MODULE 3
IMPROVING PRODUCTIVITY AND INCREASING PROFITABILITY

COMPETENCIES

Developing and Communicating a Vision

Setting Goals and Objectives

Motivating Self and Others

Designing and Organizing

Managing Execution and Driving for Results

In contrast to the human relations and internal process models, which take an internal focus, the rational goal model takes an external focus. It is similar to the internal process quadrant, however, in its emphasis on control and its connection to early management theories. This module in many ways reflects the more traditional definitions and purposes of leadership and organization.

Organizational Goals. The primary goals of the rational goal model are improving productivity and increasing profitability. Consistent with the assumptions of the rational goal model, the competencies in this module focus on providing clear direction as a means of achieving productive and profitable outcomes. Reflecting the external focus of this quadrant, Compete is the action imperative. Key activities focus on goal clarification, rational analysis, and action taking.

Paradoxes. Despite its emphasis on logic and rationality, paradoxes are also evident in the Compete quadrant. For example, at the same time that people want a leader to provide a clear vision for the organization, people are unwilling to embrace a vision unless they see the vision as their own. For their part, good managers want to take the lead and move ahead, but they also want to take time to be sure that they have all the

relevant facts and are making the best possible decision. In terms of goal setting, we often discover that performance management systems, which are needed to ensure that individual goals are aligned with organizational goals, can become so complex that we feel that too much time is spent setting goals and not enough is spent working to achieve those goals.

Competencies. In organizing the five competencies in this module, we begin at the highest level of abstraction with the importance of *developing and communicating a vision.* A vision communicates answers to the basic and timeless questions: Who are we? Where are we going? and Why are we going there? These are the bedrock questions that help us understand and justify the reason for the organization's existence. For individual leaders, the root questions are: What do I care most about? and How do I want to spend my life in pursuit of what is most important to me? A vision provides us with a destination, a desired future. To support that vision, our discussion of *setting goals and objectives* addresses the question: How will we get to our destination? Our next competency, *motivating self and others,* brings us to the question of energy—Where does it come from and how can we best use it? Energy relates to concepts such as inspiration, commitment, and perseverance in pursuit of our vision. Our next competency, *designing and organizing,* addresses organizational structure and culture, and their impact on our ability to achieve our vision. Lastly, we address organizational-level processes, leader behaviors, and individual-level issues associated with *managing execution and driving for results.* We explore each of the competencies in turn to see how they support individual and organizational efforts to compete in dynamic, complex environments.

Module 3 Competency 1 Developing and Communicating a Vision

ASSESSMENT Your Experiences with Communicating a Vision

Objective Developing and communicating a vision is a skill that is important for managers. The exercise below is designed to help you assess your prior experience with some of the key issues associated with the effective communication of a compelling vision.

Directions Think about situations where you have made suggestions for taking some action. This could be while working with a team (e.g., project, work group, or committee) or individually (e.g., making suggestions to a supervisor, coworker, subordinate, family member, or friend). With these examples in mind, please respond to each of the items below using the following scale:

Rarely	Seldom	Sometimes	Often	Very often
1	2	3	4	5

When making suggestions for taking action, I . . .

_____ 1. explain how my idea fits in with the "big picture" of what we want to accomplish.
_____ 2. justify my suggestion and explain why it would be the right thing to do.
_____ 3. emphasize the rational arguments for taking that action.
_____ 4. try to connect the needs and interests of others to the action I'm suggesting.
_____ 5. talk about my suggestion in terms of what we would ideally like to accomplish.
_____ 6. try to make my suggestion as vivid as possible.
_____ 7. offer compelling examples of how my approach will make a difference to people.
_____ 8. avoid getting into too many details until others have agreed to my basic idea.
_____ 9. try to explain how my suggestion will benefit us all in the future.
_____ 10. look for ways to connect what I want to do with what others want to do.

Reflection Each of the items above relates to some aspect of developing and communicating a vision. The higher your score, the more practice you have already had at using this important competency.

LEARNING Developing and Communicating a Vision

Why is vision so important for individual leaders and for organizations? When Kouzes and Posner (1995, p. 21) asked thousands of people on many continents over a 20-year period what they expected of their leaders—what was required to generate respect and commitment in followers—the first answer was vision. These researchers argue that vision is what people want most from a leader. Vision is crucial to organizational success.

As we begin to look back on the first decade of the twenty-first century, there are additional reasons for the increasing importance of vision in organizational life. The demographics of the workforce have undergone monumental change, with increasing diversity on almost every dimension imaginable. As the baby-boom generation begins to cycle out of the workforce (or, in some cases, cut back on time spent in paid employment), the next generation of workers is already fomenting changes in the nature of work. Expectations about careers and psychological contracts (beliefs about the obligations of employers and employees to each other) are very different today from what they were when the rational goal model was initially proposed. For example, a recent *Fortune* magazine cover story on Generation Y in the workplace is very telling. A young man and woman stand next to the headline: "'Manage' Us? Puh-leeze" (2007). Many of the individuals in this new generation entering the workplace do not want to be "managed"; don't even think of it, much less try it! In addition to wanting a big say in where, when, and how they work, they also want more than a pay check. They want to ply their talents in ways that bring them meaning and fulfillment. Merely "motivating" this generation will not suffice. They want and demand inspiration.

In this Learning section, we consider both the mechanics of crafting an inspiring vision and the impact that a visionary leader can have on an organization. In terms of mechanics, the formulation of a vision includes three key processes. First, a vision must be *framed and defined*. Second, a vision must have the right *components and content*. Finally, a vision must be *effectively articulated and communicated*. We will consider each of these issues in turn.

PROCESSES FOR FORMULATING A VISION

Vision does not arise in a mysterious manner. Research suggests that vision emerges as a leader surveys the situation and finds ideas that await a champion (Nanus, 1992). The story of Charles Schwab and Company, as reported by Morris (2005) and summarized in Box M3.1, provides an example of how visions can emerge from a combination of changes in the environment and long-standing personal values.

BOX M3.1 A STOCKBROKER'S MAVERICK VISION

In 1975, on May 1—the day the U.S. Securities and Exchange Commission (SEC) deregulated brokerage commissions—Charles Schwab started his own company built on what was a unique and quite unconventional idea—that there might be a profitable business in selling stock to the middle class. Charles Schwab and Company was based in San Francisco (not Wall Street), and on that day when the SEC deregulated—every other brokerage firm increased fees on individual investors—Schwab lowered its commissions by more than 50 percent. Schwab's "rogue" status continued when it became the first firm to bundle mutual funds together and to force the funds—not individual investors—to absorb the cost of trading fees. Schwab was also the first discount brokerage to add a network of hundreds of branch offices across the United States. The company grew fast (long before the dot-com bubble) and became the biggest, most successful discount brokerage firm in the industry, and Charles Schwab became a multibillionaire and a household name.

In May 2010, Charles Schwab operates in a vastly different environment but is still committed to the same vision of helping individual investors. As in 1975, Schwab is once again trying to encourage people to invest in the stock market, maintain a broadly diversified portfolio, and hold stocks for the long term. Unlike 1975, however, far more people have personal experience with the stock market's rollercoaster ride and are afraid to get back on. Many individuals who watched their investments fall dramatically in 2008 failed to heed Schwab's advice to "just hang on" and fled from the stock market as it neared its March 2009 bottom. As a result, Schwab now faces the difficult task of coaxing people to return to investing so they don't miss out as the market rebounds.

Charles Schwab saw an opportunity in changing circumstances. Suddenly the industry was being deregulated. He anticipated a need in the middle class. His concern for the middle class was genuine, not just a business gimmick. His vision led him to a unique path; it took his organization to places other organizations could not go. When market conditions change, Schwab adjusts its business model and its tactics. What remains constant is Charles Schwab's original vision—to build a company driven by the best interests of its clients and their long term financial security.

Sources: Adapted from Morris (2005, 2010).

Directions Please take one hour, in a quiet place where you can do some reflection in solitude and write a draft of your leadership story. Consider the following chapter "headings":

- Chapter 1: The Early Years. Recall your formative years. How did your early personal experiences and family circumstances shape who you are today?
  What early messages, lessons, or values were inculcated during this life phase?
- Chapter 2: Angels and Heroes. Describe two people who have made a difference in your life—one from your personal life and one from your work life. What "leadership lessons" did you acquire from each person?
- Chapter 3: Leadership Courage. Think of a time in your life when your values were significantly challenged. How did you resolve or work through this situation?
- Chapter 4: Your Legacy. Everyone says it differently, but what do you think is the "true joy of life"? What personal values or wisdom would you want to pass on to those you care most deeply about?

Your instructor may construct discussion groups within which you can share your draft stories.

Reflection Everyone has a story—leaders just use their stories better. Leaders recognize the defining moments in their lives and communicate those lessons in words and actions. Everyone's life is filled with experiences—traumatic, frustrating, or exhilarating—that can be the source of valuable learning. Stories create real human connections by allowing others to get inside our minds and our lives. With their human protagonists, dramas, and climaxes, they engage listeners on an emotional and intuitive level that is rarely touched by purely rational argument.

Presenting your leadership story to someone else takes courage, but inevitably, someone will want to hear about who you are and the story behind what is important to you. It may not come out in exactly those words, but that will be the reality of the experience. It may be during a job interview; it may come from a counselor or family member during a conversation about your career and future; or it may be part of an early conversation you have with someone with whom you are establishing a new relationship. But it will come, so be prepared.

APPLICATION Envisioning Your Career

Objective This application exercise will allow you to link your job search and career planning activities to your own personal vision and values (e.g., your personal leadership story as part of your leadership "point of view").

Directions Identify three organizations where you might like to work someday. Starting with their company website, locate and print a copy of the organization's vision, mission, values, or whatever label the organization gives these types of statements.

Take each in turn, and lay it side-by-side with your personal leadership story draft. Begin to think about how you would answer the following questions, if asked by potential employers in each of the organizations you identified:

- What about this organization makes you want to be a part of it?
- Why this company and not (insert names of two most obvious competitors)?
- What do you want most from an organization/career?
- What is it about you that makes you think you would be a good fit for us and that we would be a good fit for you?

- What do you see as the most important values that define who you are as an individual?
- How aligned do you think those values will be with our organization? Why?

To help you refine your answers, your instructor may have you role play these conversations in dyads.

Reflection Career planning should not be something that you do only when you are actively seeking a job. With demanding workloads and busy lives outside of work, however, it is easy to let career planning get pushed to the back burner. Regularly updating your career plan ensures that you are prepared if an unexpected opportunity arises. It can also help you recognize early that you are no longer on a path you feel passionate about pursuing. That knowledge gives you the opportunity to make changes that will lead to a more satisfying future.

Some people may feel that they have too much invested in their careers to make a change, but those past investments are "sunk costs." Rather than looking at past investments, you should consider only the future costs and benefits of making a career change. Consider the example of H. Edward (Ed) Roberts. Although known to many people primarily for his first career in the computer industry, Roberts's second career, as a doctor in rural Georgia, was perhaps even more important to others.

Roberts invented the Altair 8800, the first affordable home computer, which sold for $397 back in 1975. It was the Altair 8800 that led Bill Gates and Paul Allen to write Microsoft Basic. And it was Ed Roberts' company, Micro Information and Telemetry Systems in Albuquerque, New Mexico, that first distributed software for what would become the largest software company in the world. Despite his investment of time and money in the nascent computer hardware industry, Roberts had a different vision for himself. In 1977 he sold his company and moved to Georgia where he had a farm and wrote software. Later, Roberts revived his dream of becoming a doctor, attending medical school and practicing medicine until his death in 2010. In Roberts' obituary, Paul Allen noted, " . . . until he got sick, Ed was seeing up to 30 patients a day as a country doctor in Cochran, Ga. I'm sure they are all glad he didn't rest on his laurels" (Allen, 2010; "Ed Roberts (computer engineer), 2010; Lohr, 2010; "The tinkerer who helped spark the PC revolution," 2010).

Module 3 Competency 2 Setting Goals and Objectives

ASSESSMENT Identifying Your Personal Goals

Objective In this assessment, our intent is to get you thinking about goal setting as it relates to your academic, personal, and professional life as a prelude to discussing goal and objective setting in organizations. The questions for consideration that follow will help you focus on basic aspects of goal-setting processes. There are several keys to making *any* goal-setting process effective, and we discuss those throughout the Learning section that follows as we explore some of the connections, relationships, and challenges involved in setting goals and objectives that help us achieve our personal visions.

Directions List *at least* one goal (but do not restrict yourself to one) that you have in each of the following four categories. You will be referring back to these goals throughout discussions and activities in this and other sections of the textbook.

1. Personal relationships
2. Academic/scholastic accomplishments

3. Career/job interests
4. Your financial future

Questions for Consideration

1. Are these goals consistent with your story/vision from the Practice segment in Developing and Communicating a Vision?
2. How do you know that the goals you identified will bring you closer to the realization of your personal vision?
3. How difficult and challenging are each of these goals?
4. Do the various goals support and complement one another, or might there be some potential conflict and competition among some of the goals?
5. How will you measure progress and success on each of the various goals?
6. How would you go about resolving any questions, inconsistencies, or problems you have, based on your answers to the questions above?

Reflection

The goals and objectives we set for ourselves in our lives ideally flow directly from the visions and personal stories we craft for ourselves, as we did in the Practice for Developing and Communicating a Vision. Sometimes, however, we set goals that don't align very well with our vision. Such goals can take us off course if we don't occasionally take the time to step back and thoughtfully review them.

LEARNING Setting Goals and Objectives

Moving forward logically from the development and communication of vision, we come to the formulation of specific organizational plans, goals, and objectives aimed at realizing the vision. Broader organizational goals ideally get translated into various subgoals at the divisional, functional, or other business-unit level and then ultimately cascade down the organization to relevant departments, units, teams, and individuals. Again, this is an ideal—in practice, things are rarely so tidy!

Goal setting is a critical tool both for individual achievement and for directing the efforts of individuals and groups of individuals toward a common end. When Frederick W. Taylor, the father of scientific management, was defining the appropriate amount of pig iron to be handled by a single man in a single day, he was engaging in classic goal setting for blue-collar workers. This was a fine-grained process that clearly defined and delineated every aspect of the task: how it was to be performed, expected outcomes, and rewards for accomplishing it.

In the 1960s, "management by objectives" (MBO), a white-collar, managerially-focused version of goal-setting introduced by Peter Drucker (1954), emerged and became popular. Research, theory, and practice on goal setting continued unabated through the turn of the century. While much has changed about individuals—the work they do, the settings in which they work, and their attitudes towards work—goal setting continues to be a popular tool for managers today. Our plan in this section is to review the key lessons learned about goal setting from the past, get a clear understanding of how work environments in the new economy impact goal-setting effectiveness, and gain a fuller appreciation of the relationship between developing and communicating a vision and setting goals and objectives.

GOAL SETTING—THE BASIC BUILDING BLOCKS

What is goal setting, and why should managers be concerned about it? Goal-setting theory and research emerged when the rational goal model—the theoretical forerunner of the Compete quadrant of the competing values framework—held sway as the dominant model of organizational effectiveness. The rational goal model assumes an organization is effective if it successfully achieves the goals it is pursuing. For most businesses, then as now, a primary goal is profitability. For other organizations such as nonprofits and governmental agencies, goals typically focus on a accomplishing a mission, rather than achieving a profit. From a purely rational and logical perspective, goals define the results that people should aim to accomplish in pursuit of the organization's strategy and vision. Goals serve as the foundation for performance planning, review, rewards, and improvement efforts. Without goals, time and effort would be wasted on activities not specifically focused on the organization's success—as defined by its goals.

Goal setting takes place at all levels in an organization. The focus, purpose, and kinds of activities that are part of the process, however, vary with the level of the organization in which they take place. At the most senior levels of managerial leadership—at the enterprise level, for example, goal setting tends to be focused primarily around what Latham and Wexley (1994) refer to as the organization's superordinate goal—namely its *vision*. That focus tends to be strategic and directional. It involves an organization's most basic and fundamental decision: the choice of missions, strategies, and major allocations of resources. These strategic/visionary choices, taken together, will generally shape the organization's overall future.

As the goal-setting process cascades down throughout the organization to operating unit levels and ultimately to individual employees, goal setting should stay aligned with superordinate goals set by the most senior organization leaders. At these lower levels, goal setting tends to be more tactical, with a primary emphasis on *implementing* and carrying out decisions made as part of the vision development and strategic planning process. At the tactical level, the process involves the following:

1. Formulating specific objectives, targets, or quotas that need to be achieved by a certain time.
2. Developing an action plan to be followed and identifying specific steps to be taken to meet or exceed those objectives.
3. Creating a schedule showing when specific activities will be started and/or completed.
4. Developing a "budget" (including any type of necessary resources).
5. Estimating or projecting what will have happened at certain points during the life span of the plan.
6. Establishing an organization to implement decisions.
7. Setting standards against which performance will be evaluated.

Some parts of this list should look familiar—the Module 2 competencies of Planning and Coordinating Projects and Measuring and Monitoring Performance and Quality both require that tactical goals have been set to help the organization achieve its vision.

Don's answer is the first you receive from your branch chiefs. You are a little taken aback and wonder if the rest of your team is going to be as flippant, and apparently perplexed, in trying to formulate their objectives. The chiefs of your medical training branches were making snide remarks about MBO at lunch yesterday. This could prove embarrassing because the vice president of personnel is the executive who brought MBO programs into the organization. You become vaguely aware that you are not sure how Don should go about defining his objectives.

Discussion Questions

1. Why did Nancy's approach to the MBO program generate such a negative reaction? What should she have done differently, based on the principles of effective MBO systems?
2. Assume that Nancy decides to try writing Don's objectives herself because he is on vacation. What can she do to help get herself started? What are some objectives that you think would be appropriate for Don?
3. What does the fact that neither Don nor Nancy seem to have a clear idea of what Don's objectives should be tell you about the vision for the organization?

Reflection Depending on the culture of the organization where you work, you may never receive a response from an employee that is as brash as the one provided by Don Smith. In many organizations, most of Don's comments would have remained hidden in his "left-hand column" as something that is thought, but not said. People who have concerns or criticisms but do not openly voice those concerns often take an avoidant approach to managing conflict. Avoidant strategies might include just ignoring the request or sending back a polite memo saying "I'll get to this after vacation" but then never follow up. Because effective MBO systems depend on consistency throughout the organization as well as commitment to the objectives that are identified, it is critical that collaboration or at least compromise be used to come to agreement on what objectives should be.

PRACTICE Creating an Implementation Plan

Objective This exercise gives you an opportunity to practice developing an implementation plan for a specific goal.

Directions In the Assessment for this competency, you were asked to identify goals in four categories (personal relationships, academic/scholastic accomplishments, career/job interests, and financial future). Select whichever of these goals is the most important to you and begin to draft a plan for achieving that goal.

Discussion Questions

1. Did you include SMART objectives in your plan and identify the specific steps necessary to achieve your goal?
2. Are there any outside factors that might affect your ability to achieve your goal?
3. How confident do you feel about achieving this goal now that you have identified the steps you need to take to reach it?

Reflection We all sometimes set goals that are unrealistic. By identifying the specific steps required to accomplish our goals, we may find that we need to modify our goals, perhaps by extending our timeline for achieving a particular goal or by reducing its scope.

APPLICATION Evaluating the Use of Goal Setting In Your Organization

Objective The objective of this exercise is to provide you with an opportunity to apply what you have learned about setting goals and objectives in an organizational setting.

Directions

1. Conduct an evaluation of the process that your organization uses for setting goals and objectives. (If you are not currently employed, use your college/university as your organization.) To gather information, you should interview not only people at the top of the organization who set the strategic direction, but also people at lower levels to see how effectively the vision and strategic goals have been cascaded throughout the organization.
2. Prepare a written summary of your analysis and be prepared to present and/or discuss in class.

Discussion Questions

1. Does the organization have some way to ensure "strategic unity and alignment" as it addresses goals top-down?
2. Do the organization-wide goals seem aligned and connected to organization's vision/strategy?
3. Does the organization's performance management system seem to make good use of goal and objective setting?
4. How do the organization-wide goals stack up against the SMART criteria?

Reflection Aligning goals throughout an organization is not an easy task, particularly in highly turbulent environments where change seems like an everyday occurrence. One of the paradoxes of goal setting is that more time we spend setting goals and making plans, the less time we have for actually accomplishing anything!

Module 3 Competency 3 Motivating Self and Others

ASSESSMENT When Are You the Most Motivated and Productive?

Objective The objective of this assessment activity is to introduce the central themes we will focus on in this section as part of our treatment of Motivating Self and Others. It is an opportunity for you to reflect on a real experience you have had and "look in the mirror" to gain a clearer and deeper understanding of what really motivates you.

Directions Take a few minutes to think about a situation during the last few months when you felt really motivated and as a result were productive and high performing. Write a short description of that situation. In your description be sure to explain:

- *Why* you were so motivated and able to work so productively
- Which of your reasons (if any) were under your *direct and personal* control
- Which of your reasons (if any) were not under your control

Conclude your paragraph with a statement about whether the situation you described is an exceptional one or a typical one for you.

Reflection In the situation you described, your high level of productivity and motivation was very likely a consequence of a large number of factors. The ones you identified as being under your direct and personal control likely reflect your own underlying sources or catalysts for being motivated and working productively—these are the focus of the "motivating self" component of this competency. Those factors that were not under your direct and personal control are often very much a function of the context (i.e., situational factors). Many aspects of the context that affect motivation are a consequence of managerial and supervisory actions and behaviors. We address these issues in the Motivating Others component of this competency.

LEARNING Motivating Self and Others

Competitve people want to win. For organizations, winning has traditionally been thought of in terms of productivity and profitability, the emphasis of the Compete action imperative and the rational goal quadrant of the competing values framework. Winning in today's environment requires setting lofty goals, working intensely with a focus on quality, and responding quickly to challenges that may arise. This requires each and every individual in the organization to be performing at her best. Individuals must be personally productive—possessing an appetite for hard work and demonstrating full exertion on the job. Individuals who are motivated, empowered, and committed are more productive and thus are essential components of winning organizations.

Productivity is a key concept for measuring individual, group, and organizational effectiveness. In today's economy, however, where intellectual capital has superseded natural resources and other forms of capital and technology as the primary source of competitive advantage, measuring "productivity" is complicated and often controversial. While tangible assets such as factories and other forms of capital easily lend themselves to evaluation according to established accounting and economic metrics, human capital presents challenges both in terms of measuring employee productivity as well as keeping employees productive in today's turbocharged workplaces.

The nature of organizations and the competitive environment within which they operate have made high productivity and superior performance imperative at all levels in the organization. Consequently, managers must create an environment where such productivity, empowerment, and commitment are possible, probable, and likely. Effective enactment of the Motivating Self and Others competency requires individual managerial leaders to achieve and maintain a balance between push for effort and productivity and maintenance of overall health and effectiveness for themselves individually and for their people.

We will examine the competency of motivating self and others through the lenses of three related frameworks: motivation, empowerment, and employee engagement. All three frameworks have similar foundations and their contributions to what we know about motivation complement one another. Together they provide a diagnostic and analytical approach that managers can use to improve their own motivation and to motivate others in the workplace.

MOTIVATION THEORY

We have already discussed in some detail one of the most important and widely used approaches to motivation—goal setting. Goal setting is a practical application of expectancy theory, one of the most comprehensive and practically useful theories of motivation. Before going into the details of expectancy theory, we need to set the stage by providing a brief overview of other motivation theories and how they relate to expectancy theory. Below, we organize different theories of motivation into two broad categories. Content theories focus on different needs that may motivate behavior; process theories focus on a sequence of steps (often considered to be thoughts) from some stimulus to motivation (Schermerhorn, Hunt & Osborn, 2008).

CONTENT THEORIES: WHAT IS VALUABLE ENOUGH TO MOTIVATE PEOPLE?

In the assessment for this competency, we asked you to think about when you really felt motivated and then to describe ***why*** you were so motivated. When we drill down into the question "why were you motivated" to try to find the source of your motivation, we are likely to discover that it was related to something that you valued, either because you needed it or you wanted it for some reason. It is also likely that different people identified different things that motivated them. So we should not be surprised to learn that psychologists and organizational scholars who have studied motivation in the work place for the better part of the last century have come up with different theories and conflicting research results. There is no single answer to what motivates people, but we have learned a great deal about different things that may motivate people.

Extrinsic and Intrinsic Motivators. First, research has taught us that people may respond to both ***extrinsic*** and ***intrinsic*** sources of motivation. Extrinsic sources are forces that are external to the person. Extrinsic sources can be either tangible (e.g., food, money) or intangible (e.g., praise from the boss). Intrinsic sources are internally generated by the individual herself and are always intangible (e.g., a sense of accomplishment). As managers, we can directly provide extrinsic motivators to employees. For example, we can give a person a cash bonus for doing a good job or offer a "thanks for a job well done." Although managers cannot directly provide intrinsic motivation, they can try to create situations that will make it more likely that an employee will be intrinsically motivated. For example, assigning an employee a challenging task and coaching her to ensure she is successful may lead to intrinsic feeling of accomplishment on the part of the employee.

Innate and Learned Needs. A second fundamental theme that has emerged in the study of motivation is that human behavior is motivated by "needs." Motivation theorists have debated whether needs are innate (e.g., Alderfer, 1972; Lawrence & Nohria, 2002; Maslow, 1954) or learned (e.g., McClelland, 1961), but for our purposes that distinction is not important. It is important for managers to have an understanding of what types of needs motivate behavior. Not surprisingly, theorists also disagree on that issue. McClelland (1961) suggested that there were three categories of learned needs

Directions Refer back to your description in the Assessment activity of the situation in which you were most motivated and productive. In groups formed by your instructor, consider and respond to the following questions. Appoint a spokesperson in your group to present a five-minute summary to the class.

Discussion Questions

1. What common factors exist across your descriptions of personal motivation and productivity?
2. Do you see any patterns? For example, are more of the factors listed within the control of individuals versus outside of their control? Are there any surprising or unexpected themes or relationships?
3. Which of the four psychological aspects of empowerment (meaning, competence, self-determination, and impact) seem most related to motivation and productivity in your examples?
4. Can you make any inferences about how your examples might connect to the 10 Reasons Why People to Choose to Stay with an organization?
5. Brainstorm a list of "principles" or lessons learned from the examples discussed in your group. How might these principles and lessons help you with future job searches and career planning?

Reflection As you continue to reflect on what motivates you and makes you more productive, you may find clues that help you improve your actions in the future. Just recognizing why you are feeling unmotivated can often help you break out of your inertia. For example, although equity theory predicts that people who feel under-rewarded will try to "balance the equation" in some way, keep in mind that you still can choose not to do the predictable thing. Like all social science theories, equity theory is not an unbreakable law of nature—it is a statement about what commonly happens under certain conditions. Just as we can use knowledge to find ways to overcome the force of gravity, so too can we use knowledge to overcome the force of human nature!

Module 3 Competency 4 Designing and Organizing

ASSESSMENT Assessing Organizational Culture

Objective Organizational culture is a critical element of an organization's overall design. This exercise is designed to give you some insight into the culture of your work, university, or other organization. It is drawn from the Organizational Culture Assessment Instrument* (Cameron & Quinn, 2006). The interpretation is included later in this competency.

Directions Review the following four statements and indicate how well each statement reflects your organization by dividing 100 points across the four statements.

_____ *The organization is a very personal place. It is like extended family. People seem to share a lot of themselves.*

_____ *The organization is a very dynamic and entrepreneurial place. People are willing to stick their necks out and take risks.*

Adapted from K. S. Cameron and R. E. Quinn, *Diagnosing and Changing Organizational Culture Based on the Competing Values Framework* (San Francisco: Jossey-Bass, 2006). Used with permission.

_____ *The organization is very results-oriented. A major concern is with getting the job done. People are very competitive and achievement oriented.*

_____ *The organization is a very controlled and structured place. Formal procedures generally govern what people do.*

100 *Total Points to Be Allocated*

Reflection This simplified assessment of organizational culture only taps the surface of the many ways that organizations differ. Research suggests that there is no one "best" organizational culture. Similarly, different individuals may feel more comfortable in different organizational cultures.

LEARNING Designing and Organizing

Once organizational and work unit plans are set, a manager must decide how to allocate and coordinate organizational resources to accomplish goals. As you will see in this Learning section, designing the organization structure and organizing work are intimately connected. In terms of basic management functions, organizing is required to translate our plans into action. Organizing is the process of dividing work into manageable components and assigning activities to most effectively achieve the desired results. Said in another way, if planning provides the tools for deciding where you want to go and how best to get there, organizing provides the tools to actually get you there.

In this Learning section we begin by introducing some basic concepts and principles related to organizational structure. We then describe some common options for "departmentalizing" (i.e., different ways to group work activities in the organization). The final section discusses two different models that can be used to connect an organization's strategy, structural design, and culture.

CORE CONCEPTS AND PRINCIPLES OF STRUCTURE

At the organizational level, organizing involves designing the organizational structure so that work can be efficiently and effectively allocated across different departments and work units. At the work unit level, organizing involves designing jobs and allocating tasks so that the work unit can effectively accomplish its goals in support of the overall organizational mission and vision. Although current management thought on how to design organizations and jobs no longer focuses exclusively on efficiency, efficiency remains an important building block in the process of organizing. To know what type of structure is most appropriate for an organization, we first need to understand a bit about the history of structure and organizing principles, what elements make up the structure of the organization, and how those elements work together.

DIVISION OF LABOR AND SPECIALIZATION

Many of the ideas that we discussed in the introductory chapter related to early management theories such as the rational goal model and the internal process model are related to organizational structure and evolved out of ideas first written about in *The*

or some other one that you have been extensively involved with. Using that organization as a focal point, complete the following:

1. Secure the formal organization chart (if available) of that organization. Review it and conduct an analysis of its use of efficiency as an organizing principle, its intended structural configuration, its line of authority, and any available information on the nature of differentiation and integration.
2. Review the discussions of cultural types and the competing values cultural framework. As best you can, try to "profile" the primary cultural type(s) reflected in your organization.
3. Consider the environment in which your organization is currently operating. Given your analyses from questions 1 and 2, decide whether the current structure and culture should be redesigned so the company could compete more effectively. Be sure that you can justify your claims regarding improvements to the organization design using grounds and warrants based on the principles of design and organization discussed in this competency.
4. Interview the leader of the organization and query that person as to his or her perceptions of the effectiveness of the organization relative to its current design. Ask what might make the organization more effective.

Reflection Organization structure and culture can have an enormous impact on the atmosphere of an organization. So when considering job opportunities, it makes sense to try to learn as much about your prospective employer's structure and culture as possible. Doing this type of advance research will also prepare you to ask questions if you see things during your interview that appear to be inconsistent with published information about the organization.

Module 3 Competency 5 Managing Execution and Driving for Results

ASSESSMENT Your Leadership Task-Orientation

Objective This exercise is designed to give you an insight into your personal leadership style with respect to how you approach getting tasks completed.

Directions Using the scale below, please complete the assessment focusing on how you typically behave when leading a work group, unit or team.

Does not describe me at all				Perfectly describes my behavior
1	2	3	4	5

_____ I establish ambitious goals that challenge people to achieve performance levels above the competition.

_____ Members of my work group perform at higher levels than members of other units.

_____ I monitor the strengths and weaknesses of the best competition and provide my unit with information on how they measure up.

_____ I have consistent and frequent contact with external and internal customers to gather information on their needs and level of satisfaction.

_____ I make sure that my unit is always aware of how well they are meeting customers' expectations.

_____ I ensure that everything the organization does is focused on better serving customers.

_____ I quickly address challenges and issues.

_____ I constantly push for faster performance in my unit.

_____ I encourage speed and timeliness in producing outcomes.

_____ I insist on intense, hard work and high productivity from my people.

_____ I push my unit to achieve world-class competitive performance.

_____ I facilitate a climate of intensity and high energy in my unit.

Reflection Being highly task-oriented may serve you well in terms of completing your individual tasks, but when leading others, too much emphasis on task issues can paradoxically undermine your efforts to get the task completed with good quality and on time.

LEARNING Managing Execution and Driving for Results

Managing Execution and Driving for Results is a most appropriate capstone competency for this module. The vision and goals of the organization must be translated into results by the efforts of motivated people working within the organizational structures and culture that we have created. Simply put, managing execution and driving for results is about getting things done.

Much research has been done over the past 10 years on this topic, particularly at the organizational level. As academics undertook studies to improve our understanding of what is required for successfully executing a strategy and achieving the desired results, organizations were engaged in experiments, hiring "outsider" CEOs to improve upon disappointing results. Examples include Ford Motor Company and Hewlett-Packard, both companies with storied histories, that chose to hire leaders who emphasized execution and results to try to bring these organizations back to their former glory.

In Ford's case, William Clay Ford, Jr., the great-grandson of Henry Ford, stepped down as CEO after five years; at the time of his departure, the company was clearly in a crisis. The new CEO, Alan Mulally, had established his reputation by reviving Boeing's commercial airline business after 9/11 (Naughton, 2007), but "reaction inside the company ranged from suspicion to outrage. What did an airplane guy know about the car business?" (Kiley, 2009). Although top insiders questioned the decision, Bill Ford felt that the company needed a fresh perspective. Consistent with the rational goal quadrant and the internal process quadrant, one of Mulally's mantras is "Improve Focus, Simplify Operations." Results thus far suggest that its working—Ford is the only U.S. car company to avoid bankruptcy and has seen a return to profitability and impressive gains in its stock price since Mulally took the wheel in 2006 (Ingrassia, 2010).