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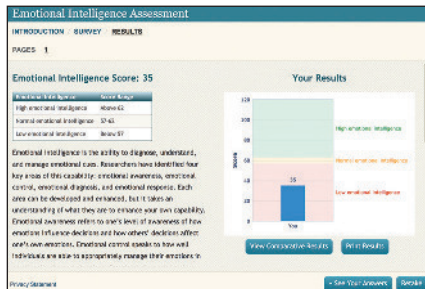
# Fundamentals of Management

ELEVENTH EDITION

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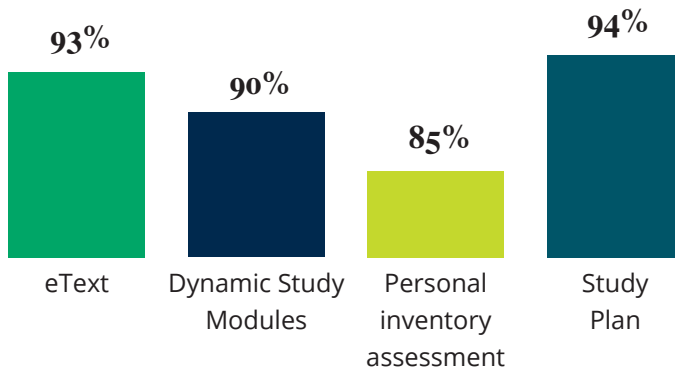
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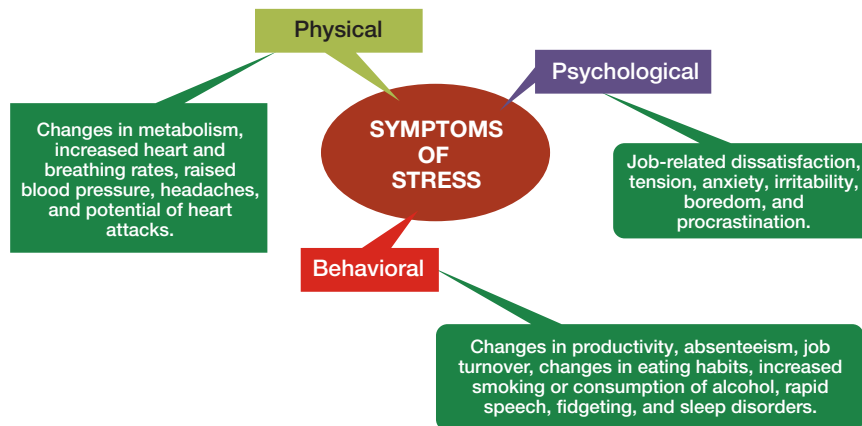
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For **potential stress** to become **actual stress**: • there is uncertainty over the outcome and • the outcome is important.

- How do you know when you're stressed? See the symptoms listed in Exhibit 5-3.

Exhibit 5-3 Symptoms of Stress



Too much stress can also have tragic consequences. In Japan, there's a stress phenomenon called **karoshi** (pronounced kah-roe-she), which is translated as death from overwork. To combat this problem, companies in Japan are trying creative ways to encourage their employees from working too many hours.<sup>27</sup>

**karoshi**

A Japanese term that refers to a sudden death caused by overworking

## 2

## What Causes Stress? **Stressors**

### Job-related factors:

- Examples: Pressures to avoid errors or complete tasks in a limited time period; changes in the way reports are filed; a demanding supervisor; unpleasant coworkers

**1 Task demands:** Stress due to an employee's job—job design (autonomy, task variety, degree of automation); working conditions (temperature, noise, etc.); physical work layout (overcrowded or in visible location with constant interruptions); work quotas, especially when excessive;<sup>29</sup> high level of task interdependence with others.

**2 Role demands:** Stress due to employee's particular role.

- **Role conflicts:** expectations that may be hard to reconcile or satisfy.
- **Role overload:** created when employee is expected to do more than time permits.
- **Role ambiguity:** created when role expectations are not clearly understood—employee not sure what he or she is to do.

**Two-thirds** of Millennials are stressed at work more or all the time.<sup>28</sup>

**stressors**

Factors that cause stress

**role conflicts**

Work expectations that are hard to satisfy

**role overload**

Having more work to accomplish than time permits

**role ambiguity**

When role expectations are not clearly understood

- 3 **Interpersonal demands:** Stress due to other employees—little or no social support from colleagues; poor interpersonal relationships.
- 4 **Organization structure:** Stress due to excessive rules; no opportunity to participate in decisions that affect an employee.
- 5 **Organizational leadership:** Stress due to managers' supervisory style in a culture of tension, fear, anxiety, unrealistic pressures to perform in the short run, excessively tight controls, and routine firing of employees who don't measure up.

## Personal factors:

Life demands, constraints, opportunities of any kind

### 1 Family issues, personal economic problems, and so forth.

- Can't just ignore! Managers need to be understanding of these personal factors.<sup>30</sup>

### 2 Employees' personalities—Type A or Type B.

- **Type A personality**—chronic sense of time urgency, excessive competitive drive, and difficulty accepting and enjoying leisure time; more likely to show symptoms of stress.
- **Type B personality**—little to no sense of time urgency or impatience.
- Stress comes from the hostility and anger associated with Type A behavior. Surprisingly, though, Type Bs are just as susceptible.



#### Type A personality

People who have a chronic sense of urgency and an excessive competitive drive

#### Type B personality

People who are relaxed and easygoing and accept change easily

Beyond Fotomedia GmbH/Alamy

# How Can Stress Be Managed?

## 1 General guidelines:

- Stress can never be totally eliminated!
- Not all stress is dysfunctional.
- Reduce dysfunctional stress by controlling job-related factors and offering help for personal stress.

## 2 Job-related factors:

- **Employee selection**—provide a realistic job preview and make sure an employee's abilities match the job requirements.
- **On-the-job**—improve organizational communications to minimize ambiguity; use a performance planning program such as MBO to clarify job responsibilities, provide clear performance goals, and reduce ambiguity through feedback; redesign job, if possible, especially if stress can be traced to boredom (increase challenge) or to work overload (reduce the workload); allow employees to participate in decisions and to gain social support, which also lessens stress.<sup>31</sup>

## 3 Personal factors:

- Not easy for manager to control directly
- Ethical considerations



1bestofphoto/Alamy

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Does a manager have the **right to intrude** —even subtly—  
**in an employee's personal life?**

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- If the manager believes it's ethical and the employee is receptive, consider employee assistance and wellness programs,<sup>32</sup> which are designed to assist employees in areas where they might be having difficulties (financial planning, legal matters, health, fitness, or stress).<sup>33</sup>
- **Employee assistance programs (EAPs)**<sup>34</sup>—the goal is to get a productive employee back on the job as quickly as possible.
- **Wellness programs**—the goal is to keep employees healthy and well, in all life areas.



Samantha Craddock/Alamy

### employee assistance programs (EAPs)

Programs offered by organizations to help employees overcome personal and health-related problems

### wellness programs

Programs offered by organizations to help employees prevent health problems



## Exhibit 5–4 Techniques for Reducing Resistance to Change

TECHNIQUE	WHEN USED	ADVANTAGE	DISADVANTAGE
Education and communication	When resistance is due to misinformation	Clear up misunderstandings	May not work when mutual trust and credibility are lacking
Participation	When resisters have the expertise to make a contribution	Increase involvement and acceptance	Time-consuming; has potential for a poor solution
Facilitation and support	When resisters are fearful and anxiety-ridden	Can facilitate needed adjustments	Expensive; no guarantee of success
Negotiation	When resistance comes from a powerful group	Can “buy” commitment	Potentially high cost; opens doors for others to apply pressure too
Manipulation and co-optation	When a powerful group’s endorsement is needed	Inexpensive, easy way to gain support	Can backfire, causing change agent to lose credibility
Coercion	When a powerful group’s endorsement is needed	Inexpensive, easy way to gain support	May be illegal; may undermine change agent’s credibility

When managers see resistance to change as dysfunctional, what can they do? Several strategies have been suggested in dealing with resistance to change. These approaches include education and communication, participation, facilitation and support, negotiation, manipulation and co-optation, and coercion. These tactics are summarized here and described in Exhibit 5–4. Managers should view these techniques as tools and use the most appropriate one depending on the type and source of the resistance.

- *Education and communication* can help reduce resistance to change by helping employees see the logic of the change effort. This technique, of course, assumes that much of the resistance lies in misinformation or poor communication.
- *Participation* involves bringing those individuals directly affected by the proposed change into the decision-making process. Their participation allows these individuals to express their feelings, increase the quality of the process, and increase employee commitment to the final decision.
- *Facilitation and support* involve helping employees deal with the fear and anxiety associated with the change effort. This help may include employee counseling, therapy, new skills training, or a short paid leave of absence.
- *Negotiation* involves exchanging something of value for an agreement to lessen the resistance to the change effort. This resistance technique may be quite useful when the resistance comes from a powerful source.
- *Manipulation and co-optation* refer to covert attempts to influence others about the change. They may involve twisting or distorting facts to make the change appear more attractive.
- *Coercion* involves the use of direct threats or force against those resisting the change.

## How Can Managers Encourage Innovation in an Organization?

**5-4** Discuss techniques for stimulating innovation.

“Innovation is the **key to continued** success.”

“We innovate today to **secure the future**.”

These two quotes (the first by Ajay Banga, the CEO of MasterCard, and the second by Sophie Vandebroek, former chief technology officer of Xerox Innovation Group) reflect how important innovation is to organizations.<sup>35</sup> **SUCCESS IN BUSINESS TODAY DEMANDS INNOVATION.** In the dynamic, chaotic world of global competition, organizations must create new products and services and adopt state-of-the-art technology if they’re going to compete successfully.<sup>36</sup>

What companies come to mind when you think of successful innovators? Maybe Apple with all its cool work and entertainment gadgets. Maybe Tesla with its cars, rockets, and Hyperloop. Maybe Amazon for innovatively expanding its reach into different industry sectors. Or even maybe Square, for its mobile payments and products that serve households that are “unbanked” or “underbanked.” What’s the secret to the success of these innovator champions?<sup>37</sup> What can other managers do to make their organizations more innovative? In the following pages, we’ll try to answer those questions as we discuss the factors behind innovation.

### creativity

The ability to produce novel and useful ideas

### innovation

The process of taking a creative idea and turning it into a useful product, service, or method of operation

## How Are Creativity and Innovation Related?

- **Creativity** refers to the ability to combine ideas in a unique way or to make unusual associations between ideas.<sup>38</sup> A creative organization develops unique ways of working or novel solutions to problems. For instance, at Mattel, company officials introduced “Project Platypus,” a special group that brings people from all disciplines—engineering, marketing, design, and sales—and tries to get them to “think outside the box” in order to “understand the sociology and psychology behind children’s play patterns.” To help make this kind of thinking happen, team members embarked on such activities as imagination exercises, group crying, and stuffed-bunny throwing. What does throwing stuffed bunnies have to do with creativity? It’s part of a juggling lesson where team members tried to learn to juggle two balls and a stuffed bunny. Most people can easily learn to juggle two balls but can’t let go of that third object. Creativity, like juggling, is learning to let go—that is, to “throw the bunny.”<sup>39</sup> Creativity by itself isn’t enough, though.
- The outcomes of the creative process need to be turned into useful products or work methods, which is defined as **innovation**. Thus, the *innovative organization is characterized by its ability to channel creativity into useful outcomes*. When managers talk about changing an organization to make it more creative, they usually mean they want to stimulate and nurture innovation.

## What’s Involved in Innovation?

Some people believe that creativity is inborn; others believe that with training, anyone can be creative. The latter group views creativity as a fourfold process.<sup>40</sup>

1. *Perception* involves the way you see things. Being creative means seeing things from a unique perspective. One person may see solutions to a problem that others cannot or will not see at all. The movement from perception to reality, however, doesn’t occur instantaneously.
2. Instead, ideas go through a process of *incubation*. Sometimes employees need to sit on their ideas, which doesn’t mean sitting and doing nothing. Rather, during this incubation period, employees should collect massive amounts of data that are stored, retrieved, studied, reshaped, and finally molded into something new. During this period, it’s common for years to pass. Think for a moment about a time you struggled for an answer on a test. Although you tried hard to jog your memory, nothing worked. Then suddenly, like a flash of light, the answer popped into your head. You found it!
3. *Inspiration* in the creative process is similar. Inspiration is the moment when all your efforts successfully come together. Although inspiration leads to euphoria, the creative work isn’t complete. It requires an innovative effort.
4. *Innovation* involves taking that inspiration and turning it into a useful product, service, or way of doing things. Thomas Edison is often credited with saying that “Creativity is 1 percent inspiration and 99 percent perspiration.” That 99 percent, or the innovation, involves testing, evaluating, and retesting what the inspiration found. It’s usually at this stage that an individual involves others more in what he or she has been working on. Such involvement is critical because even the greatest invention may be delayed, or lost, if an individual cannot effectively deal with others in communicating and achieving what the creative idea is supposed to do.

Taco Bell is an innovative organization that channels employee creativity into new products such as the Naked Egg Taco, a breakfast item made with a shell sculpted from a fried egg and filled with potatoes, cheese, and meat. Before launching the new taco at its stores, Taco Bell hosted several “Bell and Breakfast” tasting events, such as the one shown here in New York City, to give guests the chance to try the Naked Egg.



Dia Dipasupi/Getty Images Entertainment/Getty Images



## Managing Technology in Today's Workplace



### HELPING INNOVATION FLOURISH

When employees are busy doing their regular job tasks, how can innovation ever flourish? When job performance is evaluated by what you get done, how you get it done, and when you get it done, how can innovation ever happen? This has been a real challenge facing organizations wanting to be more innovative. One solution has been to give employees mandated time to experiment with their own ideas on company-related projects.<sup>41</sup> For instance, Google has its “20% Time” initiative, which encourages employees to spend 20 percent of their time at work on projects not related to their job descriptions. Other companies—Facebook, Apple, LinkedIn, 3M, Hewlett-Packard, among others—have similar initiatives. Hmm... so having essentially one day a week to work on company-related ideas you have almost seems too good to be true. But, more importantly, does it really spark innovation? Well, it can. At Google, it led to the autocomplete system, Google News, Gmail, and AdSense. However, such “company” initiatives do face tremendous obstacles, despite how good they sound on paper. These challenges include:

- Strict employee monitoring in terms of time and resources leading to a reluctance to use this time since most employees have enough to do just keeping up with their regular tasks.
- When bonuses/incentives are based on goals achieved, employees soon figure out what to spend their time on.
- What happens to the ideas that employees do have?
- Unsupportive managers and coworkers who may view this as a “goof-around-for-free-day.”
- Obstacles in the corporate bureaucracy.

So, how can companies make it work? Suggestions include: top managers need to support the initiatives/projects and make that support known; managers need to support employees who have that personal passion and drive, that creative spark—clear a path for them to pursue their ideas; perhaps allow employees more of an incentive to innovate (rights to design, etc.); and last, but not least, don't institutionalize it. Creativity and innovation, by their very nature, involve risk and reward. Give creative individuals the space to try and to fail and to try and to fail as needed.

#### Discussion Questions:

- 3 What benefits do you see with such mandated experiment time for (a) organizations? (b) individuals?
- 4 What obstacles do these initiatives face and how can managers overcome those obstacles?

## How Can a Manager Foster Innovation?

The systems model (inputs → transformation process → outputs) can help us understand how organizations become more innovative.<sup>42</sup> If an organization wants innovative products and work methods (*outputs*), it has to take its *inputs* and *transform* them into those outputs. Those *inputs* include creative people and groups within the organization. But as we said earlier, having creative people isn't enough. The *transformation process* requires having the right environment to turn those inputs into innovative products or work methods. This “right” environment—that is, an environment that stimulates innovation—includes three variables: the organization's structure, culture, and human resource practices. (See Exhibit 5–5.)

**HOW DO STRUCTURAL VARIABLES AFFECT INNOVATION?** Research into the effect of structural variables on innovation shows five things.<sup>43</sup>

1. An organic-type structure positively influences innovation. Because this structure is highly adaptive and flexible, it facilitates the collaboration and sharing of ideas that are critical to innovation. (We'll look in more detail at organic organizations as a form of organizational structure in Chapter 7.)