

Chapter 1

Learning about Organizational Behavior

CHAPTER OVERVIEW

One theme of this book is to demonstrate the importance of organizational behavior to your own performance. You are or probably will be an employee of an organization—and in all likelihood of several organizations—during your career. You may eventually become a team leader, a manager, or an executive. Studying organizational behavior will help you attain the knowledge and competencies needed to perform effectively in all of these roles. The knowledge and competencies that you acquire will help you diagnose, understand, explain, and act on what is happening around you in your job.

LEARNING GOALS

Upon completion of this chapter, the students should be able to:

- State the core differences between leadership and management.
- Outline the framework for learning about organizational behavior.
- Describe the ethics competency and its contribution to effective performance.
- Describe the self competency and its contribution to effective performance.
- Describe the diversity competency and its contribution to effective performance.
- Describe the across cultures competency and its contribution to effective performance.
- Describe the communication competency and its contribution to effective performance.
- Describe the teams competency and its contribution to effective performance.
- Describe the change competency and its contribution to effective performance.

CHAPTER OUTLINE

- I. Learning Content
Learning from Experience: Indra Nooyi, Chairman and CEO, PepsiCo
- II. Leadership versus Management
- III. Learning Framework

- IV. Ethics Competency
Ethics Competency—Robert A. Eckert, Chairman & CEO, Mattel, Inc.
- V. Self Competency
Self Competency—Indra Nooyi's Development Journey
- VI. Diversity Competency
Diversity Competency—Aetna's Diverse Discoveries Program
- VII. Across Cultures Competency
Across Cultures Competency—Carlos Ghosn, CEO, Nissan-Renault
- VIII. Communication Competency
Communication Competency—Maureen Chiquet, Global CEO, Chanel, S.A.
- IX. Teams Competency
Teams Competency—Grant Reid, President, Mars Drinks
- X. Change Competency
Change Competency—Indra Nooyi Leads Change at PepsiCo
- XI. Chapter Summary
- XII. Experiential Exercise and Case
Experiential Exercise: Self Competency—Key Competencies Self-Assessment Inventory
Case: Diversity Competency—Accenture's Work-Life Balance Programs

KEY TERMS AND CONCEPTS

Twenty-seven terms and concepts are developed in Chapter 1. The key terms and concepts, along with definitions or appropriate descriptions, are as follows:

Across cultures competency: includes the knowledge, skills, and abilities to recognize and embrace similarities and differences among nations and cultures.

Active listening: the process of integrating information and emotions in a search for shared meaning and understanding.

Career: a sequence of work-related positions occupied by a person during a lifetime.

Career development: involves making decisions about an occupation and engaging in activities

to attain career goals.

Career plan: the individual's choice of occupation, organization, and career path.

Change competency: the knowledge, skills, and abilities to recognize and implement needed adaptations or entirely new transformations in the people, tasks, strategies, structures, or technologies.

Communication competency: includes the knowledge, skills, and abilities to use all the modes of transmitting, understanding, and receiving ideas, thoughts, and feelings—verbal, listening, nonverbal, and written—for accurately transferring and exchanging information.

Competency: an interrelated cluster of knowledge, skills, and abilities needed by an individual, team or organization for effective performance.

Cultural values: those deeply held beliefs that specify general preferences and behaviors, and define what is right and wrong.

Culture: the dominant pattern of living, thinking, and believing that is developed and transmitted by people, consciously or unconsciously, to subsequent generations.

Describing skill: identifying concrete, specific examples of behavior and its effects.

Diversity competency: includes the knowledge, skills, and abilities to value unique individual and group characteristics, embrace such characteristics as potential sources of strength, and appreciate the uniqueness of each.

Empathizing skill: detecting and understanding another person's values, motives, and emotions.

Ethical dilemma: occurs when an individual or team must make a decision that involves multiple values.

Ethics: the values and principles that distinguish right from wrong.

Ethics competency: includes the knowledge, skills, and abilities to incorporate values and principles that distinguish right from wrong in making decisions and choosing behaviors.

Global mindset: viewing the environment from a worldwide perspective, always looking for unexpected trends that may create threats or opportunities for a unit or an entire organization.

Leader: a person who exhibits the key attributes of leadership—ideas, vision, values, influencing others, and making tough decisions.

Leadership: the process of developing ideas and a vision, living by values that support those ideas and that vision, influencing others to embrace them in their own behaviors, and making

hard decisions about human and other resources.

Manager: directs, controls, and plans the work of others and is responsible for results.

Nonverbal communication: facial expressions, body movements, physical contact, and symbols that are often used to send messages.

Organizational behavior: the study of individuals and groups within an organizational context, and the study of internal processes and practices as they influence the effectiveness of individuals, teams, and organizations.

Questioning skill: the ability to ask for information and opinions in a way that gets relevant, honest, and appropriate responses.

Self competency: includes the knowledge, skills, and abilities to assess your own strengths and weaknesses, set and pursue professional and personal goals, balance work and personal life, and engage in new learning.

Teams competency: includes the knowledge, skills, and abilities to develop, support, facilitate, or lead groups to achieve organizational goals.

Verbal communication: presenting ideas, information and emotions to others, either one-to-one, between teams, or between organizations.

Written communication: the ability to transfer data, information, ideas, and emotions by means of reports, letters, memos, notes, and e-mail.

LECTURE NOTES

Organizational Behavior

CHAPTER 1: POWER POINT 1.0 Learning about Organizational Behavior

I. LEARNING CONTENT

In the first section of this chapter, we introduce the elements of leadership versus

management. Our general learning framework for achieving effective performance by individuals, teams, and organizations is presented next. In the remaining sections of this chapter, we explain each of the seven key competencies that are woven into the chapters throughout the book. The chapter material is developed around the following learning goals (see Power Point 1.1):

- A. State the core differences between leadership and management.
- B. Outline the framework for learning about organizational behavior.
- C. Describe the ethics competency and its contribution to effective performance.
- D. Describe the self competency and its contribution to effective performance.
- E. Describe the diversity competency and its contribution to effective performance.
- F. Describe the across cultures competency and its contribution to effective performance.
- G. Describe the communication competency and its contribution to effective performance.
- H. Describe the teams competency and its contribution to effective performance.
- I. Describe the change competency and its contribution to effective performance.

<p>CHAPTER 1: POWER POINT 1.1 Learning Goals for Chapter 1</p>
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J. ***Learning from Experience:*** Indra Nooyi, Chairman and CEO, PepsiCo (see Power Point 1.2).

<p>CHAPTER 1: POWER POINT 1.2</p>
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Learning from Experience: Indra Nooyi, Chairman and CEO, Pepsi Co.

Learning Insights

- Start with positive intent and assumptions when communicating with others.
- Listen with an open mind.
- Importance of a shared vision.

K. **Organizational behavior** is the study of individuals and groups within an organizational context, and the study of internal processes and practices as they influence the effectiveness of individuals, teams, and organizations (see Power Point 1.3).

1. It does this by taking a system approach.
2. Organizational behavior strives to understand and improve people-organization relationships in terms of the individual, team, organization, and broader social system.

CHAPTER 1: POWER POINT 1.3
Organizational Behavior

II. LEADERSHIP VERSUS MANAGEMENT

INSTRUCTOR'S NOTES: _____

A. Learning goal: State the core differences between leadership and management.

B. Basic Definitions

1. **Leadership** is the process of developing ideas and a vision, living by values that support those ideas and that vision, influencing others to embrace them in their own behaviors, and making hard decisions about human and other resources.
2. A **leader** is a person who exhibits the key attributes of leadership—ideas, vision, values, influencing others, and making tough decisions.
3. A **manager** directs, controls, and plans the work of others and is responsible for results.

CHAPTER 1: POWER POINT 1.4
Leadership and Management

4. Effective managers in organizations usually accept three key functions in their roles (see Power Point 1.5):
 - a. *Authority*: the right to make decisions.
 - b. *Responsibility*: assignment for achieving a goal.
 - c. *Accountability*: acceptance of success or failure.

CHAPTER 1: POWER POINT 1.5
Key Functions of Leaders and Managers

5. Table 1.1 provides an overview of the differences between the essentials of contemporary leadership and management (see Power Points 1.6, 1.7, and 1.8).

CHAPTER 1: POWER POINT 1.6
Table 1.1: Leadership and Management: A Comparison

CHAPTER 1: POWER POINT 1.7
Table 1.1: Leadership and Management: A Comparison

(Continued)

CHAPTER 1: POWER POINT 1.8
Table 1.1: Leadership and Management: A Comparison
(Continued)

ENRICHMENT MODULE

Leadership: You Must Have Engaged Employees--And It's Not That Hard

Research done by my consulting firm, Louis Allen Worldwide, shows that even if managers don't take specific actions to increase the level of engagement their people feel, they still can have a dramatic effect on it simply by being engaged themselves. That's right: Engaged managers lead directly to engaged employees.

It's obvious when you think about it. If a manager is enthusiastic about what he or she does, expresses genuine belief in the company and its direction and is working hard as a result, his or her direct reports will likely respond in kind. This is an example of how "role modeling," one of the fundamental tools of an effective leader, works in practice.

A caveat: This approach will not work if any of five "engagement killers" exists in your organization: (1) a lack of trust in management, (2) a feeling that compensation isn't fair, (3) a belief that career opportunities are controlled by politics, (4) a belief that the organization doesn't have the wherewithal to be successful and, most significantly, (5) poor manager-subordinate relationships.

So what should you do? Get your senior management team together and talk about what's great about your business and your organization. What's great about its history? What's great about its current situation? Most important, what's great about what it's trying to do now? Why is what the company is trying to achieve in the future something to be excited about working to accomplish?

This enrichment module is retrieved and adapted from: J. P. Miller, You Must Have Engaged Employees--And It's Not That Hard. Retrieved from Forbes.com on May 12, 2009:

<http://www.forbes.com/2009/05/11/employees-engagement-managers-leadership-managing-change.html>

III. LEARNING FRAMEWORK

INSTRUCTOR'S NOTES: _____

A. *Learning goal: Outline the framework for learning about organizational behavior.*

B. The long-term effectiveness of an organization is determined by its ability to anticipate, manage, and respond to changes in the environment.

C. The seven competencies presented in this chapter are linked to the actions of individuals, teams, and organizations as a whole.

D. The framework for learning about organizational behavior and improving the effectiveness of employees, teams, and organizations consists of five basic parts shown in Power Point 1.9. Figure 1.1 suggests that these parts are not independent of each other:

1. the key competencies with emphasis on individual and organizational ethics in Chapter 2, that underlie and integrate the next four parts
2. the individual in organizations
3. leaders and teams in organizations
4. the organization itself.
5. integrating cases

CHAPTER 1: POWER POINT 1.9
**Figure 1.1: Learning Framework for Enhanced Individual,
Team, and Organizational Effectiveness**

E. The *individual in organizations* relies on the assumption that individual behavior is the starting point for organizational effectiveness.

1. Part 2, Chapters 3-7, focuses on the behavior, attitudes, personality, and motivation of each individual.
2. Understanding individual behavior is crucial for enhancing individual, team, and organizational effectiveness.
3. Parts 3 and 4 examine the external factors that affect a person's behavior: the reward system, groups and teams, leadership styles, organizational culture and the organization's design.

F. *Leaders and teams in organization.* Effective organizations have leaders who can integrate customer, employee, and organizational goals.

1. The ability of organizations to achieve goals depends on leadership abilities and styles that enable managers and team leaders to plan, organize, and control.
2. In Part 3, Chapters 9-13, the focus is on how leaders influence others and how individuals can develop leadership competencies.
3. Interpersonal communication is the foundation of this section of the text.

G. *The organization itself* considers the factors that influence individual, team, leader and organizational effectiveness.

1. Part 4, Chapters 14-17, identifies and explores the phases of decision making and core models of decision making.
2. The factors that influence organizational design are discussed as well as organizational culture and organizational change.

H. *Competencies for Individual, Team and Organizational Effectiveness.* Seven competencies are the focus of this chapter.

1. With the exception of the self competency, the other six competencies apply to individuals, teams and the organization as a whole.
2. A **competency** is an interrelated cluster of knowledge, skills, and abilities needed by an individual, team or organization for effective performance.
3. As suggested in Figure 1.2 these foundation competencies are interrelated and are important for individual and managerial effectiveness (see Power Point 1.10).

CHAPTER 1: POWER POINT 1.10
Figure 1.2: Competencies for Individual, Team,
and Organizational Effectiveness

ENRICHMENT MODULE

The Cassatt Quartet: a continuing case study in small business

Meet the Cassatt String Quartet, named for the American Impressionist painter Mary Cassatt. We will spend time with the Cassatts---Muneko, Jennifer, Michiko, and Nicole--- during this course and see how this small business of four women who are highly skilled musicians, wives and mothers, from different cultures, countries, and different religions have managed their quartet, which is now celebrating its twentieth season. Before we begin, please familiarize yourself with the Cassatt's products and services---their performances---by going to their website www.cassattquartet.com. Start by listening to the musical examples, reading the bios, and familiarizing yourself with hectic, every-changing performance life. We will see how the string quartet uses the seven competencies described in this work. We will look at the internal processes and practices of this organization and explore many aspects of arts-based learning.

* * *

The Beginner's Mind

To attain the most effective rehearsals which result in concerts of the highest artistic quality, the Cassatt's try to achieve the beginner's mind, a useful concept from Zen. It refers to a mind that is clear---no judgments, no labels, no mental structure. The beginner's mind is non-reactive. It is receptive, not reactive. Intuition works best in the beginner's mind because all intuitive impulses are received; nothing is blocked. There is a simple acceptance of "what is."

In a rehearsal, rather than reacting to the conversation of another person, the Cassatts simply listen and try to be fully present. Imagine how hard it is to adopt a beginner's mind when you come to a meeting that has a fixed agenda and when you hear a report from some committee that has given an agenda item considerable thought.

This enrichment module is adapted from: Leland R. Kaiser, Beginner's Mind
http://www.kaiser.net/articledetail.cfm?article_id=76

IV. ETHICS COMPETENCY

INSTRUCTOR'S NOTES: _____

- A. *Learning goal: Describe the ethics competency and its contribution to effective performance.*
- B. The **ethics competency** includes the knowledge, skills, and abilities to incorporate values and principles that distinguish right from wrong in making decisions and choosing behaviors (see Power Point 1.11).
 - 1. **Ethics** are the values and principles that distinguish right from wrong.

<p style="text-align: center;">CHAPTER 1: POWER POINT 1. 11 Ethics Competency</p>

- C. The ethics competency includes the following key attributes (see Power Point 1.12):
 - 1. Identifying and describing the principles of ethical decision making and behavior.
 - 2. Assessing the importance of ethical issues in considering alternative courses of action.
 - 3. Applying governmental laws and regulations, as well as the employer's rules of conduct, in making decisions and taking action within a person's level of responsibilities and authority.
 - 4. Demonstrating dignity and respect for others in working relationships.
 - 5. Being open and honest in communications, limited only by legal, privacy, and competitive considerations.

CHAPTER 1: POWER POINT 1.12
Attributes in the Ethics Competency

D. Ethical dilemmas.

1. An **ethical dilemma** occurs when a decision must be made that involves multiple values.
2. Ethical dilemmas typically do not involve simple choices between right or wrong because competing values—such as competitive and time pressures—may come into play.
3. Top-management leadership, policies and rules, and the prevailing organizational culture can do much to reduce, guide, and help individuals confront and resolve ethical dilemmas (see Power Point 1.13).

CHAPTER 1: POWER POINT 1.13
Ethics Insight

Senior leaders typically emphasize the importance of performance and the bottom line. But if they don't also emphasize ethical behavioral messages, then all employees hear is that it's all about the numbers. Get the numbers at all costs, they think—and that causes some to compromise ethics.

Ronald James, President and CEO, Center for Ethical Business Cultures

- E. The Ethics Competency features Robert Eckert, the chairman and chief executive officer of Mattel, Inc. (see Power Point 1.14).

CHAPTER 1: POWER POINT 1.14

Ethics Competency: Robert A. Eckert, Chairman & CEO, Mattel, Inc.

Learning Insights

- Importance of accepting and taking responsibility.
- Openly acknowledge and communicate ethical problems.
- Unwavering integrity critical for leaders.

Ethics Competency: Robert A. Eckert, Chairman & CEO, Mattel, Inc.

When the tough times hit at Mattel, consumers wanted to hear directly from me on how the company was addressing the issues. In order to maintain consumer trust in Mattel through those difficult weeks, I had to be visible. Taking responsibility was simply the right thing to do.

Employee communications were especially important during this time. I sent numerous company-wide emails to keep employees informed, so that they didn't first read about it in the morning newspaper. During Mattel's recalls, we had a crisis team that met daily in person or by phone and I made it a point to participate. I believe that unwavering integrity is one of the most important characteristics a leader can possess for effective and ethical crisis management throughout the organization.

Placing blame is not only divisive, but also wastes valuable time when people should be working together toward solutions. Leaders need to empower people and teams to make decisions and set an ethical tone through example. We are committed to facing future challenges in the same way: with integrity—out of the shadows, and on the ethical course.

To learn more about Mattel, go to www.mattel.com.

V. SELF COMPETENCY

INSTRUCTOR'S NOTES: _____

A. *Learning goal: Describe the self competency and its importance to effectiveness.*

B. **Self competency** includes the knowledge, skills, and abilities to assess personal strengths and weaknesses, set and pursue professional and personal goals, balance work and personal life, and engage in new learning (see Power Point 1.15).

CHAPTER 1: POWER POINT 1.15
Self Competency

C. The self competency includes the key **knowledge, skills, and abilities** (KSAs) to be effective in doing the following (see Power Point 1.16):

1. Understanding your own and others' personality and attitudes.
2. Perceiving, appraising, and interpreting accurately oneself, and others.
3. Understanding and acting on one's own and others' work-related motivations and emotions.
4. Assessing and establishing one's own developmental, life-related, and work-related goals.
5. Taking responsibility for managing oneself and career over time and through stressful circumstances.

CHAPTER 1: POWER POINT 1.16
Attributes of the Self Competency

D. Self competency is the most individual-focused of the seven competencies. Its achievement creates the underlying personal needed for successfully developing the other six competencies. The feature below continues Indra Nooyi's journey to understand how her self competency developed (see Power Point 1.17).

CHAPTER 1: POWER POINT 1.17

Self Competency: Indra Nooyi's Development Journey

Learning Insights

- Embrace diversity –don't hide from it.
- Importance of strategy to long-term organizational effectiveness.
- Leads "Performance with a Purpose" philosophy

Self Competency: Indra Nooyi's Development Journey

Nooyi learned early on to embrace diversity rather than hide her differences in the corporate world. She headed to the U.S. after working in India. Coming out of Yale in 1980 with a master's in public and private management, Nooyi wore a sari to an interview at Boston Consulting Group and was offered the job. She later held corporate strategy posts at Motorola Inc. (MOT) and what is now ABB Group (ABB). She was drawn to PepsiCo by the chance to make a difference. At PepsiCo, Nooyi is known for a keen business sense and an irreverent personal style. "She challenges you," says the president of the Asia Pacific region. When his team couldn't find an inexpensive alternative to palm oil for its products in Thailand, she kept pushing and pushing, saying, "I hear you, I hear you, so what's the right solution?" until they came up with one: rice bran oil. In a recent speech, Nooyi stated: Our 'performance with a purpose' philosophy includes fostering a culture where employees feel valued—looking for ways to advance minorities and women. We want people to think Pepsi Co is the model for conducting business in the global world.

To learn more about PepsiCo, go to www.pepsico.com.

E. Career development.

1. A **career** is a sequence of work-related positions occupied by a person during a lifetime.
2. Career alternatives include moving up the ladder in an organization, remaining at the same organizational level while acquiring and developing new competencies, or moving among various jobs in different fields.
3. Power Point 1.18 identifies five aspects of a career:
 - a. Career success or failure is best determined by the individual, rather than by others.
 - b. No absolute standards exist for evaluating a career.
 - c. An individual should examine a career both

subjectively and objectively.

d. **Career development** involves making decisions about an occupation and engaging in activities to attain career goals.

e. Cultural factors play a role in careers.

CHAPTER 1: POWER POINT 1.18
Five Aspects of a Career

4. Among other things, successful people commit themselves to a **career plan**. This is the individual's choice of occupation, organization, and career path.

ENRICHMENT MODULE
Career Women, Remade

"A lot of women found that the male model of success -- with its emphasis on full time and face time, extensive investment during the thirtysomething years, and money as the primary motivator -- didn't work for them," says Kathy Caprino, author of "Breakdown, Breakthrough: The Professional Woman's Guide to Claiming a Life of Passion, Power, and Purpose."

Mary Beth Reeves, of Atlanta, had worked her way up to a high-level training and development position at Starwood Hotels & Resorts when she found out she was pregnant with quadruplet girls. "I was career driven and competitive," she recalls. "I'd get on a plane to go to a meeting at a moment's notice, and once there, I'd stick around longer to have drinks."

But once her daughters were born, Ms. Reeves, then 37, says her priorities changed. "I didn't need the prestigious title, and I wanted to do my job and go home." Seeking meaningful work as well as more personal time, Ms. Reeves, now 40, created a new career on her own terms. She launched her own business, Scrapbook Mamma, which develops custom photo books.

She employs a nanny to help with her daughters while she runs her business from home. "Necessity was the cause of my reinvention," she says. "I'd been happy in my hospitality career, but then one day, I wasn't." "

This enrichment module is adapted from: Alexandra Levit, Career Women, Remade. Retrieved on May 12, 2009 from Wall Street Journal online.

<http://online.wsj.com/article/SB124205394017206953.html>

VI. DIVERSITY COMPETENCY

INSTRUCTOR'S NOTES: _____

A. *Learning goal: Describe the diversity competency and its contribution to effective performance.*

B. The **diversity competency** includes the knowledge, skills, and abilities to value

individual, group, and organizational characteristics, embrace such characteristics as potential sources of strength, and appreciate the uniqueness of each. This competency involves the ability to help people work effectively together even if their interests and backgrounds are different (see Power Point 1.19).

CHAPTER 1: POWER POINT 1.19

Diversity Competency

Diversity Insight

To truly understand the needs of our customers and consumers—and succeed in the marketplace—PepsiCo must reflect that diversity in our employees, our suppliers and in everything we do. Offering a workplace where diversity is valued helps us build the top-quality workforce so crucial to our success—by enabling us to attract and retain great people from a wide spectrum of backgrounds.

Ronald G. Parker, Chief Diversity and Inclusion Officer
PepsiCo

- C. The diversity competency includes the following knowledge, skills, and abilities for individuals, teams, and the organization to be effective in doing the following (see Power Point 1.20):
1. Fostering an environment of inclusion with those who possess characteristics different from themselves.
 2. Learning from individuals, teams, or organizations with different characteristics, experiences, perspectives, and backgrounds.
 3. Embracing and developing personal, team, or organizational tendencies that support diversity in the workplace and elsewhere.
 4. Communicating and personally practicing commitment to work with individuals and team members because of their talents and contributions, regardless of their personal attributes.
 5. Providing leadership—*walk the talk*—in confronting obvious bias, promoting inclusion, and seeking win-win or compromise solutions to power struggles and conflicts that appear to be based on diversity issues.
 6. Applying governmental laws and regulations as well as

organizational policies and regulations concerning diversity.

CHAPTER 1: POWER POINT 1.20
Attributes of the Diversity Competency

D. Power Point 1.21—which is adapted from Figure 1.3 of the textbook—describes primary and secondary categories of diversity that are relevant to organizational behavior.

1. Primary categories are genetic characteristics that affect a person's self-image and socialization. Primary categories include age, race, ethnicity, gender, physical abilities and qualities, and sexual and affectual orientation.

2. Secondary categories are learned characteristics that a person acquires and modifies throughout life by making choices. Secondary categories include: education, work experience, income, marital status, religious beliefs, geographic location, parental status, and behavioral style.

CHAPTER 1: POWER POINT 1.21
Selected Categories of Diversity (Figure 1.3)

3. The following feature highlights Aetna which is widely recognized for its *Diverse Discoveries Program* (see Power Point 1.22).

CHAPTER 1: POWER POINT 1.22

Diversity Competency: Aetna's Discoveries Program

Learning Insights

- Embracing diversity is a strategic business advantage.
- Role of web-based training each year.
- Leadership development program to develop needed competences by underrepresented groups.

Diversity Competency: Aetna's Diverse Discoveries Program

Ron Williams, CEO of Aetna, introduces what it means to embrace diversity: We see diversity as a strategic business advantage: The simple act of knowing that what works for some might not work for all, is what makes our commitment to diversity come to life every day. Our commitment becomes action when we take our understanding of differences and apply that insight to everything from how we service customers and design products to how we communicate with each other.

Each year, every Aetna employee completes web-based diversity training. It is designated to raise awareness of diversity and addresses the business case for diversity. *Diversity in Action* lectures assist employees in thinking about diversity in new and different ways. A *Leadership Development Program* focuses on identifying and developing needed competencies among under-represented groups. A talent acquisition strategy aims to attract motivated individuals, including under-represented groups, and a commitment to their development. The support of *Employee Resource Groups* allows employees to share their cultures; give back to the communities; network with senior management; and attain career building competencies.

To learn more about Aetna, go to www.aetna.com.

VII. ACROSS CULTURES COMPETENCY

INSTRUCTOR'S NOTES: _____

A. *Learning goal: Describe the across cultures competency and its contribution to effective performance.*

B. The **across cultures competency** includes the knowledge, skills, and abilities to recognize and embrace similarities and differences among nations and cultures (see Power Point 1.23).

CHAPTER 1: POWER POINT 1.23
Across Cultures Competency

1. **Culture** is the dominant pattern of living, thinking, feeling, and believing that is developed and transmitted by people, consciously or unconsciously, to subsequent generations (see Power Point 1.24)

CHAPTER 1: POWER POINT 1.24
Culture

2. **Cultural values** refer to those deeply held beliefs that lead to general preferences and behaviors and views of what is right and wrong.

C. The across cultures competency includes the knowledge, skills, and abilities for individuals, teams, and the organization to be effective in doing the following (see Power Point 1.25).

1. Understanding and appreciating the characteristics that make a particular culture unique and are likely to influence behavior.
2. Understanding how work-related values, such as individualism and collectivism, influence the decisions made by individuals and groups.
3. Understanding, leading and motivating employees with different values and attitudes.
4. Communicating in the language of the host country in which the individual is working.

5. Working with those from foreign countries.
6. Addressing leadership, organizational, and other issues through a **global mind-set**—viewing the environment from a worldwide perspective, always looking for unexpected trends that may create threats or opportunities for a unit or an entire organization. This is the ability to think globally and act locally.

CHAPTER 1: POWER POINT 1.25
Attributes of the Across Cultures Competency

7. There is a need to be wary of stereotyping others by glossing over the nuances and complexities of a culture.
8. The following Across Cultures Competency feature provides several insights on the across cultures leadership of Carlos Ghosn, CEO of Nissan Motor Co. Ltd. (see Power Point 1.26).

CHAPTER 1: POWER POINT 1.26
Across Cultures Competency: Carlos Ghosn, CEO, Nissan-Renault

Learning Insights

- **Importance of increased globalization for business.**
- **Cultural diversity important to organizations future success.**
- **Transcultural leadership is increasingly imperative.**

Across Cultures Competency: Carlos Ghosn, CEO, Nissan-Renault

Dean of a leading business school in France, comments: “Increased globalization is changing the landscape of the business climate and creating a demand for business leaders who can operate in and across different cultures. Carlos Ghosn personifies the essence of a transcultural leader by recognizing that cultural diversity is an integral component to his organization’s future success.” Ghosn notes: “I think one of the basics of transcultural leadership is empathy and respect. It is essential for leaders to develop a deeper understanding of the country and the culture in which they operate and try to learn about its strengths. While his task was to help revive Nissan, Ghosn contends, the experience was about discovering a new culture.

When Ghosn started at Nissan, only one percent of the top management at Nissan were women. Today, the number of women in management is five percent. Ghosn says that, although such targets are good, it’s more important to set a lasting, achievable trend for women that will prove that diversity delivers.

To learn more about Nissan, go to www.nissan.com.

VIII. COMMUNICATION COMPETENCY

INSTRUCTOR’S NOTES: _____

- A. *Learning goal: Describe the communication competency and its contribution to effective performance.*
- B. The **communication competency** includes the knowledge, skills, and abilities to use all the modes of transmitting, understanding, and receiving ideas, thoughts, and feelings—verbal, listening, nonverbal, and written—for accurately transferring and exchanging information (see Power Point 1.27).

CHAPTER 1: POWER POINT 1.27

Communication Competency

- C. and the
- The key attributes communication competency includes the knowledge, skills, abilities for individuals, teams, and the organization to be effective in doing following (see Power Point 1.28):
1. Conveying information, ideas, and emotions to others in such a way that they are received as intended. This ability is strongly influenced by a person's **describing skill**—identifying concrete, specific examples of behavior and its effects.
 2. Providing constructive feedback to others.
 3. Engaging in **active listening**, the process of integrating information and emotions in a search for shared meaning and understanding. Active listening relies upon the **questioning skill**—the ability to ask for information and opinions in a way that gets relevant, honest, and appropriate responses.
 4. Using and interpreting **nonverbal communication**—facial expressions, body movements, physical contact, and symbols that are often used to send messages. The **empathizing skill** refers to detecting and understanding another person's values, motives, and emotions.
 5. Engaging in **verbal communication** effectively—presenting ideas, information and emotions to others, either one-to-one, between teams, or between organizations.
 6. Engaging in **written communication** effectively—the ability to transfer data, information, ideas, and emotions by means of reports, letters, memos, notes, and e-mail.
 7. Using a variety of computer-based (electronic) resources, such as e-mail and the Internet.

CHAPTER 1: POWER POINT 1.28

Attributes of the Communication Competency

8. The following feature provides several views on the communication

competency, especially active listening, by Maureen Chiquet, the Global CEO of Chanel S.A. (see Power Point 1.29).

CHAPTER 1: POWER POINT 1.29

Communication Competency: Maureen Chiquet, Global CEO, Chanel S.A.

Learning Insights

- Listening is key for a leader.
- Constantly ask questions and seek diverse opinions.
- Be wary of people telling you what they think you want to hear.

Communication Competency: Maureen Chiquet, Global CEO, Chanel S.A.

To lead effectively and achieve real business results as the head of any enterprise, you have to listen. You've got to constantly ask questions and seek out diverse opinions, and remain humble enough to change your mind—whether about a product or a person. Whenever I'm in a Chanel boutique, I ask the store employees what's selling, how consumers are responding, and what we should be doing differently. Their observations help me refine my own thoughts about the business—and sometimes change my mind outright about a piece of merchandise or even a big strategy. Back in the office, I spend about 75 percent of my time listening to my direct reports' insights, and I make regular dates with our partners around the world to hear their perspectives. I'll check YouTube just to see what people are watching. I keep my ears open and my eyes peeled for new trends in culture, the arts, film, and theater.

To learn more about Chanel S.A., go to www.chanel.com.

IX. TEAMS COMPETENCY

INSTRUCTOR'S NOTES: _____

A. *Learning goal: Describe the teams competency and its contribution to effective performance.*

B. The **teams competency** includes the knowledge, skills, and abilities to develop, support and lead groups to achieve goals (see Power Point 1.30).

<p>CHAPTER 1: POWER POINT 1.30 Teams Competency</p>

C. The teams competency includes the following KSAs (See Power Point 1.31):

1. Determining the circumstances in which a team approach is appropriate and, if using it is appropriate, the type of team to use.
2. Engaging in and/or leading the process of setting clear performance goals for the team.
3. Participating in and/or providing leadership in defining responsibilities and tasks for the team as well as its individual members.
4. Demonstrating a sense of mutual and personal accountability for the achievement of team goals, not just an individual's own goals.
5. Applying decision-making methods and technologies that are appropriate to the goals, issues, and tasks confronting the team.
6. Resolving personal and task-related conflicts among team members before they become too disruptive.
7. Assessing a person's own performance and that of the team in relation to goals, and taking corrective action as needed.

<p>CHAPTER 1: POWER POINT 1.31 Attributes of the Teams Competency</p>

D. Teams and individualism

1. The cultural beliefs of individualism versus collectivism create tensions regarding “standing out from the team” versus “fitting into the team.”
2. There is potential for both conflict and compatibility in individual goals and team goals. This potential is rooted in the following:
 - a. Teams do exist, and employees need to take them into account.
 - b. Teams mobilize powerful forces that influence individuals.
 - c. Teams create both good and bad results.
 - d. Teams can be managed to increase the benefits from them.
3. The following Teams Competency features Grant Reid’s evolving perspective on teams (see Power Point 1.32).

CHAPTER 1: POWER POINT 1.32

Teams Competency: Grant Reid, President, Mars Drinks

Learning Insights

- **Importance of putting the right team together and the right expertise.**
- **Meet only when needed.**
- **Teams must have clear and meaningful purposes (goals).**

Teams Competency: Grant Reid, President, Mars Drinks

My thought process around leadership used to be that I would make decisions, everyone would come in, I would give them the charter for the day, and they would all run off. Now, I recognize that it's not about *me*—it's about getting the right team together, with the right expertise in that particular area, and getting the best out of that team. No one is as smart as everyone.

There are lots of meetings I no longer need to go to. If you're command-and-control, you have to be there to command and control; no major decision, no major recommendation can move forward without you there. When you have teams capable of making decisions, there are a lot of things you can let go. When I took over Mars Drinks, we were meeting globally, as a management team, every month. People were flying in from America and different parts of Europe: it was very time-consuming. Now, we meet four times a year. We have scheduled telephone conversations with the whole team once a month so everybody's clear on what they're doing, and then we get on with it.

To learn more about Mars, Inc., go to www.mars.com.

X. CHANGE COMPETENCY

INSTRUCTOR'S NOTES: _____

- A. *Learning goal: Describe the change competency and its contribution to effective performance.*
- B. The **change competency** includes the knowledge, skills, and abilities to recognize and implement needed adaptations or entirely new transformations in the people, tasks, strategies, structures, or technologies (see Power Point 1.33).

CHAPTER 1: POWER POINT 1.33
Change Competency

- C. The key attributes of the change competency includes the knowledge, skills, and abilities to be effective in doing the following (see Power Point 1.34):
1. Applying the other six competencies in the diagnosis, development, and implementation of needed changes.
 2. Providing leadership in the process of planned change.
 3. Diagnosing pressure for and resistance to change in specific situations.
 4. Applying processes to introduce and achieve organizational change.
 5. Seeking, gaining, sharing, and applying new knowledge in the pursuit of constant improvement, creativity, and entirely new approaches or goals.

CHAPTER 1: POWER POINT 1.34
Attributes of the Change Competency

6. The following Change Competency feature provides additional insights by Indra Nooyi (see Power Point 1.35).

CHAPTER 1: POWER POINT 1.35
Change Competency: Indra Nooyi Leads Change at PepsiCo

Learning Insights

- Broadened focus of the firm and with it the leadership team.
- Balancing need for profits with need for healthier foods.
- Critical need to tackle obesity.

Change Competency: Indra Nooyi Leads Change at PepsiCo

Since becoming CEO, Nooyi has reorganized PepsiCo to make it less focused on just the U.S. and broadened the top leadership team. She has hired an Italian native, Massimo d'Amore, to lead the division that includes the troublesome U.S. soft drink business. She recruited a former Mayo Clinic endocrinologist to head up the research and development division.

PepsiCo recently spent \$1.3 billion on acquisitions like Naked Juice, a California maker of soy drinks and organic juice. According to Nooyi, it boils down to balancing the profit motive with making healthier snacks, striving for a net-zero impact on the environment, and taking care of the workforce. She asserts: "If all you want is to screw this company down tight and get double-digit earnings growth and nothing else, then I'm the wrong person. We are engines of efficiency. If companies don't do responsible things, who is going to? Why not start making change now?"

Due to the souring economy in 2008 and 2009, Nooyi launched an aggressive belt-tightening program to generate more than \$1.2 billion in savings by 2011. Most of the savings from cost-cutting will be invested in fast-growing emerging markets, the U.S. beverage business, and accelerating development of new beverages and snacks.

To learn more about PepsiCo, go to www.pepsico.com.

D. Constant Change: Blur

1. New technologies are increasing the need for constant learning, adaptation, and innovation by individuals, teams, and entire organizations.
2. Davis and Meyer represent the accelerating rate of technological and other changes (see Power Point 1.36):

$$\text{Speed} \times \text{connectivity} \times \text{intangibles} = \text{blur}$$

- a. *Speed*: Every aspect of how organizations operate and change in real time.
- b. *Connectivity*: Everything is becoming electronically connected to everything else: products, people, companies, countries—everything.
- c. *Intangibles*: Every transaction has both tangible (e.g., monetary) and intangible (e.g., reputational) value. The intangible is growing faster; it is the increasing role of personal services for many organizations and the economy as a whole.
- d. *Blur*: The new world in which we will come to live and work.

CHAPTER 1: POWER POINT 1.36
Constant Change: Blur

3. The revolution in technologies is a driving force in creating the state of *blur* and the need to actively manage change.

a. The rise in use of the Internet throughout the world is the most obvious expression of economies and businesses that focus on technology.

b. Technologies have shaped expectations about acceptable time frames for communicating, performing tasks, and seeing results.

ENRICHMENT MODULE

What Leaders Really Do

They don't make plans; they don't solve problems; they don't even organize people. What leaders really do is prepare organizations for change and help them cope as they struggle through it.

Management is about coping with complexity. Its practices and procedures are largely a response to one of the most significant developments of the twentieth century: the emergence of large organizations. Without good management, complex enterprises tend to become chaotic in ways that threaten their very existence. Good management brings a degree of order and consistency to key dimensions like the quality and profitability of products.

Leadership, by contrast, is about coping with change. Part of the reason it has become so important in recent years is that the business world technological change, greater international competition, the deregulation of markets, overcapacity in capital-intensive industries, an unstable oil cartel, raiders with junk bonds, and the changing demographics of the work-force are among the many factors that have contributed to this shift. The net result is that doing what was done yesterday, or doing it 5% better, is no longer a formula for success. Major changes are more and more necessary to survive and compete effectively in this new environment. More change always demands more leadership.

This enrichment module is adapted from: John P. Kotter, What Leaders Really Do. Retrieved on May 12, 2009 from <http://hbr.harvardbusiness.org/2001/12/what-leaders-really-do/ar/1>

XI. SUMMARY

INSTRUCTOR'S NOTES: _____

CHAPTER 1: POWER POINT 1.37
Discussion Questions

CHAPTER 1: POWER POINT 1.38
Discussion Questions (Continued)

CHAPTER 1: POWER POINT 1.39
Discussion Questions (Continued)

DISCUSSION QUESTIONS AND SUGGESTED ANSWERS

1. *In the Learning from Experience feature, Indra Nooyi states: “Performance with Purpose rests on three pillars: human sustainability, environmental sustainability, and talent sustainability”. Go to the PepsiCo website at www.pepsico.com. Click on “Company” then click on “PepsiCo Values and Philosophy”. Which attributes of the ethics competency are illustrated in PepsiCo’s statement of “Guiding Principles”?*

The *ethics competency* includes the knowledge, skills, and abilities to incorporate

values and principles that distinguish right from wrong in making decisions and choosing behaviors. The ethics competency includes the following key attributes:

PepsiCo: Guiding Principles

- **Care for our customers, our consumers and the world we live in.**

We are driven by the intense, competitive spirit of the marketplace, but we direct this spirit toward solutions that benefit both our company and our constituents. Our success depends on a thorough understanding of our customers, consumers and communities. To foster this spirit of generosity, we go the extra mile to show we care.

Attribute: Identifying and describing the principles of ethical decision making and behavior.

- **Sell only products we can be proud of.**

The true test of our standards is our own ability to consume and personally endorse the products we sell. Without reservation. Our confidence helps ensure the quality of our products, from the moment we purchase ingredients to the moment it reaches the consumer's hand.

Attribute: Applying governmental laws and regulations, as well as the employer's rules of conduct, in making decisions and taking action within a person's level of responsibilities and authority.

- **Speak with truth and candor.**

We tell the whole story, not just what's convenient to our individual goals. In addition to being clear, honest and accurate, we are responsible for ensuring our communications are understood.

Attribute: Being open and honest in communications, limited only by legal, privacy, and competitive considerations.

- **Balance short term and long term.**

In every decision, we weigh both short-term and long-term risks and benefits. Maintaining this balance helps sustain our growth and ensures our ideas and solutions are relevant both now and in the future.

Attribute: Assessing the importance of ethical issues in considering alternative courses of action.

- **Win with diversity and inclusion.**

We embrace people with diverse backgrounds, traits and ways of thinking. Our diversity brings new perspectives into the workplace and encourages innovation, as well as the ability to identify new market opportunities.

Attribute: Demonstrating dignity and respect for others in working relationships.

- **Respect others and succeed together.**

Our mutual success depends on mutual respect, inside and outside the company. It requires people who are capable of working together as part of a team or informal collaboration. While our company is built on individual excellence, we also recognize the importance and value of teamwork in turning our goals into accomplishments.

Attribute: Demonstrating dignity and respect for others in working relationships.

2. *Review the Ethics Competency feature entitled “Robert A. Eckert, Chairman & CEO, Mattel, Inc.” Which attributes of the ethics competency are illustrated in this feature?*

When the tough times hit at Mattel, consumers wanted to hear directly how the company was addressing the issues. In order to maintain consumer trust in Mattel, Robert A. Eckert illustrates the attribute of the ethics competency that states: identify and describe the principles of ethical decision making and behavior. He took responsibility because it was the right thing to do and talked about the problems facing Mattel. He had to tell people how the company making changes. His actions also illustrate the attribute of being open and honest in communications. He says, “As an organization, we have been open about the issues we face and how we are acting to fix those issues.”

3. *Review the Diversity Competency feature on “Aetna’s Diverse Discoveries Program.” Which attributes of the diversity competency are illustrated in this feature?*

The *diversity competency* includes the knowledge, skills, and abilities to value unique individual and group characteristics, embrace such characteristics as potential sources of organizational strength, and appreciate the uniqueness of each. This competency involves the ability to help people work effectively together even if their interests and backgrounds are different.

Aetna’s Diverse Discoveries Program embraces the attribute of fostering an environment of inclusion. Every Aetna employee completes web-based diversity training, designed to raise awareness of diversity. Aetna’s program also embodies the attribute of communicating and practicing a commitment to work with individuals and team members because of their talents and contributions, regardless of their personal attributes. *Employee Resource Groups* allow employees to share their cultures; give back to the communities; network with senior management; and attain career building competencies. A *Leadership Development Program* focuses on identifying and developing needed competencies among under-represented groups.

4. Review the *Self Competency* feature on “Indra Nooyi’s Development Journey”. Which attributes of the self competency are illustrated in this feature?

The *self competency* includes the knowledge, skills, and abilities to assess your own strengths and weaknesses, set and pursue professional and personal goals; balance work and personal life; and engage in new learning.

Nooyi understood her own personality and attitudes, one of the attributes of the self competency as evidenced by her wearing a sari to an interview at Boston Consulting Group. She established her own personal (life-related), and work-related goals, another attribute of the self-competency. Although had a good job at ABB, she was drawn to PepsiCo by the chance to make a difference in a company that was struggling. Nooyi embodies another attribute of the self competency: perceiving, appraising, and interpreting accurately oneself. At PepsiCo, she has long been known for her keen business sense. In a recent ABC television special about the children in Appalachia, Diane Sawyer pointed out the children suffered from severe tooth decay as a result of drinking PepsiCo’s Mountain Dew. Nooyi responded by purchasing several mobile dental clinics to care for them. She turned a damaging story in the media to one that showed empathy for children.

5. Review the *Across Culture Competency* feature on “Carlos Ghosn, CEO, Nissan-Renault.” Which attributes of the across cultures competency are illustrated in this feature?

The *across cultures competency* includes the knowledge, skills, and abilities to recognize and embrace similarities and differences among nations and cultures

One of the key attributes in the across cultures competency is understanding and appreciating the characteristics that make a particular culture unique and are likely to influence behavior. Carlos Ghosn personifies the essence of a transcultural leader by recognizing that cultural diversity is an integral component of his organization’s future success. Another attribute of the across cultures competency is understanding, leading and motivating employees with different values and attitudes. As Ghosn points out, “If you have to do something significant in a country, it is much easier if somehow you connected with the country and you like the country and you respect the people and you are curious about the culture.” Ghosn had a global mind-set, another attribute of the across cultures competency. He realized that a diverse team produced better solutions in an innovative way.

6. Review the *Communication Competency* feature on “Maureen Chiquet, Global CEO, Chanel S.A.” In addition to active listening, what other attributes of the communication competency appear to be illustrated in this feature?

The *communication competency* includes the knowledge, skills, and abilities to use all

the modes of transmitting, understanding, and receiving ideas, thoughts, and feelings—verbal, listening, nonverbal, and written—for accurately transferring and exchanging information and emotions.

One of the key attributes of the communication competency is to convey information, ideas, and emotions and assure they are received as intended. Chiquet realizes that in retail—you’ve got to have a strong point of view and present it effectively. Another key attribute is to engage in active listening and use of the questioning skill. Chiquet feels that to lead effectively and achieve real business results as the head of any enterprise, you have to listen, ask questions, and seek out diverse opinions. She spends 75 percent of her time listening to her direct reports’ insights, and makes regular dates with partners around the world to hear their perspectives.

7. *Review the Teams Competency feature on “Grant Reid, President, Mars Drinks.” Which attributes of the teams competency are illustrated in this feature?*

The *teams competency* includes the knowledge, skills, and abilities to develop, support, facilitate, or lead groups to achieve organizational goals. One of the key attributes of the teams competency is determining the circumstances in which a team approach is appropriate. Reid recognizes that it’s about getting the right team together, with the right expertise in a particular area, and getting the best out of that team because no one is as smart as everyone. Another attribute is applying decision-making methods and technologies that are appropriate to the goals, issues, and tasks confronting the team. Reid realizes that when you have teams capable of making decisions, there are a lot of things you can let go. Yet another attribute of the teams competency is engaging in and/or leading the process of setting clear performance goals for the team. Reid knows that if there’s no real goal, each of the team members will want out. It’s a self-governing process.

8. *Review the Change Competency feature on “Indra Nooyi Leads Change at PepsiCo.” Which attributes of the change competency are illustrated in this feature?*

The *change competency* includes the knowledge, skills, and abilities to recognize and implement needed adaptations or entirely new transformations in the people, tasks, strategies, structures, or technologies.

One of the key attributes of the change competency is providing leadership in the process of planned change. Confronted by the souring economy in 2008 and 2009, Nooyi launched an aggressive belt-tightening program to generate more than \$1.2 billion in savings by 2011. Another attribute of this competency is applying processes to introduce and achieve organizational change. Nooyi eliminated 3,300 jobs and closed plants to put PepsiCo ahead of the curve in a fast-changing economic environment. A third attribute is diagnosing pressure for change in specific situations. Nooyi reorganized PepsiCo to make it less focused on the U.S. and broadened the top leadership team.

She spent \$1.3 billion on acquisitions like Naked Juice, a maker of soy drinks and organic juice.

9. *What aspect of your life or role that you play reflects some or all of the variables that go into creating the state of blur? Explain.*

Students will give examples of how the Internet has changed their ways of working, studying, and communicating with others. One example is the use of Twitter to provide instant market research. Twitter is a free social networking and micro-blogging service that enables its users to send and read other users' updates known as tweets. Tweets are text-based posts of up to 140 characters in length which are displayed on the user's profile page and delivered to other users who have subscribed to them (known as followers).

When President Obama addresses the nation on television, viewers are able to use Twitter and send a brief message to a television station, commenting on the speech. Reporters are able to assess the success or failure of various parts of the speech in a very short time by having staff members tally the number of favorable or unfavorable responses to the speech sent on Twitter.

CHAPTER 1: POWER POINT 1.40
Experiential Exercise: Self Competency
Key Competencies Self-Assessment Inventory

EXPERIENTIAL EXERCISE AND CASE

Experiential Exercise—Self-Competency

Key Competencies Self-Assessment Inventory

This 70-item self-assessment instrument found in Chapter 1 permits students to assess each of the seven foundation competencies addressed in Chapter 1. Responses to the 70 items are based on a 10-point scale ranging from “1 = I have no relevant experience. I have not yet begun to develop this ability/behavior” to “10 = I am outstanding on this ability/behavior.” Scoring and interpretation instructions are provided in the textbook.

Three discussion questions accompany this self-assessment inventory. These questions, along with suggested answers, are provided below.

1. *What does your overall profile suggest in relation to your needs for personal and professional development?*

Each student can focus either on (a) those competencies where s/he is not outstanding or (b) those competencies where s/he scored average or below. Option A provides a more rigorous standard of evaluation. The student should then examine the component questions of the competencies with the lower scores to identify more specific developmental needs.

2. *Based on the competency most in need of development, identify three possible actions that you might take to reduce the gap between your current and desired level for that competency.*

For each student, the answer to this question should be based the competency for which s/he had the lowest score. Each student should consider how much improvement s/he desires and/or needs with regard to this competency, and how such improvement can be best realized.

3. *Would others who work with you closely or know you well agree with your self-assessment profile? In what dimensions might their assessments of you be similar to your own? Why? In what dimensions might they differ? Why?*

Having someone else's assessment on the same behavioral dimensions can help students to identify blind spots with regard to their competencies. These blind spots may identify strengths or weaknesses of which s/he is unaware. Assessment by others can also provide validation for the student's self-assessment.

CHAPTER 1: POWER POINT 1.41
Case: Diversity Competency
Accenture's Work-Life Balance Programs: Questions

Case: Diversity Competency
Accenture's Work-Life Balance Programs

1. *Which key attributes of the diversity competency are illustrated in this case? Give a specific example of each attribute identified?*
 - *Fostering an environment of inclusion with people who possess characteristics different from themselves.* Accenture developed work-life initiatives which range from flexible work arrangements to programs such as *Back-Up Dependent Care* and *Lifeworks*. In-home or center-based care is available for any dependent when regular care arrangements break down. Accenture accommodates the needs for child-care and elder-care by employees of different ages and different life-styles.

- *Diversity of thought and behavior is vital to stimulating creativity and innovation.* The *Future Leave* initiative makes it possible for employees to take a self-funded sabbatical lasting from one to three months to teach English in another country, trek through Alaska, or meet family commitments.
 - *Embracing and developing personal tendencies.* *Future Leave* is among the most successful new programs at Accenture. It provides Gen X (born 1965-1981) and Gen Y (born 1982-2000) employees and baby boomers alike the flexibility to address the personal and family issues they face at their particular stage of life while preserving promising or well-established careers.
2. *Which key attributes of the self competency by Chris Tserng are illustrated in this case? Give a specific example of each attribute identified.*
- *Assessing and establishing one's own personal (life-related) goals.*
As planned, Chris took eight weeks of maternity leave and four weeks of accrued vacation time.
 - *Taking responsibility for managing oneself through stressful circumstances.*
Tserng states: "I didn't know how hard it would be to leave my baby, Nicholas. I was feeling guilty and nervous. The guilt was compounded when I learned that the sitter I'd lined up had a change in plans. I didn't know what to do or where to turn for childcare. I began to think that my only option was to consider leaving the company, the job, and the colleagues I loved."
 - *Understanding one's own personality and attitudes.* *Future Leave* was the answer for Tserng, making it possible for her to add one additional month to her maternity leave and paid time off. During that extra time away, she and her husband located an appropriate day-care facility for Nicholas.
3. *Which key attributes of the change competency are illustrated in this case? Give a specific example of each attribute identified.*
- *Diagnosing pressure for change in specific situations.* Internal surveys at Accenture revealed that time is highly valued among employees—regardless of age—as are daily and career flexibility.
 - *Seeking and applying new knowledge in the pursuit of constant improvement, and entirely new approaches or goals.* Eighty-one percent of the employees reported that their job satisfaction would increase significantly with additional time and location flexibility. Eighty-three percent said the ability to balance work and life impacts their commitment to stay with Accenture. Sixty-one percent indicated that career flexibility is one of the top five most-favored resources.

- *Applying processes to introduce and achieve organizational change.* As a result of these findings and other considerations, Accenture developed two-dozen work-life initiatives to give employees more time and flexibility.
- *Providing leadership in the process of planned change.* Accenture took action and implementing programs based on its market research. For example, *Lifeworks* is a free and confidential resource that provides information on a broad range of topics—from online health coaching to ergonomics assessments. This initiative also provides access to experts in many areas, including legal and financial.