**IEOR Quiz 1 Review Sheet**

**Entrepreneur**- a person who organizes and operates business(es), taking on financial risk to do so

**Intrapreneur**- a manager within a company who promotes innovative product development and marketing

**Entrepreneur**

* Assembles and then integrates all the resources needed to found a company.
* In the face of scarcity – money, people, and time
* In the face of uncertainty with an unproven business model and strategy
* All in an effort to transform an idea or invention into a viable business

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| **Startup*** Founder and friends
* Investor focused
* Highly fluid
* Unique product approach
* Runway concerns
* Short term goals
* High risk/burnout
* Assertive leadership
 | **Key Organizational Behavior Skills*** + Key Leadership elements and theories
	+ The Softer Side of Leadership
	+ Communications
	+ Decision Making
	+ Motivation
	+ Team Building
	+ Negotiations and Conflict
	+ Influence
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**Leadership theories**

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| **Great Man Theory*** + Monarchies/Kingdoms
		- Charismatic Reverence
		- Hereditary Hierarchy
		- Military and Government Control
		- Absolute Power

**Trait Theory*** + Physical Characteristics
	+ Power and Status positions

***Autocratic**** + Firm control
	+ With a single leader

***Democratic/Participative**** + Concept of shared thought between leaders and followers

***Laissez-Faire**** + A lack of Leadership
	+ Organization expected to run on its own
 | **Resonant Styles*** + Positive Resonant Leadership Styles (Democratic)
		- Visionary – articulation of the a shared dream
		- Coaching – personal guidance
		- Affiliative – harmony through connectivity
		- Democratic – building consensus
	+ Negative Non-Resonant Leadership Styles (Autocratic)
		- Pacesetter – impatience at lack of meeting standards
		- Commanding – my way or the highway
	+ Styles change based on the situation

**Contingent and Situational Theory*** + No predictable optimum course of action
	+ Internal and External environmental forces influenced style
	+ Leadership styles will change based on the situation.
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| **Transactional** **– Manager Focus*** Task oriented
* Controlling behaviors through corrective action
* Goal driven with measurement focus
 | **Transformational** **– Leader Focus*** Vision
* Proactive approach
* Charismatic approach
* Trust
* Persistence
* Dependable
 |
| * **Leaders**
	+ Innovators
	+ Creators
	+ Developers
	+ Investigates reality
	+ Sets the culture
	+ Creates the vision
	+ Creates change
	+ Creates effectiveness
 | * **Managers**
	+ Administrators
	+ Maintainers
	+ Executors
	+ Accepts reality
	+ Maintains the culture
	+ Delivers on the goals
	+ Implements change
	+ Creates efficiency
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**Principle Centered Leadership**

* + **Alignment** – Creation of a flat, flexible organization with a trusting culture where worker performance is internally motivated
	+ **Empowerment** – Establishing a performance agreement, overlapping worker’s needs with the needs of the organization- based on high trust
	+ **Trust** – The emotional bank between two people to create a win-win performance
	+ **Trustworthiness** – Personal character and competence permeate the organization

**The *Spirituality* of Leadership**

* + Emotional Intelligence
	+ Culture
	+ Ethics
	+ Values
	+ Stewardship
	+ Change Agency

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| **Self-Awareness - *Recognize and understand moods, emotions**** + Emotions
	+ Assessment
	+ Confidence
 | **Social Awareness - *Understanding emotions and makeup in others**** + Empathy
	+ Organizational awareness
	+ Service orientation
 |
| **Self-Management - *Ability to control or redirect impulses and moods**** + Control
	+ Trustworthiness
	+ Conscientiousness
	+ Initiative
	+ Motivation
 | **Social Skill - *Ability to manage relationships**** + Vision
	+ Influence
	+ Communications
	+ Conflict management
	+ Teamwork
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**Four elements of culture**

* **Artifacts** – Stories and myths (the Ah-Ha moment)
* **Espoused values** – Preached and practiced
* **Share** **assumptions** – Vision, strategic intent, core strategies (What would Carl do?)
* Established by the leader of the organization

**Ethics-** the standards of right and wrong that influence behavior

**Stewardship**- willingness to be accountable for the wellbeing of others by operating with service, not just control.

**Servant** l**eadership**- transcends self-interest to serve the needs of others by helping them grow professionally and emotionally.

* What the Leader Stands for:
	+ Honesty
	+ Transparency
	+ Authenticity
* **Change – A Constant Element of Leadership**
	+ Values Based Leadership – making the right choices
	+ *Leaders fail (to create change) when they have an inappropriate attitude and philosophy about the relationship between themselves and their followers.*
	+ Values of Effective Change Agents
		- Integrity
		- Trust
		- Listening
		- Respect for followers
* **Communications is 2 way**
	+ Responsibilities of the Communicator
		- Clear Messages
		- Understood Message
		- Verbal and Non Verbal Messages
		- The Power of Silence
	+ Responsibilities of the Listener
		- Active Listening
		- Being Present and engaged

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|  | * **Sending - Information**
	+ - Encoding in a format that will get an idea across
* **Hearing – Information**
	+ - Decoding the message
		- Must be received
		- Must be understood
* **Noise must be avoided**
 |

* **Tool to improve communications**
	+ - Feedback
		- Helps to determine how clearly a message is heard
* **Receiving is far more than “hearing”**
	+ - Listening for content
		- Listening for intent
		- Providing Feedback
		- Verifying the accuracy of the message received
		- Asking pertinent questions
		- **The power of active listening**

Concentrate

* + - * + Provide full attention
				+ Remove all noise

Acknowledge

* + - * + Make eye contact
				+ Participate with verbal responses

**The Intersection – Entrepreneurship and Leadership**

* + Transformational Leadership
		- The movement from managing to becoming a visionary and culture architect
	+ From the Idea to the Team
		- From the solo idea to the group responsibility
	+ Interrelationships – the people connection
		- Paying attention to the people – building trust
	+ Crossover from IQ to EI
		- Re-focus from the technical to the personal
	+ Surrounding yourself with motivated people

**Groups –** Folks that meet regularly and have some distinction, strive for independent objectives.

**Teams** – Are groups that are much more sophisticated

* + Complementary skills
	+ Common company goals
	+ In some cases, share management
	+ Are accountable together.
* **Effective Teams Will**
	+ Target effective and meaningful team projects
	+ Select team members that bring high performance
	+ Make choices and tradeoffs wisely, maximize the value of time and money and get high performance from each team member
	+ Never leave performance to instinct and chance

Types of company to build

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| **“Lifestyle”*** The majority of businesses in the world
* Self-controlled
* Bank/FFF funded
* Modest growth aims
 | **“Classic Startup”*** Shoot for the moon
* Angel/VC funded
* Board controlled
* BIG growth goals
 |
| **10 traits of entrepreneurs**1. Persistence
2. Confidence
3. Vision
4. Action
5. Dedication
6. Faith
7. Integrity
8. Adaptability
9. Courage
10. Communication
 | **10 myth of entrepreneurs**1. Born, not made
2. Well educated, rich and young
3. Big gamblers
4. Loners and cannot work with others
5. Only care about money
6. Break-through invention or technology
7. Fail and you will never get a second chance
8. Couldn’t get a good job so they work for themselves
9. Take huge risks to succeed
10. You will have no “life”
 |

**7 steps to entrepreneur**

* Find/fill unmet customer need
* Plan for profitability
* Strive for sustainability
* Establish credibility
* Gather resources
* Lead/manage effectively
* Maintain life balance



* **Structures of Groups and Teams**
	+ Formal
		- Command Group – Usually described as Departments
		- Task Force – A collection of people focusing on a specific goal
	+ Informal
		- Friendship Group – People who enjoy each other’s company
		- Interest Group – People with a common goal or objective related to their membership

**Types of Teams**

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| ***Functional Teams**** Line Manager
* Subordinates

***Cross-Functional Teams**** Members from different departments
* Leader serves as a consultant

***Self-Managed Teams**** Given authority to manage decisions to meet goals

***Virtual Teams**** Foreign locations
 | **Virtual Teams**Advantages:* Wide reach of time and distance
* Diversity could expand expertise
* Reduces costs
* Improves team communications

Disadvantages:* Lack of physical interaction
* Lack of verbal and non-verbal communication
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* **Signs of Team Maturity:**
	+ Feelings are accepted without judgment
	+ Healthy disagreements occur over real and important issues
	+ Team decisions are made in the face of dissent which is encouraged
	+ Members of a team understand the nature of their involvement
* **Stages of Team Development**
	+ *Forming* – Orientation
		- Getting to know each other
		- Establishing a common understanding
	+ *Storming* – Conflict
		- Members resist being controlled
		- Disagreements arise
	+ *Norming* – Cohesion
		- Members develop feelings of friendship and camaraderie
		- A common purpose is shared
	+ *Performing* – Effective Structure
		- Members work toward achieving common goals

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| **Team Size** Advantages of Smaller Teams* More Frequent Interactions
* Information more easily shared
* Members get to know each other and recognize contributions
* Motivation exists toward team goals
* Members are more satisfied.
 | Advantages of Larger Teams* Member’s skills
* Abilities
* Knowledge
* Experience
* Greater separation of tasks, better focus
* More skills from better focus
 |

* **Team Composition**
	+ Advantages of Homogeneous Members
		- Members tend to get along with each other
		- Information is shared and not horded
		- Low tendencies toward conflict
	+ Advantages of Heterogeneous Members
		- Diversity creates different views and potentially better decisions
		- Team performs at a high level with more variety of resources available
* **Team Efficiency**
	+ Shared belief sets the stage to achieve goals
		- Composition of the team
		- Knowledge of the team
		- Skill levels of the team
		- Willingness to work together
		- Willingness to share information
		- Use of shared resources
* **Social Facilitation**
	+ Experienced team members performance is strong
		- Based on well learned behaviors
		- Wisdom from earlier activity
	+ Difficult situations may require some isolation for members to allow them to focus
* **Roles** – a set of behaviors that a member is expected to perform by virtue of holding this role
	+ Establishing tasks
	+ Responsibilities – task related
	+ Rights – resources related
* **Roles actions**
	+ Tells members what they should be doing
	+ Defines standards of evaluation of behavior
	+ Determines how to reward members
* **Rules** – Standard Operating Procedures
	+ Day to day requirements
	+ Task descriptions
* **Advantages of clear rules**
	+ Define proper engagement
	+ Define control of behavior
	+ Facilitate evaluations
	+ Helps training new employees
* **Team Norms** – informal rules of conduct
	+ Conformity of the norm
		- Compliance – assenting and following the norm
		- Identification – with others who comply
		- Internalization – Believing in the norm
	+ Deviance from the norm
* **Team Cohesiveness**
	+ Cohesive teams have high level of interaction
		- Similar interests
		- Common goals
		- Personal attractiveness
	+ Will create Power and Influence
	+ High influence can create
		- Groupthink;
* **Team Cohesiveness Factors**
	+ Conditions leading to team formation
	+ Team success
	+ External Threat
	+ Fair Rewards Allocation
* **Cooperation**
	+ Cooperation means giving support
	+ Contributing time and energy
* **Competition**
	+ When individualism overrides team effort
	+ Can be positive when driving to better performance
* **Creating a good Culture**
	+ Instillation of value of teams to organizational success
	+ Respect skills of new team members
	+ Insert team building training
	+ Develop effective reward structures
	+ Provide fair and clear goals
	+ Provide avenues for success
	+ Empower teams, minimize micro-management
* **Team Learning**
	+ Team of specialists
	+ Performance depended on each other
	+ Team is in alignment, a commonality of direction
	+ There is a resonance in the team
	+ Key critical dimensions:
		- There is the need to think insightfully about complex issues
		- There is a need for innovative, coordinated action
		- There are roles for team members from other teams
* **Team Learning**
	+ Dialog is key
		- All participants must “suspend their assumptions
		- All participants must regard one another as colleagues
		- There must be a strong facilitator who holds the context of the dialog
	+ In a dialog, different views are presented toward discover
	+ In a discussion, decisions are made.
* **Perception**
	+ Creating an internal picture of the external world.
* **Judgment Biases**
	+ Opinion expressed as facts, typically called wisdom or,
	+ Discernment which is the activity of determining the value and quality of something by going passed mere perception and making a judgment about it.
* **Attribution – Finding causes of behavior**
	+ Concept in psychology whereby people attribute traits and causes to things they observe.
* **Why are Perceptions important?**
	+ Motivation and Performance
	+ Fairness and Equity
		- Especially in the global work force
	+ Ethical repercussions
* **The Components of Perception**
	+ *The Perceiver* – the person trying to interpret
		- Observations
		- Input from senses
	+ *The Target* – whatever the perceiver is trying to make sense of
		- Persons, Groups of persons
		- Events or situations
		- Ideas
	+ *The Situation* – context where perception takes place
		- Meetings, coffee machines, hallways, etc.
* **Characteristics of the Perceiver**
	+ Knowledge – *Schemas*
		- Experiences
		- Storage of sensory information in memory
		- Interpretation of reality in alignment with expectations
	+ Needs and Desires – *Motivational State*
		- The actual time of perception
	+ Feelings – *Moods*
		- Feelings at the time
		- Might “wait” until a mood changes
* **Characteristics of the Target of the Perception can influence Perception**
	+ Ambiguity – lack of clarity in the mind of the perceiver
	+ Social Status of the Target
		- High status can be misleading
	+ Impression Management by the Target
		- Behavior matching
		- Self promotion
		- Conforming to situational norms
		- Flattering
		- Agreement with the perceiver
* **Judgment Biases – tendency to interpret data that can result in inaccurate perceptions**
	+ Problems arise from conclusion or judgments that
		- Distort of misrepresent facts
		- Disagree with the perception of others
	+ Relationship biases
		- Performance evaluations
		- Selection interviewing
		- Group meetings
		- Customer relations
* **Sources of Judgment Bias**
	+ First Impressions
	+ Halo Effect
	+ Projection – Similar to me
	+ Implicit Personality Theory
	+ Stereotyping
* **Halo Effect**
	+ One or a few personal characteristics effect evaluations of other characteristics
		- Trait Characteristics

*One characteristic, ie, how one dresses, will bias an overall view of potential future action or performance.*

* + - Self Image Equating

*We have a positive bias for attributes that we might have.*

* **Projection – Similar to me**
	+ Psychological mechanism of attributing our own traits to others
	+ If others do not project our personal traits, we create
		- False Impressions
		- Misperceptions are likely to follow
* **Implicit Personality theory**
	+ Linking characteristics improperly
		- Honest people = Hard working people
		- Quiet people = Are devious
		- Sloppy Dressers = Unorganized workers
* **Stereotyping**
	+ Linking group characteristics to individuals
	+ Fed by prejudice and myths
	+ Perpetuated by these myths
	+ What groups are stereotyped?
		- Ethnic groups, age groups, political groups, sexual orientation
* **Attribution Theory – Judging Other People’s Behavior**
	+ Fundamental Attribution Error - When we judge others – We tend to attribute causes of behavior
	+ Factors that affect attribution:
		- *Consistency* – “once late – expected to be late”
		- *Distinctiveness* – “if being late in uncommon – must be an extenuating reason”
		- *Consensus* – “if someone doesn’t follow the norm – behavior is internally motivated”
		- *Privacy* – “action in private – judged to be internally motivated
		- *Status* – “higher the status – the more responsible”
* **Attributions**
	+ Internal – characteristic of the person
		- Abilities
		- Personality
		- Motivation
	+ External – factors external to the person
		- Task difficulty
		- Luck
* **Attribution of our Own Behavior**
	+ Self Serving Bias
		- Believe we generally don’t make mistakes
		- Failure attributed to
			* Bad luck
			* Unfair conditions
			* Impossible odds

**Readings**

**Cult**

* Strong team, strong beliefs in common
* Culture is dynamic
* High quality team
* High trust

**A-player**

* Best, all-around player
* Strong network
* Constant attitude
* Inspirational
* Contribute positively
* Skeptical, questioning

**The candor effect**

* Candor gets more people in the conversation, and when you get more people in the conversation, to state the obvious, you get idea rich.
* Candor generates speed. When ideas are in everyone’s face, they can be debated rapidly, expanded and enhanced, and acted upon.
* Candor cuts costs- lots.