Management & Leadership:
The Essentials

Management & Leadership

- Management: the process of coordinating resources to achieve the goals of the organization

- Leadership: Social influence over others

Management & Leadership

Red Bead Experiment

- Created by W. Edwards Deming in 1982

  - 3 willing workers

  - 2 inspectors

  - 1 recorder

  - 1 manager

Red Bead Experiment

- Illustrates several points about poor management practices

  - Fallacy of rating people and ranking them in order of performance

  - Uses statistical theory to show a "willing worker" wants to do a good job

  - Their success is tied to and limited by the nature of the system they are working within

  - Real & sustainable improvement is only achieved when the system is improved

*https://www.deming.org/theman/theories/redbeadexperiment

Red Bead Experiment

"We gave merit raises for what the system did; we put people on probation for what the system did. Management was chasing phantoms, rewarding and punishing good workers, creating mistrust and fear, trying to control people instead of transforming a flawed system and then managing it." - Deming

*Z. Kotter & D. Cohen, *The Heart of Change* (Boston: Harvard Business Review Press, 2012)

Red Bead Experiment

- Lessons learned:

    1. Workers will try to do their jobs, even when they know they cannot.
    2. Doing your best doesn't matter, unless you know what to do, why you're doing it, & how to do it.
    3. It's managements job to improve the system.

Transition: Management to Leadership

- Several methods:
  - Management by objectives
  - Changing organizational climate & culture
  - Creating a new vision
  - Servant leadership
  - Employee empowerment

Psychological Size

- The perception that others can have of people in positions of power, authority, or expertise.
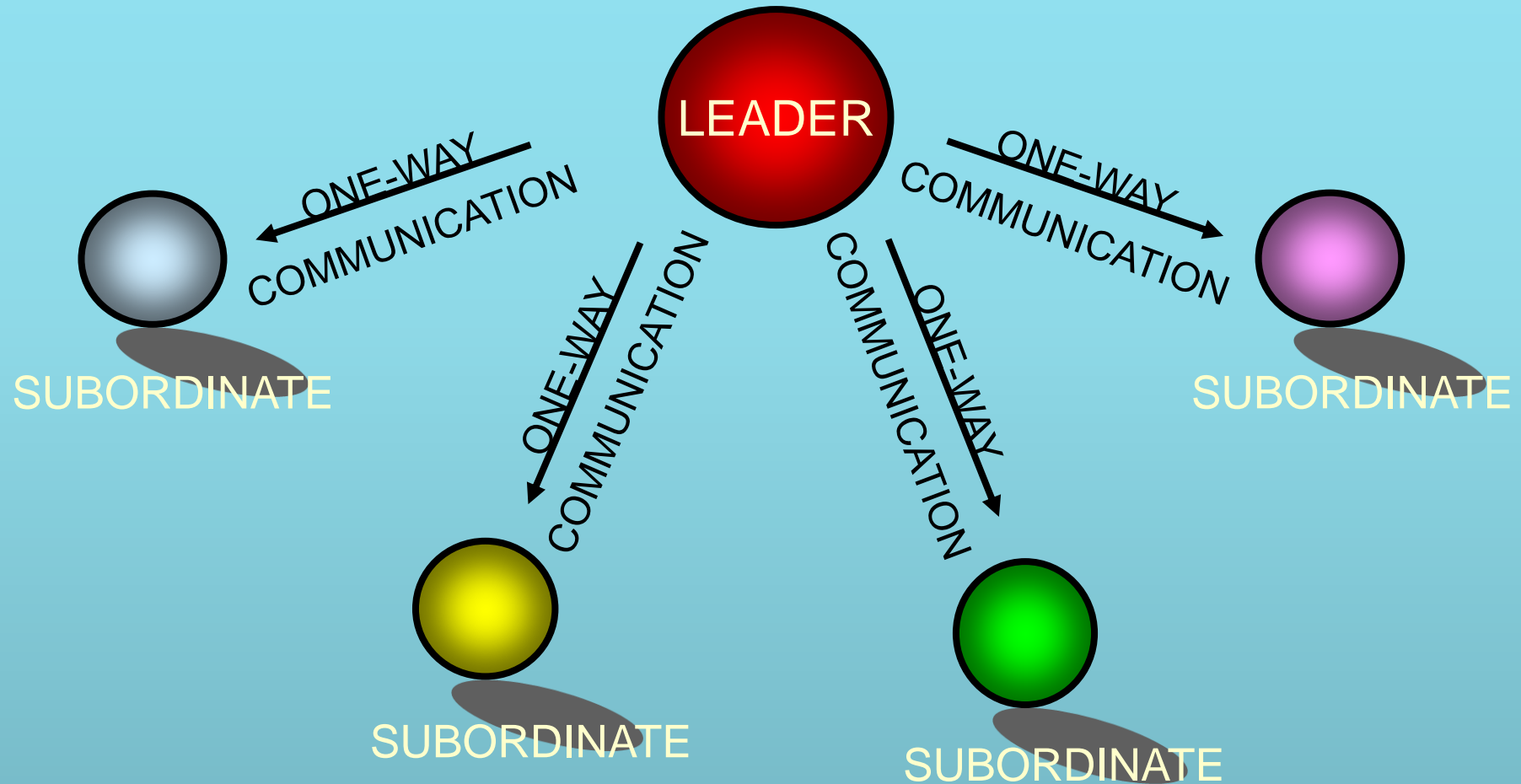
Abuse of Psychological Size

- Reluctance to say or do anything to upset the boss

- Subordinates become reliant on leader to make all decisions

- May become resentful of the Leader
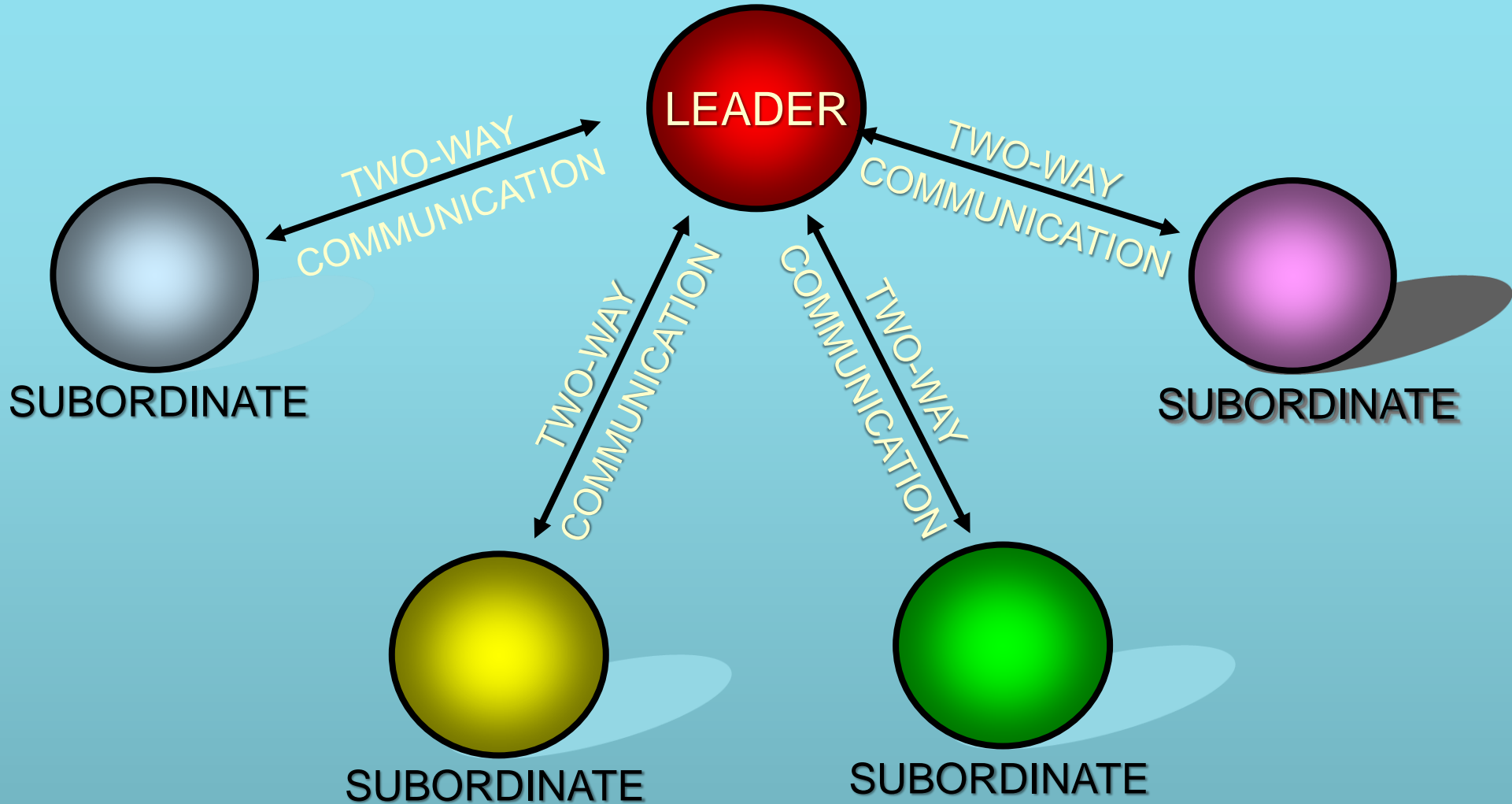
Effective Psychological Size

- Communication is key

- Model honest & open style of communication

- Be patient (trust takes time to build)

- Make sincere effort to draw peoples ideas out while not constantly criticizing

*G. Manning & K. Curtis, *Leadership (McGraw Hill, 2015)*

ABUSE OF PSYCHOLOGICAL SIZE

Principles of an Empowered Workplace

- Trust in people

- Invest in people

- Recognize accomplishments

- Decentralize decision making

- View work as a cooperative effort

*P. Lopes et al., "Emotional Intelligence and Social Interaction," *Personality and Social Psychology Bulletin 30, no. 8* (August 2004): 1018-1034; and C. Daus and N. Ashkensky, "The Case for Ability-Based Models of Emotional Intelligence," *Journal of Organizational Behavior 26* (2005): 453-466

Management & Leadership Differences

- The manager does things right; the leader does the right thing.
- The manager relies on control; the leader inspires trust.
- The manager focuses on systems and structures; the leader focuses on the people.
- The manager administers; the leader innovates.
- Then manager asks how and when; the leader asks what and why.
- The manager accepts the status quo; the leader challenges it.

*Adapted from Warren Bennis

Questions?

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