

MGC2230 Notes

Lecture 1 – Self and Authenticity

Outline:

Your Unique Traits:

- Demographic
- Big Five Personality (OCEAN)
- Self-Monitoring
- Locus of Control
- Narcissism
- Machiavellianism
- Type A/B Personality

Your Personal Values:

- Personal Crucibles
- Australian Managerial Values

Your Authenticity:

- Humility
- Accountability
- Vulnerability

Your Unique Traits

- These represent *individual differences*: traits or characteristics that distinguish individuals from each other
- Stable across a relative long period of time
- They can be observed, or unobserved – but can be measured

Demographics:

- Gender
- Age
- Ethnicity
- Height
- Weight
- Language

Personality Traits – a person's general style of interacting with the world, especially with other people

OCEAN Framework

- **Openness to Experience** – curious and original **versus** dull and unimaginative (risk taking)
- **Conscientiousness** – dependable and responsible **versus** careless and impulsive (how hardworking and reliable are you?)
- **Extraversion** – sociable and talkative **versus** withdrawn and shy (whether someone is sociable)
- **Agreeableness** – tolerant and cooperative **versus** cold and rude (how nice and friendly you are)
- **Neuroticism** – stable and confident **versus** depressed and anxious (how emotionally unstable you are)

Self-Monitoring – whether someone changes their behaviour depending on the situation they are in

- **High Self-Monitoring** – one fits their behaviour to a social situation
- **Low Self-Monitoring** – the behaviour displayed disregards the social situation

Locus of Control – whether someone believes what happens in their lives is determined by internal or external factors

- **Internal** – what happens in my life is decided by internal factors (eg. motivation, effort and talent)
- **External** – my behaviour is decided by external factors (eg. fate, luck and other people such as family)

Narcissism – the tendency to be **arrogant**, have a **grandiose** sense of importance, require excessive **admiration**, and have a sense of **entitlement**

- Narcissists tend to think that they are great leaders, however their colleagues and supervisors tend to rate them as poor leaders
- They don't perform well in a leadership position

Machiavellianism – the tendency to engage in social conducts that involve **manipulating** others for personal gain, often against the other's self-interest

Type A Personality A stands for ACTION

These types of people are on the go, they do things fast and are impatient

- Moves, walks and eats rapidly
- Impatient
- Multi-tasks
- Dislikes leisure time
- Obsessed with numbers
- Measures success in terms of how many or how much of everything is acquired

Type B Personality B stands for BEACH

These types of people are very relaxed

- Never suffers from a sense of time or urgency
- Does not need to display or discuss achievements or accomplishments
- Plays for fun and relaxation, not to win
- Can relax without guilt
- ❖ Stable individual differences are less important for job performance and career success, because, for most criteria, more than 50% depends on skills and abilities that you can learn
- ❖ With effort, you may be able to change personality traits

How does personality change?

- Women are more **extraverted** than men
- Women are more hardworking than men (more **conscientiousness**)
- Women are more **agreeable** than men
- Men are more **open to experience** than women (more risk taking)
- Women have higher **neuroticism** than men

Your Personal Values – The core of our self-definition

Personal Crucible (Bennis & Thomas) – a transformative experience through which an individual clarifies his/her crucial personal values and comes to a new sense of self-identity

- Crucibles are usually intensive, traumatic and unexpected
- Strong individuals find meaning in the most severe crucibles, like phoenixes rising from the ashes, they emerge stronger, more confident and more committed
- This process is important in the making of a leader
- It's not about what happens to you, but how you react to events in your life
- Individuals need to learn from these hard experiences
 - However, you don't need to go through crucibles to be successful

Examples: Dwayne Johnson (was homeless when he was younger, got injured so couldn't pursue a football career but was the highest paid actor in the world in 2016) and **Oprah Winfrey** (was sexually abused when she was younger but became a billionaire due to her talk show)

Values – are the concepts or beliefs that guide how we make decisions about and evaluations of behaviours and events

- *Examples include:* caring, encouragement, generosity, responsibility, equality, supportiveness, authenticity, creativity, humility, reciprocity, curiosity, fun, respect

Australian Managerial Values

England & Lee (1974):

- Surveyed managerial values and measured manager success
- Investigated the correlations across four countries: US, Australia, India and Japan
- Values **positively** associated with success:
 - High productivity
 - Profit maximisation
 - Organisational growth
 - Customers
 - Craftsmanship
 - Stockholders
 - Ability
 - Aggressiveness
 - Autonomy
- Values **negatively** correlated with success:
 - Organisational stability
 - Social welfare
 - Obedience
 - Trust
 - Loyalty
 - Conformity
 - Honour
 - Leisure
 - Security
 - Religion

Westwood & Posner (1997):

- Surveyed managers in the US, Australia and HK about personal values
- Compared to managers from the US and HK, Australian managers consider the following values to be more **important**:
 - Job satisfaction
 - Job skill
 - Achievement
 - Creativity
 - Competitiveness
- And these values to be **less important**:
 - Cooperation
 - Flexibility

Sarros & Santora (2001):

- Top 500 companies in Australia were surveyed
- A total of 181 executives responded to the Leadership and Values Survey, representing a **36%** response rate
- The top values of Australian managers are:
 - ✓ Achievement
 - ✓ Benevolence
 - ✓ Self-direction
 - ✓ Security

Your Authenticity – An authentic self can lead to the development of authentic leadership, which leads to a series of positive workplace outcomes

Five Pillars of an Authentic Self:

1. Humility
2. Accountability
3. Vulnerability
4. Security
5. Integrity

Humility – an interpersonal characteristic that emerges in social contexts that connotes a manifested willingness to **view oneself accurately**, a displayed **appreciation** of other's strengths and contributions, and **teachability**

- This involves presenting an accurate perception of yourself
- Teachability means the willingness to learn
- Leader humility can lead to positive outcomes in the workplace
- A humble manager can:
 - ✓ Increase employee engagement
 - ✓ Increase employee commitment
 - ✓ Reduce employee turnover
 - ✓ Increase team performance

Accountability – Liable to being called to account; answerable

- You should be taking responsibility for the things you want to achieve in life
- People should be able to rely on you to perform certain tasks

Vulnerability – the willingness to be vulnerable means to be open to self-doubts, fears and questions

- This can help managers and leaders stay on course (Akerman & Maslin-Ostrowski, 2004)
- The capacity to access and accept one's emotional and personal vulnerability, serves as a powerful leadership tool, especially when the organisation is going through uncertainty and change (Bunker, 1997)

Lecture 2 – Emotional Intelligence

Outline:

- Definition and Example
- EQ Test
- Affective Events Theory
- Basic Emotions: Fear, Disgust, Sadness and Regret
- Emotional Labour
- Emotional Management: Face Acting versus Deep Acting
- Burnout/Emotional Exhaustion
- Mindfulness
- The Optimal Experience of Flow

Emotional Intelligence – Refers to an individual's ability to:

1. Understand emotions
2. Perceive emotions
3. Manage and use emotions

Emotional intelligence is about feeling the right emotion, with the right person, to the right degree, at the right time and for the right purpose in the right way - Aristotle

- Workplaces are very emotional
- **Example:** George Clooney teaching his peer about people's emotions and how to react with emotional intelligence during the firing process

EQ Test:

- There is a positive correlation between emotional intelligence and task performance
- There is a positive correlation between emotional intelligence and one's annual salary

What are emotions?

- **Emotions** – intense feelings that are directed at someone or something (with a target)
- **Moods** – feelings that tend to be less intense than emotions and that lack of a contextual stimulus (no target)

Affective Events Theory – This theory can be used to understand emotions because employees react emotionally to things that happen to them at work

- These emotional reactions influence their subsequent job performance and satisfaction

Basic emotions experienced across cultures:

- Happiness
- Anger
- Surprise
- Sadness
- Fear
- Disgust

1	Public speaking – Glossophobia	74 %
2	Death – Necrophobia	68 %
3	Spiders – Arachnophobia	30.5 %
4	Darkness – Achluophobia	11 %
5	Heights – Acrophobia	10 %
6	Social situations – Sociophobia	7.9 %
7	Flying – Aerophobia	6.5 %
8	Confined spaces – Claustrophobia	2.5 %
9	Open spaces – Agoraphobia	2.2 %
10	Thunder and lightning – Brontophobia	2 %

Fear – an unpleasant emotion caused by the threat of danger, pain or harm

Disgust – elicited by appraisals of contamination, impurity or potential degradation

- Disgust influences are ethical decision making

Sadness – a self-focused emotion associated with a sad event

Regret – *Counterfactual Thinking*: we tend to mentally create alternatives to life events that have already occurred

- We compare what actually happened to what should have happened and respond emotionally to the comparison
- **Example**: *If you're plane is scheduled to leave at 8:30pm but you are running late in traffic and end up getting there at 8:57pm, you would prefer to know that the plane left at 8:30pm not 8:55pm*
- **Silver medal winners** are more unhappy than bronze medallists – this is because the silver winners wish they had achieved gold, but the bronze winners are comparing themselves to the person who finished 4th

Gender and Emotions:

- Women experience emotions more intensely than men
- Women show greater emotional expression
- Women display more frequent expressions of all emotions, except anger
- Men and women are *socialised differently*: Men (tough and brave) and Women (nurturing)
- Women may have more innate ability to read emotions
- Women may have a stronger need for approval

Emotions should be used for many different situations:

- If you are presenting to key clients you should be excited and confident
- If you are delivering bad news to someone you should be sympathetic and compassionate

Emotional Labour – as part of your job you need to show emotions and withhold others

- An employee expresses organisationally desired emotions during interpersonal interactions
- Employees don't always experience the emotions that they are required to exhibit at work, how should they act to show these emotions?
 - ❖ **Face Acting** – manipulating facial muscles without really experiencing the emotion
 - Negative interpersonal consequences
 - Emotional dissonance
 - ❖ **Deep Acting** – mentally visualising a situation that will activate the emotion to express it naturally
 - Positive interpersonal consequences

Burnout/Emotional Exhaustion – a process by which individuals experience a gradual increase of distress that is characterised by *reduced productivity*, *alienation* from others and *emotional exhaustion*

Mindfulness – is the state of being **attentive** to and **aware** of what is taking place in the **present**

- One way to deal with emotional exhaustion
- Employees who are more mindful tend to:
 - ✓ Show more self-regulation or autonomy in daily tasks
 - ✓ Experience less psychological disturbance when facing adversities (eg. disease)
 - ✓ Experience less negative emotion
 - ✓ Experience less anxiety
 - ✓ Experience higher self-esteem

The Optimal Experience of Flow – being completely involved in an activity for its own sake

- The ego falls away, time flies
- Every action, movement and thought follows inevitably from the previous one
- Your whole being is involved, and you're using your skills to the utmost
- Doing what you love
- *Mihaly Csikszentmihalyi*

Lecture 3 – Judgement and Decision Making

Outline:

- Perception Process:
 - Goal
 - Expertise
 - Emotions
- Attribution Processes:
 - Three dimensions
- Fundamental Attribution Error
- Unconscious Decision Making
- Judgement and Decision Making Biases:
 - Overconfidence Bias
 - Availability Heuristic
 - Representativeness Heuristic
 - Framing Heuristic
 - Self-serving bias
 - Escalation of Commitment
 - Hindsight bias
 - Curse of knowledge
 - Winner's curse

Perception – receiving and making sense of information from the environment

Attribution – discovering the causes or motives behind an event or behaviour

Judgement and Decision Making – reaching a conclusion or opinion about something or someone, and developing a commitment to a course of action accordingly

Perception – receiving and interpreting information through our senses to give meaning to the environment

- Reality – Perception – Reaction
- Sometimes perception ≠ reality (white and gold dress **versus** blue and black dress)
- We filter out information that is not relevant

Biases from the Perceiver – Perception is influenced by some perceiver characteristics

- **Goals and Needs**
 - Your immediate needs might automatically filter the information that you receive
 - **Example:** *Work Lunch* – you might be really hungry so don't take much in of the discussion
- **Existing Knowledge**
 - When you have a hammer, everything looks like a nail
 - *Deformation Professionnelle* – the tendency to look at things from the point of view of one's own profession rather than from a broader perspective
 - **Example:** analysing everything from an accounting perspective if you are an accountant, or an economic person coming up with an economic model to find a girlfriend
- **Emotions**
 - Your emotional experience will shape how you see the world

Biases from the Target – A target's characteristics also shape our perceptions

- **Social Identity Theory** – We tend to make references about a person's characteristics based on the social category he/she belongs to:
 - **Social Prototype:** we *automatically* fill in information about someone based on our simplified understanding of the social group the this person belongs too (ie. if they belong to the music group at Monash)
 - **Halo Effect:** Drawing a general impression about an individual based on a single characteristic (**eg.** physical attraction)
 - Will associate the good looking person with fit, healthy, smart, popular
 - Associating these traits with physical attractiveness

Attribution – when we *observe* an event or behaviour, we want to determine whether it is caused by **internal factors** (ie. personality, ability, motivation) or by **external factors** (ie. situation, social pressure, weather, economy)

- We attribute using three characteristics of the event/behaviour:
 1. **Distinctiveness** – Does the individual act the same way across different situations? If yes = internal factors
 2. **Consensus** – Does the individual act the same way toward other people? If yes = internal factors
 3. **Consistency** – Does the individual act the same way over time? If yes = internal factors

Fundamental Attribution Error – When explaining other people's behaviour, we tend to attribute more to internal factors than to external factors

- Also called “correspondence bias”
- **Example:** Road Rage
 - When observing a dangerous or annoying driving behaviour or another driver, we attribute the behaviour more to internal factors (eg. incompetence or aggressive personality) than to external factors (eg. weather or road conditions)
- **Example:** Group work
 - If someone doesn't complete their part, we would attribute this behaviour more to internal factors (eg. lazy or stupid), but it could be related to external factors (eg. family problems)

Judgement and Decision Making Biases

Overconfidence Bias – “Mother of all biases”

- It's associated with high rates of entrepreneurial entry and corporate mergers and acquisitions, despite low success rate
- Scientific disasters
- Invasion and war

Four Specific Forms of Overconfidence Biases:

1. **Over-Precision** – we are too sure that our judgements and decisions are accurate (both lay people and experts are subject to this bias)
2. **Illusion of Control** – sometimes we think we have more control over circumstances than we actually do
 - **Example:** when buying lottery tickets, you would choose numbers that mean something to you over choosing randomly generated numbers, as you think you might have a better chance of winning
3. **Planning Fallacy** – we tend to overestimate the speed at which we will complete projects and tasks
 - Applies to both complex as well as simple tasks
 - **Example:** Uni assignments
4. **Over-placement** – we tend to believe that we are better than others in specific ways when we are not
 - **Example:** When asked if you think you are better driver than 50% of the class (70-80% would say yes)
 - Negative consequences – ie. law suits

Availability Heuristic – we assess the frequency, probability or likely cause of an event by the degree to which instances or occurrences of that event are readily “available” in memory

- **Vivid information** is more easily accessible and thus has more influence on our judgement and decisions
 - ❖ **Example:** Top causes of death in the US (a) tobacco, obesity and alcohol or (b) cancer, heart disease and auto incidents
 - ❖ We would choose (b) because we hear about it more but the correct answer is (a)
- Information that is more **easily retrievable** from memory has the most influence on judgement and decisions
 - ❖ **Example:** In four pages of a novel, how many words have the letter n as the second last letter?
 - ❖ It's hard to think about this
 - ❖ BUT if it was phrased with how many words end with ING?
 - ❖ This is easier to think about, which is why estimates are higher, although it should be lower than the first

Representative Heuristic – when making a judgement about an individual or event, people look for characteristics the individual or event may have in common with previously formed thoughts (eg. stereotypes)

- **Example:** Linda is 31, single, outspoken, and intelligent. She majored in philosophy. As a student, she was deeply concerned with issues of discrimination and social justice and participated in antinuclear demonstrations. What is the possibility that Linda is...
- a bank teller who is active in the feminist movement? 20-50% (overestimated)
- a bank teller? 10%

Framing Heuristic – whether a question is framed as a gain versus loss would influence individual's risk preferences when collecting information and making decisions

- When a question is framed as **gain** versus no gain, people are reluctant to take risks
 - **Example: Plan A:** 2 million people will be saved, **Plan B:** 1/3 chance that 6 million will be saved and 2/3 chance that no one will be saved (most people would go for **Plan A**)
- When a question is framed as **loss** versus no loss, people are willing to take more risks, presumably because they want to avoid loss
 - **Example: Plan C:** 4 million people will die, **Plan D:** 1/3 chance that no one will die, 2/3 chance that 6 million people will die (most people would go for **Plan D**)

Anchoring Bias:

- We often develop estimates by starting with an initial anchor that is based on whatever information is provided
- We adjust from the anchor to provide a final estimate, unfortunately the adjustment is usually not sufficient to reach an accurate estimate
- Anchoring occurs even when anchors are subliminal
- Anchoring is stronger when it is provided in smaller units
 - Car prices are normally advertised like \$18,983 rather than \$19,000
 - Because if they say \$19,000 you think of units in the 000's
 - To avoid this, put your own price on the car

Self-Serving Bias in Judgement – we make judgements in ways that benefit ourselves

- **Example:** we tend to believe that we have contributed more to teamwork than we actually have
 - *Why do music bands disband after success?* Because each one thinks they made the band successful, so they go solo
- **Example: Endowment effect** – we tend to perceive that our own belongings are more valuable than others same/similar belongings
 - I would sell my laptop for a higher price, but would only pay a small amount for the same thing

Escalation of Commitment:

- How many of you would break up with someone who treats you badly after:
 - You have been dating for 3 weeks
 - You have been dating for 3 years
 - You have been dating for 9 years and have 3 kids
- **Dilemma:** When facing permanent losses of resources (ie. sunk costs), do you invest more resources or try another approach?
- **Escalation of Commitment** – investing additional resources in an apparently failing course of action (not trying something new)
 - **Ego protection and Self-justification:** to try to change the result of the previous decision to prove that one is capable of making good decisions
 - **Solution: Self-affirmation** – focus on good decisions in other areas
 - **Change of decision maker:** the new decision maker has no motivation to protect the ego of the previous decision maker

Hindsight Bias – we tend to overestimate what we knew beforehand based upon what we later learned

- Sometime we feel that we are able to predict the results of independent events (eg. the result of the US election)
- **Advantage:** self-flattering, allows us to criticise others for lack of foresight
- **Disadvantage:** reduces our ability to learn from the past

Curse of Knowledge – when we assess other's decisions or behaviours, we tend to ignore the fact that they might not have the knowledge that we have

- When we judge someone else's behaviour we assume they have the same knowledge as us
- **Example:** when watching a horror movie, we get angry when the actor makes certain decisions, but in the movie they don't know
- **Example:** when giving friend's directions to your house, you will assume they are familiar with all the roads you know

Winner's Curse – we suspect that we might have over-bidden after we have won a deal or auction

- You feel like you have been ripped off
- Associated with emotions such as regret, anger
- Can occur for various reasons (eg. competitive environment)

Unconscious Decision Making

- The conscious mind capacity is limited
 - **7 items maximum**, try thinking simultaneously of work, dinner, weekend, relationship, world peace and aliens
 - Conscious mind can process 10-60 bits of information per second
- The unconscious mind is not limited by low capacity, and is more suitable for more complicated tasks
 - The entire human system processes 11,200,000 bits per second , visual system alone processes 10,000,000 bits per second
 - **Example:** Property Purchase Decision
 - Forced continuous processes might lead to poor performance and decision
 - **Example:** try to verbalise your action when playing a musical instrument

Lecture 4 – Will Power and Work Motivation

Outline:

- Theory X and Theory Y
- Self-Regulation Theory
 - Ego-depletion
 - Regulatory Focus Theory
- Goal Setting Theory
 - Self-Efficacy
 - Goal Orientation
- Expectancy Theory
- Equity Theory
- Cognitive Evaluation Theory
- Job Characteristic Model
- Job Satisfaction
- Organisational Citizenship Behaviour
- Organisational Commitment

Definition – the intensity, direction and persistence of effort a person shows in reaching a goal:

- Direction – Where effort is channelled
- Intensity – How hard a person tries
- Persistence – How long effort is maintained

Theory X

X for punishment

- Employees **dislike** work and attempt to **avoid** work
- Employees must be coerced, controlled or threatened with punishment if they are to perform

Theory Y

- Employees **like** to work and are creative and **seek** responsibility
- Employees can exercise self-direction and self-control
- Under this theory management would provide opportunities for individuals (like Google – free food, music, sleeping rooms)

Self-Regulation – The process where you refrain from impulsive tendencies and chose to behave rationally (eg. choose long term benefit, choose delayed gratification)

Two System Framework:

- **The Cool System:** cognitive, emotionally neutral, contemplative, strategic (keeps us on track)
- **The Hot System:** emotionality, passions, impulsive and reflexive
- **Example:** If you are trying to lose weight, the cool system would lead you to choosing an apple to eat, but the hot system would lead you to choosing a cake
- **Example:** If you were aiming to achieve a high score on your exam, the cool system would lead you to study on Saturday night, whereas the hot system would lead you to party on Saturday night

Ego-Depletion – our self-regulation ability (ie. will power) resembles a muscle, and exerting self-regulation consumes resources and reduces the amount of resources available for subsequent self-control efforts

- **Example:** workout before a demanding quiz might impair performance (you will be tired from the gym)
- Self-regulation processes that might deplete you:
 - Coping with stress
 - Regulating negative affect
 - Resisting temptations

Productivity Tricks:

- ✓ **Pomodoro Technique** – Refers to splitting up a big task into smaller tasks, like slicing up a tomato
 - Focus on one thing for 25min then have a break for 5min
 - Starting smaller tasks are easier than being confronted with a massive project

- ✓ **Don't Break the Chain** – invented by Jerry Seinfeld, this technique involves maintaining the momentum
 - Mark off days you complete tasks with a red cross, you'll have a chain of crosses so you focus on not breaking it

Regulatory Focus – We approach a goal in two distinct ways:

1. **Promotion Focus** – emphasising growth and opportunity and the pursuit of positive outcomes
 - Individuals with a promotion focus tend to:
 - Focus on their ideals and aspirations
 - They are sensitive toward positive outcomes or progress towards the goal
 - See a “gain” as a success and a “non-gain” as failure
 - *Strategies:* strive for gains, insure against errors of omission
2. **Prevention Focus** – emphasising safety and security and the minimisation of negative outcomes
 - Individuals with a prevention focus tend to:
 - They are sensitive toward negative outcomes or setbacks toward the goal
 - See a “non-loss” as success and a “loss” as failure
 - *Strategies:* correctly reject losses, insure against errors of commission

Regulatory focus has been shown to influence a wide variety of outcomes:

- ✓ Decision making
- ✓ Social interaction
- ✓ Negotiation outcomes

Goal Setting Theory – Specific and difficult goals together with feedback lead to higher performance

- Specific goals (**versus** do your best) increase performance
- Difficult goals, when accepted, result in higher performance than do easy goals
- Feedback leads to higher performance than does non-feedback

For goals to be effective they should be **SMART**: Specific, Measurable, Attainable, Results Orientated, Time Bound

Self-Efficacy – an individual's belief that he or she is capable of performing a task

- From social cognitive theory and social learning theory
- High self-efficacy will help employees accomplish goals more successfully
- This is the main key variable in goal setting theory – confidence is so important

Four Ways to effectively increase one's self efficacy:

1. **Enactive Mastery** – Practicing and gaining relevant experience (ie. the Rugby death crawl)
2. **Vicarious Modelling** – Confidence is gained by seeing someone else perform the task successfully (observing someone else doing it, ie. a lecturer watching TED talks)
3. **Verbal Persuasion** – Confidence is gained because someone convinces you that you have the necessary skills to succeed
4. **Arousal** – An energised state can drive a person to complete the task (physical arousal, ie. doing a 5min workout before public speaking)

Goal Orientation

Learning Goal Orientation – see the task as an opportunity to acquire new skills and knowledge

Performance Goal Orientation – focus on demonstrating performance to prove competence and avoid failure

- Compared to performance goal orientation, a learning goal orientation leads to:
 - ✓ More motivational beliefs
 - ✓ Higher self-efficacy
 - ✓ Less task anxiety

- ✓ More effort
- ✓ Higher performance

Motivational Theories

Expectancy Theory – One's motivation to engage in a task is dependent on three critical conditions. Motivation is high only when ALL three are satisfied:

- **Expectance** – the belief that exerting a certain amount of effort will lead to the desired performance level
- **Instrumentality** – the belief that performing at a particular level will lead to a certain reward from the organisation
- **Valence** – an estimate of the extent to which organisational rewards can satisfy one's needs or are attractive to the individual
- **Example:** "I will offer you \$100,000,000 if you can memorise the Dictionary by tomorrow morning." Why is this not motivating?
 - Expectance is not satisfied – even if you put in all your effort it would be impossible to memorise
 - Instrumentality not satisfied – the person would not have that money
 - Valence is satisfied – you would be happy with \$100,000,000

Increasing Expectancy:

- **Expectance:**
 - Skills and training
 - Reasonable goals and tasks
- **Instrumentality:**
 - Recognise performance, deliver reward as promised
 - Establish employee's trust that good performance will be well rewarded
- **Valence:**
 - Analyse what employees truly need (money may not be the most important to them)
 - Customise rewards for employees with different needs

Equity Theory – Employees compare the inputs they invest in a job and the outcomes they receive from the job to inputs and outcomes of other workers

You	Your co-worker
Performance Very high	Performance medium
\$65,000	\$85,000

Responses to inequity:

- Ask for more reward
- Reduce effort in the job
- Adjust perception of self performance
- Adjust perception of co-worker performance
- Choose a different co-worker to compare with
- Quit the job

Cognitive Evaluation Theory – based on the ideas of intrinsic and extrinsic motivators:

- **Intrinsic Motivators** – A person's internal desire to do something, due to such things as interest, challenge and personal satisfaction
- **Experience of Intrinsic Motivation** – Sense of choice, sense of competence, sense of meaningfulness, sense of progress
- **Extrinsic Motivators** – Motivation that comes from outside the person, such as pay, bonuses and other tangible rewards

- ★ The introduction of extrinsic rewards for work effort that was previously rewarded intrinsically will tend to **decrease** an employee's motivation
 - **Example:** Artists paint to live **versus** Artists live to paint
 - The group that were asked to paint with love performed better than those who were asked to paint for money

Job Design – the Job Characteristic Model (JCM) identifies five core job dimensions of a job position and their relationship to personal and work outcomes

1. **Skill Variety** – the scope of skills involved in the job (ie. CEO versus cashier), the more skills, the more motivating
2. **Task Identity** – the extent to which one is involved in all parts of an end product (ie. making a whole table versus making the legs only), more motivating if an individual is involved in the whole process
3. **Task Significance** – the meaningfulness of the job (eg. capturing murderers and major criminals versus giving out parking tickets)
4. **Autonomy** – the amount of freedom one has while on the job (eg. writing a manuscript versus serving in a restaurant)
5. **Feedback** – the amount of feedback one received when doing the job

Job Characteristics Model



KNOW THE FORMULA TO CALCULATE THE MPS:

$$\text{Motivating Potential Score (MPS)} = \left[\frac{\text{Skill variety} + \text{Task identity} + \text{Task significance}}{3} \right] \times \text{Autonomy} \times \text{Feedback}$$

Results of Work Motivation

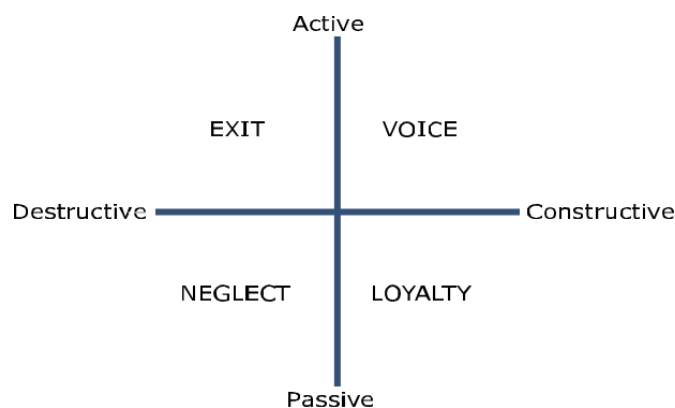
- ✓ **Job Satisfaction** – one's general attitude toward their job
 - Key sources of job satisfaction: **work itself** (if you love what you do), **pay and advancement**, **co-workers** (working with the right people)
 - Enjoying the work itself is almost always correlated with high levels of job satisfaction
 - Once a person reaches the level of comfortable living, the relationship between pay and satisfaction virtually disappears
 - Satisfaction affects:
 - Individual productivity
 - Organisational productivity
 - Organisational Citizenship Behaviour
 - Customer satisfaction

Organisational Citizenship Behaviour – is the voluntary, informal behaviours that contribute to organisational effectiveness, but are not rewarded or detected by formal evaluation systems

- **Altruism** – being helpful, helping a co-worker with their tasks
- **Courtesy** – being friendly and considerate towards co-workers
- **Sportsmanship** – exhibit no negative behaviours when something at work doesn't go as planned, be a good sport
- **Conscientiousness** – show more self-discipline than what's required at work (working extra hours but not getting paid)
- **Civic Virtue** – support a good image of the organisation even outside of work

When job satisfaction is low:

- ✕ When an employee's job satisfaction is low, their reaction depends on whether they adopt a constructive or destructive approach, and whether they seek to resolve the dissatisfaction in an active or passive way



Result of Work Motivation

- ✓ **Organisational Commitment** – a state in which an employee identifies with a particular organisation and its goals, and wishes to maintain membership in the organisation
 - *Affective Commitment* – an employee's genuine emotional connection with the organisation (like true love)
 - *Normative Commitment* – the obligation an employee feels to staying with an organisation (don't have feelings anymore, but have been together for too long)
 - *Continuance Commitment* – an employee's calculation that it is in their best interest to stay with the organisation based on the perceived costs of leaving it (being in a relationship with someone who is really rich)

Lecture 5 – Social Networking, Power and Politics

Outline:

- Power:
 - Legitimate Power
 - Reward Power
 - Expert Power
 - Information Power
 - Coercive Power
 - Referent Power
- Influence Strategies:
 - Reciprocity
 - Scarcity
 - Authority
 - Consistency
 - Consensus
 - Liking
- Social Network
 - Network Centrality
- Empowerment
- Organisational Politics:
 - Specific forms
 - Consequences for employees
 - Antecedents of organisational politics

Power – the relative control over valued outcomes

- The power an individual has represents the relative value they have in a social system (ie. a business organisation)

Legitimate Power – the power from an individual's **formal title** and/or **position** within an organisation (ie. CEO)

Reward Power – the power from an individual's ability to confer **valued rewards and benefits** (someone has power over you because they have something you want)

Expert Power – the power that comes from the **skills, knowledge** and **expertise** of an individual that are desirable to others and the whole society

Information Power – the power from one's access to and control over **important information** (info that other people don't have access too)

- ★ The difference between information power and expert power: Information can be given away easily, but skills, knowledge and expertise are hard to give away

Coercive Power – power from an individual's ability to **negatively influence** other's **wellbeing** (ie. hackers)

Referent Power – the power from an individual or organisation's **charisma** and **interpersonal skills**, and the person's ability to attract others and build **loyalty** (ie. nationalism and patriotism)

Examples:

- *50cent Gangster* – Coercive Power (he can hurt you)
- *Mum*:
 - Legitimate Power – she is the adult, I am the kid
 - Reward Power – cooks nice meals, cleans my room
 - Expert Power – she can give you life advice
 - Information Power – she knows the password to the family bank account
 - Coercive Power – they can hurt you (physically or mentally)
 - Referent Power – we love our mum
- *Puppy*:
 - Reward Power – yes, the puppy's company
 - Expert Power – if you need to find something (they can sniff)
 - Coercive Power – the dog can bite you
 - Referent Power – you love the dog

Two ways to gain power:

Individual Competence

- ✓ Analytical skills
- ✓ Decision Making skills
- ✓ Emotion skills
- ✓ Leadership skills
- ✓ Negotiation skills
- ✓ Interpersonal skills

Cultivate the right people

- ✓ Find a good employer
- ✓ Live in the right neighbourhood
- ✓ Choose the right boss
- ✓ Make the right allies
- ✓ Social network

Social Network – a social structure that consists of a group of social parties (eg. individuals or groups), sets of dyadic ties and other social exchange between parties

- *Common networking strategies:* socialising, maintaining contacts, professional activities, community activities, increasing internal visibility
- The key of social networking is to develop connection and personal branding through **interpersonal influence**

Interpersonal Influence Strategies

Reciprocation – we are genetically programmed to give back if we are given

- **Example:** On the first day a group of people were asked if they would take a sick child to the zoo, not many signed up. On the second day, they were asked to adopt a child, then more people agreed to take the child to the zoo
- **Example:** Ethiopia and Mexico

Scarcity – people tend to consider goods and services that are scarce to be of higher value

- **Example:** Selling Australian beef in Canada
- **Example:** Hunger Marketing Strategy – Apple Products

Authority – people tend to value information or advice from individuals with authority/power/expertise more

- **Example:** using experts/doctors in advertising
- **Example:** using celebrities in election campaign (to encourage people to vote)

Consistency – people need consistency between what they do and what they say, or between their past behaviour and current behaviour

- **Example:** Reservation – “Please call if you have to cancel your reservation”, adding the words **will you?** on the end will reduce no-shows
- **Example:** Yes Momentum – in retail, sales assistants will ask you lots of easy questions forcing you to say yes, then if they try and sell you something you will more likely say yes

Consensus – people tend to follow the crowd and do what similar others are doing

- **Example:** fashion magazines show the hottest trends (manipulation)
- **Example:** shopping channel wants to attract more customers
 - Operators are waiting, please call now
 - If operators are busy, please call again – implies a lot of people are buying the product

Liking – we are more influenced by people who we like

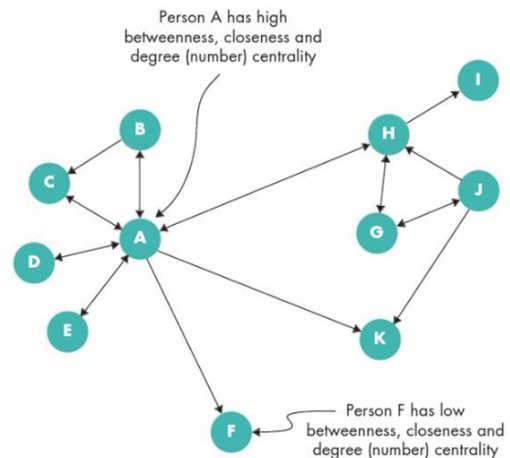
- We like those with similarity
- Compliments
- And cooperation

Social Network Centrality – a main purpose of networking is to increase one's network centrality

- Network centrality is the extent to which one is **central** and **valuable** to the social network they belong to
- Individuals with more network centrality tend to have more social capital and more power
- Individuals with more networking centrality tend to perform better and more creatively

Three Dimensions of network centrality:

- *Degree Centrality* – the number of connections one has to others
- *Closeness* – the strength of ties one has with others
- *Betweenness* – how much one is located between others



Employee Empowerment – increasing the freedom and the ability of employees to make decisions and commitments

- Empowerment content:
 - *Job content*: tasks and procedures necessary for carrying out a particular job
 - *Job context*: the setting in which the job is done, including the organisation's structure, culture and reward system
- Empowered employees tend to experience:
 - ✓ **Sense of self-determination** – employees are free to choose how to do their work, they are not micromanaged
 - ✓ **Sense of meaning** – employees feel that their work is important to them, they care about what they are doing
 - ✓ **Sense of competence** – employees are confident about their ability to do their work well, they know they can perform
 - ✓ **Sense of impact** – employees believe they can have influence on their work unit, others listen to their ideas

Organisational Politics

- **Political behaviours:** those that influence, or attempt to influence, the distribution of advantages and disadvantages within the organisation
- **Examples of political “rules”:**
 - Get others to do the work for you, but always take the credit
 - Pose as a friend, work as a spy
 - Keep people dependent on you
 - Do not commit to anyone
 - Discover each man’s thumbscrew (learning secrets and shortcomings of others to use against them)
- Specific political behaviours in business organisations:
 - Managing impressions, attacking and blaming, controlling information, forming conditions, cultivating networks
- When perceiving high organisational politics, employees would:
 - ✖ Experience decreased job satisfaction
 - ✖ Experience increased anxiety and stress
 - ✖ Be more willing to leave the organisation voluntarily
 - ✖ Exhibit reduced performance

Lecture 6 – Group and Team Dynamics

Outline:

- Team Task Characteristic
- Team Size
- Team Composition
- Team Development
- Team Roles
- Team Cohesion
- Multi-cultural teams
- Need to belong
- Social Conformity
- Social Loafing and Social Facilitation
- Group Decision (creativity, polarization, groupthink)
- In-group favouritism
- Out-group hostility
- Intergroup Contact

Team – Two or more people interact with each other to work towards a common goal

- Widely used in business organisations
- Types of teams:
 - Problem solving teams
 - Self-managed teams
 - Cross functional teams
 - Virtual teams

Team Task Characteristic

Three Types of Team Tasks:

- ★ **Additive** – team performance is the **sum** of all individual performance
- ★ **Disjunctive** – team performance is the **best** group member's performance
- ★ **Conjunctive** – team performance is the **worst** group member's performance (ie. the weakest link of the group)

	Member 1 Perf	Member 2 Perf	Member 3 Perf	Member 4 Perf
Team A	8	8	8	3
Team B	6	6	6	6
Team C	4	4	4	10

Which team will perform the best?

- If the task is **Additive** = Team A will perform the best (27 versus 24 versus 22)
- If the task is **Disjunctive** = Team C will perform the best (one who can do 10)
- If the task is **Conjunctive** = Team B (6 compared to 3 or 4)

Team Size

- **Additive** and **Disjunctive** Tasks: group performance **increases** with **greater size** (up to a certain point)
- **Conjunctive** Tasks: group performance **decreases** with **greater size** (increasing number of weak people)

Team Composition

- **Homogenous Group** (Similar group members): less conflict, fast team development, better at coordinated and cooperative tasks but less creative
- **Heterogeneous Group** (Different group members): more conflict, longer team development, better at complex tasks that require creativity

Why are heterogeneous teams better at creative tasks?

- Team members can create a bigger and more diverse pool of information and expertise
- Team members can learn new information and skills through exchange and interaction with other members
- Diverse information and skills can interact with each other to create novel solutions in complex situations
- Everyone team member has their own set of unique knowledge and skills

Team Development Stages

Teams normally go through several distinct stages during their life span, where members connect with each other in unique ways:

- ★ **Forming** – dependency and inclusion
 - This stage represents a time where the group is just starting to come together and is characterised with anxiety and uncertainty
 - Members desire to be accepted by all members of the group
- ★ **Storming** – counter dependency and fight
 - This stage is where conflict and competition are at its greatest
 - Now the group members have an understanding of the task and who they are as a group, so members feel confident and begin to address important issues surrounding the group (ie. roles and responsibilities of members)
- ★ **Norming** – trust and structure
 - This stage is where the group becomes a cohesive unit
 - Morale is high as group members acknowledge the talents, skills and experience each members brings to the group
 - A sense of community is established and the group remains focused on their purpose and goal
- ★ **Performing** – coordinating and working
 - This stage is marked by high productivity
 - Group members are unified, loyal and supportive
 - The group focuses on task completion and achievement, utilising problem solving skills

	Forming	Storming	Norming	Performing
Individual Questions	"How do I fit in?"	"What's my role here?"	"What do the others expect me to do?"	"How can I best perform my role?"
Group Questions	"Why are we here?"	"Why are we fighting over who's in charge and who does what?"	"Can we agree on roles and work as a team?"	"Can we do the job properly?"

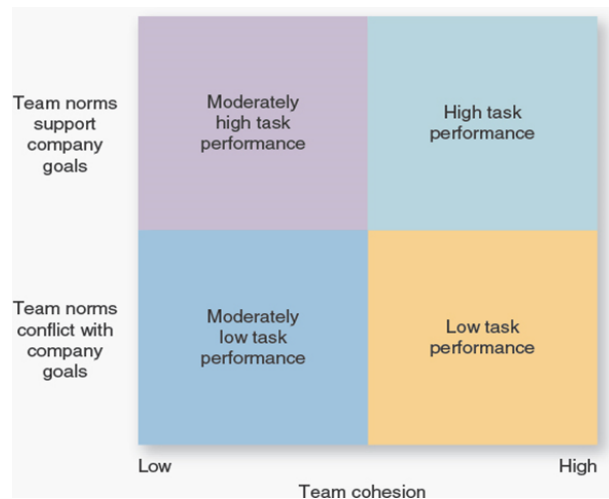
Team Roles

- **Roles** – a set of expected behaviours associated with a given position in a team
- **Role Expectations** – how others believe a team member should act in a given situation
- **Role Conflict** – a situation in which an individual is confronted by divergent role expectations
- **Role Ambiguity** – a person is unclear about their role
- **Role Overload** – too much is expected of someone
- **Role Underload** – too little is expected of someone and that person feels that they are not contributing

Team Cohesion

The degree of attraction people feel toward the team and their motivation to remain members

- Not necessarily always good to have high team cohesion – as it depends on the teams norms (working hard for the organisation **versus** slacking off and being counterproductive)



Multi-Cultural Teams

- Cross-cultural and coordination are challenging
- Increase your cultural intelligence (**CQ**):
 - *CQ Drive*: interest and confidence in functioning effectively in culturally diverse situations
 - *CQ Knowledge*: systematic information on how cultures differ (eg. business and legal system, interpersonal interaction)
 - *CQ Action*: one's behavioural capacity to engage in verbal and non-verbal cross-cultural interaction
 - *CQ Strategy*: one's willingness and ability to learn from first-hand cross-cultural interactions

Need to Belong

- A fundamental human motivation to form and maintain frequent and non-aversive interactions within an ongoing relational bond
 - Consistent with need theories (Maslow's Hierarchy of Needs)
 - **The Grant Study (happiness study)** – 75 year longitudinal study by Harvard Medical School – revealed that warmth of relationships throughout life is the key to happiness
 - Deprivation of stable and good relationships leads to pathological outcomes
- A strong need to belong leads individuals to:
 - Interpret situations and events regarding their implications for relationships
 - Experience happiness, contentment and calm when **accepted**
 - Experience anxiety, depression and jealousy when **rejected**

Social Conformity

- In a group, people tend to behave in a way that they believe will be approved by the majority of the group members
 - **Example**: Elevator example – everyone faced the back
- *Why do people conform?*
 - Using group norm as a reference point to decide appropriate behaviour
 - To avoid criticism and exclusion
- *How to reduce conformity?*
 - Appoint a **devil's advocate** (who always questions what the team does, forces people to rethink)
 - Provide ways for members to express opinions without being criticised
 - Develop the right group culture (to express individuality)

Social Loafing (free riding) – people's tendency to **withhold effort** when performing a **group task**

- **Example:** One person could lift 63kg, 2 people 118kg, 3 people 160kg, 8 people 248kg (the more people, the less effort)
- **Sucker Effect** – the tendency to reduce one's efforts when believing other group members are engaging in social loafing
- **Ways to reduce social loafing:**
 - ✓ Smaller groups
 - ✓ Specialise tasks
 - ✓ Measure individual performance
 - ✓ Increase motivation

Social Facilitation – people's tendency to **work harder** in others' presence

- **Example:** Gym Buddy System (people will be motivated to stay longer and train harder) and Office Space with Glass Walls (as people can see you, more likely to work harder)
- Social facilitation is especially evident when one is good at the task
 - **Example:** some artists/performers do much better when there is an audience

Social Loafing versus Social Facilitation (don't need to memorise)

- Individual task versus group task
- Commitment to the group
- Task meaningfulness
- Individual team member characteristics
- Team culture

Group Decision

Strengths:

- ✓ More information and knowledge
- ✓ Diversity of views
- ✓ Higher quality decisions
- ✓ More creative
- ✓ More acceptance of a solution

Limitations:

- ✗ Time consuming
- ✗ Conformity pressure
- ✗ Ambiguous responsibility

Group Decision Methods (don't need to memorise)

- Decision by authority without discussion
- Expert member
- Average of member's opinions
- Decision by authority after discussion
- Minority control
- Majority vote
- Consensus

Group Polarisation – the tendency of a group to reach a collective decision that's more **extreme** than the initial positions of individual members

- *Risk Preference* – conservative/risky individual positions leads to even more conservative/risky group decisions
- *Attitude Strength* – individual members general negative/positive attitude towards a target will be magnified after group discussion
- **WHY?**

- **Social identification and comparison:** group members tend to compete with others by being more extreme to show loyalty to the group
- **Confirmation bias:** group members receive information from peers that confirm and strengthen their existing position

Groupthink – occurs when members **try hard to agree** with one another that they make **mistakes** that could easily be avoided

Symptoms include:

- *Overestimation* of the group (illusions of invulnerability and morality)
- *Close-mindedness* (rationalisations, stereotypes about the outgroup)
- *Pressures towards uniformity* (self-censorship, the illusion of unanimity, direct pressure on dissenters)

Example – Challenger Launch Tragedy – there was a technical issue with the rocket, but they still launched it (all the astronauts were killed)

Reduce Groupthink – Nominal Group Technique

Step 1: A small group gathers around a table and receives instructions, problem is identified

Step 2: Participants privately write down ideas about solving the problem

Step 3: Each participant's ideas are presented, one at a time, and are written on chart

Step 4: Each idea is discussed, clarified and evaluated by group members

Step 5: Participants privately rank the ideas in order of their preference

Step 6: The highest ranking idea is taken as the group's decision

Intergroup Behaviour

Social Identity Theory and Self-Categorisation Theory:

- We divide people into ingroup members and outgroup members and use group prototypes
- *Depersonalisation* (self-stereotyping) – when self-categorised, we base our perceptions and behaviours on the group prototype, not our unique characteristics

Ingroup Favouritism – our tendency to favour ingroup members over outgroup members in evaluation and resource allocation

Outgroup Hostility – our tendency to exhibit hostility toward someone simply because they belong to a different group, especially in competitive environment (ie. a footy match)

Intergroup Contact Theory – positive contact with a member of another group (often a negatively stereotyped group) can reduce prejudice toward the whole group

Optimal Conditions of Contact:

- ✓ Equal status between the groups
- ✓ Common goals
- ✓ Focus on intergroup cooperation
- ✓ The support of authorities, law or custom

Lecture 7 – Leadership Excellence

Outline:

- Leadership Traits
- Leadership Categorisation Theory
- Identity-based Leadership
- Managerial Grid
- Situational Theory
- Leader-member Exchange
- Transformational Leadership
- Servant Leadership
- Ethical Leadership
- Destructive Leadership
- Narcissistic Leadership
- Abusive Supervision

Leadership Traits

There is a set of traits associated with being a good leader:

Distal Traits (basic, fundamental traits):

- Personality (eg. extraversion and agreeableness)
- Motives and Values
- Cognitive Abilities

Proximal attributes (individual differences):

- Social Appraisal Skills
- Problem Solving Skills
- Expertise/Tacit Knowledge

There might be biological and neurological processes that explain leadership emergence and effectiveness

Leadership Categorisation Theory – we categorise individuals with characteristics similar to the leader prototype as “leaders” and those with opposite characteristics as “non-leaders”

- In the West, the prototypical leader = White Male
 - Female/Asian leaders face the glass/bamboo ceiling (only being promoted to a certain extent)
- Prototypical leader behaviour = set of behaviours that we generally associated with being a leader:
 - Exercising great influence on their subordinates
 - Wanting their own way on issues at hand
 - Asking their subordinates to work harder
 - Talking to their subordinates frequently

Social Identity Theory of Leadership

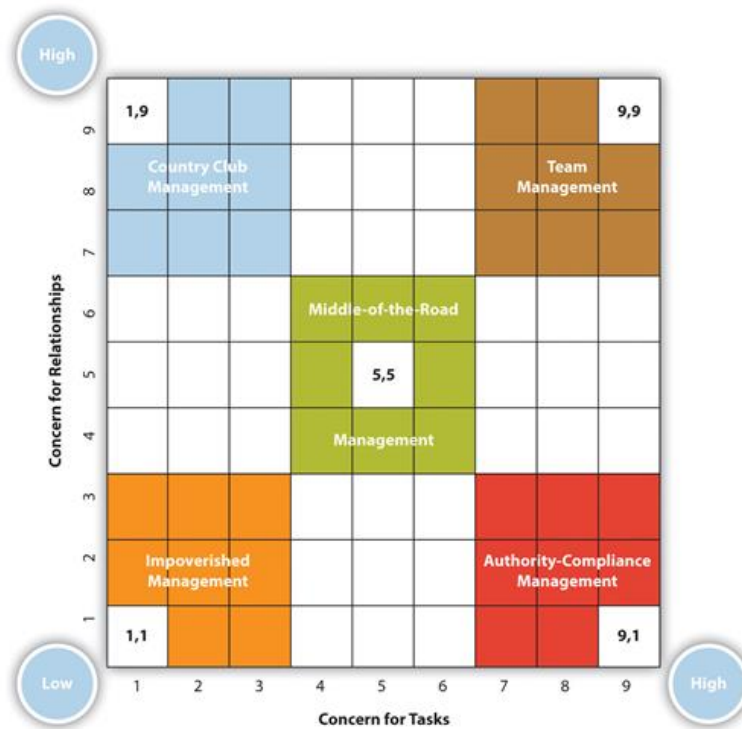
Group Prototype – the impression of individuals most representative of group values and behaviours

- Can be different of other’s stereotype of the group
 - **Example:** Australian people view Australians has being beachy and liking BBQ’s
 - The US perceives Australian people as hanging out with crocodiles and kangaroos
- Resembling group prototype benefits a leader:
 - ✓ Prototypical employees are more likely to be promoted as leaders
 - ✓ Prototypical leaders are perceived as more effective, suitable, charismatic and persuasive
 - ✓ Prototypical leaders are blamed less when the organisation is ineffective

Blake and Mouton’s Managerial Grid

An effective leader needs to balance two aspects of leadership:

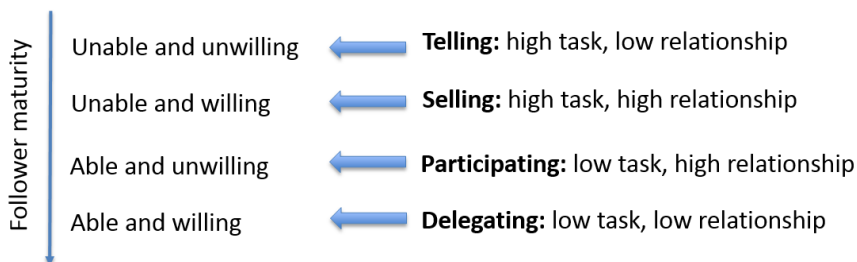
- **Concern for relationship** – emphasises interpersonal relationship quality
- **Concern for task** – emphasises the technical aspects of the job



- **Impoverished Management** – low concern for relationships and low concern for task
- **Country Club Management** – high concern for relationships and low concern for task
- **Middle of the Road Management** – medium concern for relationship and medium concern for task
- **Authority Compliance Management** – low concern for relationship and high concern for task
- **Team Management** – high concern for relationship and high concern for task

Hersey and Blanchard's Situational Theory of Leadership

A leader should use the appropriate approach based on a subordinate's readiness (ie. **ability** and **willingness** to accomplish a specific task)



Similar to Parenting Styles:

- **Babies** – parents **tell** you to eat, sleep
- **Primary School** – **selling** to you, we will go to the zoo if you are good
- **High School** – unwilling to work, you can work but have issues with your parents – they **participate** in discussion with you
- **Graduated Uni** – good job, love your parents, **delegate** – move out of the house

Leader-Member Exchange

Key Idea: Leadership occurs when leaders and followers are able to develop effective relationships/partnerships with effective influence and resource benefits

- Followers who experience high LMX tend to:
 - ✓ Receive higher performance rating from the leader
 - ✓ Experience higher satisfaction with the leader
 - ✓ Exhibit higher commitment to the organisation
 - ✓ Experience higher role clarity and less role conflict
 - ✓ Exhibit less turnover intentions and behaviour

Transformational Leadership – similar to charismatic leadership, visionary leadership, inspirational leadership

Five Key Dimensions:

1. **Idealised Influence Attributes** – leader traits that show confidence, power, purpose and ethics
2. **Idealised Influence Behaviours** – leader behaviours centred on values and a sense of mission
3. **Inspirational Motivation** – energising followers with an optimistic future and an idealised vision
4. **Intellectual Stimulation** – appealing to a follower's sense of logic to solve difficult problems creatively
5. **Individualised Considerations** – supporting follower's individual needs and allowing them to self-actualise

Example: A football coach motivating his team before the game, describing a vision in an inspirational way

Servant Leadership – a leadership approach that focuses on making positive impacts in the follower's growth and well-being

- Genuine servanthood from the heart
- Focuses more on followers than on organisations

Key Dimensions (don't need to memorise):

- Altruism – consider other's needs and interests
- Authenticity – not defensive when confronted
- Intimacy – treats followers as equal partners
- Morality – takes a resolute stand on moral principles
- Spirituality – helps followers identify a clear purpose
- Transformation – remove obstacles of follower growth

Example: Coach Carter, changing the lives of the basketball team (they all came from rough neighbourhoods)

Ethical Leadership – the ethical dimension of the leading process – right versus wrong, moral versus immoral

Moral Person:

- Honest and trustworthy
- Fair, principles and socially responsible decision makers
- Generally behave ethically in personal and professional lives

Moral Manager:

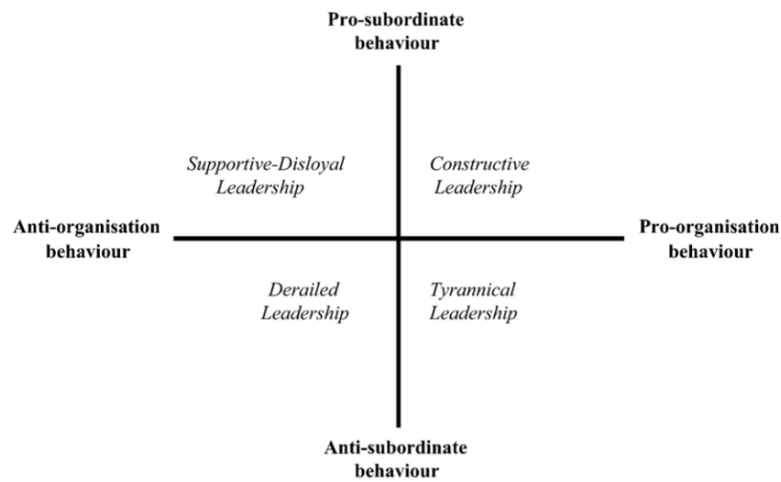
- Communicates messages on ethics and values
- Visibly and intentionally role model ethical behaviour
- Manage followers ethical behaviour with rewards and discipline

Destructive Leadership – similar to aversive leadership, intolerable bosses, petty tyrants, derailed leaders, psychopaths, harassing leaders

- The systematic and repeated leader behaviours that:
 - ✗ Violate the legitimate interest of the organisation
 - ✗ Undermine the organisation's goals, tasks and resources
 - ✗ Sabotage subordinates effectiveness, motivation and well-being

Prevalence of Destructive Leadership:

- Tyrannical Leadership
- Supportive-disloyal leadership
- Derailed leadership
- Laissez-faire leadership



Consequences of Destructive Leadership:

- ✖ Organisation-related outcomes:
 - Increased counterproductive behaviour and turnover
 - Reduced organisational justice and perception
- ✖ Leader-related outcomes:
 - Increased resistance towards leader
 - Reduced trust towards leader
- ✖ Follower-related outcomes:
 - Increased stress and negative emotions
 - Reduced well-being, satisfaction and commitment

Narcissistic Leadership – a leader whose actions are principally motivated by their own egomaniacal needs and beliefs, superseding the needs and interests of the constituents and institutions they lead

- ✖ Related to narcissistic personality disorder, grandiosity, arrogance, self-absorption, entitlement, fragile self-esteem and hostility
- ✖ Might be effective with certain followers in a particular context (eg. Mr Trump)
- ✖ Leads to enhanced self-rating of leadership but reduced other-rating of leadership

Abusive Supervision – the extent to which supervisors engage in the sustained display of hostile verbal and nonverbal behaviours, excluding physical contact

- Subordinates who experience abusive supervision tend to exhibit:
 - ✖ Voluntary turnover
 - ✖ Low job satisfaction and life satisfaction
 - ✖ Low normative and affective commitment
 - ✖ Higher continuance commitment
 - ✖ Lower Organisational Citizenship Behaviour

Lecture 8 – Business Ethics

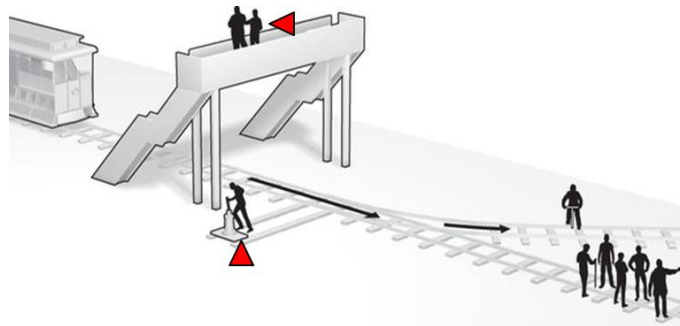
Outline:

- Ethical Dilemma
- Universal Ethical Values
- Moral Development Stages
- Ethical Philosophy
- Moral Intuition
- Moral Emotions
- Necessary Evil
- Moral Disengagement

Ethics – a particular type of social value, that refers to how humans cooperate and coordinate their activities in the service of furthering human welfare, and how they adjudicate conflicts among individual interests (Social System)

Ethical Dilemma – is a moral dilemma where you need to choose one from two or more actions that have moral implications

- Moral/ethical dilemmas help us understand the ethical decision process
- Two classical ethical dilemmas:



Scenario 1 – you can pull the level and the train would then kill 1 person rather than 5 (easier to make the decision to pull the switch)

Scenario 2 – you can push the person off the bridge to save the 5 people (people find it harder to decide here even though the situation is practically the same)

Universal Ethical Values – there is a set of ethical values that can be found across different countries and cultures

Lecture Illustration – What is your price?

- There will be a series of behaviours, have to write down the minimum price you will be paid to engage in the behaviour
- If you think you won't engage in the behaviour, no matter how much money is offered, write down \$999,999,999,999

Scenario 1:

- 1A: stick a pin into your hand
- 2A: accept a plasma TV that a friend of yours wants to give you – you know your friend got the TV by mistake at no charge
- 3A: say something slightly bad about your nation while calling in anonymously to a talk show radio in your nation
- 4A: slap a friend in the face (with permission) as part of a comedy skit
- 5A: attend a performance art piece in which actors act like idiots for 30min, failing to solve problems and falling over

Scenario 2:

- 1b: stick a pin into the palm of a child you don't know

- 2b: accept a plasma TV that a friend of yours wants to give you – your friend bought it a year ago from a thief who stole it from a wealthy family
- 3b: say something slightly bad about your nation while calling in anonymously to a talk radio show in a foreign nation
- 4b: slap your father in the face (with permission) as part of a comedy skit
- 5b: attend a performance art piece in which the actors act like animals, crawl around naked and urinate
- ★ Calculate difference in scores (B-A)
- ★ Most asked for more money in the B behaviours as these scenarios violate ethical principles

Five ethical values that are universal in human societies:

1. Harm/care
2. Fairness/reciprocity
3. Ingroup/loyalty
4. Authority/respect
5. Purity/sanctity

Moral Development Stages

- The logic and reasoning used to decide what's the right thing to do in a moral situation
- Developed by Lawrence Kohlberg who studied the moral reasoning of young children over time
- Our moral reasoning ability develops through six stages as we grow into adults

Stage 1 – Heteronomous Morality: avoiding physical damage to a person's property and avoiding punishment associated with breaking the rules (Kids being told "no")

Stage 2 – Instrumental Morality: serving one's own needs and interests and being fair and engaging in equal exchange of benefits with others (Kids a little older, they will get a play station if they are good)

Stage 3 – Relationship focused Morality: living up to the expectation of others and maintaining quality social relationships (eg. trust, loyalty, respect, gratitude) (in high school, what are peers doing, rely on them)

Stage 4 – Social System Conscience: maintaining existing social institutions (eg. the legal system, the economic system) and fulfilling ones social duties as a good citizen

Stage 5 – Social Contract and Individual Rights: promoting the greatest good for the greatest number and protecting basic human rights (eg. sanctity of life, free will and liberty) (volunteering in Africa)

Stage 6 – Universal Ethical Principles: following self-chosen ethical principles (eg. justice, equality) and violating laws and social norms when necessary (superhero stage)

Moral/Ethical Philosophy

- **Consequentialism** – the ethicality of behaviour lies in its **consequences**, worse consequences = more unethical
- **Deontology** – the ethicality of a behaviour lies in its **consistency** with a set of established **rules**, regardless of its consequences (eg. traffic rules)
- **Kantian ethics** – the ethicality of a behaviour lies in the **intention** behind the behaviour, and only acts done with the right intent are moral (adapted in the legal system)

Moral Intuition Hypothesis – we feel strong emotions (eg. disgust, anger) in certain moral situations and reach a moral judgement **intuitively** and then we engage in rational and logical analyses to provide

- Feelings and emotions can influence moral judgement
- **Examples:** When asked if they would eat a dog, many people would say no, likewise if they had to clean the toilet with the Australian flag – emotions at play, then we try and rationalise
- Research has found that people make more harsh moral judgements when:

- They are hypnotised with feelings of disgust
- There is a slight bad/disgusting smell in the environment
- They have watched a disgust-inducing video

Moral Emotions – the emotions linked to the interests or welfare of society as a whole or at least persons other than the judge or agent

- **Guilt and Shame:**
 - **Guilt** is more associated with a **specific behaviour** that failed morally, whereas **shame** is more associated with one's overall **identity** that failed morally
 - Guilt leads to remorse and other-oriented empathy and increase confession, apology and correct behaviour
 - Shame leads to self-orientated distress and increases denial and escape
- **Vicarious Guilt and Shame** – feelings experienced in response to the transgressions and failures of social others
 - If there are Australians acting stupid in France on holiday, you feel responsible to rectify their behaviour
 - The German prime minister showed remorse for Nazi's devastation of Poland

Moral Pride

- Pride – an emotion generated by appraisals, that one is responsible for a social valued outcome or for being a social valued person
- **Moral Pride** – pride associated with meeting or exceeding moral standards
 - **Alpha Moral Pride:** pride in one's moral self
 - Can be maladaptive, distorting and inventing situations to enhance the self, which can lead to interpersonal problems
 - **Example:** you go around telling people you donated to a charity, "I'm so good, everyone should be like me"
 - **Beta Moral Pride:** pride in a specific moral behaviour
 - Adaptive, self-regulating and consistently engaging in moral behaviours
 - **Example:** you tell people you donated but it doesn't make you better than others, "I should continue to donate to be a good person"

Embarrassment – an aversive state of mortification, abashment and chagrin that follows public social predicaments

Common Causes:

- Situations where a person behaves in a clumsy, absentminded or hapless way
- Awkward social interactions and being conspicuous
- Generally something is amiss, some aspect of the self or behaviour need to be changed

Moral Elevation – a positive emotion elicited when **observing** others behaving in a particularly virtuous, commendable or superhuman way

- Warm, pleasant
- "tingling" feeling in the chest
- Open to others
- Wanting to help others
- **Example:** Schindler's List

Necessary Evil – tasks in which a person must knowingly and intentionally cause emotional or physical harm to another human being in the service of achieving some perceived greater good or purpose (component of certain jobs, ie. police officer, chief examiner)

Common necessary evil for managers and executives:

- ✗ Laying off employees
- ✗ Firing people
- ✗ Disciplining others
- ✗ Terminating contracts
- ✗ Delivering negative performance reviews

Moral Disengagement – a set of psychological and social mechanisms that disengage self-sanctions from unethical conduct (to make it easier to engage in necessary evil)

- Individuals who score higher on the moral disengagement scale (those who are better at utilising moral disengagement mechanisms):
 - ✗ Are more likely to engage in unethical behaviours
 - ✗ Experience less emotional stress after engaging in harmful behaviours
 - ✗ Might be more likely to be promoted in organisations

Moral Justification – detrimental conduct is made personally and socially acceptable by portraying it as serving socially worthy or moral purposes

- **Example:** the US sending army overseas to ‘protect worldpeace’, police officers being rough with criminals

Euphemistic Labelling – use euphemistic language to make harmful conduct respectable and to reduce responsibility for it:

- Serving the target rather than bomb them!
- Career alternative enhancement opportunity rather than you are fired!
- A different version of the truth rather than a lie!
- Atmospheric deposition of anthropologically derived substances rather than acid rain!

Disregard Consequences – when people pursue activities that are harmful to others for reasons of personal gain or social pressure, they avoid facing the harm they cause, or minimise it (sweatshops for sports clothing)

Dehumanisation – stripping the target of human qualities (with feelings and hopes) because perceiving a person as having common humanity activates empathy, which makes it difficult to mistreat them (Hitler described the Jews as vermin)

Attribution of Blame – after hurting others, people tend to blame the victims for bringing suffering on themselves (“they started this”)

Diffusion of Responsibility – sometimes a social arrangement is set up so that the personal agency, in engaging in detrimental behaviour, is obscured by diffusing responsibility among multiple individuals (the death penalty, multiple police officers are present to push the button, so in their mind they don’t know who killed the person)

Lecture 9 – Negotiation

Outline:

- Basic Concepts
- Issue Structure
- Target Point
- BATNA
- Resistance Point
- Bargaining Zone
- Negotiation Techniques
 - Aggressive opening offer
 - Ask for more concession
 - Share information
- Common negotiation traps
- Third party intervention

Negotiation – a process in which two or more people exchange goods or services and attempt to agree upon the exchange rate for them

Negotiation Issue – the items/contents included in the negotiation process

Issue Positions – the possible options for the negotiation issue

Preference – a negotiator's utility associated with each issue position

Negotiation Issue Structure – the interrelationship between one negotiator's preference and the other party's preference

- **Distributive Issue** – two negotiation parties' preferences are exactly opposite to each other (the joint outcome is fixed – each option = 14 points, what one party gains the other loses)

Price	Buyer pref	Seller pref
\$100	10	4
\$200	8	6
\$300	6	8
\$400	4	10

- **Integrative Issue** – two negotiation parties' preferences over two different issues complement each other
- Party A values issue 1 more than issue 2, whereas Party B values issue 2 more than issue 1
 - The two parties can "trade off" to reach a win-win solution (ie. max joint gain)
 - In the example, the boss prefers bonuses whereas the worker values holidays (win-win outcome = 22)

Bonus	Boss pref	Worker pref	Holiday	Boss pref	Worker pref
\$50	10	1	2 days	3	6
\$100	8	2	4 days	2	8
\$150	6	3	6 days	1	10

- **Identical Issue** – two negotiation parties' preferences are identical to each other

Job location	Manager pref	Worker pref
New York	10	10
Seattle	8	8
Miami	6	6
Hawaii	4	4

Negotiation Game Plan

Once you have identified the negotiation issues, positions and clarified your preference, you need to further prepare a negotiation game plan:

Target Point – refers to the specific results you would like to achieve through the negotiation

- The more specific your target point is the better
- Also referred to as "target price"

BATNA (Best Alternative To a Negotiated Agreement):

- Improve BATNA to increase bargaining power
- Communicate to opponent that you have good BATNAs

Scenario 1

McKinsey&Company

THE BOSTON CONSULTING GROUP

\$96K

\$?K

In scenario 1, you might mention the McKenzie's deal in your negotiation

Scenario 2



THE BOSTON CONSULTING GROUP

\$33K

\$?K

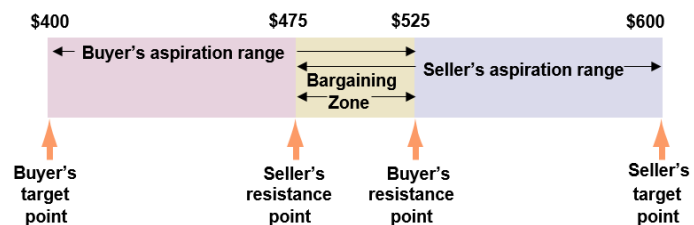
In scenario 2, you probably wouldn't talk about McDonalds

Resistance Point – the point where you would rather walk away than accept the conditions from the other party

- Also referred to as the “reservation price”

Bargaining Zone – the difference between the two parties' resistance points, can be positive or negative

In this example the bargaining zone is positive



Negotiation Techniques

Make an aggressive first offer:

- Final agreements are more strongly influenced by initial offers than by subsequent concessionary behaviour
- **Anchoring Effect** – aggressive first offer provides an anchor, and the other party tend to adjust insufficiently from the anchor
- *How aggressive?*
 - Make a prediction of the other party's resistance point, make it your target point
 - The opening offer should be more aggressive than your target point
 - If going too far, the other party will leave the table

Ask for and give concessions:

- Always ask for more concessions (ie. in the dental video: asked for no nurse, no injections, less time)
- Give concessions with rationales
- Give small concessions when approaching your goal

Cooperation and information sharing:

- Negotiators with a prosocial (cooperative versus egoistic) motive engage in more problem solving and integrative outcomes
- Negotiators who are encouraged to process information accurately are more likely to benefit from the integrative negotiation issues
- *How much info to share?*
 - Enough for the negotiation parties to explore integrative potential and create more value
 - Not too much that the other party would use the information against you to claim more value

Negotiation Traps

Fixed Pie Perception – a common misbelief that the preferences of the negotiating parties are always completely opposite

Reactive Devaluation – devaluing an offer simply because it is proposed by an antagonist (ie. if you have a negative attitude towards someone)

- An article was more valued when they thought an American President wrote it, rather than the Russians
- In professional negotiations, don't let emotions get in the way (evaluate objectively)

Agreement Bias – settling for terms that are worse than your BATNA

- After investing a lot of time and effort into a negotiation, people feel obliged to reach an agreement

Winner's Curse (settling for too little) – after the negotiation, the slight bitter after taste that you might have gotten a better deal if you made a more aggressive offer

Hubris – walking away from the table when the other party's offer is better than your BATNA

- Irrational, but people enjoy voicing their irritation/anger
- Rejecting the offer because they are angry

Lose-Lose Negotiation – fail to reach Pareto efficiency and leave money on the table

- Can be avoided by encouraging the two parties to share more information and be more cooperative

Third Party Conflict Resolution

Facilitator – generally acquainted with both parties, working with both sides to reach an agreement

Conciliator – trusted third party who provides an informal communication link between the negotiator and the opponent

- Informal link (filters out negative communication)
- Used extensively in international, labour, family and community disputes
- Fact find, interpret messages, persuade disputants to develop agreements
- Used when parties are hostile to each-other

Ombudsperson – an impartial party, widely respected and trusted

Peer Review – A panel of peers who have been put together to hear both sides of the issue from the parties involved and to recommend a solution

Mediator – a neutral third party who facilitates a negotiated solution by using reasoning, persuasion and suggestions for alternatives:

- Participants must be motivated to bargain and settle
- Best under moderate levels of conflict
- Mediator must appear neutral and non-coercive
- **Example:** In the Honeymoon negotiation, there is a third party who has no power to make the decision for the couple, but they discuss with both parties simultaneously and try to propose advice and suggestions that could help the couple come up with a solution that would satisfy the needs of both parties

Arbitrator – has the authority to dictate an agreement

- Voluntary (requested) or compulsory (imposed by law or contract)
- Always results in settlement
- May result in further conflict
- **Example:** In the Honeymoon negotiation, the third party has the power to make a final decision for the couple, the third party speaks with each party separately and listens to rationales as to why the couple should go to the destination that the party prefers. After the third party has listened they make the decision

Lecture 10 – Advanced Negotiation

Outline:

- Lies in Negotiations
- Multi-party Negotiations
- Coalition

Lies in Negotiations:

- Negotiations lie for various reasons
- Profit making
- Face saving/desperation
- Desire to avoid hurting other's feelings (white lies)

But you shouldn't lie!

- Read contracts carefully before signing
- Consult with your lawyer

Cue	Commonly Believed to Indicate Lying	Is there data to support a relationship?
Facial Movements	Yes	No
Speech Hesitation	Yes	Yes
Changes in Pitch	Yes	Yes
Speech Errors	Yes	Yes
Speech Rate	Yes	No
Response Length	No	Yes (short for liars)
Blinking	(no data)	Yes (more for liars)
Pupil Dilation	(no data)	Yes
Touching self	No	Yes
Postural Shifts	Yes	No
Gaze	Yes	No

Multi-party Negotiations – There are challenges of multi-party negotiations:

- ✗ Greatly increased information
- ✗ Complex interpersonal processes (eg. hidden agendas, possibility of coalitions)
- ✗ The more parties, the more fragile the deal

Coalition

Two or more parties who:

- ✓ Agree to cooperate to achieve some mutually desirable goal
- ✓ Make an explicit agreement without dividing the reward

The risk of forming a coalition:

- ✗ The initiator may be seen to communicate weakness to whomever they approach
- ✗ Cutting some parties out gives the remaining parties more power to influence the deal
- ✗ Irritate powerful parties

To form a coalition:

- Identify “core” players and less reliable peripheries
- Know each other’s alternatives to joining
- Approach one member at a time
- Use persuasion primarily
- Know and make salient the costs of not joining

To prevent/break a coalition against you:

- Control negotiating process (eg. management negotiates with each union separately) – negotiate one on one rather than with the whole coalition group
- Divide and conquer (capitalise on philosophical or strategic differences among the parties within the coalition)
- Offer to buy out coalition members