Chapter 16

Principle 10: Develop Exceptional People and Teams Who Follow Your Company’s Philosophy

Teams

- All systems are there to support the team doing value-added work.
- Teams do not do value-added work – individuals do
- Teams coordinate the work, motivate, and learn from each other
- Teams suggest innovative ideas, even control through peer pressure
One Shot at Getting the Culture Right

How would you do it?

Culture Building

<table>
<thead>
<tr>
<th>Toyota</th>
<th>Tuchman</th>
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<tr>
<td>1. Orientation</td>
<td>1. Forming</td>
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<td>2. Dissatisfaction</td>
<td>2. Storming</td>
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<td>3. Integration</td>
<td>3. Norming</td>
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<tr>
<td>4. Production</td>
<td>4. Performing</td>
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Stages of Team Development

Team Development Timeline
Lost at Sea Exercise

Motivation

Unfulfilled Need
Activation of New Need or Variation of Original

Sources of Gratification Available

Goal – or Task-directed (motivated) Behavior

Toyota Structure
Maslow’s Hierarchy of Needs

- Hierarchy of Needs -- Theory of motivation based on unmet human needs from basic physiological needs to safety, social and esteem needs to self-actualization needs.
- Needs that have already been met do not motivate.
- If a need is filled, another higher-level need emerges.

Alderfer’s Theory of Needs

- Growth
- Relatedness
- Existence
Rewards

- Extrinsic -- Something given by others as a recognition of good work
  - Pay Raises
  - Promotions
  - Awards

- Intrinsic -- Personal satisfaction felt for a job well done.
  - Pride in your performance
  - Sense of achievement

“Doing a good job around here is like peeing your pants in the dark - you get a nice warm feeling, but nobody notices.”
Required Behaviors

- Join the organization
- Perform to minimal requirements to keep the job
- Perform beyond the minimum level
- Remain with the organization

Conceptual Model of Expectancy Theory

Attractiveness of Performance Level =

\[ E_A \times \sum_{j=1}^{n} (I_{A_j} \times V_j) \]
Knowledge, Skills, & Abilities

Role Perceptions

Motivation

Performance

Performance Determinants

Knowledge, Skills, & Abilities

Organizational Constraints

Role Perceptions

Motivation

Performance

Performance Determinants

Impact of Organizational Constraints
Job Characteristics Model

Core Job Characteristics
- Skill variety
- Task identity
- Task significance

Critical Psychological States
- Experienced Meaningfulness Of the Work
- Experienced Responsibility For Outcomes Of the Work

Autonomy
- Feedback from Job
- Knowledge of Actual Results

Outcomes
- High Internal Work Motivation
- High "Growth" Satisfaction
- High General Satisfaction
- High Work Effectiveness

Moderating Variables
1. Knowledge & Skill
2. Growth Needs Strength
3. "Context" Satisfaction

To be effective, leader must influence worker perceptions of work goals, self-development goals, and paths to goal attainment.

Leader behavior must influence worker perceptions of expectancies and instrumentalities (goal paths) and valences (goal attractiveness).

Leader must clarify the kinds of behavior that will most likely result in goal accomplishment.

Leader Behavior

- Directive – let subordinates know what is expected of them
- Supportive – treat subordinates as equals
- Participative – consult with subordinates
- Achievement-oriented – set challenging goals, expect subordinates to perform at the highest level, and continually seek improvement in performance

Leader Behavior cont.
3 Elements of Motivation

- Performance definition – clarifying the what, how, and why of performance
- Performance facilitation – providing necessary resources, support, and training to enable performance to occur
- Performance encouragement – provide workers with the proper incentive to produce

Performance Encouragement

- Valence (worker’s perspective) of the reward to be administered
- Magnitude or amount of reward to be given
- Timing of the administration of the reward
- Worker’s perception that performance will result in performance being rewarded
- Equity of the rewards

Reinforcement Theory

- Soon
- Certain
- Positive
1. Determine what rewards employees value.
3. Make sure performance standards are attainable.
4. Tie rewards to performance.
5. Be sure employees feel rewards are adequate.

5 Steps for Managers

16 Hidden Reasons for Employee Nonperformance

- They Don't Know Why They Should Do It
- They Don't Know How To Do It
- They Don't Know What They Are Supposed To Do
- They Think Your Way Will Not Work
- They Think Their Way Is Better
- They Think Something Else Is More Important
- There Is No Positive Consequence to Them for Doing It
- They Think They Are Doing It

Reasons for Nonperformance continued

- They Are Rewarded for Not Doing It
- They Are Punished for Doing What They Are Supposed To Do
- They Anticipate a Negative Consequence for Doing It
- There Is No Negative Consequence to Them for Poor Performance
- Obstacles Beyond Their Control
- Their Personal Limits Prevent Them from Performing
- Personal Problems
- No One Could Do It
Principle 11: Respect Your Extended Network of Partners & Suppliers By Challenging Them and Helping Them Improve

Chapter 17

How would you describe the difference between how Toyota treats its suppliers and how US firms do it?

Supply Chain Need Hierarchy
Chapter 18

Principle 12: Go and See for Yourself to Thoroughly Understand the Situation (Genchi Gembutsu)

How would you respond if Mr. Ohno told you to draw a circle on the ground and stand in it for 10 hours and tell him what you saw?