**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 |

**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. |
| **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 |

**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 |

**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

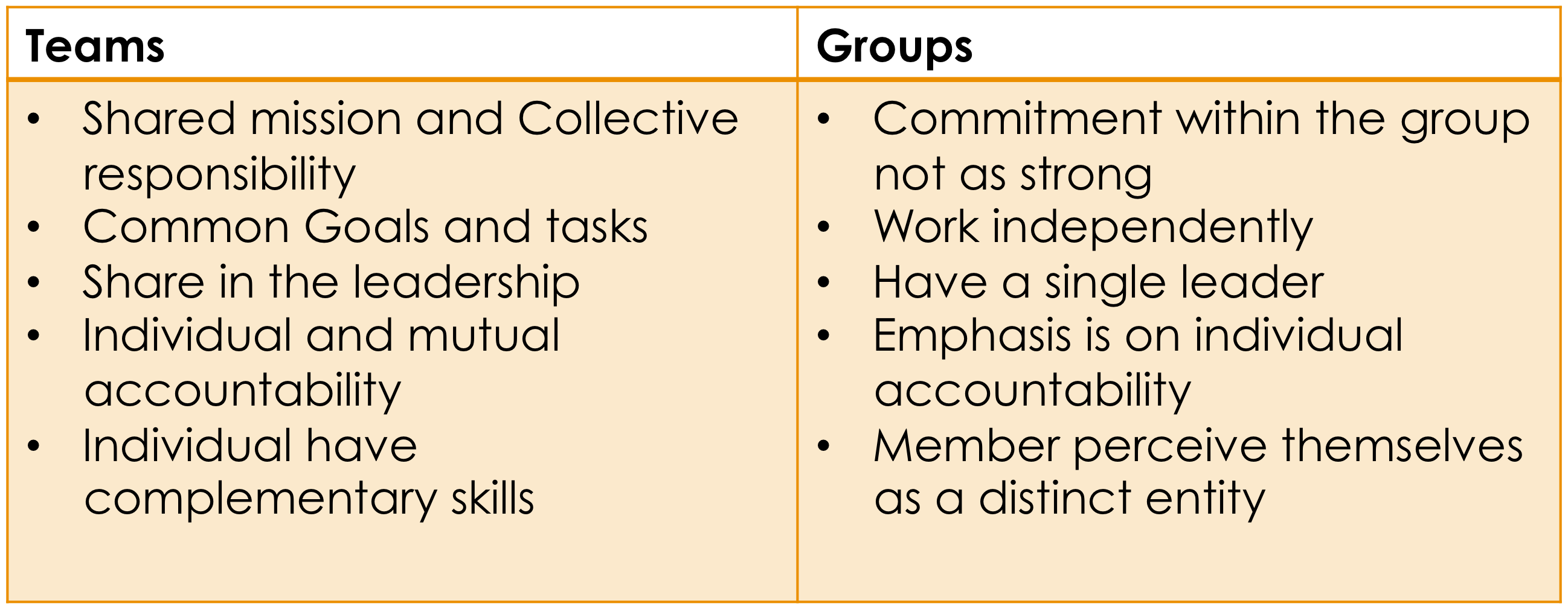
* + Complementary skills
  + Common company goals
  + In some cases, share management
  + Are accountable together.
* **Effective Teams Will**
  + Target effective and meaningful team projects
  + Select team members that bring high performance
  + Make choices and tradeoffs wisely, maximize the value 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 |

* **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.