**

Accept Accountability. This is essential if you expect employees to work hard for you. When something goes wrong and dissension begins to fly, you cannot stand aside and let your people take the punishment. If people know that you will go to the wall for them, you will have their loyalty in return.

9 Scenario: After 5 years of service Bill tells you that Pat is stealing supplies, but he doesn't want you to expose his name. You believe that Pat is an honest employee and do not follow through or say anything to Pat.

A week later, your supervisor tells of an anonymous tip and that you must terminate Pat for stealing supplies. You call Pat in the office and shut the door. You ask her if she is involved in any wrongdoing. She says "**yes**", she was dating Bill but broke the relationship off because it was affecting her job performance. She explained that Bill was trying to get even with her, but didn't know what activity he was up to. Your supervisor wants a response from you.



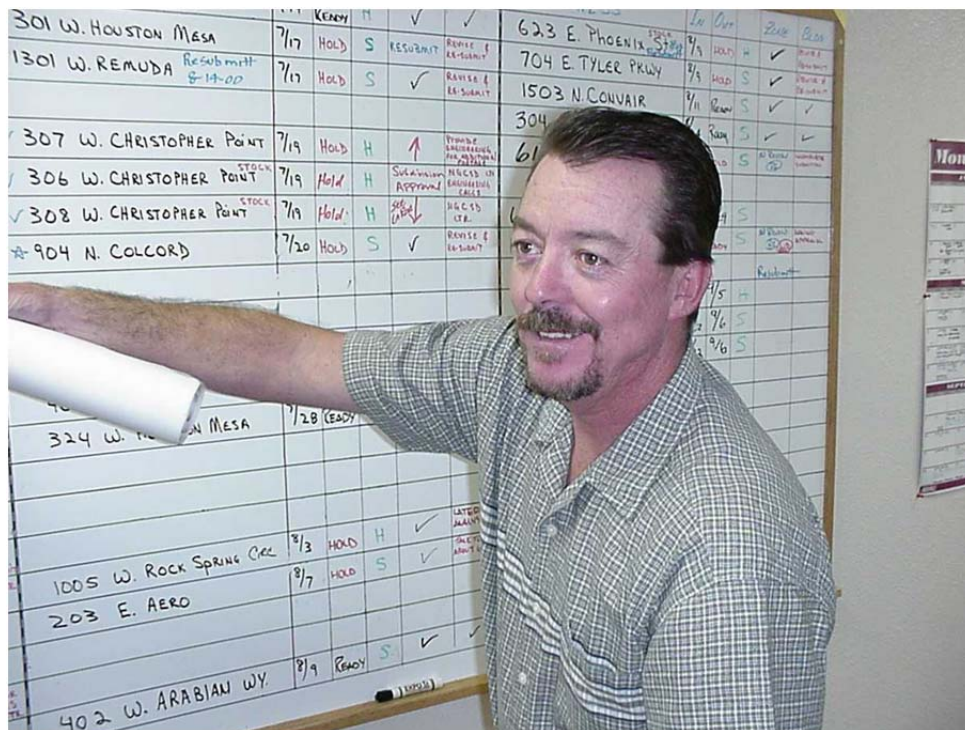
Bill

Communicate Honestly with Your Boss. Be willing to accept responsibility for your actions. If you goof, admit it. Do not be afraid of failures. The most successful supervisors have all had failures, but they used them as learning experiences.

There is truth in the adage that if you have not been a failure: you have not been trying hard.

10. Scenario: After defending Pat against the theft charges to your Supervisor, the Supervisor wants you to describe a past failure of yours and how that failure has made you a better supervisor.

Your supervisor wants to form an opinion whether a supervisor can make decisions and make mistakes or if it is a better policy that all supervisors' decisions should be made at the executive level instead.





Making the Transition to a Supervisor- Summary

Tips...

- ✓ Do not permit those who were co-workers yesterday to intimidate you today.
- ✓ Stay warm and friendly **but slowly back away**. You cannot be a friend and a supervisor at the same time.
- ✓ Do what you can to make everybody's job better than before you became a supervisor. Do not make the same mistakes your boss made when you were their subordinate.
- ✓ Demonstrate to your previous co-workers that you are knowledgeable of the job tasks by teaching new skills in a sensitive manner, which will make their jobs easier.
- ✓ Seek assistance from your supervisors in making your transition. Ask for suggestions from others. Be a good listener.
- ✓ Let employees know how they are doing and that their work is appreciated.

Remember

Many capable employees resign because supervisors take them for granted. You are only as good as the people who work for you.



Leadership Styles

Leadership is...

...getting people to do a job willingly and well.

Leadership may involve a group of two or more people working together to complete a task. It involves having a person responsible for completing the task and others willing to follow the directions of the leader.

Basic Leadership Styles

There are four basic styles of leadership that will be discussed during this session. They are:

Authoritative

Consultative

Participative

Laissez Faire

The Authoritative Style

Someone that would use the authoritative style of supervision would tell his or her employees the action that needed to be done, and then tell them how to do it--similar to a drill sergeant that shouts orders and you respond without question.

“Just do it”, said the supervisor. **“Why?”** Asked the employee. **“Because I said so!”** Came the reply.

11. What happens when the supervisor leaves the work site?

12. How do the employees react while this supervisor is at the job site?

Consultative

Someone who uses consultative style will ask the opinion of the employees on the best way to complete a task and then make a decision on how to proceed.

“What do you think?” Asked the supervisor. ***“Remove the broken part first”***, said one employee. ***“Call the company representative”***, said another. The supervisor said, ***“I will call to make sure that there is a replacement part is available, and then we will proceed.”***

One thing worth noting here. If you obtain input from your employees and decide that a different direction is required, tell your employees before implementation of the new idea or process.

Tell them what the opinions were, the final decision that was made and why some of the opinions were not used. If they are really to feel like they are a part of the decision making process, they need to be involved all the way through to the end.

13. What happens to this type of interaction during an emergency situation?

Participative

The Participative style will allow the employees to help make the decisions but the supervisor remains responsible for the decisions.

“These are our options in getting the job completed on time”, said the supervisor.

“I believe this is the best option”, said one employee and the others agreed.

“Well, let’s do it that way”, said the supervisor.

14. What happens if the employee disagrees?

Laissez Faire

The Laissez Faire style will allow the employees to do their own thing and they may or may not accept responsibility for the action.

“We need to lift it and move it to the right”, said one employee. ***“Slide it to the left”***, said another.

“Any way you want to do it, just don’t hurt the machine”, said the supervisor.

A new supervisor may not know which leadership style he or she may be expressing or which style may be best to fit the job situation. It is often a good idea to model your behavior after a successful supervisor you know and respect.

15. Identify a supervisor that you respect and the management style or styles this person uses to supervise.

Modern Management Foundations I

Dr. W. Edwards Deming

The late Dr. W. Edwards Deming conducted a thriving world-wide consulting practice for more than forty years. His clients included AT&T, Campbell's Soup, Ford, General Motors and Dow Chemical of Canada. President Reagan awarded the National Medal of Technology to Dr. Deming in 1987. He has also received countless other awards, including the Distinguished Career in Science Award, and the Shewart Medal from the American Society for Quality Control.

He is perhaps best known for his work in Japan, where from 1950 and onward he taught top management and engineers methods for management of quality.

This teaching dramatically altered and rebuilt the economy of Japan after WWII. Dr. Deming is the author of several books and 170 papers. The impact of his teachings on American manufacturing and service organizations has been profound.

(The above information was taken from the introduction to *The New Economics*, by W. Edwards Deming.)

The course author recommends that you read his books. Excellent resources and a great assets for your office and plus, his books will make you look smart.

Seven Deadly Diseases

The Seven Deadly Diseases:

1. Lack of constancy of purpose.
2. Emphasis on short-term profits.
3. Evaluation by performance, merit rating, or annual review of performance.
4. Mobility of management.
5. Running a company on visible figures alone.
6. Excessive medical costs.
7. Excessive costs of warranty, fueled by lawyers who work for contingency fees.

A Lesser Category of Obstacles:

1. Neglecting long-range planning.
2. Relying on technology to solve problems.
3. Seeking examples to follow rather than developing solutions.
4. Excuses, such as "Our problems are different."

The Deming System of Profound Knowledge™

"The prevailing style of management must undergo transformation. A system cannot understand itself. The transformation requires a view from outside. The aim of this chapter is to provide an outside view—a lens—that I call a system of profound knowledge. It provides a map of theory by which to understand the organizations that we work in.

"The first step is transformation of the individual. This transformation is discontinuous. It comes from understanding of the system of profound knowledge. The individual, transformed, will perceive new meaning to his life, to events, to numbers, to interactions between people.

"Once the individual understands the system of profound knowledge, he will apply its principles in every kind of relationship with other people. He will have a basis for judgment of his own decisions and for transformation of the organizations that he belongs to. The individual, once transformed, will:

- Set an example;
- Be a good listener, but will not compromise;
- Continually teach other people; and
- Help people to pull away from their current practices and beliefs and move into the new philosophy without a feeling of guilt about the past."

Deming advocated that all managers need to have what he called a System of Profound Knowledge, consisting of four parts:

1. ***Appreciation of a system***: understanding the overall processes involving suppliers, producers, and customers (or recipients) of goods and services;
2. ***Knowledge of variation***: the range and causes of variation in quality, and use of statistical sampling in measurements;
3. ***Theory of knowledge***: the concepts explaining knowledge and the limits of what can be known (see also: epistemology);
4. ***Knowledge of psychology***: concepts of human nature.

Deming explained, "One need not be eminent in any part nor in all four parts in order to understand it and to apply it. The 14 points for management in industry, education, and government follow naturally as application of this outside knowledge, for transformation from the present style of Western management to one of optimization."

"The various segments of the system of profound knowledge proposed here cannot be separated. They interact with each other. Thus, knowledge of psychology is incomplete without knowledge of variation.

"A manager of people needs to understand that all people are different. This is not ranking people. He needs to understand that the performance of anyone is governed largely by the system that he works in, the responsibility of management. A psychologist that possesses even a crude understanding of variation as will be learned in the experiment with the Red Beads (Ch. 7) could no longer participate in refinement of a plan for ranking people."

The System of Profound Knowledge™ is the basis for application of Deming's famous 14 Points for Management, described below.

Deming's 14 points

Deming offered fourteen key principles for management for transforming business effectiveness. In summary:

1. Create constancy of purpose for the improvement of products and services, with the aim to become competitive, stay in business, and provide jobs.
2. Adopt a new philosophy of cooperation (win-win) in which everybody wins and put it into practice by teaching it to employees, customers and suppliers.
3. Cease dependence on mass inspection to achieve quality. Instead, improve the process and build quality into the product in the first place.
4. End the practice of awarding business on the basis of price tag alone. Instead, minimize total cost in the long run. Move toward a single supplier for any one item, based on a long-term relationship of loyalty and trust.
5. Improve constantly, and forever, the system of production, service, and planning of any activity. This will improve quality and productivity and thus constantly decrease costs.
6. Institute training for skills.
7. Adopt and institute leadership for the management of people, recognizing their different abilities, capabilities, and aspirations. The aim of leadership should be to help people, machines, and gadgets do a better job. Leadership of management is in need of overhaul, as well as leadership of production workers.
8. Drive out fear and build trust so that everyone can work more effectively.
9. Break down barriers between departments. Abolish competition and build a win-win system of cooperation within the organization. People in research, design, sales, and production must work as a team to foresee problems of production and use that might be encountered with the product or service.
10. Eliminate slogans, exhortations, and targets asking for zero defects or new levels of productivity. Such exhortations only create adversarial relationships, as the bulk of the causes of low quality and low productivity belong to the system and thus lie beyond the power of the work force.
11. Eliminate numerical goals, numerical quotas, and management by objectives. Substitute leadership.
12. Remove barriers that rob people of joy in their work. This will mean abolishing the annual rating or merit system that ranks people and creates competition and conflict.
13. Institute a vigorous program of education and self-improvement.
14. Put everybody in the company to work to accomplish the transformation. The transformation is everybody's job.

Highly Successful Supervisors Have Much In Common

- ✓ Take time to teach employees skills
- ✓ Remain positive under pressure
- ✓ Build and maintain rewarding personal relationships with employees
- ✓ Set reasonable and consistent on-the-job authority lines
- ✓ Willing to delegate authority and responsibility
- ✓ Set high quality standards and be an example
- ✓ Work at being a very good communicator
- ✓ Build a team effort to achieve high production



16. What other supervisory actions have you observed in successful supervisors?



Bottleneck: The process unit that has the longest cycle time or the lowest capacity relative to the demand, or flow of jobs through it, thereby restricting flow and setting the capacity of the process system. If the flow in a process splits, the capacity of a unit is compared to the flow through it.

Chapter Two

Your Role as a Supervisor

Aggressive or Passive Supervisors...

Some supervisors are too aggressive. They place unreasonable demands on their people and insist on special favors from fellow supervisors. Other supervisors are too passive. They let employees get away with everything short of staging a coup. Fellow supervisors, often take advantage of a passive supervisor by shifting work to that supervisor's inbox or department.

Between these two extremes lie assertive supervisors.

These leaders:

- ✓ Are able to talk with workers and management on all levels.
- ✓ Are goal-directed and willing to make things happen.
- ✓ Demonstrate self-confidence and respect for others.
- ✓ Express feelings openly but in a positive, constructive manner.
- ✓ Make firm decisions, but are willing to be flexible when it becomes necessary.
- ✓ Accept responsibility for their own actions and behaviors.
- ✓ Accept and give criticism constructively, neither downplaying nor overstating their abilities.



Your role:

As a supervisor, your role is to be skilled and flexible enough to successfully complete your goals and help others have a satisfying, rewarding work experience. With your role in mind, let us take a closer look at your leadership functions.

Four Primary Functions of Leadership

Planning: Thinking things through.

Planning is an important part of your job. As a supervisor or manager, you must plan for your daily tasks and responsibilities, as well as things that come up unexpectedly.

You plan for equipment purchases, employee changes, budgetary issues, personnel issues, just to name a few. However, planning for those unexpected parts of your job is not always easy to do.

17. What are some of the unexpected things that you are likely to encounter in your current job?

18. What are some of the unexpected things that you are likely to encounter in you current job?

Thinking things through before we make a decision or react to a situation will aid in a favorable outcome. Think of things that you put on the list you just made. How can you plan now for these things that “**may**” occur? Planning will save you time and worry in the future.

19. What are some things that you can do to plan for those unexpected things on your list?

It is very easy to find yourself caught off guard and reacting to a situation without thinking it through. We are all faced with the types of situations that require a snap decision. Nevertheless, if we can get to the place where thinking things through becomes commonplace, it will become second nature.



Organizing: Getting things together.

The more organized you are, the better supervisor or manager you will be. The organization of your routine tasks will make life much more manageable in the end. Organization also goes hand-in-hand with planning. Planning makes you a better-organized supervisor or manager.

20. What are some things that you can think of in your work life that need to be better organized?



Missy

Implementing: Putting things in action:

A supervisor or manager that just **“talks”** about things without acting or putting things into practice is not helping anyone. We need to realize that no action is worse than the wrong action in many cases. If something does not work it needs to be fixed.

Work with your employees and seek out their ideas. Just because you are the supervisor or manager does not mean that you have the lock on innovative ideas.

How many times have you heard your employees say that you never listen to them? You may find that no matter what you do to involve them in the decision making process, you will still hear these kinds of comments.

Do your best to seek out participation in the areas where their suggestions will be useful and allow, when possible, their involvement in the purchase or implementation of new equipment or policy. You may find yourself miles ahead of the game by getting this type of involvement.

It is called **“buy-in”**. Buy in from your employees can mean the difference between something working and not working.

21. Are there some things that you have been putting off doing? If so, list some of them below:

Evaluating: Checking things out:

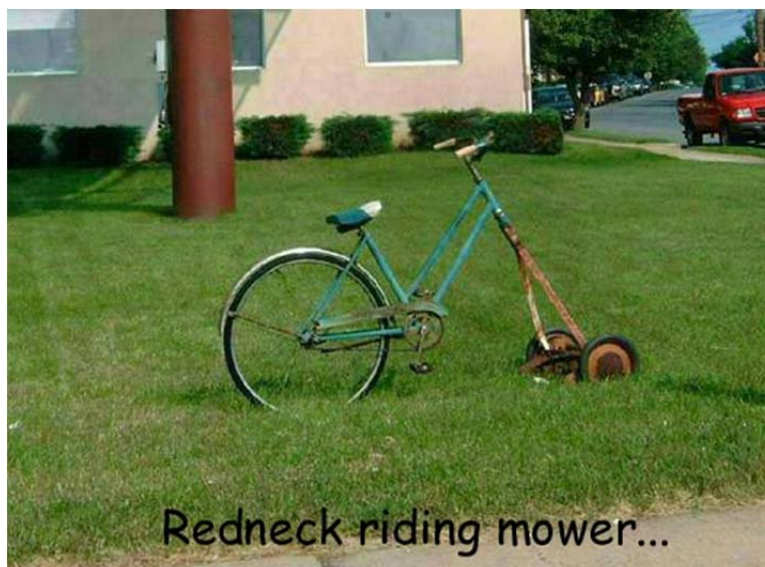
Whenever something new comes along or when it comes to supervising employees, there is a certain amount of evaluating that needs to take place.

Evaluating something or someone can be as simple as asking questions of others, or as complex as setting up an evaluation period and documenting everything that takes place.

However, there is a big difference between evaluating people and evaluating equipment or procedures. The human element involved in the evaluation of someone's performance can be a difficult thing at times.

Making the evaluation process in this case as painless as possible for all involved is a goal that you should aim for.

Be as objective as possible when evaluating someone's performance. Documentation, examples, and the ability to be a source of help and motivation are your job as a supervisor when dealing with employees in this way.



Management versus Leadership

Managing Things versus Leading People

Management and leadership are not the same thing. One contrast between the two is that managers manage things, while leaders lead people. Managers focus on objects such as budgets, organizational charts, sales projections and productivity reports. Leaders focus their efforts on people by encouraging, training, inspiring, empathizing, evaluating and rewarding their employees or coworkers.

To manage means to direct, to accomplish, and to have responsibility for. The functions of management are planning, directing, organizing, and controlling. The successful manager is viewed as one who achieves results by following prescribed activities and maintaining behaviors and products within prescribed limits.

To lead, however, is to inspire, to influence, and to motivate. Effective leaders help others pursue excellence, extend themselves, and go beyond their job requirements by generating creative ideas.

It has been said that managers are people who do things right, and leaders are people who do the right thing. Effective leaders do a lot of managing, and effective managers need to lead.

Controlling Complexity versus Product Change

Another contrast between management and leadership is maintaining stability versus creating change. Both management and leadership involve influencing others through four roles: planning, organizing, directing and controlling. However, as they focus on these roles, managers and leaders behave differently.

Planning—managers decide what to do by planning and budgeting, which controls complexity and produces orderly results. Leaders help an organization achieve constructive change by developing a vision of the future and strategies for producing changes to achieve the vision.

Organizing—managers perform organizing and staffing activities to create a structure for getting the work done. Leaders communicate a new direction to the relevant people and get them to support the ideas that will move the company in this new direction.

Directing—managers are problem solvers. They negotiate agreements that satisfy worker's expectations and the demands of the organization. For example, bargaining and compromise are used to make an agreement, and reward and punishment are used to enforce it. Leaders rely on empowering people and letting them work on their own, according to the shared vision.

Controlling—managers ensure performance by implementing control systems. Leaders ensure performance by motivating and inspiring people to go above and beyond their formal job expectations.

In this leadership theory, leadership is not necessarily better than management. Both functions are necessary in organizations. A successful supervisor can incorporate both functions in his leadership style to have a highly cohesive and successful organization.

Human Relations Self-Checklist Dealing with people is complicated, to say the least. Here are 30 questions dealing with human relations. Take a few minutes and answer them.

1. Do you know a little bit about the off-the-job interests of each person in your department?
2. Are you generally cheerful?
3. Do you manage to keep calm and even-tempered under the inevitable pressures and strains on the job?
4. Do you make promises only when you know you can keep them?
5. Do you tend to be impatient?
6. Are you apt to violate personal confidence?
7. Do you make an effort to be a good listener?
8. Do you give credit where credit is due?
9. Do you ignore complaints that appear insignificant to you?
10. Are you strict with some employees and lenient with others?
11. Do you believe in the practice of being one of the gang with your workers after hours?
12. Do you praise good work as well as criticize poor work?
13. Do you freely delegate responsibilities to others?
14. Do you cooperate and get along well with other supervisors?
15. Can you refuse an employee's request without creating antagonism?
16. Do you try to see the other person's point of view?
17. Do you think that if you get too friendly with employees they begin to lose respect for you?
18. Are you effective in giving orders?
19. Do you ask employees to do personal chores for you?
20. Do you ever ask for employees' opinions about work improvements?
21. Do you explain reasons for changes in policies and procedures?
22. Do you refrain from making sarcastic remarks; from speaking in a loud and commanding voice?
23. Do you feel that your first impressions of a person are reliable?
24. Have you had many employee turnovers in your department?
25. Do your workers respond when you talk to them about doing a better job?
26. Do you give employees a chance to advance or learn new skills?
27. Do you try to put a new worker at ease?
28. Do you threaten and coerce your employees?
29. Do you believe that a bad habit will iron itself out?
30. Do you usually tell employees the reason behind an order?

What do the answers to these questions tell you? They will probably tell you many things if you look at them objectively. They could tell you that you are a passive type of supervisor, or a very aggressive one. For example, they may tell you that you empower your employees to do their job and motivate them along the way, or you tell them what to do every step of the way or leave them out on their own.

Take another look at your responses to these questions. Do you see room for improvement?

22. What steps do you need to take personally after looking at these questions?



Chapter Three

Leadership in Decision Making and Problem Solving

Decision Making

You are making many decisions each day. Experience tells you some decisions have been good, others have proven to be not so good. The question is how can you, as a supervisor, make more right decisions than wrong decisions?

Why is decision making so important?

Supervisors are evaluated by their employees, their boss and their organization on the decisions made on the job. In many cases, the decisions you make will affect the safety, conveniences, plans and welfare of others inside and outside the organization.

The decision-making process

The basic elements of the decision-making process are establishing goals and objectives, identifying problems, developing and evaluating alternatives, choosing an alternative and implementing it, and evaluating the results. Knowing the elements of the decision-making process can help you avoid feeling frustrated and uncertain when problems arise.

Our decisions are affected by our own personality traits. The following are four personality orientations that may affect how we make decisions:

1. **Ideology vs. Power.** Social reform movements usually have leaders with strong ideological orientations, while politicians are usually influenced by power. The best leaders in organizations usually are ideologically motivated.
2. **Emotionality vs. Objectivity.** Some people make decisions with their hearts, while others decide with their heads, using the facts.
3. **Creativity vs. Common Sense.** Some people try to redefine each problem and come up with a new solution, while others focus on what has worked in the past or what makes the most sense.
4. **Action Oriented vs. Contemplation.** Some people just want to make things happen, while others want to explore possible solutions and their implications.

How can a supervisor make more of the right decisions?

The five (5) steps outlined below will serve as a guide for making more of the right decisions. The process looks simple and, in most cases is simple. However, if a step is skipped or completed without logical thinking on the supervisor's part, the results may be a wrong decision. As we review each step, think of a situation that you are facing now.

Use that as an aid to learning the steps. Below each step are blanks. Use them to write in your thoughts.

Step 1: Make a list of all the possible courses of action.

23. List all of the things that are possible with the of the decision-making process situation; even if they seem ridiculous now, put them down on paper.

Step 2: Review the reasons you are making this decision.

24. As you review the reasons for making this decision, do so objectively. Try not to rationalize and defend your own point of view. Look at all your options first and then make your decision.

Step 3: Weigh the good and bad consequences that can happen because of each possible action.

25. The outcome, although it is the proper thing to do at the time, may not always be positive. Think of ways to curb the lack of buy-in from your employees before you announce the decision.

Step 4: Add any new actions that may have come as a result of Steps 2 and 3.

26. After you have made any changes because of this process, make sure the ***Do Nothing*** choice is one possible action. Sometimes the solution to a problem is to do nothing. Some things are a result of the natural interaction between people and they will work themselves out of it if left alone. What are some things that you thought of in this process that you would need to add now?

Step 5: Now, make the decision and make plans to reduce the risks that may show up because of the decision.

27. What are some of the risks that may show up after the decision is made and announced to your employees?

Problem Solving

Problem solving is closely related to decision making. In problem solving, a decision or number of decisions must be made to solve the problem.

Before trying to solve a problem, try these steps *first*:

- ✓ **Admit there is a problem**
- ✓ **Find out who owns the problem (is it mine, or someone else's?)**
- ✓ **Decide to do something about the problem.**

Then try the following steps:

1. Define the problem.

28. What is the problem and who are the players or those affected by the problem? Think of a current problem and write it below.

2. Think of all possible solutions and make a list.

29. What are the possible solutions for this problem? Often times there are more than one proper solution to a given problem.



3. Consider all the possible solutions and select the best one.

30. Which one would you select and why?

4. Put the solution into action.

31. Again, what are some of the obstacles to putting the action in place? How would you put the solution into action?

5. Evaluate the outcome.

32. Evaluation is the only way to determine if something is working or not. Think of the following as you evaluate something new.

- A. Is it a *positive outcome*?
- B. Is it a *negative outcome*?

Has the outcome to this point been a positive or negative one?

Barriers to Making Clear Decisions and Solving Problems

➤ **Lack of Skills:**

The person simply does not know enough about the subject to make the decision or solve the problem.

➤ **Situation is too Complicated:**

The decision requires using more information than a person is able to handle at one time.

➤ **Mental Factor:**

The person tends to want to do something and yet not to want to do it at the same time. This causes hesitation, wavering, uncertainty and a feeling of distress on the person.

➤ **Denying:**

This is a barrier in which the person tries to avoid admitting their shortcomings. This takes the form of putting things off, blaming others, or not taking responsibility.

➤ **Being Accepted by Others:**

Acceptance is important to a person's personal needs and gets in the way of decision making. Being accepted is sometimes more important than making a good decision or solving a problem.

➤ **Not Important Enough:**

This is where the person may feel some need to act but does nothing because the decision or problem seems minor.

➤ **Stacking the Deck:**

This is when people have something in mind and pick the facts, figures, and values that prove their case. This prevents them from looking at all the options possible in this situation (Personal agenda).

➤ **Overlooking Ourselves:**

When we say that the solution always rests with someone else. It is not for "me" to change the situation.

➤ **Beliefs of Society:**

This involves such ideas as thinking it is a waste of time, playing is for children, business is to be taken seriously at all times, and money can solve all our problems.

➤ **Always Done Things This Way:**

Tends to make decisions based on how things have always been done. Status Quo!



Steps in Decision Making

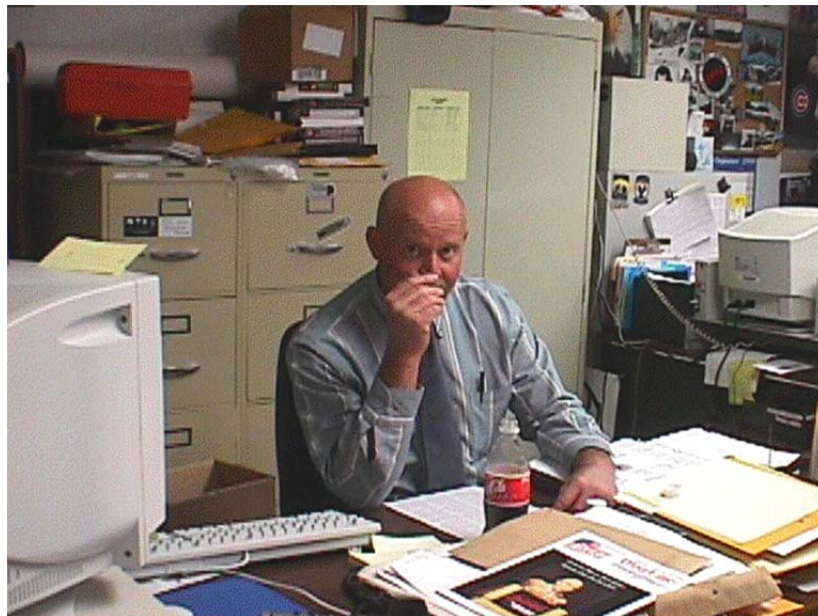
33. Make a list of all possible courses of problem solving action. **Step 1**

34. Review the reason you are making this decision. **Step 2 (*Be objective*)**

35. Weigh the good and bad consequences that can happen because of each possible action.
Step 3

36. Add any new actions that may have come up because of Step 2 and 3. Then review the total list including the *Do Nothing* choice. **Step 4**

37. Now, make the decision and plans to reduce the risks that may show up as a result of the decision. **Step 5**



Guides to Problem Solving

38. Define the problem.

39. Think of all possible solutions and make a list.

40. Consider all the possible solutions and select the best one.

41. Put the solution into action.

42. Evaluate the outcome.

43. Positive Outcome.

44. Negative Outcome.



Modern Management Foundations I I

Abraham Maslow

Abraham H. Maslow was born in Brooklyn, New York, in 1908. He studied primate behavior at the University of Wisconsin, where he received his doctorate in psychology in 1934.

Early in his career, Maslow was drawn to the study of human motivation and personality. His work in this area upset strict behaviorists, whose explanations of motivation and personality failed to account for what Maslow called the whole person. His theory of the hierarchy of needs, which leads to the "**self-actualized**" individual, was a strong catalyst for the founding of humanistic psychology. Maslow successfully bridged motivation and personality in his theories of needs, self-actualizing persons, and peak experiences.



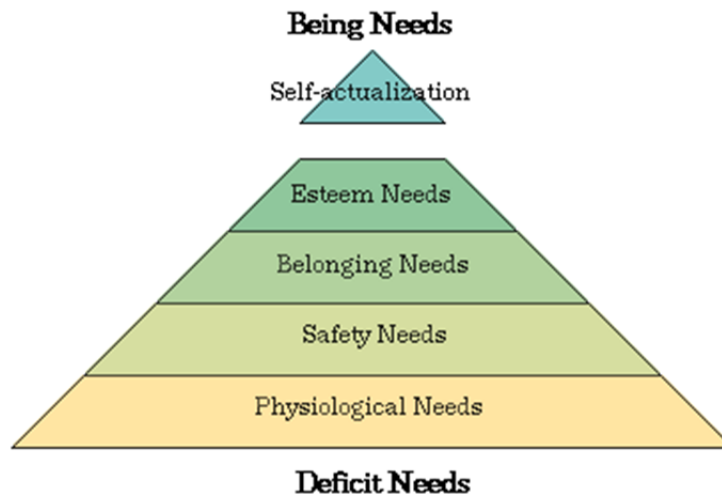
Abraham Maslow, Courtesy of Brandeis University

Maslow is considered an important figure in contemporary psychology. His career was a formidable one. For 14 years he taught at Brooklyn College, and then went to Brandeis University as chairman of the Psychology Department. In 1968 he was elected president of the American Psychological Association. In 1969 he went to the Laughlin Foundation in Menlo Park, California.

He wrote two important books: *Toward a Psychology of Being* (1968) and *Motivation and Personality* (1970). Abraham Maslow died of a heart attack in 1970.

Hierarchy of Needs Theory

One of the many interesting things Maslow noticed while he worked with monkeys early in his career was that some needs take precedence over others. For example, if you are hungry and thirsty, you will tend to try to take care of the thirst first. After all, you can do without food for weeks, but you can only do without water for a couple of days! Thirst is a “stronger” need than hunger. Likewise, if you are very very thirsty, but someone has put a choke hold on you and you can't breathe, which is more important? The need to breathe, of course. On the other hand, sex is less powerful than any of these. Let's face it; you won't die if you don't get it!



The progression works from the bottom up:

5. Self-actualization (self-fulfillment) needs
4. Ego needs (self-esteem and the esteem of others)
3. Social needs (sense of belonging)
2. Security needs (personal safety)
1. Physiological needs (food, water, shelter)

Maslow took this idea and created his now famous **hierarchy of needs**. Beyond the details of air, water, food, and sex, he laid out five broader layers: the physiological need, the need for safety and security, the need for love and belonging, the need for esteem, and the need to actualize the self, in that order.

1. **The physiological needs.** These include the needs we have for oxygen, water, protein, salt, sugar, calcium, and other minerals and vitamins. They also include the need to maintain a pH balance (getting too acidic or base will kill you) and temperature (98.6 or near to it).

Also, there's the needs to be active, to rest, to sleep, to get rid of wastes (CO₂, sweat, urine, and feces), to avoid pain, and to have sex. Quite a collection!

Maslow believed, and research supports him, that these are in fact individual needs, and that a lack of, say, vitamin C, will lead to a very specific hunger for things which have in the past provided that vitamin C -- e.g. orange juice. I guess the cravings that some pregnant women have, and the way in which babies eat the most foul tasting baby food, support the idea anecdotally.

2. The safety and security needs. When the physiological needs are largely taken care of, this second layer of needs comes into play. You will become increasingly interested in finding safe circumstances, stability, and protection. You might develop a need for structure, for order, some limits.

Looking at it negatively, you become concerned, not with needs like hunger and thirst, but with your fears and anxieties. In the ordinary American adult, this set of needs manifest themselves in the form of our urges to have a home in a safe neighborhood, a little job security and a nest egg, a good retirement plan and a bit of insurance, and so on.

3. The love and belonging needs. When physiological needs and safety needs are, by and large, taken care of, a third layer starts to show up. You begin to feel the need for friends, a sweetheart, children, affectionate relationships in general, even a sense of community. Looked at negatively, you become increasingly susceptible to loneliness and social anxieties.

In our day-to-day life, we exhibit these needs in our desires to marry, have a family, be a part of a community, a member of a church, a brother in the fraternity, a part of a gang or a bowling club. It is also a part of what we look for in a career.

4. The esteem needs. Next, we begin to look for a little self-esteem. Maslow noted two versions of esteem needs, a lower one and a higher one. The lower one is the need for the respect of others, the need for status, fame, glory, recognition, attention, reputation, appreciation, dignity, even dominance. The higher form involves the need for self-respect, including such feelings as confidence, competence, achievement, mastery, independence, and freedom. Note that this is the “**higher**” form because, unlike the respect of others, once you have self-respect, it’s a lot harder to lose!

The negative version of these needs is low self-esteem and inferiority complexes. Maslow felt that Adler was really onto something when he proposed that these were at the roots of many, if not most, of our psychological problems. In modern countries, most of us have what we need in regard to our physiological and safety needs. We, more often than not, have quite a bit of love and belonging, too. It’s a little respect that often seems so very hard to get!

All of the preceding four levels he calls **deficit needs**, or **D-needs**. If you don’t have enough of something -- i.e. you have a deficit -- you feel the need. But if you get all you need, you feel nothing at all! In other words, they cease to be motivating. As the old blues song goes, “you don’t miss your water till your well runs dry!”



He also talks about these levels in terms of **homeostasis**. Homeostasis is the principle by which your furnace thermostat operates: When it gets too cold, it switches the heat on; when it gets too hot, it switches the heat off. In the same way, your body, when it lacks a certain substance, develops a hunger for it; when it gets enough of it, then the hunger stops. Maslow simply extends the homeostatic principle to needs, such as safety, belonging, and esteem that we don't ordinarily think of in these terms.

Maslow sees all these needs as essentially survival needs. Even love and esteem are needed for the maintenance of health. He says we all have these needs built in to us genetically, like instincts. In fact, he calls them **instinctoid** -- instinct-like -- needs.

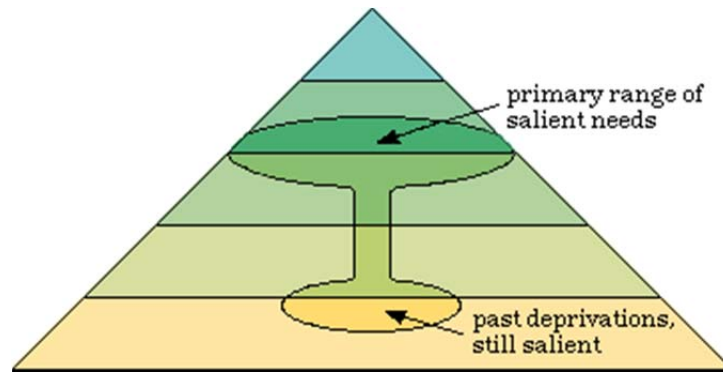
In terms of overall development, we move through these levels a bit like stages. As newborns, our focus (***if not our entire set of needs***) is on the physiological. Soon, we begin to recognize that we need to be safe. Soon after that, we crave attention and affection. A bit later, we look for self-esteem. Mind you, this is in the first couple of years!

Under stressful conditions, or when survival is threatened, we can "regress" to a lower need level. When your great career falls flat, you might seek out a little attention. When your family ups and leaves you, it seems that love is again all you ever wanted. When you face chapter eleven after a long and happy life, you suddenly can't think of anything except money.

These things can occur on a society-wide basis as well: When society suddenly flounders, people start clamoring for a strong leader to take over and make things right. When the bombs start falling, they look for safety. When the food stops coming into the stores, their needs become even more basic.

Maslow suggested that we can ask people for their "**philosophy of the future**" -- what would their ideal life or world be like -- and get significant information as to what needs they do or do not have covered.

If you have significant problems along your development -- a period of extreme insecurity or hunger as a child, or the loss of a family member through death or divorce, or significant neglect or abuse -- you may "fixate" on that set of needs for the rest of your life.



This is Maslow's understanding of neurosis. Perhaps you went through a war as a kid. Now you have everything your heart needs -- yet you still find yourself obsessing over having enough money and keeping the pantry well-stocked. Or perhaps your parents divorced when you were young. Now you have a wonderful spouse -- yet you get insanely jealous or worry constantly that they are going to leave you because you are not "good enough" for them. You get the picture.

Self-Actualization

The last level is a bit different. Maslow has used a variety of terms to refer to this level: He has called it **growth motivation** (in contrast to deficit motivation), **being needs** (or **B-needs**, in contrast to D-needs), and **self-actualization**.

These are needs that do not involve balance or homeostasis. Once engaged, they continue to be felt. In fact, they are likely to become stronger as we "**feed**" them! They involve the continuous desire to fulfill potentials, to "be all that you can be." They are a matter of becoming the most complete, the fullest, "**you**" -- hence the term, self-actualization.

Now, in keeping with his theory up to this point, if you want to be truly self-actualizing, you need to have your lower needs taken care of, at least to a considerable extent. This makes sense: If you are hungry, you are scrambling to get food; if you are unsafe, you have to be continuously on guard; if you are isolated and unloved, you have to satisfy that need; if you have a low sense of self-esteem, you have to be defensive or compensate. When lower needs are unmet, you can't fully devote yourself to fulfilling your potentials.

It isn't surprising, then, the world being as difficult as it is, that only a small percentage of the world's population is truly, predominantly, self-actualizing. Maslow at one point suggested only about two percent!

The question becomes, of course, what exactly Maslow means by self-actualization. To answer that, we need to look at the kind of people he called self-actualizers. Fortunately, he did this for us.

He began by picking out a group of people, some historical figures, some people he knew, whom he felt clearly met the standard of self-actualization. Included in this august group were people like Abraham Lincoln, Thomas Jefferson, Mahatma Gandhi, Albert Einstein, Eleanor Roosevelt, William James, Benedict Spinoza, and others. He then looked at their biographies, writings, the acts and words of those he knew personally, and so on. From these sources, he developed a list of qualities that seemed characteristic of these people, as opposed to the great mass of us.

These people were **reality-centered**, which means they could differentiate what is fake and dishonest from what is real and genuine. They were **problem-centered**, meaning they treated life's difficulties as problems demanding solutions, not as personal troubles to be railed at or surrendered to. And they had a **different perception of means and ends**. They felt that the ends don't necessarily justify the means, that the means could be ends themselves, and that the means -- the journey -- was often more important than the ends.

The self-actualizers also had a different way of relating to others. First, they had a **need for privacy**, and were comfortable being alone. They were relatively **independent of culture and environment**, relying instead on their own experiences and judgments. And they **resisted enculturation**, that is, they were not susceptible to social pressure -- they were, in fact, nonconformists in the best sense.

Further, they had what Maslow called **democratic values**, meaning that they were open to ethnic and individual variety, even treasuring it. They had the quality called **Gemeinschaftsgefühl** -- social interest, compassion, humanity. And they enjoyed **intimate personal relations** with a few close friends and family members, rather than more shallow relationships with many people.

They had an **unhostile sense of humor** -- preferring to joke at their own expense, or at the human condition, and never directing their humor at others. They had a quality he called **acceptance of self and others**, by which he meant that these people would be more likely to take you as you are than try to change you into what they thought you should be.

This same acceptance applied to their attitudes towards themselves: If some quality of theirs wasn't harmful, they let it be, even enjoying it as a personal quirk. Along with this comes **spontaneity and simplicity**:

They preferred being themselves rather than being pretentious or artificial. In fact, for all their nonconformity, he found that they tended to be conventional on the surface, just where less self-actualizing nonconformists tend to be the most dramatic.

And these people had a certain **freshness of appreciation**, an ability to see things, even ordinary things, with wonder. Along with this comes their ability to be **creative**, inventive, and original. And, finally, these people tended to have more **peak experiences** than the average person. A peak experience is one that takes you out of yourself, that makes you feel very tiny, or very large, to some extent one with life or nature or God.

It gives you a feeling of being a part of the infinite and the eternal. These experiences tend to leave their mark on a person, change them for the better, and many people actively seek them out. They are also called mystical experiences, and are an important part of many religious and philosophical traditions.

Maslow doesn't think that self-actualizers are perfect, of course. There were several flaws or imperfections he discovered along the way as well: First, they often suffered considerable anxiety and guilt -- but realistic anxiety and guilt, rather than misplaced or neurotic versions. Some of them were absentminded and overly kind. And finally, some of them had unexpected moments of ruthlessness, surgical coldness, and loss of humor.

Metaneeds and Metapathologies

Another way in which Maslow approach the problem of what is self-actualization is to talk about the special, driving needs (B-needs, of course) of the self-actualizers. They need the following in their lives in order to be happy:

Truth, rather than dishonesty.

Goodness, rather than evil.

Beauty, not ugliness or vulgarity.

Unity, wholeness, and transcendence of opposites, not arbitrariness or forced choices.

Aliveness, not deadness or the mechanization of life.

Uniqueness, not bland uniformity.

Perfection and necessity, not sloppiness, inconsistency, or accident.

Completion, rather than incompleteness.

Justice and order, not injustice and lawlessness.

Simplicity, not unnecessary complexity.

Richness, not environmental impoverishment.

Effortlessness, not strain.

Playfulness, not grim, humorless, drudgery.

Self-sufficiency, not dependency.

Meaningfulness, rather than senselessness.

At first glance, you might think that everyone obviously needs these. But think: If you are living through an economic depression or a war, or are living in a ghetto or in rural poverty, do you worry about these issues, or do you worry about getting enough to eat and a roof over your head? In fact, Maslow believes that much of the what is wrong with the world comes down to the fact that very few people really are interested in these values -- not because they are bad people, but because they haven't even had their basic needs taken care of!

When a self-actualizer doesn't get these needs fulfilled, they respond with **metapathologies** -- a list of problems as long as the list of metaneeds! Let me summarize it by saying that, when forced to live without these values, the self-actualizer develops depression, despair, disgust, alienation, and a degree of cynicism.

Maslow hoped that his efforts at describing the self-actualizing person would eventually lead to a "**periodic table**" of the kinds of qualities, problems, pathologies, and even solutions characteristic of higher levels of human potential. Over time, he devoted increasing attention, not to his own theory, but to humanistic psychology and the human potentials movement.

Fourth Force

Toward the end of his life, he inaugurated what he called the **fourth force** in psychology: Freudian and other “**depth**” psychologies constituted the first force; **Behaviorism** was the second force; His own humanism, including the European existentialists, were the third force.

The fourth force was the **transpersonal psychologies** which, taking their cue from Eastern philosophies, investigated such things as meditation, higher levels of consciousness, and even parapsychological phenomena. Perhaps the best known transpersonalist today is Ken Wilber, author of such books as ***The Atman Project*** and ***The History of Everything***.

Discussion

Maslow has been a very inspirational figure in personality theories. In the 1960's in particular, people were tired of the reductionistic, mechanistic messages of the behaviorists and physiological psychologists. They were looking for meaning and purpose in their lives, even a higher, more mystical meaning. Maslow was one of the pioneers in that movement to bring the human being back into psychology and the person back into personality!

At approximately the same time, another movement was getting underway, one inspired by some of the very things that turned Maslow off: computers and information processing, as well as very rationalistic theories such as Piaget's cognitive development theory and Noam Chomsky's linguistics. This, of course, became the cognitive movement in psychology. As the heyday of humanism appeared to lead to little more than drug abuse, astrology, and self indulgence, cognitivism provided the scientific ground students of psychology were yearning for.

But the message should not be lost: Psychology is, first and foremost, about people, real people in real lives, and not about computer models, statistical analyses, rat behavior, test scores, and laboratories.



Chapter Four

Communication Skills

Introduction

In this chapter, we will begin with defining communications, how we communicate, why we communicate, and stress the importance of **complete** communications. Then, we will review the barriers to effective communications in the work place. Then we will look at **job instruction**, the steps involved, and finally we will discuss the importance of **listening**.

Supervisors Role in Communications

Supervisors are required to give instructions, information, and directions to employees, other supervisors, and the public, every day. The basic definition of a supervisor is getting things done through other people. With this in mind, your success as a supervisor depends, to a large degree, on your ability to develop effective communications skills.

Communications: An Exchange

Communications is the exchange of information. This exchange can occur between two people, among several people, or a large group of people. Supervisors communicate by person-to-person, telephone, letters, radios, by signs, gestures, and body language.

Communications can be one-way, such as watching TV, listening to the radio, or listening to a speaker. Two-way communication is talking, listening, and reacting to others by any media.

The common element to communications is that someone has to send a message and someone has to receive a message. Since most communications on the job are verbal, the listening process becomes very important.

Listening takes up the largest percentage of communications at 45%, followed by speaking at 32%, reading at 14%, and finally writing at 9%.

The Communication Process

Communication is a symbolic process between two people. Our ability to use symbols allows us to learn from the experiences of others. The basic elements of the communication process are as follows:

- a. The source or sender is the originator of the message. It can be one person or several people working together.
- b. The message is the stimulus source that transmits to the receiver and is composed of symbols such as body language, words, sign language, winks, gestures or electronic impulses.
- c. The encoding process transforms the message into the symbols used to transmit the message.
- d. The channel is the means by which the message travels from a source to a receiver. This could be personal conversations, mass media (TV, radio, newspapers), or electronic media (email, fax, video, teleconferencing).
- e. The receiver is the person who receives the message and has the responsibility to interpret it.
- f. The decoding process is translating the message and interpreting it.

- g. Feedback from the receiver back to the sender is actually another message indicating effectiveness of the communication. One-way communication doesn't provide opportunity for feedback.
- h. Noise is anything that disrupts the transmission of the message or feedback. It could be a poor telephone connection, ambiguous wording of a message, or static from a poor TV antenna.

Accuracy of communication depends on each step in the process being successfully completed.

Barriers to Effective Communications

The following are nine of the major barriers to communication:

Omission. The transmitted message is almost always an abbreviated representation of the intended meaning. Listeners may hear a message and feel secure thinking they understood the communication, but they may not realize that what they heard is not complete and it may not be what the sender intended to say.

Filtering. The manipulation of information so that selected data, especially negative comments, are either removed or altered before they are transmitted to the next individual.

Time Pressures. Limited time, which is a reality in every aspect of life, causes vital information to be distorted or deleted.

Jargon. Abbreviated words or simplified phrases summarizing more complex concepts that convey a unique meaning to other group members. Tends to increase the speed and accuracy of communication within groups, and strengthens cohesiveness. Creates a difficult barrier for those outside the group.

Value Judgments. While the source is speaking, the receiver should be listening. However, many receivers assign an overall worth to the message based on small samples of it and then begin to develop a rebuttal. Effective listening requires that the listener suspend judgment until the entire message has been received.

Differing Frames of Reference. Accurate communication requires that the encoding and decoding processes be based on a common field of experience that the sender and receiver may not share.

Selective Listening. Part of the larger problem of selective perception in which people tend to listen to only part of a message and ignore other information. We try to ignore information that conflicts with established beliefs or values.

Semantic Problems. Occasionally people who speak the same language often discover that the symbols they use do not have a common meaning. Particularly troublesome in communicating abstract concepts or technical terms.

Information Overload. When people receive more messages than they can possibly handle, they experience communication overload. New technology has made communication faster, easier and more convenient, but is causing a severe information overload. Organizations are forced to create usage guidelines for the effective use of communication channels. This overload results in the following behaviors:

Disregarding—ignoring what cannot be easily absorbed, which is a dysfunctional response. The information typically ignored is usually the most difficult to comprehend or the least pleasant to accept.

Queuing—collecting the information in a pile to be processed at a later time. Only appropriate for recorded information such as letters, phone messages, and memos. Can either be an adaptive or dysfunctional response, depending on the amount of overload.

Filtering—screening information that appears to be irrelevant. Can be adaptive or dysfunctional depending on whether useful guidelines have been created for deciding what to screen.

Approximating—processing a sample of the information and using it to make inferences regarding the rest of the information. Typically, an adaptive response because most information is highly redundant and a random sample usually provides a good estimate of the total message.

Multiple channels—assigning different people, or departments, to be responsible for collecting and analyzing portions of the information. A highly adaptive response in terms of organizational effectiveness.

On an average day at work, what are your percentages?

Reading _____ %

Writing _____ %

Speaking _____ %

Listening _____ %

Why Supervisors Communicate:

- ☐ Make assignments
- ☐ Give instructions
- ☐ Provide job information
- ☐ Plan work schedules
- ☐ Solve work problems
- ☐ Evaluate performance
- ☐ Receive directions



In addition to these, why do **you** communicate?

There are barriers that prevent supervisors from accurately and effectively communicating with employees, other supervisors, and management. Let us discuss a few of the barriers listed below:

- ☐ Perception
- ☐ Language
- ☐ Semantics
- ☐ Preconceived notions
- ☐ Wordiness
- ☐ Personal interest
- ☐ Inflections
- ☐ Attention
- ☐ Emotions



45. Can you think of other barriers?

Active Listening

As the previous chart indicated, listening is a vital part of completing communications. It is also probably the most overlooked process in interpersonal communication. Since it is a vital part of understanding each other, we need to develop skills in listening. Effective listening comes from developing empathy and using effective listening skills. The process known as **Active Listening** is an excellent way to listen. It is exactly what the words indicate – **you** become an active listener. As a listener, it becomes your responsibility to grasp what you are hearing.

Effective listening does not just happen--it requires much effort and hard work. An active listener can no longer be satisfied to be a passive absorber of words spoken by someone else. You take an active part in gathering the facts and feelings of what is being said to you. You help the speaker (**sender**) work out what they want you to understand in the communications.

Ten Principles of Effective Listening

1. Look for areas of interest. The good listener will seek personal enlightenment and will see new topics as potentially interesting. A bad listener will tune out dry subjects and narrowly defines what is interesting.
2. Overlook errors of delivery. A good listener attends to meaning and content and ignores errors while being sensitive to messages in them. A bad listener will ignore the message if delivery is poor and misses messages because of the personal attributes of the communicator.
3. Postpone judgment. A good listener waits until the comprehension of the core message is complete. A bad listener will jump to conclusions before hearing the whole message.
4. Listen for ideas. A good listener listens for ideas and themes and identifies the main points of the message. A bad listener will only listen for facts and details.
5. Take notes. A good listener can take notes using a variety of methods, depending on the speaker. A bad listener will only use one system and take incomplete notes.
6. Be actively responsive. A good listener will nod, "uh-huh," etc. and show an active body state. A bad listener will give few or no responses and show little energy output.
7. Resist distractions. A good listener has a long attention span. A bad listener focuses on loaded or emotional words and is easily distracted.
8. Challenge your mind. A good listener will seek to enlarge understanding and uses difficult material to stimulate the mind. A bad listener will avoid difficult material and doesn't seek to broaden the knowledge base.
9. Capitalize on mind speed. A good listener uses listening time to summarize and anticipate the message and attends to implicit as well as explicit messages. A bad listener daydreams with slow speakers and becomes preoccupied with other thoughts.
10. Help and encourage the speaker. A good listener will ask for examples or clarifying information and rephrases the idea. A bad listener will interrupt and ask trivial questions or make distracting comments.

Responses

Our responses to the messages we receive are very important. There are six types of responses, and each is appropriate for different purposes. They are as follows:

Evaluative responses: Pass judgment, express agreement or disagreement, or offer advice. Useful after a topic has been explored in depth, and it is appropriate for the responder to express an opinion.

Confrontive responses: Challenge the other person to clarify the message and identify points of inconsistency or contradiction. Useful for helping people clarify their thoughts and feelings or to think more broadly about the issue.

Diverting responses: Change the focus of the communicator's problem to a problem selected by the responder. Often involve changing the subject and are helpful when a point of comparison is needed and the communicator needs to know that someone else has experienced a similar event.

Probing responses: Ask the communicator to clarify what was said or to provide additional information or illustration. Useful when the respondent needs specific information to understand the message or the communicator needs to respond to another topic in order to make the communication clearer.

Pacifying responses: Reduce the intensity of emotion associated with the message and help to calm the communicator. Useful when the communicator needs to be reassured that discussing the message is acceptable or when the intensity of feeling being experienced is inhibiting good communication.

Reflective or reinterpreted responses: Reflect back to the communicator what was heard, but in different words. Help communicators know that they have been heard and understood. Should not simply mimic the communicator or be a direct restatement but should contribute understanding, meaning and acceptance to the conversation.

What is the sender saying?

46. "This job is boring and I am tired of working for peanuts."

47. "Why does she get all the good jobs?"

48. "I feel confused by your constant changing of job priorities."

49. "Listen to me, this will never work."

Any message a person tries to get across to you has two parts:

1. **The Contents** – the facts, the information, the subject matter which is being communicated.
2. **The Feeling** – how the speaker feels about the information being presented.

People feel more completely understood if the listener indicates understanding of both the **facts** and what the person **feels**.

Notice how much easier it was to understand what the sender was saying in the third example. The sender advised the receiver of his/her feelings.

A person's thoughts and feelings are influenced by their own values. *Values are an internal standard by which we judge people, events, or behaviors to be good or bad, right or wrong, moral or immoral, fair or unfair, and just or unjust.* We gain our values from training, experiences, and examination of our thoughts and feelings. Often we feel guilty or unsuccessful when we do not live up to our values.



Values

Values are usually implied in our speech or behavior, rather than specifically stated. Values are a strong force, which shape our lives. Often the values come out as sounding vague, like motherhood and apple pie, and are difficult to defend.

Our values are highly personal, but if you can understand and appreciate another person's values, you can understand their communications much easier.

How active Listening Works

An example of active listening:

Sender: *"This project is so stupid. I just feel like quitting."*

Listener: *"Sounds like you're feeling pretty frustrated with this project."*

The listener relays his/her understanding of the sender's contents, feelings and values in the response. Now the sender will give the listener more information.

Guidelines for Good Communications:

- ☐ Seek to clarify your ideas before speaking.
- ☐ Examine the true purpose of each communication.
- ☐ Consider the total physical and human setting whenever you communicate.
- ☐ Consult with others, where appropriate, in planning communications.
- ☐ Be mindful of the overtones as well as the basic content of your message.
- ☐ Take the opportunity to convey something of help or value to the receiver.
- ☐ Communicate for tomorrow as well as today.
- ☐ Be sure your actions support your communications.
- ☐ Lastly, seek to not only be understood but also to understand – be a good listener.



Chapter Five

Job Training

Training and Development

The terms training, development, education and learning all refer to a similar process—the process that enables people to acquire new knowledge, learn new skills, and perform behaviors in a new way. Training refers to the acquisition of specific skills or knowledge. Education, on the other hand, is much more general and attempts to provide students with general knowledge that can be applied in many different settings.

Training tends to narrow the range of responses, so that all employees who have been trained will make the same response in a specific situation. Education tends to broaden the range of responses so that individuals will respond to a particular situation in a variety of ways.

Principles of Learning

The following principles of learning are important to consider when designing training programs:

1. **Meaningful organization of training materials.** The stimulus should be easily perceived and meaningfully organized. For example, learning safety procedures is easiest when they are explained in a logical and systematic order.
2. **Practice and repetition.** To gain the full benefit of training, learned behavior must be overlearned to ensure smooth performance and a minimum of forgetting at a later date. Extensive practice should be accompanied by intermittent reinforcement. Practice is not as necessary for learning ideas and insights.
3. **Motivation and active participation.** Training programs don't succeed unless trainees are receptive to the instruction and motivated to learn. Learning improves as the rewards for learning increase. Active participation and involvement with others are usually highly reinforcing. Companies may still be required to provide other forms of rewards or punishment.
4. **Feedback: knowledge of results.** Feedback improves performance not only by helping learners correct their mistakes but also by providing reinforcement for learning. Performance feedback should inform learners whether they were right or wrong. Knowledge of results is an essential feature of learning, and the sooner this knowledge comes after the learner's response, the better.
5. **Transfer of training.** Trainees should be able to apply the knowledge and skills learned in training back to their jobs.

Training and Development Techniques

Training and development techniques are categorized as on-the-job or off-the-job techniques. Some are fairly typical, while others are unusual.

On-the-job Techniques

On-the-job training doesn't require special space or equipment, and it allows the employees to produce and earn while they learn. It also allows employees to practice what they are expected to do after training ends, and they are able to associate with their future coworkers. Techniques include the following:

Job instruction training—the most popular form of training. The trainer explains the purpose of the job and provides a step-by-step demonstration of the job operations. After demonstration, the trainee is given the opportunity to try it alone.

Apprenticeships—allow new workers to work alongside and under the direction of skilled technicians until they are qualified to become a journeyman.

Internships and assistantships—provide opportunities for students to work in a company under the direction of a supervisor and a faculty member. Students are frequently expected to write reports describing their experiences, and they typically receive academic credit toward graduation for such experiences.

Job rotations and transfers—reserved for managerial and technical occupations. Exposes managers to different job functions, and helps them grasp the overall purpose of the organization.

Junior boards and committee assignments—provide trainees with the opportunity to interact with other executives and observe how they perform while participating on a committee responsible for making administrative decisions or recommendations.

Coaching and counseling—systematic feedback on performance, encouragement by the trainer, and patient explanations of how to perform a job accurately.

Off-the-job Techniques

Off-the-job training generally focuses on long-term development and general education than on the skills and information needed to perform a specific job. It provides employees with an environment that is conducive to concentrating on new ideas. The disadvantage of off-the-job training is that it does not provide immediate transfer of training to real job situations.

Vestibule training—similar to on-the-job training except that it occurs in a separate training area equipped with like the production area. The emphasis is on learning as opposed to the emphasis on production. Typically used for teaching specific job skills.

Lecture—an efficient means of transmitting large amounts of factual information to a relatively large number of people at the same time. A lecture doesn't allow active participation by the learners, nor does it provide for practice, feedback, or knowledge of results.

Independent self-study—allows learners to train themselves. Most frequent types are reading books and professional magazines, taking special courses through a local university, and attending professional meetings. Employees can be motivated to do this if there are adequate opportunities for promotion and pay increases.

Visual presentations—include television, films, and video presentations of real-life events or animated cartoons.

Conferences and discussions—forums where individuals are able to learn from one another. A major use of group discussions are to change attitudes and behavior.

Teleconferencing—a trainer can be in one location while learners are in many other locations watching the trainer on a television monitor. Greater demands are placed on the learners, who are encouraged to ask questions and provide feedback to the trainer.

Case discussions—discover underlying principles by discussing specific events or experiences. Most cases do not have a single correct solution.

Role playing—learners act a particular role in a specific situation. Participants attempt to solve the situation as if they were the individuals involved.

Simulations—an artificial learning environment that approximates the actual job conditions; motivates students to learn on their own. Computer simulations allow participants to examine the long-term effects of their business decisions in a relatively short period of time.

Programmed instruction—involves dividing the material to be learned into small segments, and having the learner make a response after each segment to demonstrate mastery of it. Trainees know immediately if their responses are correct or incorrect.

Computer-based training—any form of interactive learning experience between a computer and a learner. The computer provides the majority of the stimulus and the learner is required to make some form of response.

Experiential exercises—trainees working together in a discussion group to solve a specific problem. Participants interact with each other as if they were in a real problem-solving

situation. Valuable learning occurs not only during the exercise but in the discussion group afterwards.

Because there are so many training techniques available, trainers should consider the advantages and disadvantages of each in regards to the specific training needs. The selection of a training method should be determined by the objective of the training. The design of an ideal training program should also follow the five principles of learning. However, all five principles may not be equally important, depending on the training activity.

Communicating Job Information

Yes! It is important that you listen to others. It is also important that others listen to you. This is especially true when you are giving instructions or directions. Use the four steps below to better communicate to others what and how you want a job completed.

☐ **Prepare:**

Prepare yourself for helping the employee learn. Make sure you know everything about a task before you start showing someone how to do it.

50. What things are your employees doing, or are they about to do, that you need to learn when you get back to the office?

☐ **Present:**

Show the employee the whole procedure and how you want it done. Explain and demonstrate each step.

☐ **Let Them Try:**

Help the employee get the feel for the task. Make and correct mistakes. This is an important step in the learning process for all of us. People learn in different ways and at different speeds. Do your best to help the employee through a new project or procedure at the beginning, then let them do it themselves. Instruct them to come back to you if they have any problems or questions.

☐ **Follow-Up:**

Let the employee do the task without your close supervision. Be sure that they know that you are available to help when they need it. From time to time check and see how they are doing.

Chapter Six

Conflict Management and the Management of Agreement

Conflict is a daily reality for everyone. The ability to resolve conflicts successfully is probably one of the most important social skills that you, as an individual, can develop.

In this chapter, we will discuss the effect of conflict on members of a work group and the public.

An in-depth discussion of conflict resolution strategies will serve as a fitting summary of this session.

Conflict

Conflict occurs when two groups have mutually exclusive goals and their interactions are designed to defeat, suppress, or inflict damage on the other. Conflict can also occur within groups, between individuals, and within and between organizations.

Functions of Conflict

The Positive Notes (Functional Conflict):

Functional conflict is a confrontation between two parties that improves or benefits the organization's performance. To produce desired results, however, the conflict must be limited or contained to appropriate levels of intensity, or dysfunctional consequences can occur.



Conflict initiates a search for some way to deal with a problem; therefore, it can lead to innovation or change.



Conflict energizes people to activity – it can get the employees involved.



Conflict can create bonds between loosely structured groups—unites the group—brings out the **WE**.



Conflict provides for the emergence of new standards or new ways of dealing with things.

The Negative Notes (Dysfunctional Conflict):

Dysfunctional conflict is any interaction between two parties that hinders or destroys the achievement of organizational or group goals. Some organizations are prepared to handle higher levels of conflict than others. Most organizations, however, have more conflict than is desirable. When conflict becomes too great, the performance of every organization begins to deteriorate. Organizational performance is low when the level of intergroup conflict is either extremely low or extremely high, while moderate levels of conflict contribute to high organizational performance.





Inactivity – People come to work and just put in their hours, an attitude of “*I don’t care*” develops – very little coordination of effort, low productivity – increased absenteeism.



Confusion – No clear leader – who is to decide what? Every level of supervision can impose lots of red tape. This red tape will cause confusion for everyone if not controlled.



Violence – Actual fights may develop.

Conflict is **NOT** a dirty word!

Resolving Intergroup Conflict

The ability to resolve conflict is a valuable managerial tool. The most popular strategies for reducing conflict can be classified into four categories: (1) avoidance, (2) power intervention, (3) diffusion, and (4) resolution. The following strategies are arranged in order from generally least effective to most effective:

Avoidance Strategies

Avoidance strategies generally disregard the cause of conflict but allow it to continue only under controlled conditions. There are two types of avoidance strategies.

Ignore the conflict. If the conflict is mild and the consequences are not very costly, managers may choose to pretend it doesn’t exist. This strategy is seldom effective, and the situation worsens.

Physical separation. If two combative groups are physically separated, the likelihood of open hostility and aggression is reduced. This is generally only effective if the two groups do not need to interact. If they are required to interact, the separation only leads to poor performance.

Power Intervention Strategies

These strategies are used when two groups cannot resolve the conflict on their own. The source of power may come from higher levels within the organization as follows:

Regulated interaction. When the conflict becomes too much to ignore, higher level managers may become irritated and impatient and try to resolve the conflict by authoritative command. They may establish rules and procedures that limit the conflict to acceptable levels.

Political maneuvering. The two groups may decide to end the conflict by some form of political maneuvering in which one party attempts to accumulate sufficient power to force the other party to comply. They may try to settle the issue by bringing it to a vote. These strategies tend to intensify the win-lose situation. Even after fair elections, the losers may feel resentment and continue to oppose the winners.

Diffusion Strategies

These strategies try to reduce the level of anger and emotion and buy time until the conflict between the two groups can be resolved. They generally focus on surface issues rather than strike at the root of the problem. The following three strategies have been used:

Smoothing. The process of smoothing involves accentuating the similarities and common interests between the two groups and minimizing or rationalizing their differences. It is only a short term solution when it fails to resolve the basic underlying conflicts.

Compromise. Bargaining over the issues requires some degree of flexibility on both sides. Once a compromise solution has been negotiated, the two groups should be able to work together without problems.

Identifying a common enemy. When two groups face a common enemy, they often develop a degree of cohesiveness between them as a means of protection. However, when the common enemy is no longer present, the conflict between the two groups once again surfaces.

Resolution Strategies

The most effective method of resolving conflict is some form of resolution strategy that identifies the source of the conflict and resolves it. There are four types:

Intergroup interaction. Bringing the groups together and increasing the contact between them seems like it would help reduce the conflict. However, a better strategy is to bring the leaders of each group together to listen to the other's position. When the discussions are held in private, they are usually productive and represent an important first step. Another strategy is to exchange members for a period of time.

Superordinate goals. A goal that is more important to both parties than the relatively minor issues causing the conflict, using superordinate goals to resolve conflict involves three conditions: (1) the groups must perceive their mutual dependency on each other, (2) the superordinate goal must be highly desired by each group, and (3) both groups must expect to be rewarded for accomplishing the goal.

Problem solving. A joint problem solving session is an effective resolution strategy if the two groups focus their attention on the problem rather than arguing about who is right or wrong. This usually involves face-to-face meeting of the conflicting groups to identify the source of the problem and develop alternative solutions. The disadvantage of this solution is that it requires a great deal of time and commitment.

Structural change. Conflicts are frequently caused by the way an organization is structured. Some groups become so highly specialized that they no longer focus on organization goals and focus exclusively on their own group goals. The reward structures in organizations frequently recognize and reward group members for pursuing group goals rather than organizational goals. An effective strategy for reducing conflict is to change the organizational structure. By reorganizing the departments and establishing clear, operational and feasible goals for the organization, conflict can be resolved.

Creating Functional Conflict

In an organization where ideas are stale and behavior is routine, greater conflict may be needed to generate creative ideas and motivate people to higher levels of performance. Four of the most popular methods for creating functional conflict are explained below:

Altering the communication flow

Information is a source of power in an organization. Conflict can be created by sharing or withholding such information. Higher levels of conflict and concern for the performance of the group can be created by altering the communication flow so that members know how well they have performed and what is expected of them. Some managers use the informal grapevine to create conflict by leaking confidential information and false rumors. This is not recommended because of the long-term consequences of destroying confidence.

Creating Competition

A competitive environment can be created by offering rewards to the individual or group with the best performance. Rewards need to be sufficiently attractive to motivate high performance, but not so attractive that those who lose feel that their defeat is a catastrophic loss.

Altering Organizational Structure

Organizations can be restructured to either stimulate or reduce conflict. Higher levels of conflict occur when groups become smaller and more highly specialized, because the members tend to focus more exclusively on their group goals.

Recruiting Outside Experts

Promotion from within have been criticized as “inbreeding” because new managers tend to follow old procedures that lead to stale thinking and a lack of creativity and imagination. Organizations should recruit outside experts who will challenge established procedures and stimulate new thinking.



Conflict

Conflict is not necessarily something to be eliminated. Conflict can be a healthy part of any organization as long as people are not stuck in a constant state of conflict with each other. There needs to be resolution to each conflict whether positive or negative for the people involved. Discuss conflicts with your employees one-on-one and as a group. Help them to resolve if necessary. Give them the tools necessary to work as a team and allow them to do so.

Difficult People Behaviors and Tactics for Managing Them

Hostile/Aggressive:

Bullies will overwhelm and intimidate other people. They will criticize and argue relentlessly over practically anything, even things they do not feel strongly about. They believe there is only one way to handle a situation—their way, and they cannot accept others' opinions. They react even stronger to resistance from others.

Tactics:

Do not panic when faced with a bully.

Stand up to the hostile person. **Do not** take their attitude personally. Give him/her attention carefully—use the name of the person clearly and loudly enough to be heard. Be careful not to overcompensate with this type of person. Depending upon your management style, you may find yourself making your decisions based upon your imagined response from this type of person.

Wet Blanket:

This type of person will use negativism with phrases such as, “**It won’t work**”, or “**We tried it last year**”. They will feel that those in power do not care or are self-serving.

Tactics:

Do not argue. State your own realistic optimism. Do not rush into proposing solutions. Be ready to act on your own if necessary.

Know It All:

Feels and exhorts the impression of absolute certainty, power, and authority. They will feel as though they are usually right, and cannot be convinced otherwise once on a course. Will tend to treat other's opinions or suggestions as irrelevant.

Tactics:

Do your homework. Question firmly, but do not confront. Present alternatives as detours. Avoid being a counter expert, as this will only expound the problem.

Balloon:

Speaks with great authority about subjects that he/she has little knowledge of, or pretends to be an expert.

Tactics:

State facts as an alternative version. Give balloon a way out, as embarrassing this type of person will only tend to make the situation worse.

Staller:

Is pleasant and supportive, but avoids decision making until the decision is made for him or her. Hints and beats around the bush. Is quality oriented, cannot let go of something until it's perfect, which means usually never.

Tactics:

Get him/her to describe the plan in detail. Rank alternatives. Link plan to values of quality and service. Give support after a decision is made and follow-up.

Complainer:

Acts self-righteous and blames or accuses others. Makes no effort to solve problems, *feels powerless*.

Tactics:

Listen attentively. Switch to problem solving. *"What would happen if. . . ."* Paraphrase by defining the problem. *"So what you are saying is. . . ."*

Clam:

Uses monosyllables or silence to avoid conflict. May feel backed into a corner when faced with something new.

Tactics:

Ask open-ended questions. Comment on what is happening. *"Tell me more about how you are feeling."*

Super Agreeable:

Is often personable, funny, outgoing. Tells you what you want to hear, but lets you down in a crisis. Commits to actions they will not or cannot follow through on.

Tactics:

Say you value him/her as a person. Compromise or negotiate if conflict arises. Get his/her commitments in writing so that you can get follow-through later. Be prepared to act on your own if necessary.

Deadwood:

Does not contribute anything to actual team effort. Is often in a position of power such as supervision or management of some kind.

Tactics:

Understand why the person is there – he/she may occupy a role or position in the formal power system that is important to the smooth functioning of the informal power system. Try assertiveness. Do not be vague in your discussions with this type of person.

One Who Takes All the Credit:

Steals credit for others' achievements, ideas, roles, and organizational abilities.

Tactics:

Confront the plagiarist in front of a mutually respected third party. Try to find someone to go with you that is not considered one of his or her peers.

Emphasize the team effort while having conversations with this type of person. Send additional copies of written material with your name on it to people higher than the plagiarist.

Management of Agreement

The management of agreement can greatly affect productivity and efficiency of an organization. Mismanaged agreement can be dangerous to organizational effectiveness as it can lead to conflict among those involved.

The Abilene Paradox describes a situation in which the participants in a group decision agree to a course of action without communicating their reservations about the action to the other group members.

What can happen when we do not express our thoughts, ideas, and feelings about a situation during the discussion process? Think of some of the situations that you have faced in the past that have turned out badly because those involved failed to be honest with their feelings.

51. Write down these thoughts below.

52. How did things turn out in this situation?

The Abilene Paradox

The Abilene Paradox occurs when members of an organization take an action contrary to what they really want to do and, as a result, defeat the very purpose they are trying to achieve. The label comes from a story of a father, mother, daughter and son-in-law who endured a miserable trip to Abilene and ate a terrible dinner, only to discover when they returned home that none of them had wanted to go, even though they had all expressed interest when the idea was first brought up. The Abilene Paradox occurs in organizations when members fail to communicate their true ideas and desires because they think it is better to be agreeable.

Action Anxiety:

The intense anxiety created when one thinks about acting in accordance with what one believes needs to be done.

Negative Fantasies:

These cause *action anxiety* by envisioning horrible consequences of taking the action that is believed to be appropriate. Negative fantasies provide excuses for not taking responsible action.

Real Risk:

A condition of everyday life; but through negative fantasies, one avoids dealing with the real risks of life.

Fear of Separation:

This prevents taking action that one knows is correct because one fears being ostracized or branded a *non-team player* or a *company person*.

Reversal of Risk and Certainty:

One's unwillingness to take risks virtually assures that the separation for whatever one fears the most will happen.

Victims and Victimizers:

People blame others or are blamed due to the anger and frustration that arises as the paradox continues to become more complicated.

Collusion:

The unspoken agreement between the passengers on the *Abilene Express* not to deal with their real feelings.



Confrontation:

It is the only way to resolve the paradox. It must be carried out in a group setting with all of the people involved participating.

In order to prevent this from happening in the organization, groups should create a climate that tolerates disagreement and accepts debates.

Chapter Seven

Team Building

A skillful manager can only be successful if his or her employees function as a smooth running team. In this section of the course, the supervisor will learn to identify positive and negative team roles, explore the stages of team development, and analyze team problems and practice team behavior.

Group versus Team

❖ Members think they are grouped together for administrative purposes only. Individuals work independently; sometimes at cross-purposes.	❖ Members recognize their interdependence and understand both personal and team goals are best accomplished with mutual support.
❖ Members tend to focus on themselves because they are not sufficiently involved in planning the unit's objectives.	❖ Members feel a sense of ownership for their jobs and unit because they are committed to goals they helped establish
❖ Members are told what to do rather than being asked what the best approach would be	❖ Members contribute to the organization's success by applying their unique talent and knowledge to team objectives.
❖ Members distrust the motives of others because they do not understand the role of other members.	❖ Members work in a climate of trust and are encouraged to openly express ideas, opinions, disagreements, and feelings.

Organizational Development

Organizational development is a process of preparing for and managing planned changes in the organization. It involves a collaborative diagnosis and problem-solving approach for avoiding organizational decay and encouraging organizational renewal.

Organizational development recognizes the powerful influence of peer groups on individual behavior. Small groups are considered the basic building blocks of excellent companies.

Group Formation

Groups are two or more people interacting interdependently to achieve a common goal or objective. Members of a group must think that they belong together; they must see themselves as forming a single unit. When people form groups, they surrender a part of their personal freedom. People form groups for the following four primary reasons:

1. Goal accomplishment. People need the help of others to achieve important goals.
2. Personal identity. Membership in a group helps us to know more about ourselves. Comments of peers have a great impact on our self-esteem because they come from people we respect. Their comments are also more credible because we assume they know us well and are concerned about our well-being.
3. Affiliation. People like to associate with other people, especially if they have something in common. The mere presence of others provides friendships, social stimulation, and personal acceptance.

4. Emotional support. People rely on others for emotional support. A person facing a stressful situation is comforted by the physical presence of another person facing the same stress.

Stages of Group Development

Most groups, or teams, experience similar conflicts and challenges that need to be resolved as they strive to become effective. Every work group has to resolve similar issues, and the way it resolves the issues determines the team's effectiveness. Most effective teams go through the following four stages:

Orientation ("Forming"): This is the first stage, when members learn about the purpose of the group (or team) and the roles of each member. This stage is marked by caution, confusion, courtesy, and commonality. Individual members must decide how the group will be structured. Members should get acquainted with each other and share their expectations about the team's goals and objectives. Efforts to rush this process can be destructive.

Confrontation ("Storming"): The purposes of the group and the expectations of the members are eventually challenged in most groups. This stage contains conflict, confrontation, concern and criticism. Struggles for individual power and influence are common. If the conflict becomes extremely intense, the group may dissolve or be ineffective.

Differentiation ("Norming"): The major issues at this stage of group development are how the tasks and responsibilities are divided among the members, and how members will evaluate each other's performance. Individual differences are recognized and tasks are assigned according to skill and ability. At this stage, members often feel the group is successful as they pursue their group goals.

Collaboration ("Performing"): The highest level of group maturity, where there is a feeling of cohesiveness and commitment to the group. Individual differences are accepted without being labeled good or bad. Conflict is not eliminated or squelched, but is identified and resolved through group discussion. No attempts are made to force decisions or to present a false unanimity.

Separation ("Adjourning"): Some groups go through this stage by consciously deciding to disband, usually because the group has completed its tasks or because members choose to go their separate ways. This stage is characterized by feelings of closure and compromise as members prepare to leave, often with sentimental feelings.

Characteristics of an Effective Team:



The atmosphere tends to be relaxed, comfortable, and informal.



The team's task is well understood and accepted by the members.



The members listen well to each other; there is a lot of task relevant discussion in which most members participate.



People express both their feelings and ideas.



Conflict and disagreement are present but are centered on ideas and methods not personalities and people.



Team is self-evaluating about its own operation.



Decisions are usually based on consensus, not majority vote.



When actions are decided upon, clear assignments are made and accepted by the members.

53. With these team characteristics in mind, how well can you function in a team:

54. Would your employees say that they function as a group or a team:

55. Why?

56. If they would say that they function as a group, what things could you do as the supervisor to change this?

Group Exercise – Lost On the Moon

Your space ship has just crash landed on the moon. You were scheduled to rendezvous with a mother ship 200 miles away on the moon but the rough landing has ruined your ship and destroyed all the equipment on board, except for the 15 items listed below.

Your crew's survival depends on reaching the mother ship, so you must choose the most critical items available for the 200-mile trip. Your task is to rank the 15 items in terms of their importance for survival. Place number one by the most important item, number two by the second most important, and so on through the number 15, the least important.

- _____ **Box of matches**
- _____ **Food concentrate**
- _____ **Fifty (50) feet of nylon rope**
- _____ **Parachute silk**
- _____ **Solar powered portable heating unit**
- _____ **Two .45 caliber pistols**
- _____ **One (1) case of dehydrated milk**
- _____ **Two (2) 100-pound tanks of oxygen**
- _____ **Stellar map of the moon's constellation**
- _____ **Self inflating life raft**
- _____ **Magnetic compass**
- _____ **Five (5) gallons of water**
- _____ **Signal flares**
- _____ **First aid kit containing injection needles**
- _____ **Solar powered FM receiver-transmitter**



Chapter Eight

Ethics

Ethics (Greek *ethika*, from *ethos*, "character," "custom") are principles or standards of human conduct, sometimes called morals (Latin *mores*, "customs"), and also, by extension, the study of such principles, sometimes called moral philosophy. Ethics is a kind of moral law—it differs from what we may call written law, yet ethics and law are both guidelines to behavior, and often they overlap.

Ethics, as a branch of philosophy, is considered a normative science, because it is concerned with norms of human conduct, as distinguished from the formal sciences, such as mathematics and logic, and the empirical sciences, such as chemistry and physics. The empirical social sciences, however, including psychology, impinge to some extent on the concerns of ethics in that they study social behavior. For example, the social sciences frequently attempt to determine the relation of particular ethical principles to social behavior and to investigate the cultural conditions that contribute to the formation of such principles.

Moral Decision

What is the basis for moral decision making? Do we follow a religious command? Does our conscience direct the decision? Can we argue for universal rights of human beings as guidance in our judgment? Do we base our verdict on the principle of making the world a better place? Or are we arguing for a duty to pursue the right intention?

Ethics, according to the Cambridge Dictionary of Philosophy, is "the philosophical study of morality." Determining what values and guidelines are most appropriate answers to the above questions has occupied the thoughts and discussions of philosophers throughout the centuries.

As for the philosophers, the task to determine whether a certain basis for moral decision making or theory is more appropriate than others requires our ability to analyze diverse positions and critically assess those. Finally, such a discourse should enable us to argue convincingly for our own moral decision making.

"What is ethics?"

Simply put, ethics involves learning what is right or wrong, and then doing the right thing -- but "the right thing" is not nearly as straightforward as conveyed in a great deal of governmental ethics literature.

Most ethical dilemmas in the workplace are not simply a matter of "Should Bob steal from Jack?" or "Should Jack lie to his boss?"

Many ethicists assert there's always a right thing to do based on moral principle, and others believe the right thing to do depends on the situation -- ultimately it's up to the individual. Many philosophers consider ethics to be the "science of conduct." Twin Cities consultants Doug Wallace and John Pikel (of the Twin Cities-based Fulcrum Group) explain that ethics includes the fundamental ground rules by which we live our lives.

Philosophers

Philosophers have been discussing ethics for at least 2500 years, since the time of Socrates and Plato. Many ethicists consider emerging ethical beliefs to be "state of the art" legal matters, i.e., what becomes an ethical guideline today is often translated to a law, regulation or rule tomorrow.

Ethical Principles

Philosophers have attempted to determine goodness in conduct according to two chief principles, and have considered certain types of conduct either good in themselves or good because they conform to a particular moral standard. The former implies a final value, or summum bonum, which is desirable in itself and not merely as a means to an end. In the history of ethics there are three principal standards of conduct, each of which has been proposed as the highest good: happiness or pleasure; duty, virtue, or obligation; and perfection, the fullest harmonious development of human potential.

Depending on the social setting, the authority invoked for good conduct is the will of a deity, the pattern of nature, or the rule of reason. When the will of a deity is the authority, obedience to the divine commandments in scriptural texts is the accepted standard of conduct. If the pattern of nature is the authority, conformity to the qualities attributed to human nature is the standard. When reason rules, behavior is expected to result from rational thought.

Prudence, Pleasure

Sometimes principles are chosen whose ultimate value is not determined, in the belief that such a determination is impossible.

Such ethical philosophy usually equates satisfaction in life with prudence, pleasure, or power, but it is basically derived from belief in the ethical doctrine of natural human fulfillment as the ultimate good.

A person lacking motivation to exercise preference may be resigned to accepting all customs and therefore may develop a philosophy of prudence. He or she then lives in conformity with the moral conduct of the period and society.

Hedonism

Hedonism is that philosophy in which the highest good is pleasure. The hedonist decides between the most enduring pleasures or the most intense pleasures, whether present pleasures should be denied for the sake of overall comfort, and whether mental pleasures are preferable to physical pleasures.

A philosophy in which the highest attainment is power may result from competition. Because each victory tends to raise the level of the competition, the logical end of such a philosophy is unlimited or absolute power. Power seekers may not accept customary ethical rules but may conform to other rules that can help them become successful. They will seek to persuade others that they are moral in the accepted sense of the term in order to mask their power motives and to gain the ordinary rewards of morality.

Ethic Definitions

1. **Character:** The combination of emotional, intellectual and moral qualities distinguishing one person from another.
 2. **Commitment:** A duty to administer public business so the public is served.
 3. **Conflict:** Warfare, prolonged fighting, disharmony, collision, opposition or simultaneous functioning or mutually exclusive impulses, desires or tendencies. Two or more entities trying to occupy the same space.
 4. **Deferential:** Courteous respect for or submission to another's opinions, wishes or judgment.
 5. **Integrity:** Firm adherence to a code or moral or artistic values.
 6. **Principle:** A belief system that determines the standard of conduct for yourself and those you choose to interact with.
 7. **Professionalism:** The conduct, aims or qualities that characterize or mark a profession or a professional person, i.e., tactful, respectful, courteous, focused on team goals rather than individuals goals, and ethical.
 8. **Public Trust:** Affecting all the people or the whole area of a nation or state. Assured reliance on the character, ability, strength, or truth of someone or something, one in which confidence is placed.
- A. **Loyalty:** Devoted attachment and affection.
 - B. **Moral:** Rights and wrongs in relation to human behavior.
 - C. **Respect:** To have esteemed for, or feel or show deferential regard for someone.
 - D. **Responsiveness:** The ability to react to changing conditions to respond to customers, clients, patients, inmates, applicants, wards, etc.
 - E. **Role Conflict:** Incompatible expectations.
 - F. **Trust:** Total confidence in the integrity, ability and good character of another.
 - G. **Values:** How a person determines the relative worth of something. A belief. What is important to you?

Two characteristics that are essential for building relations

_____ + _____ = Good Relations

Two characteristics that cause us to experience pressure when dealing with ethics

_____ + _____ = Pressure

Ethics in Business

If you are planning to infuse strong, ethical principles throughout your company or want to change the culture of your company, then you might take the advice of Bob Kniffin, Vice President of External Affairs, at Johnson and Johnson (J&J) company. The way that J&J handled an ethical issue (the "Tylenol scare" crisis) in the 1980s is probably one of the most inspiring and enlightening examples of how to successfully deal with a major ethical issue in business. Kniffin was one of the key players in helping J&J to handle the crisis so effectively. Kniffin said that it was not the J&J Credo (a form of a code of ethics) that helped J&J to handle the crisis so well. Rather, it was the ongoing "challenge sessions" that the company regularly held in order for each person to clarify their own perspective and commitment to the J&J Credo.

The Three "R's" of Business Ethics

Who's responsible for acting ethically? You are! It isn't the "company." It isn't just the business owner. It isn't only your manager. It is every person. Ultimately, each of us is responsible for our own actions, including being ethical.

Respect: The first "R" of business ethics is RESPECT. It is an attitude that must be applied to people, organizational resources and the environment. Respect includes behavior such as:

- Treating everyone (customers, co-workers, vendors, etc.) with dignity and courtesy.
- Using company supplies, equipment, time, and money appropriately, efficiently, and for business use only.
- Protecting and improving your work environment, and abiding by laws, rules and regulations that exist to protect our world and our way of life.

Responsibility: The second "R" of business ethics is RESPONSIBILITY. You have a responsibility to your customers, your co-workers, your organization and yourself. Included are behaviors such as:

- Providing timely, high-quality goods and services.
- Working collaboratively and carrying your share of the load.
- Meeting all performance expectations and adding value.

Results: The third "R" of business ethics is RESULTS. Essential in attaining results is an understanding that the way results are attained--the "means"--are every bit as important, if not more important, than the ultimate goals--the "ends." Using the phrase "The ends justify the means" is an excuse that is too often used to explain an emotional response or action that was not well-planned or carefully considered.

Obviously, you are expected to get results for your organization and for your customers. However, you are also expected to get those results legally and morally, by being ethical. If you lose sight of the distinction, you jeopardize your job, your business and your career.

By considering Respect, Responsibility and Results before taking action, you will avoid the following common rationalizations for not doing what's right:

- "Everyone else does it."
- "They'll never miss it."

- "Nobody will care."
- "The boss does it."
- "No one will know."
- "I don't have time to do it right."
- "That's close enough."
- "Some rules were meant to be broken."
- "It's not my job."

The Little Things

Business ethics involves a lot more than compliance with company policies, laws and financial regulations. These are major concerns with high visibility. It makes headlines when these are not obeyed. For those reasons, most organizations do not have problems with these issues.

For most business people, it is the day-to-day, seemingly insignificant actions and behaviors by individuals that represent the largest area for ethics problems--and the greatest opportunity for ethics improvement.

The little things that we do every day are often forgotten by us. However, they can make a significant impact on people who see a certain behavior. Remember, your behavior sets an example. Even if you are not the boss, there is always someone else who watches you for cues on how to act in certain situations—both for good and bad. These observers may be your fellow workers, neighbors, your spouse, or your children. What messages are you sending by your actions, words and attitudes?

To help you examine your personal ethics and see where you stand and where you need to improve, consider the following about yourself:

- "Little white lies" you don't (or do) tell;
- Jokes you share with others;
- The way you treat and talk about co-workers;
- Things you say to make a sale;
- E-mails you write and forward to others;
- Way you handle customer complaints (including the number of people they get passed to);
- What you put on your billing sheets, time sheets, and expense reports;
- Office supplies you don't (or do) take home;
- Commitments you make and keep (or don't keep);
- Personal business you don't (or do) conduct at work;
- "Unimportant" work rules you follow (or break);
- Things you reproduce on the copy machine;
- Standards you set for yourself;
- The level of quality you put into whatever you do;
- Credit you appropriately share (or don't share) with others.

These, and many other behaviors like them, reflect who you are and what you stand for. When it comes to ethics and integrity, everything is important, including (and especially) "the small stuff."

When Compromise is not acceptable

Every business owner knows that there are some aspects of work that are discretionary and other aspects with procedures that must be followed exactly. Do your people know what these discretionary and non-discretionary areas are?

Discretionary areas of business are those situations where you and your employees have room to maneuver, compromise, bargain and make deals within established boundaries.

Non-discretionary areas are topics or situations with very specific rules, regulations or other guidance that requires one--and only one--way of acting. Compromise is unacceptable in these areas.

Safety is one non-discretionary area that is immediately recognizable. There are certain safety procedures that **MUST** be followed or there is danger to workers. However, there are other areas where your employees may not have quite as clear an understanding of what is ethically correct.

To act ethically, it is vitally important that you, as a business owner—as well as your employees--understand what actions fall into which of these two areas - discretionary or non-discretionary.

Often different organizations and businesses provide different guidelines on operational latitude. These differences may be due to the responsibilities that employees have in performing their jobs. Or, the job requirements permit only a certain procedure.

Universal Norms

There are several universal areas where zero tolerance for violations is appropriate for all organizations. These universally accepted norms include:

- Laws and regulations.
- Public and employee safety.
- Truthfulness of records and statements.

Stop and think what would happen if you did not obey laws and regulations. Most public and employee safety rules were created because injuries occurred or because there was obvious danger. Business is based on trust and truthfulness. If records and statements are not accurate, trust is lost.

Company Specific Standards

Businesses may add to this list their own specific policies and procedures that they wish to enforce for the performance of the company, or to differentiate the company from competitors.

Both the universal norms for ethical action and the specific policies and procedures that a company adopts as standards are areas where ethics cannot be compromised. As a business owner, you must set the example and ensure your employees know these ethical boundaries.

This information is compiled and provided by George S. May International Company.

Ethical Bill of Rights Example

1. All employment decisions regarding hiring, promotion, pay increases, training opportunities, and terminations should be based on objective, performance-related criteria rather than on subjective biases or personal whims. This means that employment decisions should be more than just non-discriminatory; they should be based on job-related criteria.
2. Each employee should be treated as a person of worth, with dignity and respect, rather than as an object that can be physically, sexually, or verbally abused. Employees should not be subjected to unwelcome or intimidating acts.
3. Disciplinary actions and criticisms should only occur for good cause, and employees should have the right to due process before any punitive actions are taken.
4. Employees should not be terminated unless their jobs are eliminated or they are unable to perform them. Personal whims and personality clashes are not valid reasons for termination.
5. Performance should be fairly and objectively evaluated against clearly defined standards; the evaluation should not be influenced by subjective biases or irrelevant personality traits.
6. Employees should be fairly and equitably paid for their work on the basis of the job's requirements, the employee's performance, and the employee's knowledge, skills and abilities. One person should not be paid more than another unless there is a legitimate, job-related reason for it.
7. Employees should be taught how to perform their jobs, and they deserve accurate and timely feedback on their performance.
8. Employees should have a safe and healthy work environment that is free from unnecessary hazards or harmful substances, and they should be informed about anything that could cause health problems.
9. An employee's personal health and family responsibilities have a higher priority than organizational responsibilities; therefore, the organization should make reasonable accommodations to help employees with personal problems and family emergencies.
10. Organizations should not invade employees' personal privacy. Only relevant, job-related information should be disseminated within an organization; nothing personal should be disseminated outside the organization unless the employee authorizes it or the outside party has a legitimate need to know.

If every employer followed these moral principles, employees would be treated fairly, and the plethora of state and federal anti-discrimination laws would be unnecessary. But because of abuse in the past, employers are now required to abide by numerous laws that regulate how employees should be treated.

Management Disciplines

The emergence of ethics is similar to other management disciplines. For example, organizations realized that they needed to manage a more positive image to the public and so the recent discipline of public relations was born.

Organizations realized they needed to better manage their human resources and so the recent discipline of human resources was born. As commerce became more complicated and dynamic, organizations realized they needed more guidance to ensure their dealings supported the common good and did not harm others -- and so ethics was born.

Note that 90% of organizations now provide some form of training in ethics. Today, ethics in the workplace can be managed through use of codes of ethics, codes of conduct, roles of ethicists and ethics committees, policies and procedures, procedures to resolve ethical dilemmas and ethics training.

Major Causes for Dismissal or Discipline Examples

Each of the following constitutes cause for discipline or dismissal of an employee.

1. Fraud in securing employment
2. Incompetence
3. Inefficiency
4. Improper attitude
5. Neglect of duty
6. Insubordination
7. Dishonesty
8. Drunkenness on duty
9. Addiction to the use of narcotics or habit-forming drugs
10. Absence without leave
11. Final conviction of a felony or a misdemeanor or involving moral turpitude*
12. Discourteous treatment of the public
13. Improper political activity
14. Willful disobedience
15. Misuse or unauthorized use of property

*** Moral turpitude = a base act—depraved—shameful**

Creating Ethical Organizations

Organizations are expected to contribute to the quality of life and the betterment of society. Effective organizations provide ways for people to develop their talents and skills. Some people discover great meaning and fulfillment in their lives because of the work they perform in organizations, and their relationships with co-workers are highly satisfying. Unfortunately, this is not always the case. Some organizations are a detriment to society because they pollute the environment, destroy natural resources, create hazardous work environments, or mistreat employees.

Unfair policies

Organizations have the power and potential to abuse individuals. The balance of power is clearly in the hands of the organization in regards to things such as wages, benefits, and working conditions. Although disgruntled employees are free to quit, the consequences of quitting are clearly more costly to the individuals rather than the organization. The loss of a job to an employee is more catastrophic than is the loss of an employee to an organization.

Although the Bill of Rights guarantees certain freedoms to people in American society, employees in an organization do not enjoy many of the same rights. For example, freedom of speech is sometimes constrained by company policies that limit what they may say. The rights of privacy and security guaranteed to people are also not extended to most employees at work. Employees' homes are protected from arbitrary search and seizure, but their lockers, desks, and files at work can be inspected without warning or permission.

In some situations, employees face moral dilemmas because they are asked to perform unethical or illegal acts. For example, employees are sometimes told to falsify reports, dump toxic wastes in streams, use substandard materials in construction, or fire employees because of their age or race. These things are illegal and employees should never be expected to obey them. Even minor violations, such as telling a secretary to say that a manager is out when he is really in, can create an uncomfortable situation in which the secretary is forced to compromise personal standards of integrity.

Unintended abuse

When organizations condone illegal or immoral activities, the potential for abuse is obvious. However, organizations also abuse employees in subtle ways that may be entirely unintended. Every organization has the potential to abuse individuals—even those who are sincerely trying to help and support their employees.

Organizations do not have a heart, mind or soul. Employees who have contributed years of faithful service may be forced to find a new job because of forces beyond the control of the organization, such as a technological advance or an economic collapse. A new management team often has no idea about the devoted service of long-time employees who deserve to be protected.

Organizations can't control the expectations of employees; there are natural tendencies for employees to develop false expectations. Employees often assume there is someone in top management looking out for them and they should just quietly serve the

organization. When their jobs are eliminated because of a merger or new technology, the employees feel abused and mistreated.

Job opportunities—even promotions, transfers and sales contests--can result in unintended abuse. Marriages can be damaged by long separations or pressure to relocate. Families may suffer because parents miss important events like graduations and Little League games, or they are not available to provide guidance at critical times. Excessive job stress may impair health and leave employees too emotionally drained to cope with other demands.

The authority structure in an organization creates a natural opportunity to influence employees, because they tend to develop a distorted concept of authority. When a person is promoted to a higher-level position, the promotion seems to imply superiority, innate goodness, or some other moral quality. As a result, employees don't question the decisions of upper-level management and give too much relevance to managers' opinions. This blind obedience is often a disservice to the employee, manager, and the organization.

A partial solution to unintended abuse is to change the policies and programs that cause unfair treatment. Individuals should also be taught how to protect themselves from organizational influences. Protecting employees and helping them achieve their goals are basic ethical concerns of leaders.

Company culture and ethical behavior

Every organization has the challenge of creating ethical norms that are understood and accepted. Employee theft, cheating, and embezzlement are common temptations in every company and seem to grow unchecked unless the organization has a vigorous program to counter them and tries to create a culture of honesty.

A culture that embraces ethical behavior has a big influence on the honesty of employees and the profitability of the company. In organizations where this culture exists, employees feel a personal responsibility to behave honestly and expect others to do likewise. Saying things that are knowingly untrue, taking things that belong to others, giving false impressions and mistreating others are recognized as unacceptable behavior.

Whether a company's culture endorses honesty or dishonesty has a big impact on the attitudes and behaviors of its members. The following strategies have been suggested for creating a culture that endorses ethical behavior:

- As a rule, visible moral acts speak louder than company communications. When executives are forced to make tough moral decisions and decide to act ethically in spite of the consequences, these decisions convey a powerful message throughout the organization. Executives must be willing to make moral decisions that are right even if they do not seem expedient.
- What employees do off the job influences how they are perceived at work. The degree to which employees have committed to honesty and fidelity in their personal lives is an indication of the integrity that can be expected from them at work.
- Develop and publish a company code of ethics. Having employees participate in the development of the code of ethics seems to increase their commitment to it.

Many organizations require employees to sign a statement saying they understand the code and agree to abide by it.

- Company communications can contribute to a culture of ethical behavior by discussing the importance of integrity. The most frequently used information is statistical data showing how current levels of theft threaten the economic health of the company. The media may include newsletters, posters, comments added to payroll check stubs, or public announcements.
- Encourage employees who observe unethical behaviors to report them, and protect them from retribution. The most difficult problem they face is being fired or mistreated. Employees should be encouraged to report unethical behavior internally first and seek outside help only if internal efforts are unsuccessful.

Ethics in compensation

Employees deserve to be paid an amount that is considered just and fair. An ethical principle regarding compensation, called a compensation maxim, is that employees should be compensated first according to the requirements of the jobs they perform and how well they perform them, and second by labor markets, conditions (supply and demand) and the organization's ability to pay. Ethical issues surrounding compensation are especially sensitive because money is such an important reason as to why people work.

Ethics in competition

An effective competitor analysis, so important in today's competitive business world, requires gathering information and data, referred to as competitor intelligence. Information needs to be obtained about each competitor's customers, distribution channels, marketing, sales, advertising, etc. Analysts have obligations to gather this information in ways that are ethical. Stealing drawings or documents, eavesdropping, and trespassing are unethical and illegal methods of collecting information. Techniques that are both legal and ethical include:

- Obtaining publicly available information, such as court records, help-wanted ads, financial reports of publicly held corporations, and Uniform Commercial Code filings
- Attending trade shows to obtain brochures and advertisements, view the exhibits, and listen to discussions about their products

The ethics of several intelligence-gathering techniques is questionable, even though they are technically legal, such as:

- Paying someone to serve as an impostor (such as a student, management consultant, or reporter) to obtain inside information
- Conducting job interviews for jobs that don't exist in hopes that a competitor's employees will apply and volunteer inside information
- Hiring a competitor's key employees to obtain knowledge about technological innovations
- Purchasing a competitor's trash to obtain documents and other inside information

As a general rule, information-gathering technicians should respect the right of competitors not to reveal information about their products, operations and strategic intentions that they do not want divulged. When evaluating the ethics of such cases, the Golden Rule should serve as a useful moral guideline.

Ethics and People Management

Everyday decisions involve ethical issues. Did you consider only legitimate business reasons for promoting some employees and not others? Was your decision to discipline a particular employee fair and consistent with how you've treated others? Are you tolerating behavior from some that you do not tolerate in others? These are just some examples of questions you can ask yourself to be sure you are acting responsibly and ethically.

And don't forget that ethics rules will not always answer the issues you confront. Sometimes, for example, the line between ethical and legal conduct can get blurred. What if you found a document on the street that had sensitive information about a competitor's product? Would you use it? It would be illegal if you stole such a document from the company's premises, but say you found it on the street. Is it ethical to use it even though you assume that someone must have dropped it by accident? These are not easy questions but are important to consider.

As part of a company's attempt to create an ethical work environment, it's important to offer an effective ethics training program. And the training should include more than just a review of your company's ethics rules. The broader topic of ethics in a global economy is very important in today's world of international business.

Perhaps some kinds of behavior that we find acceptable in the U.S. are not acceptable in another culture, or vice versa. That doesn't mean that some conduct should be tolerated in one place and not another. Rather, your company should set standards to which everyone can and should adhere.

Remember, as a leader in your organization, how you behave and communicate is the basis on which others will judge you. If you act ethically and require the same of others, you represent your company well and position yourself as someone your employees can respect. There is no better way to attract and retain good employees than to have the respect of those you interact with every day.



Modern Management Foundations III

Tom Peters

Management Consultant; Author, *In Search of Excellence* and *The Circle of Innovation: You Can't Shrink Your Way to Greatness*

Tom Peters describes himself as gadfly, curmudgeon, champion of bold failures, prince of disorder, maestro of zest, professional loudmouth (as a speaker he's "a spitter," according to the cartoon strip, *Dilbert*), corporate cheerleader, lover of markets, capitalist pig . . . and card-carrying member of the ACLU.

Fortune calls him the Ur-guru (guru of gurus) of management; *The Economist* says he's the Uber-guru. And his unconventional views led *Business Week* to describe him as businesses "best friend and worst nightmare." Moreover, research released in January 1996, by Siegel & Gale/Roper Starch Worldwide (Report on American Business Executives) Ranked Tom as No. 1 on "Awareness and Credibility of Business Leaders;" his Credibility Index score of 50 was more than twice that of the runner up, Bill Gates.



The Peters Principles

The management guru as playground director, provocateur, and passionate defender of open societies.

Interviewed by Virginia I. Postrel

Tom Peters dots his articles with exclamation points, ellipses, and WORDS IN ALL CAPS. He tends toward sweeping, barely supported statements ("Women are smarter than men," he generalized in *Forbes* ASAP) and uses the word *revolution* a lot. His official bio describes him as a "gadfly, curmudgeon, champion of bold failures, prince of disorder, maestro of zest, professional loudmouth (as a speaker he's 'a spitter,' according to the cartoon strip *Dilbert*), corporate cheerleader, and lover of markets, capitalist pig...and card-carrying member of the ACLU."

It's all designed to get attention--for Peters and for his ideas--and it works. He is the best-selling business author in history and travels the world giving extremely lucrative seminars to corporate executives eager to be provoked and inspired. His 1982 mega-bestseller, *In Search of Excellence*, co-authored with Robert Waterman, launched a whole new genre of business books and created the modern business guru.

But there is more to Peters than the hype-meister and "spitter." In person, he qualifies his generalizations with "to be sure" background, and his books are grounded in a solid knowledge of business practice and theory.

He sprinkles philosophical phrases (Karl Popper's "**conjectures and refutations**" is a favorite) and the ideas behind them in with the anecdotes, salesmanship, and (you've been warned--do not send us letters to the editor complaining about this) profanity.

As befits a Stanford Ph.D. (in decision science and organizational behavior), he is well read in the scholarly literature, as comfortable citing UCLA strategy professor Richard Rumelt's seminal-but-esoteric work on diversification or F.A. Hayek's idea of the extended order as he is touting the latest pop business book.

As his bio suggests, Peters is also politically confusing--at least to those used to traditional left-right distinctions. An article last fall in *Lingua Franca*, a magazine aimed at professors, reported U.C.-Santa Barbara English professor Christopher Newfield's proposal **"to instigate social change with an unlikely coalition: the middle managers who read Tom Peters, together with postmodern English professors, fighting side by side to make the world safe for radical democracy."** The coalition might work, but not in the leftist way Newfield imagines. (Newfield admits some worries about Peters's devotion to Hayek's *The Fatal Conceit*.)

The literary theorists would have to learn to love the market. True, Peters's work overturns Organization Man assumptions and emphasizes flexibility, flux, and diversity. But free markets are part of the same dynamic picture.

Those postmodern virtues are, it turns out, pretty much what the Hayekian market looks like: "The Corporation...as we knew/know it...is dead!" writes Peters in characteristic style. "The market as Hayek knew it and loved it is alive, well, getting better and hopelessly inexplicable! Long live...God knows what! Playground directors united! Ready. Fire. Aim."

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The Writings of Peter Drucker

Drucker has written many books in his long career. Here are a few of Davenport's favorites.

Adventures of a Bystander (paperback issued in 1994 by Transaction Publications)

This autobiographical collection of essays was originally published in 1979 by Harper & Row. While it is ostensibly about various characters Drucker has known over the years (Alfred Sloan, Marshall McLuhan, Buckminster Fuller), it also reveals a lot about Drucker himself. It's fascinating to observe Drucker move across decades (from the '20s to the '70s), industries (steel, investment banking, automobiles, and government) and locations (Vienna, London, New York, and suburban Los Angeles).

Concept of the Corporation (paperback issued in 1993 by Transaction Publications)

This 1946 book (originally published by New American Library) wasn't Drucker's first, but it cemented his reputation as both an academic and a consultant. Drucker wrote it after Alfred Sloan asked him to do a comprehensive analysis of General Motors Corp., at the time the most successful--and today still the largest--corporation in the world. It is an excellent guide to how businesses are supposed to work, covering organizational structure through manufacturing processes.

The Effective Executive (HarperBusiness, 1993)

Originally published in 1966, this is one of the first and still one of the best books on how to become a better manager. Drucker describes five key practices or skills (today we'd call them competencies) that make managers more effective. The emphasis is on embedding the skills below the surface and making them habits.

Managing in a Time of Great Change (Truman Talley/Dutton, 1995)

This recent collection of Drucker essays is the most information-oriented of all his books. It addresses such topics as the importance of information over technology, the information managers really need, how information is transforming the retail industry, and organizational and social networking. It also includes a diverse set of articles on topics other than information, including Japan, teams and nonprofit organizations.

The New Realities (HarperBusiness, 1994)

This is Drucker's sweeping view of the world and how it works as of 1989, when this book originally was published. Economy, government, business and knowledge workers are covered in an unpretentious and easy-to-read style. Since Drucker predicted the demise of the Soviet Union, it's a pretty good bet that some of the other predictions in this book will also come true.

The Writings of Tom Davenport

Davenport has had a few worthy things to say as well.

Process Innovation: Reengineering Work Through Information Technology (Harvard Business School Press, 1993) Considered the first book on reengineering, it is more conservative than its primary competitors on the difficulty of reengineering and how much time and money it requires. Despite its subtitle, this book is as much about people and organizational issues as it is about technology. It includes two chapters on technology and one on information.

Reengineering the Organization (with Richard Nolan, Sirkka Jarvenpaa and Donna Stoddard) (Harvard Business School Press, 1996)

This collection of Harvard Business School cases and research notes on reengineering is a good guide to how reengineering has actually been performed in organizations.

Information Ecology: Mastering the Information and Knowledge Environments (Oxford University Press, 1997)

Based on research on more than 50 companies, this tome maintains that the technology-oriented approach to information management has been a failure. Davenport argues for a broad new approach involving not only technology but also such human-oriented domains as information culture and behavior, information politics and information staff.

Working Knowledge: Managing What Your Organization Knows (with Laurence Prusak) (Harvard Business School Press)

This book addresses the pragmatic issues associated with managing knowledge, including codification strategies, knowledge management roles and responsibilities, knowledge technologies and managing knowledge projects. It also features detailed examples of companies that were early adopters of the knowledge management concept.

Glossary

ABC Analysis: (also known as Pareto Analysis) (also known as the 80/20 rule) In general, ABC Analysis says that 80 percent of the costs or revenues can be attributed to only 20 percent of the possible products or materials. In effect, ABC prioritizes the products, allowing you to see which ones are contribute most to cost or revenue. If you have limited resources (usually labor), the products that contribute most to cost or revenue are the ones you need to manage the best. Products that do not contribute as much can be given less attention. ABC also can apply to labor. Over the course of a day a manager performs many different tasks. The tasks that contribute most to a firm's profits are the tasks we may wish to study and improve. Devoting time to improve tasks that are not as important or that don't take much time may not be the best use of our valuable time.

Activity Based Accounting: An accounting system that allocates overhead costs according to the use of those general facilities in producing goods and services. Activity based accounting produces a more accurate estimate of what it costs to produce a product. Accounting systems such as ABC need to be designed to promote operational efficiencies of cost, quality, delivery, and flexibility. Concentrating on one dimension, such as cost alone, may lead to operations designed to look good in that one dimension, while the others are necessary for firm survival.

Adjustments: Base budget transfers made to or from a budget line.

Amortize: To work out the death of a debt (often incurred in an investment) - To pay it off.

Annual FTR: A number indicating an employee's annual full-time rate.

Appointment Period: A code describing the time period associated with the full time rate for an appointment.

Architecture: Design; the way components fit together to form a unified system. May be conceived of any complex system such as "software architecture" or "network architecture". An IT architecture is a design for the arrangement and interoperation of technical components that together provide an organization its information and communication infrastructure.

Assessment: Any effort to gather, analyze and interpret evidence which describes organizational effectiveness. See also Evaluation.

Backlog: When the amount of a good or service demanded exceeds the capacity or supply in a given time period. Goods may be provided by regular time labor, overtime, subcontracting, or hiring/firing.

Backorders: When a backlog exists, the excess of demand over supply may be made up in later periods. The product is backordered for future delivery.

Balanced Scorecard: A measurement-based strategic management system, originated by Robert Kaplan and David Norton, which provides a method of aligning business activities to the strategy, and monitoring performance of strategic goals over time.

Baldrige Award: A prestigious award, developed by US Commerce Secretary Malcom Baldrige in 1984 to offer an incentive to companies that score highest on a detailed set of management quality assessment criteria. The criteria include leadership, use of information and analysis, strategic planning, human resources, business process management, financial results and customer focus and satisfaction. The award is currently administered by the National Institute for Standards and Technology.

Base Budget Amount: The amount budgeted to a specific budget line.

Baseline: Data on the current process that provides the metrics against which to compare improvements and to use in benchmarking. [GAO]

Benchmarking: The process of comparing one set of measurements of a process, product or service to those of another organization. The objective of benchmarking is to set appropriate reliability and quality metrics for your company based on metrics for similar processes in other companies.

Bottleneck: The process unit that has the longest cycle time or the lowest capacity relative to the demand, or flow of jobs through it, thereby restricting flow and setting the capacity of the process system. If the flow in a process splits, the capacity of a unit is compared to the flow through it.

Breakeven Period: The period of time taken to repay an investment. Threshold for project viability is 3-4 years. Breakeven analysis is a key method to use to determine whether to invest in a purchase, whether for a copy machine or for a company acquisition. Breakeven period is used by many financial analysts to decide whether to proceed on an investment. Its value as a filtering methodology is that it is simple and deals with the time horizon that is known with most certainty. We have a better idea of the next 3-4 years than we do of the period beyond that.

Budget Clearance Form: A form used to confirm adequate funds, staffing changes to general and non-general fund and non-temporary positions.

Budget Code: Groups of instructional staff, non-instructional staff and non-salary budget lines.

Budget Line Number: The three-digit number assigned to individual lines by the Budget Office. The number corresponds with the respective budget code.

Business case: A structured proposal for business improvement that functions as a decision package for organizational decision-makers. A business case includes an analysis of business process performance and associated needs or problems, proposed alternative solutions, assumptions, constraints, and a risk-adjusted cost-benefit analysis. [GAO]

Business Process Improvement: A methodology for focused change in a business process achieved by analyzing the AS-IS process using flowcharts and other tools, then developing a streamlined TO-BE process in which automation may be added to result in a process that is better, faster, and cheaper. BPI aims at cost reductions of 10-40%, with moderate risk.

Business Process Reengineering: A methodology (developed by Michael Hammer) for radical, rapid change in business processes achieved by redesigning the process from scratch and then adding automation. Aimed at cost reductions of 70% or more when starting with antiquated processes, but with a significant risk of lower results.

Capacity Requirement: Jargon for cycle time.

Capacity Utilization: See Utilization.

Capacity: The maximum flow of jobs through a process, expressed in (units/time). Often calculated as: Capacity is proportional to $1 / \text{cycle time}$. Capacity is often expressed in jobs per hour. An example: It takes 10 hours to do a job. The cycle time is 10 hours per job. During a 40 hour week you can do 4 such jobs. You get that result by dividing 40 hours by 10 hours per job. The procedure is 1 divided by cycle time, adjusted for the time units of capacity.

Comp Rate: A number representing the base compensation received by an employee for a job.

Control Limit: If we are measuring quality of a good or service, control limits are those values of that measure where we decide to either accept or reject the product or service based on quality as measured by that variable. Control limits are often set at three standard deviations from the mean of the measured variable. At these points the probability of a sample made by a "good" process being found to lie within the control limits is 99.7 percent. If the control limits are set at +/- 3 standard deviations, we feel that in all likelihood, all samples made by normal operation will be within those +/- 3 standard deviation limits.

Core competency: A distinctive area of expertise of an organization that is critical to its long term success. These are built up over time and cannot be imitated easily. The concept was developed by C.K. Prahalad and G. Hamel in a series of articles in Harvard Business Review around 1990. Sometimes called **core capability**.

Cost: The amount of resources used or consumed to produce a unit of output.

Cost-Benefit Analysis: A procedure for decision support. Used to justify one decision over another, based on financial considerations. Often used to determine the feasibility of investments. For example, to decide whether to add capacity by investing in a new copier machine or to use overtime. A technique used to compare the various costs associated with an investment with the benefits that it proposes to return. Both tangible and intangible factors should be addressed and accounted for.

Critical success factor: See key success factor.

Customer: In the private sector, those who pay, or exchange value, for products or services. In government, customers consist of (a) the taxpayers; (b) taxpayer representatives in Congress; (c) the sponsors of the agency; (d) the managers of an agency program; (e) the recipients of the agency's products and services. There may be several more categories of 'customers'; they should be carefully segmented for maximum strategic benefit. Compare with **primary customer** and **stakeholder**. (Note: the term "internal customer" is deprecated because by definition a customer is external to the organization).

Cycle time for a process: If you were observing jobs passing a certain spot in the process, the cycle time is the time between one job and its predecessor or follower. The cycle time for a linear process (or sub process) is equal to the largest (not sum) of the cycle times of the individual process units. If the flow splits, you may have multiple sub processes, and the bottleneck must be determined by comparing capacity to demand.

Cycle time for a unit: The time it takes a unit to do a job. Cycle time for a unit examined independently of other process units. Cycle time is proportional to the inverse of capacity. If capacity is 10 jobs per hour, then cycle time is 1/10 hour, or 6 minutes per job. Cycle time is also known as (AKA) time standards, capacity requirement. If we know the speed of a job (feet per second or miles per hour), we can calculate the time using the formula distance = speed * time. If we divide the distance between consecutive jobs by the speed of movement we then get the time between consecutive jobs, AKA cycle time. In calculating cycle time a common question arises concerning the different (and lower) cycle time and capacity that might be calculated during startup and shutdown of an operation. For instance, if a process commences at 8 AM, the lack of WIP might lead to a different capacity and cycle time for the first unit(s). We ignore the initial units, and use the cycle time that would occur after the process has achieved steady state, or during typical operation which occurs during most of the day.

De-bottlenecking: Adding capacity to the bottleneck process unit to move the process bottleneck to another unit.

Delivery: The ability of a process to deliver goods and services when the consumer requests them.

Discount factor: The factor that translates expected financial benefits or costs in any given future year into present value terms. The discount factor is equal to $1/(1+i)^t$ where i is the interest rate and t is the number of years from the date of initiation for the program or policy until the given future year. [GAO] **Discount rate** is the interest rate used in calculating the present value of expected yearly benefits and costs. [GAO]

Earned Value Management: Earned value is a project management technique that relates resource planning to schedules and to technical cost and schedule requirements. All work is planned, budgeted, and scheduled in time-phased "planned value" increments constituting a cost and schedule measurement baseline. There are two major objectives of an earned value system: to encourage contractors to use effective internal cost and schedule management control systems; and to permit the customer to be able to rely on timely data produced by those systems for determining product-oriented contract status.

Economic Value Added (EVA): Net operating profit after taxes minus (capital x cost of capital). EVA is a measure of the economic value of an investment or project.

Effectiveness: (a) Degree to which an activity or initiative is successful in achieving a specified goal; (b) degree to which activities of a unit achieve the unit's mission or goal.

Efficiency: (a) Degree of capability or productivity of a process, such as the number of cases closed per year; (b) tasks accomplished per unit cost.

Enterprise: A system of business endeavor within a particular business environment. An **enterprise architecture (EA)** is a design for the arrangement and interoperation of business components (e.g., policies, operations, infrastructure, information) that together make up the enterprise's means of operation.

Evaluation: Any effort to use assessment evidence or performance measurements to improve organizational effectiveness. See also Assessment.

Executive Information System: Generic term for a software application that provides high-level information to decision makers, usually to support resource allocation, strategy or priority decisions. This could include a balanced scorecard system, Enterprise Resource Planning (ERP) system, Decision Support System (DSS), etc. Technologies include databases, a data warehouse, and analytic applications such as OLAP (On-Line Analysis Protocol), and many mission-specific data reporting systems.

Federal Enterprise Architecture Framework (FEAF) - An organizing mechanism for managing development, maintenance, and facilitated decision making of a Federal EA. The Framework provides a structure for organizing Federal resources and for describing and managing Federal EA activities.

Feedback: Information obtained from the results of a process that is used in guiding the way that process is done. There should be feedback loops around all important activities. Strategic feedback (for each strategic activity) validates effectiveness of the strategy by measuring outcomes (long-term). Diagnostic feedback tracks efficiency of internal business processes (usually generic across all mission activities). Metrics feedback allows for refining the selection of metrics to be measured. Measurement feedback allows for the improvement of measurement techniques and frequency.

Finished Good: A job that has gone through all process steps.

Fiscal Year (FY): The period of time that starts July 1st and ends June 30th.

Five Forces Model: A tool developed by Michael Porter that analyzes an industry in terms of five competitive forces: bargaining power of suppliers, bargaining power of buyers, threat of new entrants, threat of substitute products, and rivalry between existing competitors.

Flexibility: The ability of a process to create different goods and services as requested by consumers.

Framework: A logical structure for classifying and organizing complex information. [Federal Enterprise Architecture Framework] See also **Zachman framework**.

Frozen: In *Materials Management*, a term meant to indicate that changing the scheduled order plan would be very difficult and expensive.

Full-Time Equivalence (FTE): Effort percentage of a particular appointment.

Full-Time Rate (FTR): Equivalent of an employee's compensation rate for a specific job.

Functional Economic Analysis (FEA): An analytical technique for assessing the value added at various stages or functions in a process. Most relevant in manufacturing industries, where such increments in value can be readily measured.

Fund Code: A code used to identify the source of funds and intended use of the funds.

Funding Source: The budget line within a department id that provides funds to another budget line.

Gap Analysis: Gap analysis naturally flows from benchmarking or other assessments. Once we understand what is the general expectation of performance in industry, we can then compare that with current capabilities, and this becomes the gap analysis. Such analysis can be performed at the strategic or operational level of an organization.

Goal: A specific intended result of a strategy; often used interchangeably with Objective. See also Outcome Goal, Output Goal, Performance Goal, Strategic Goal. [Note: the term "goal" is used in a wide variety of ways in planning; e.g. as a task or function to perform, strategic result or outcome; an objective, a measure, a target, a deliverable, a vision, etc. For this reason readers are advised to avoid this term, or else to define it carefully and use it consistently in planning documents.]

Governance: The systems and processes in place for ensuring proper accountability and openness in the conduct of an organization's business. A company's Board of Directors has ultimate responsibility for the governance of a company.

Gross Requirement: In Material Requirements Planning, the total amount of a product or component of a product that needs to be available in a given time period to allow production of the finished good or service.

Impact: Changes in outcomes that can be attributed to a particular project, program or policy, in a situation where there may be many other influences on outcomes. Impact evaluation attempts to answer the question, "What would the situation have been if the intervention had not taken place?"

Improvement: An activity undertaken based on strategic objectives such as reduced cycle time, reduced cost, and customer satisfaction. This includes improvements directly in mission activities (production, design, testing etc.) and/or in support activities for the mission.

Indicator: A simple metric that is intended to be easy to measure. Its intent is to obtain general information about performance trends by means of surveys, telephone interviews, and the like.

Inference: In statistical process control we use data and information obtained from samples to infer or deduce something about a larger population. That population may be the products produced in the process under study.

Information technology (IT): Includes all matters concerned with the furtherance of computer science and technology and with the design, development, installation, and implementation of information systems and applications [San Diego State University]. An information technology architecture is an integrated framework for acquiring and evolving IT to achieve strategic goals. It has both logical and technical components. Logical components include mission, functional and information requirements, system configurations, and information flows. Technical components include IT standards and rules that will be used to implement the logical architecture.

Input: Resources (funds, labor, time, equipment, space, technology etc.) used to produce outputs and outcomes.

Intermediate Outcome: An outcome from a business activity that can be identified and measured in the near term, and is an indicator of longer-term outcomes. This is practical when long-term outcomes are diffuse, delayed or otherwise difficult to measure. Intermediate outcomes often relate to customer satisfaction, which can be measured by means of customer surveys or interviews.

Inventory Holding Cost: The cost of keeping inventory, usually stated in \$ per unit per period of time. Inventory holding costs include warehouse, utilities, interest cost, security, obsolescence, and other relevant expenses. Typical inventory holding costs average 30 percent of inventory value per year.

Inventory turns: The number of times inventory is used up in a given time period (times/time).

Inventory: Jobs or material that sits still or churns within a confined space, is idle, costs time value of money, and incurs losses, depreciation, and other damage. Inventories are shown as triangles, which may be as pyramids or inverted, on a process flow diagram. Operations managers try to reduce inventories.

ISO 9000: ISO, the International Organization for Standardization, has established a series of performance and quality management system standards for industrial organizations. Organizations may receive certification from the ISO Certification body if they are in compliance with the relevant international standards.

IT investment management approach: An analytical framework for linking IT investment decisions to an organization's strategic objectives and business plans. The investment management approach consists of three phases--select, control and evaluate. Among other things, this management approach requires discipline, executive management involvement, accountability, and a focus on risks and returns using quantifiable measures. [GAO]

Job Code: A code indicating a job classification title established by the Office of Human Resource and Affirmative Action.

Job: A unit used to measure production of goods and services. A unit of product.

Key Performance Indicators (KPI): A short list of metrics that a company's managers have identified as the most important variables reflecting operational or organizational performance.

Key Success Factors (KSF): The three to five broad areas on which an organization must focus in order to achieve its vision. They may be major weaknesses that must be fixed before other goals can be achieved. They are not as specific as strategies. Sometimes called **strategic themes** or **critical success factors**.

Knowledge Management: "Knowledge Management caters to the critical issues of organizational adaptation, survival and competence in face of increasingly discontinuous environmental change. Essentially, it embodies organizational processes that seek synergistic combination of data and information processing capacity of information technologies, and the creative and innovative capacity of human beings."

Life Cycle Costing: A procedure that considers all costs incurred during a product's life time. For example, a heating, ventilation, and air conditioning unit's life cycle cost includes purchase price, shipping, installation, service contract, and utility costs of operation over its lifetime. A quality unit that lasts twice as long; consumes half the energy, and costs less for service will probably have lower life cycle costs than a cheap unit that falls apart quickly.

Liquid: In *Materials Management*, a term that indicates the scheduled order plan is extremely flexible, and changes are possible for little additional cost.

Logic Model: A generic model of any business process, which breaks it down into inputs, activities (or processes), outputs, and outcomes (or results). Sometimes intermediate outcomes are also included.

Managing for Results (MFR): A process, inspired by the US Government Performance and Results Act (1993), that combines strategic planning, performance measures, and budgeting to place the focus on results or accomplishments of government programs, not just how much money was spent or how much work was done. MFR has been a very popular approach in management of state, county and city governments. Its general approach is consistent with the balanced scorecard.

McKinsey / General Electric Matrix: A portfolio planning tool that uses a 3 x 3 matrix. One scale is market attractiveness, the other is competitive strength. The Strategic Business Units of a large company can be compared within this matrix.

Measurement: An observation that reduces the amount of uncertainty about the value of a quantity. In the balanced scorecard, measurements are collected for feedback. The measurement system gathers information about all the significant activities of a company. Measurements are the data resulting from the measurement effort. Measurement also implies a methodology, analysis, and other activities involved with *how* particular measurements are collected and managed. There may be many ways of measuring the same thing.

Metrics: Often used interchangeably with measurements. However, it may be helpful to separate these definitions. Metrics are the various parameters or ways of looking at a process that is to be measured. Metrics define *what* is to be measured. Some metrics are specialized, so they can't be directly benchmarked or interpreted outside a mission-specific business unit. Other metrics will be generic, and they can be aggregated across business units, e.g. cycle time, customer satisfaction, and financial results.

Mission activities: Things that an agency does for its customers. For private companies, profit or value creation is an overarching mission. For nonprofit organizations, the mission itself takes priority, although cost reduction is still usually a high priority activity.

Mission effectiveness: Degree to which mission activities achieve mission outcomes or results.

Mission value: (1) Mission outcome benefits per unit cost; a key metric for nonprofit and governmental organizations. (2) For a collection of missions within an organization, the relative value contributed by each mission. (3) The combination of strategic significance and results produced by a mission.

Mixed system: An information system that supports both financial and non-financial functions.

Model: A representation of a set of components of a process, system, or subject area, generally developed for understanding, analysis, improvement, and/or replacement of the process [GAO]. A representation of information, activities, relationships, and constraints.

Mu: The Greek letter (pronounced "me") that in statistics is used to denote the mean of the population distribution.

Net present value (NPV): The future stream of benefits and costs converted into equivalent values today. This is done by assigning monetary values to benefits and costs, discounting future benefits and costs using an appropriate discount rate, and subtracting the sum total of discounted costs from the sum total of discounted benefits.

Net Requirement: In Materials Requirement Planning, the quantity of a product (or service), or component of a product (or service), the needs to be ordered in a given time period to allow the production of a parent (finished) product. The net requirement considers the amount of available inventory. Net requirement = gross requirements less available inventory.

Non-value-added work: Work activities that add no value to the mission of the organization. Such activities may or may not be necessary; necessary ones may include utilities, supplies, travel and maintenance; unnecessary ones may include searching for information, duplicating work, rework, time not working, etc.

Objective: An aim or intended result of a strategy. See **goal**.

Objectives: Specific performance targets that firms and individuals aspire to in each area(s) in a firm's mission statement.

On-Hand: In Material Requirements Planning, the amount of available inventory in a time period.

Operations Management: The business function of producing goods and services as products to create revenue. Operations management deals with cost, flexibility, delivery, and quality.

Organization: The command, control and feedback relationships among a group of people and information systems. Examples: a private company, a government agency.

Outcome measure: A long-term, ultimate measure of success or strategic effectiveness. An event, occurrence, or condition that is outside the activity or program itself and is of direct importance to customers or the public. We also include indicators of service quality, those of importance to customers, under this category.

Outcome: A description of the intended result, effect, or consequence that will occur from carrying out a program or activity. (OMB). The end result that is sought (examples: in the private sector, financial profitability; in the public sector, cleaner air or reduced incidence of disease).

Output: Products and services delivered. Outputs are the immediate products of internal activity: the amount of work done within the organization or by its contractors (such as miles of road repaired or number of calls answered).

Pareto Analysis: See ABC Analysis.

Payback period: The period of years that a project requires to payback the initial investment. $\text{Payback} = \text{investment} / \text{profit or savings each year}$. Threshold payback period = 4 years, less is better. Payback period is the inverse of return on investment.

Performance goal: A target level of performance expressed as a tangible, measurable objective, against which actual achievement can be compared, including a goal expressed as a quantitative standard, value, or rate.

Performance indicator: A particular value or characteristic used to measure output or outcome.

Performance measurement: The process of developing measurable indicators that can be systematically tracked to assess progress made in achieving predetermined goals and using such indicators to assess progress in achieving these goals [GAO]. A performance gap is the gap between what customers and stakeholders expect and what each process and related sub-processes produces in terms of quality, quantity, time, and cost of services and products.

Performance metric: see Metrics.

Performance-based budgeting: A management process in which performance of various activities in an organization is measured, and budgets for further work on these activities is adjusted based on their performance. (Note: this does not necessarily imply that budgets for poorly-performing activities will be reduced; see the discussion [here](#).)

Period: A unit of time, often a week or month, used in a work or aggregate planning schedule.

PEST analysis: A planning tool for identifying the external **P**olitical/Legal, **E**conomic, **S**ocial, and **T**echnological issues that could affect the strategic planning of an organization.

Plan: A prescribed, written sequence of actions to achieve a goal, usually ordered in phases or steps with a schedule and measureable targets; defines who is responsible for achievement, who will do the work, and links to other related plans and goals. By law agencies must have strategic plans, business plans, and performance plans. They may also have implementation plans, program plans, project plans, management plans, office plans, personnel plans, operational plans, etc.

Planned Order Release: In Material Requirement Planning, an estimate of the amount of a good or service (or components of the good or service), that must be ordered to meet production needs of the finished product. Planned order releases usually have some flexibility and are relatively easy to change with little cost impact. See liquid, slushy, and frozen.

Planning Horizon: The total time to be planned. The future period that will be planned.

Policies: See Tactics.

Policy Governance: An integrated set of concepts and principles that describes the job of any governing board. It outlines the manner in which boards can be successful in their servant-leadership role, as well as in their all-important relationship with management. It focuses the board's attention on *ends*, and management's attention on *means*.

Primary customer: The customer group that must be satisfied if the overall mission of the organization is to succeed. Generally this is the end user or direct recipient of an organization's products or services, and has the capabilities to report satisfaction and give feedback. In a commercial organization, it is the group that is the main source of income.

Process analysis: A methodology of examining a collection of resources to determine how well those resources function as a process, and to see if improvement can be made.

Process flow diagram: A key ingredient of process analysis. Used to determine job flows, capacities, and many management decisions. The process flow diagram is made of rectangles (processing units), triangles (inventories), and arrows (depict job flow). The inventories may be shown as pyramids or inverted pyramids. Jobs usually flow from left to right, and a process may show flow splitting and combining. The process flow diagram shows capacities and demand flow at each process unit. The unit with the highest demand relative to capacity is the bottleneck, which sets the capacity for the entire process.

Process unit: A step in a process that adds value to the job or product. Shown in the process flow diagram as a rectangle. Examples of process units include pipelines, conveyors, people, computers, restaurants, rooms, or just about anything.

Process: A collection of process units.

Processing Time: The time required for the process unit to process a job. The time may be the total time required in a day to process all of the jobs input over the course of the day.

Profit: Financial gain, or revenues minus expenses. Profit is the overarching mission of private-sector companies. Nonprofit or governmental organizations either operate at a loss or attempt to achieve a zero profit; for them the overarching mission is a charter for a service, or a goal to be achieved. Therefore, there is a basic distinction in measures of strategic success between profit and nonprofit or governmental organizations.

Project management: A set of well-defined methods and techniques for managing a team of people to accomplish a series of work tasks within a well-defined schedule and budget. The techniques may include work breakdown structure, workflow, earned value management (EVM), total quality management (TQM), statistical process control (SPC), quality function deployment (QFD), design of experiments, concurrent engineering, Six Sigma etc. Tools include flowcharts, PERT charts, GANTT charts (e.g. Microsoft Project), control charts, cause-and-effect (tree or wishbone) diagrams, Pareto diagrams, etc. (Note that the balanced scorecard is a strategic management, *not* a project management technique).

Quality: The ability of a process to deliver goods and services deemed by the consumer to have satisfactory quality, which may be characterized to include: reliability, dependability, operability, performance, etc. In a service firm, quality can mean reliability, responsiveness, assurance, empathy, and tangibles. Most manufactured products have a service element. We select automobiles based on reputation, performance, appeal, and other intangible reasons. Perceived service quality is determined by whether customer perceptions of delivered service meet or exceed their expectations. For service firms, management of customer expectations is a priority. If customers expect too much, they will be disappointed, and customer satisfaction suffers, even though the actual service delivered may be satisfactory. For example, service at a gourmet restaurant is expected to be better than at fast food restaurant. If you get fast food treatment, you will consider the service unsatisfactory. But if you go to a fast food restaurant and get the same service, you will probably be satisfied. Consider also the signs at the Disneyworld wait lines informing you of wait duration. Those signs manage customer expectations.

Queue: An inventory depicted on the process flow diagram as a triangle, either as a pyramid or inverted. Queues add to throughput time but may not necessarily add to cycle time. The only time to include queue times in a process cycle time is when the process can handle only one job at a time, and the process cycle time equals the throughput time. Queues are value detracting.

Raw material: Material waiting in inventory at the start of a process.

Return on Investment (ROI): In the private sector, the annual financial benefit after an investment minus the cost of the investment. In the public sector, cost reduction or cost avoidance obtained after an improvement in processes or systems, minus the cost of the improvement.

Return on Investment (Simple): The percentage of: profit returned to a firm each year divided by the total investment cost. Return on Investment (ROI) Simple ROI = return (profits or savings) / investment

Threshold = 25% minimum.

Return on Investment is the inverse of Payback Period.

Risk analysis: A technique to identify and assess factors that may jeopardize the success of a project or achieving a goal. This technique also helps define preventive measures to reduce the probability of these factors from occurring and identify countermeasures to successfully deal with these constraints when they develop. [GAO] Economic risk is the probability that a business activity or investment's actual return is lower than expected. Security and safety risks may be calculated as the product of three probabilities: the level of threat, the level of vulnerability, and the magnitude of consequences.

Salary: The comp annual rate based on the FTE of a particular position. Salaries are found on the Budget Activity Variance report.

Scheduled Receipt: In Material Requirements Planning, a planned order that has already been released. Once released, labor and material commitments have been made, and so the order is considered firm. Therefore, although it is not yet in on-hand inventory, we can consider it for reducing gross requirements.

Sensitivity analysis: Analysis of how sensitive outcomes are to changes in the assumptions. The assumptions that deserve the most attention should depend largely on the dominant benefit and cost elements and the areas of greatest uncertainty of the program or process being analyzed.

Sigma: The Greek letter used in statistics to denote the standard deviation. Although sigma usually refers to the standard deviation of the population distribution, in statistical process control the term "3 sigma" is used to denote the +/- 3 standard deviation confidence limits of the sample mean distribution. Some companies in high technology or critical life support industries use 6 sigma or higher levels of control. In these industries, the variability of the process is greatly reduced.

Six Sigma: Literally, refers to the reduction of errors to six standard deviations from the mean value of a process output or task opportunities, i.e. about 1 error in 300,000 opportunities. In modern practice, this terminology has been applied to a quality improvement methodology for industry.

Slushy: In *Materials Management*, a term meant to indicate that scheduled order plan is somewhat flexible, and that changes are possible at moderate cost. Intermediate between liquid and frozen.

Specification Limit: If a firm measures quality with a variable, the specification limits are those points of the variable where decisions of accept/reject are made. Specification limits are set (specified) by contract. We wish to have the process capable of making most, if not all, products within the specification limit. Our ability to do so is measured by the process capability, which should be greater than 1.

Stakeholder: An individual or group with an interest in the success of an organization in delivering intended results and maintaining the viability of the organization's products and services. Stakeholders influence programs, products, and services. Examples include congressional members and staff of relevant appropriations, authorizing, and oversight committees; representatives of central management and oversight entities such as OMB and GAO; and representatives of key interest groups, including those groups that represent the organization's customers and interested members of the public.

Standard: A set of criteria (some of which may be mandatory), voluntary guidelines, and best practices. Examples include application development, project management, vendor management, production operation, user support, asset management, technology evaluation, architecture governance, configuration management, problem resolution.

Statistical Process Control (SPC): A mathematical procedure for measuring and tracking the variability in a manufacturing process; developed by Shewhart in the 1930's and applied by Deming in TQM.

Steady State: The period of operations between startup and shutdown when the transient effects associated with startup or shutdown are minimal.

Strategic altitude: The level of generality, scope and detail in a strategic statement. A vision statement describes the desired future of the entire organization broadly, at a high altitude. Strategic themes break the vision into a few large "chunks" and hence are lower in altitude. Strategic objectives are divided further (typically 10-20 within a theme); they reside at a middle altitude. Strategic initiatives are programs and projects described in more specific detail at a low altitude.

Strategic Business Unit (SBU): In a commercial company, an SBU is a unit of the company that has a separate mission and objectives, and that can be planned and evaluated independently from the other parts of the company. An SBU may be a division, a product line or an individual brand; the collection of SBUs is a portfolio.

Strategic elements: Mission, vision, values, assessment data, strategic plans and other information that serves to support strategic planning.

Strategic goal or general goal: An elaboration of the mission statement, developing with greater specificity how an agency will carry out its mission. The goal may be of a programmatic, policy, or management nature, and is expressed in a manner which allows a future assessment to be made of whether the goal was or is being achieved.

Strategic imperatives: Company values.

Strategic initiatives: Specific activities or actions undertaken to achieve a strategic goal, including the plans and milestones.

Strategic Management: "The process whereby managers establish an organization's long term direction, set specific performance objectives, develop strategies to achieve these objectives in light of all the relevant internal and external circumstances, and undertake to execute the chosen action plans."

Strategic measures or metrics: Quantifiable indicators of status of a strategic activity.

Strategic objective or general objective: Often synonymous with a general goal. In a strategic plan, an objective may complement a general goal whose achievement cannot be directly measured. The assessment is made on the objective rather than the general goal. Objectives may also be characterized as being particularly focused on the conduct of basic agency functions and operations that support the conduct of programs and activities. (OMB)

Strategic plan: A document used by an organization to align its organization and budget structure with organizational priorities, missions, and objectives. According to requirements of Government Performance and Results Act (1993), a strategic plan should include a mission statement, a description of the agency's long-term goals and objectives, and strategies or means the agency plans to use to achieve these general goals and objectives. The strategic plan may also identify external factors that could affect achievement of long-term goals. [GAO] Strategic planning is a systematic method used by an organization to anticipate and adapt to expected changes. The IRM portion of strategic planning sets broad direction and goals for managing information and supporting delivery of services to customers and the public and identifies the major IRM activities to be undertaken to accomplish the desired agency mission and goals.

Strategic target: See Target.

Strategic themes: The general strategy broken down into a few distinct focus areas that may lead to desired results, such as customer intimacy, operational excellence, business growth, etc. Usually general, expressed as brief titles, and not quantified.

Strategy Map: A 2-dimensional visual tool for designing strategies and identifying strategic goals. It usually shows the four perspectives of the balanced scorecard in four layers, with learning & growth at the bottom, followed by business processes, customer satisfaction, and financial results (or mission value in the case of nonprofits). Activities to achieve strategic goals are mapped as 'bubbles' linked by cause-effect arrows that are assumed to occur. Sometimes called "strategic map".

Strategy: (1) Hypotheses or educated guesses that propose the direction an organization should go to fulfill its vision and maximize the possibility of its future success. (2) Unique and sustainable ways by which organizations create value. (from Kaplan & Norton). Answers the question, "Are we doing the right things?"

Subcontracting: Acquiring additional capacity by contracting for labor and machine capacity from an outside firm for delivery of our firm's product or service.

Sunk cost: A cost incurred in the past that will not be affected by any present or future decision. Sunk costs should be ignored in determining whether a new investment is worthwhile. [GAO]

Support activities: Internal business activities that enable achievement of mission activities and strategic activities, but that are permanent and not directly linked to specific goals.

SWOT analysis: An assessment tool for identifying the overall strategic situation in an organization by listing its **S**trengths, **W**eaknesses, (external) **O**pportunities and **T**hreats. Sometimes Challenges are substituted for Threats.

System: A collection of components organized to accomplish a specific function or set of functions.

Tactical goal: see Output goal.

Tactics: Specific actions that firms undertake to implement strategies.

Target: The numerical value of a performance metric that is to be achieved by a given date. Both the metric and the schedule need to be specified for targets. A stretch target is the same thing, but its numerical value is higher, demanding breakthrough performance to achieve.

Threshold: A specified numerical value of a performance metric. Thresholds are often used to indicate changes from red to yellow to green (or other colors) in displays of performance data.

Throughput time: The time from when a job enters a process as raw material until the time it leaves as a finished good.

Time bucket: Jargon for a period of time, such as a month, week, or other similar time period in a planning horizon.

Time Standard: Jargon for cycle time.

Total Quality Management (TQM): A methodology for continuous monitoring and incremental improvement of a supply-line process by identifying causes of variation and reducing them. Originated by Shewhart and Deming in the 1950's, and widely applied in government and industry, where it was sometimes called Total Quality Leadership (TQL).

Triple bottom line: An expanded baseline for measuring organizational performance, adding social and environmental dimensions to the traditional financial "bottom line" results.

Unit cost: A financial metric in which cost is based on the unit of delivery or consumption of a product or service, such as number of requests processed per day.

Unit: (1) A functional or business component of an agency, generally with a specified mission or support activity. (2) A standard basis for quantitative measurements.

Utilization: In process analysis, the percentage of time that a process unit is operating, if the process itself is operating at its maximum rate (throughput = capacity). At capacity, the bottleneck unit is operating at 100% utilization. Other units will have utilizations below 100%. Their utilization can be estimated as the unit's cycle time divided by cycle time of the entire process. Utilization in practice often is below the theoretical 100% due to machinery outages, scheduled and unscheduled repairs and maintenance, and raw material shortages. In service firms an 80-85% utilization may be as high as is possible, due to the poorer control over both clients and workers. In manufacturing, higher utilizations are possible if the process is well-engineered. However, in too many manufacturing processes product rejects lower actual utilization. As pointed out in Goldratt's *"The Goal,"* many accounting measurement systems reward managers for turning out units of output that may be inconsistent with actual customer demand. This happens too often and leads to warehouses filled with finished goods and WIP that no one wants.

Value chain: The sequential set of primary and support activities that an enterprise performs to turn inputs into value-added outputs for its external customers. An IT value chain is that subset of enterprise activities that pertain to IT operations, both to add value directly for external customers and to add indirect value by supporting other enterprise operations.

Value proposition: 1. The unique added value an organization offers customers through their operations. 2. The logical link between action and payoff that knowledge management must create to be effective; e.g., customer intimacy, product-to-market excellence, and operational excellence .

Value: (1) Benefit per unit cost; (2) one of several general guiding principles that are to govern all activities.

Value-added: Those activities or steps that add to or change a product or service as it goes through a process; these are the activities or steps that customers view as important and necessary.

Variance: Difference between the base budget line amount and the salary amount. Only lines with employees will have variances.

Vision: Long-term goal of strategy. Answers the question, 'How would the country be different if your mission were fully successful?'

Work-in-Process: Material waiting in inventory in the middle of a process.





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