

MB 709 S04

The end of the Road.



What a long strange trip it's been ..

- Covered a lot of ground
 - Multi-media method
 - You'll know how much you've learned next week
- Course review
 - Key points
 - Career notes
 - Subtexts



Why do organizations exist?

- Accomplish what ad hoc groups cannot
- Provide the coordination that enables division of labor and specialization
- They out-compete all other forms
 - Humans no longer rule ...



Bureaucracy

- Characteristics
 - specification of jobs with detailed rights, obligations, responsibilities, scope of authority
 - system of supervision and subordination
 - unity of command
 - extensive use of written documents
 - training in job requirements and skills
 - application of consistent and complete rules (company manual)
 - assign work and hire personnel based on competence and experience
- Once innovative, now despised
 - Mustn't throw out baby with the bath water



Informal Organization

- Hawthorne studies
 - From scientific management to human relations school
 - From economic man to social man
 - Organization as habitat
- The shadow organization
 - Own culture, own status, own rules, own communication paths
 - Real work is done through the informal organization
- The social network
 - A lens, a body of theory, and a set of tools



Social Networks

- People embedded in a thick web of relations
- Position in the network determines opportunities and constraints
- Group performance a function of internal network structure
 - Inventory of bicycle parts tells you a lot about a bicycle's capabilities, but knowing how the parts are connected tells you much more
- Social capital determines the rate of return on the investment in human capital
- Network analysis of organizations makes the invisible visible
 - New gauges on the manager's dashboard



Power & Influence

- Fundamental tool of management
 - Just as military is tool of diplomacy
- It's about getting things done
 - And central to making decisions
- Understanding who has power over whom for what is key to accomplishing things
- Power is often wielded indirectly
 - Can only do it and defend against it if you know the network

“you gotta know the territory!”



Sources of Power

- Dependency a function of
 - Demand: how much people need what you control (HC)
 - Supply:
 - How unique you are
 - How well positioned you are
- Connection
 - Collaborative: being connected to powerful others
 - Eigenvector centrality
 - Competitive: being connected to weak (unconnected) others
 - Structural holes



Leadership

- Leadership is getting others to want to do what you want them to (and enabling them to do it)
 - Power is where they do what they don't want to do
- Leadership has a social, emotional, unconscious, non-rational, primal, mystical element
 - Building identity, belonging, 'oceanic' feeling
 - Network cohesion: building community
 - Methods are indirect - ritual, metaphor, story
- They follow because it empowers them

“Leadership: It takes more guts than sense.”



Decision-Making

- Power as important as reason
 - People will not make the right choice just because it is the right choice
- Unable to consider all alternatives so we “satisfice” rather than optimize
- Evaluation characterized by bounded rationality
 - Heuristics (e.g., availability, representativeness, anchoring) used to estimate probabilities and other inputs
 - Biases (e.g., only look at positive evidence)
- Hardest decisions are preventative
 - Challenger, pollution, terrorism



Knowledge Management

- Exploiting and developing knowledge is key to competitive advantage
- The social aspect of knowledge
 - Distributed nature of knowledge requires seeker to hook-up with source
 - Knowledge often constructed via interaction
 - Knowledge is largely tacit, transferred through apprenticeship, and embedded in a specific milieu
- It's the network, stupid
 - Knowing who knows what, having access, security
 - Hubs - human rolodexes
 - Mitigating homophily to prevent groupthink



Creativity & Innovation

- Innovation is about recombining existing bits
- Individual creativity ← access to diverse inputs
 - Network size, weak ties, betweenness
- Innovation in groups is function of combining information
 - Centralized groups good for diffusing best pract
 - Dense, decentralized groups good for innovating within existing paradigm
 - Clumpy networks with pockets of density good for radical innovations



Managing Human Resources

- As importance of knowledge increases, so does importance of human resources
- Major trends in HR
 - The new employment relationship (or lack of)
 - Increased flexibility for company and the workforce
 - More women in professional / managerial positions
 - Globalization and diversity (race, gender, culture)
 - Aging workforce and generational diversity
 - Changing career patterns



Employee Appraisals

- Conflicting goals
 - Evaluating performance vs. developing employees vs. justifying lack of reward
- When evaluating performance, employee's interest is to hide weaknesses, but employer's interest is to reveal both strengths and weaknesses
 - Best done by boss
- When developing employees, employee's interest is to reveal weakness, and employer's interest is congruent
 - Ideally done by mentor (an organizational uncle)
- Things get really confused when performance is determined by progress on development goals



Managing Your Bosses

- Bosses have power & surprisingly little understanding of what goes on below them
 - Often don't focus until something goes wrong, then they make quick, uninformed decision
 - Managing them is important
- Maximize "transparency"
 - Document, keep informed, explain
- We make many assumptions & attributions about bosses
 - Power difference inhibits testing
 - Need to make conscious effort to back down the ladder of inference



Organizational Culture

- Develop naturally as a group interacts and develops shared history
- Consists of shared
 - Perceptions (schemas, beliefs, myths, symbols)
 - Preferences (values, prescriptions, codes)
- Different org cultures have different costs and benefits
 - Best culture is the one that fits the organization's task
- Organizations have multiple subcultures



Features of the Course

- Readings and lecture complementary
 - More material
 - Active learning
- Case discussions
 - For those that need to talk in order to think
 - Creating canonical stories we can think with
- Listserv
 - Prevent you from forgetting the course between weekly lectures
 - Create a community that shares lives and solves problems



Features of the Course

- Website
 - Materials available even if miss class
 - Changeable schedule
 - Team ratings, morale-o-meter, common ritual, etc. help make website into totem that creates common focus
- Open-ended assignments w/ few instructions
 - Encourages problem-solving within teams and creates common cause against course



Features of the Course

- Team-based assignments
 - Working in teams is something recruiters like
 - Opportunities for experiential learning
 - Leadership & followership
 - Competition & cooperation
 - Organizing & self-governing
 - Evolution of group culture
 - Creates organizational behavior that can be reflected upon
- Experiential exam
 - Asked to apply class concepts to your common experience in the groups



Exam

- Assume that there will be a question for each week of the course
 - How did your team organize itself to get papers done? What could have been improved?
 - What were the power dynamics in your group?
 - How would you handle confronting a team mate who was slacking?
 - Recall a conversation with a team mate and apply the left hand column technique
 - Describe the culture of the class as a whole (perhaps contrasting with other classes you have taken)



Course Features

- Relaxed class atmosphere w/ humor, teasing
 - A spoonful of sugar helps the medicine go down
 - Especially after a full day's work
- Mix of guest speakers, lectures, debate, and Donahue
 - Most of the lecture at the beginning of the semester, when you have more energy
 - Technical mixed with qualitative
 - Principles mixed w/ perspectives mixed w/ tools

In ev'ry job that must be done
There is an element of fun
You find the fun and snap!
The job's a game
-- Mary Poppins

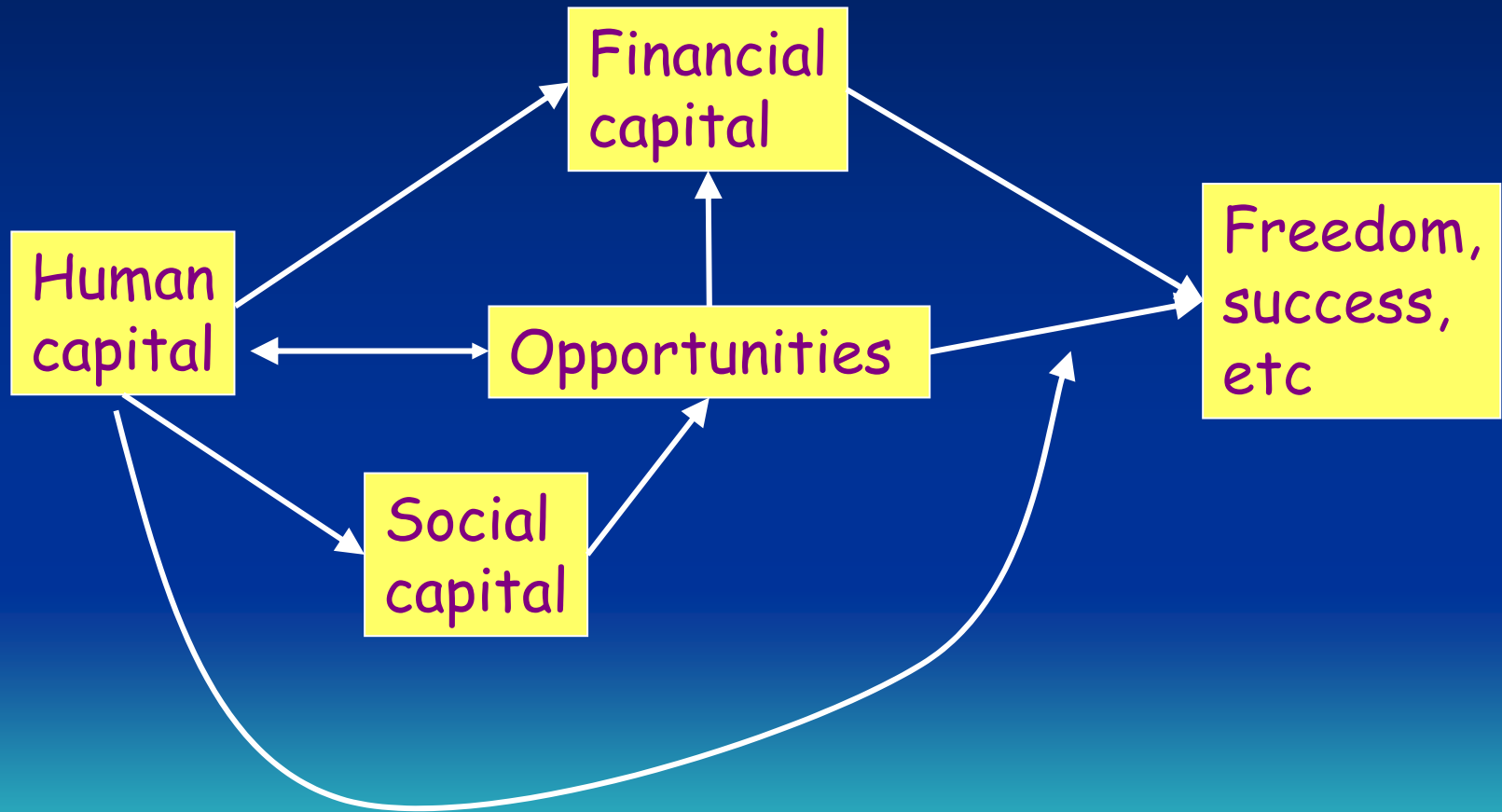


Parting Shots

- Go through your career with your eyes open
 - don't just let it happen to you
 - Watch what's happening in the organization
 - Set goals and work toward them
- Systematically assess the real org culture
 - what is valued? What is appropriate?
 - Who gets promoted for what?
- Systematically learn & work the network
 - Every decision has its stakeholders
 - Actively manage growth of your network
 - maintain diversity of contacts



Build Capital!



Fin.

