Course Learning Outcomes for Unit V

Upon completion of this unit, students should be able to:

4. Describe management processes and skills that influence organizational effectiveness.
   4.1 Describe the steps managers take to recruit and select organizational members.
   4.2 Discuss the training and development options that ensure organizational members can effectively perform their jobs.
   4.3 Explain why performance appraisal and feedback are such crucial activities.

11. Evaluate the need for change and recommend change for a business situation.
   11.1 Describe organizational control and explain how it increases organizational effectiveness.
   11.2 Compare and contrast the advantages and disadvantages of behavioral controls as a means of coordinating and motivating employees.
   11.3 Discuss the relationship between organizational control and change as they relate to the vital management task of managing change.

Unit Lesson

In Unit V, we will study and discuss two additional and important aspects of management: organizational control and change and human resource management. These two concepts are vital tools that each manager must learn to use in order to ensure the organization is successful.

We will start our discussion with organizational control. Jones and George (2014) describes organizational control as being “concerned with keeping employees motivated, focused on the important problems confronting the organization, and working together to make the changes that will help the organization improve its performance over time” (p. 335). By analyzing this statement, one can see that the key aspects of organizational control are:

1. motivated,
2. focused, and
3. working together to make needed changes.

As can be imagined, these three aspects of organizational control require a skilled and well-organized manager. Jones and George (2014) explain that in order for the manager to accomplish these three tasks, he or she must develop and follow a four-step process that helps establish a successful control process. The four steps of the control process are as follows:
1. Establish a set of performance requirements to include expected
goals/outcomes that will be used to evaluate the actual performance of the
organization.
2. Measure the performance of the organization regularly. Remember that if a
goal cannot be measured, then the organization cannot tell if it met the goal or
not.
3. Evaluate and compare the actual performance to the established performance
goals.
4. Continue to improve the process through process improvements if the
planned performance goals are not met (Jones & George, 2014).

Keep in mind that number four implies that changes are only made if planned
performance goals are not met; however, remember that continuous improvement
means that the organization continues to look for ways to improve processes even if
performance goals are met. High performing organizations never accept meeting
goals, they continue to look for ways to improve and tweak processes in order to look
for optimal performance and to gain a competitive advantage.

Organizational control alone does not necessarily mean that the organization will be
successful or that the employees will remain motivated. The organization must
establish a system that allows the behavior or the organization to support the
organizational control process. Jones and George (2014) discuss four main aspects of
behavioral control which are as follows:

1. Direct supervision, which is the basic form of control, is when the manager
actively monitors and evaluates the activities of their subordinates. Additionally, the manager reinforces appropriate behavior/activities and
intervenes with corrective action if the behavior/activities are in appropriate.
2. Management by objectives (MBO) is a formal system in which the entire
organization works toward common goals and objectives. In doing so, the
manager and each subordinate to the manager agrees upon a framework of
goals and performance activities that the subordinate is expected to reach.
These individual goals and performance activities collectively reflect directly
back to the organizations goals and objectives. Therefore, each individual's
performance is mapped back to the organization’ performance.
3. Bureaucratic control “is control by means of a comprehensive system of rules
and standard operating procedures (SOPs) that shapes and regulates the
behavior of the divisions, functions, and individuals” (Jones & George, 2014,
p. 350). This form of control is implemented when the company feels that
direct supervision is too expensive, and MBO is not appropriate. An example
of this might be a large warehouse where there are many employees, and
each employee is working to a set of SOPs that direct each required activity.
4. Clan control is “The control exerted on individuals and groups in an
organization by shared values, norms, standards of behavior, and
expectations” (Jones & George, 2014, p. 354). Here, we see that the
organization has established a culture where the employees monitor the
activities of the organization as a whole. A collective culture sets and enforces
the norms and values of the organization.

The final part of organizational process we will discuss is that of change and how
change is managed. There is a common statement that we often hear that goes
something like “change is constant.” This statement is true in both our personal lives
as well as within our professional lives. Jones and George (2014) state that
“organizational change is the movement of an organization away from the present
state and toward some preferred future state to increase its efficiency and
effectiveness” (p. 355). Whether we are encountering evolutionary change,
revolutionary change, top-down change, or bottom-up change, the manager must be
aware of the necessity of the change and make the right decisions so that the change will meet the intended needs.

Next we will turn our attention to the organizational activities of human resource management (HRM). The human resources (HR) department is a tool that each manager must understand and utilize in order to successfully manage his or her department. HR supports the manager and the organization by helping to ensure that the right people are hired, trained, promoted, and disciplined if necessary. HR is responsible for ensuring job classifications are appropriate and supports the managers in setting appropriate wage and salary guideline.

Another role that the HR department can provide is strong leadership during a downsizing. HR can assist and coach management on how they can communicate positive messages about the company’s new mission. Through identifying how new priorities and strategy call for job redesign, HR can help managers as they communicate with employees, review their job requirements, and consider how the organizational changes may impact their daily tasks. HR can create realistic expectations for the number of remaining employees, so that no one becomes overwhelmed with responsibilities. Employees and departments are encouraged to work together to share ideas and as a result, can revamp evaluation and rewards systems to reward group performance. Finally, HR can pinpoint high-potential employees who will be able to take on projects so that they can grow their skills further.

The basic rule to remember is that HR is a tool that is available to the management of an organization, and if this tool is used wisely, the organization will benefit. Looking at HR as a profit center is a benefit to the organization since the department helps to keep the organization in a position where it meets government regulations and labor-relation contract requirements.

References


Suggested Reading

View the Chapter 11 and 12 PowerPoint Presentations that accompany the course textbook. Follow the steps below to access the presentations:

- Go to [http://www.mhhe.com/jonesgeorge8e](http://www.mhhe.com/jonesgeorge8e)
- Select “Student Edition”
- Select the chapter
- Select “PowerPoint Presentation”

Many studies have been performed on change management, and many books have been written on the topic. The two books listed below explore the topic and are recommended reading for this unit.


Kotter (1996) is a renowned business researcher and author who discusses eight stages to creating a successful change within an organization. His work has been used successfully by many change managers.

Johnson (1998) is also a renowned business researcher and author who took the process of change and put it into a simple parable that is easy to read and understand. The basics of his book is how we as individuals deal with change: Do we allow change to overtake us, or do we deal with it as a process? A video of the book was created and is available at [http://www.youtube.com/watch?v=91YxXk3fmw8](http://www.youtube.com/watch?v=91YxXk3fmw8)

**Learning Activities (Non-Graded)**

**Activity 1: Supplemental Quizzes**

Before completing your graded assignments, consider completing the Chapter Quizzes for Chapters 11 and 12 of your course textbook:

- Go to [http://www.mhhe.com/jonesgeorge8e](http://www.mhhe.com/jonesgeorge8e)
- Select “Student Edition”
- Select the chapter
- Select “Chapter Quiz”

**Activity 2: Managerial Ethical Behavior in the News**

Unit V introduces the concepts of organizational control and change and human resource management. These two concepts are part of the tools each manager needs to understand and properly utilize. In order to better understand these concepts, consider conducting an Internet search for current articles events related to strategy implementation. Once finished, reflect upon the results.

Below are some items that you may want to consider during your search:

- Dörr, R. [Raphael Dörr]. (2012, November 20). *Who moved my cheese? The movie by Dr. Spencer Johnson* [Video file]. Retrieved from [http://www.youtube.com/watch?v=91YxXk3fmw8](http://www.youtube.com/watch?v=91YxXk3fmw8)
- Monash University’s Faculty of Business and Economics [Monash BusEco]. (2012, April 22). *Human resource management* [Video file]. Retrieved from [http://www.youtube.com/watch?v=9ZLbSk1Te68](http://www.youtube.com/watch?v=9ZLbSk1Te68)

**Activity 3: Non-Graded Discussion Questions**

Before completing your graded assessment, consider reviewing and answering the following discussion questions. Potential answers are also provided for your consideration.
1. Explain the relationship between organizational control and the four building blocks of competitive advantage.

ANSWER: Organizational control helps managers obtain superior efficiency, quality, responsiveness to customers, and innovation—the four building blocks of competitive advantage. A control system contains the measures or yardsticks that let managers assess how efficiently the organization is producing goods and services. Effective managers create a control system that consistently monitors the quality of goods and services so they can continuously improve quality—an approach to change that gives them a competitive advantage. Managers can help make their organizations more responsive to customers if they develop a control system, such as a CRM system, that allows them to evaluate how well customer contact employees perform their jobs. Successful innovation takes place when managers create an organizational setting in which employees feel empowered to be creative and in which authority is decentralized to employees so they feel free to experiment and take control of their work activities.

2. Differentiate between objective and subjective appraisals. Provide an example of when you worked under either or both of these types of appraisal systems.

ANSWER: Whether managers appraise performance in terms of traits, behaviors, or results, the information they assess is either objective or subjective. Objective appraisals are based on facts and are likely to be numerical—the number of cars sold, the number of meals prepared, the number of times late, the number of audits completed. Managers often use objective appraisals when results are being appraised because results tend to be easier to quantify than traits or behaviors. When and how workers perform their jobs is important, however, subjective behavior appraisals are more appropriate than results appraisals. Subjective appraisals are based on managers’ perceptions of traits, behaviors, or results. Because subjective appraisals rest on managers’ perceptions, there is always the chance that they are inaccurate.

Non-graded Learning Activities are provided to aid students in their course of study. You do not have to submit them. If you have questions, contact your instructor for further guidance and information.