Class Day 2
Management Diagnosis

Step 2. Assessing the processes for leading people (empowerment)



Agenda of today

- ❑ PART 1 : Takeaways of last class and feedback on your Purpose part
- ❑ PART 2 : PLOC

Focus on the Leading with the empowerment

- ❑ PART 3 : Stretch our thinking with Thinker50 : Daniel Pink
- ❑ PART 4 : Management diagnostic

Find and advice on the leading practices



Takeaway of Purpose

1. What is a pupose? (the three questions of Cynthia Montgomery)
2. Why we need a clear purpose?
3. Why companies might not have a clear purpose
4. A clear purpose is one or two sentences
5. Thinker50 :

Sunita Sha

- Defiance ; insinuation anxiety ; 5 stages of defiance

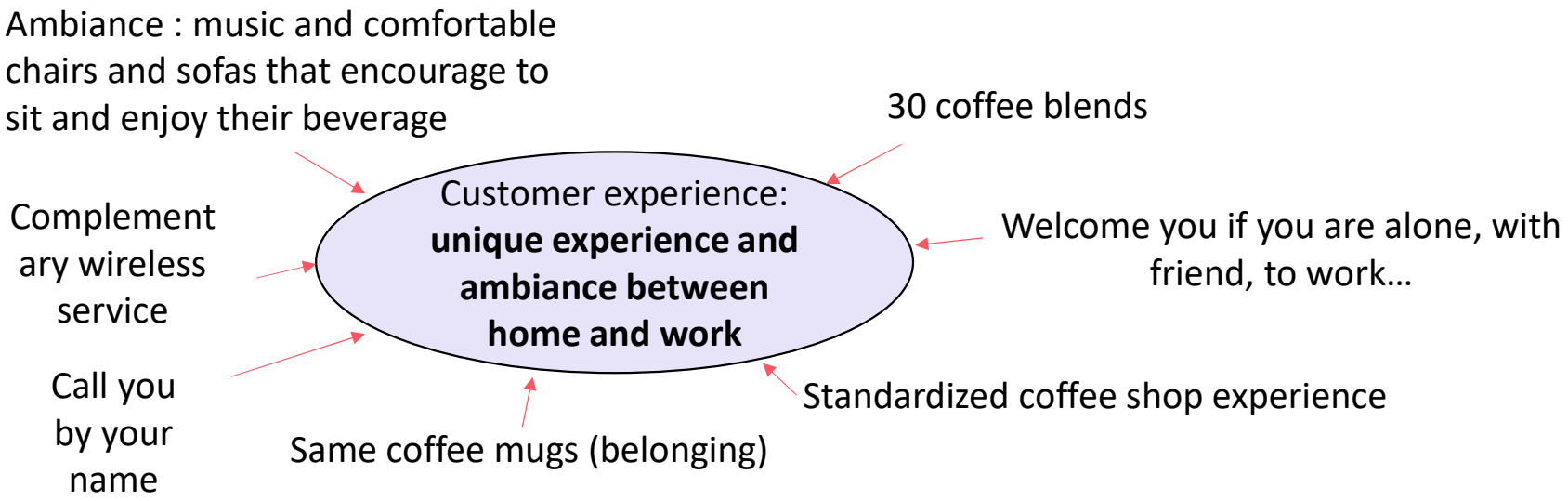
Alice Driscoll & Louise van Haarst

- Smart Conflict ; 5 R ; conflict vs navigate the conflict ; not insult

Let's go further

Started by Howard Schultz getting inspired by Italian coffee bars

Purpose : "create a **third home** between home and work in which people will be paying for a **unique standardized experience and ambiance** (not just for coffee)"



Let's go further

But over the fourth quarter of 2007, Starbucks reported flat revenue and a 98 percent decline in profit

- $5.4 million, or a penny a share, compared with $158.5 million compared to last year

- What happened?

Let's go further

Starbucks between 2004 and 2008 had a new CEO with a financial background who started reduce cost and improve efficiency => lost the customer experience priority

- Instead of brewing the coffee (which happened each 8 min with the growth), started doing it on the morning and reheating the coffee => lost the « sound of brewing» that was part of the experience
- Diversified in ice cream, books, music and other retail merchandise=> barista had to be multi-tasking
- New tall expresso machine => block the conversation between the barista and the customers
- Lost a blind test against McDonalds coffee (last of 6 coffees)
- Then the financial crises in 2008-2009 made Starbucks coffee at 4 dollars a luxury

Friendly review

Last week instruction

1. Go on challenge me
2. Click on the AI assistant and reupload the answer

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WHAT is Leading?



- Since the definition has evolved:
  - responsible for getting activities completed efficiently
  - with and through other people and setting and achieving the firm's goals
  - **through the execution of four basic management functions: planning, organizing, leading, and controlling**
  - These sets of processes utilize human, financial, and material resources

P-O-L-C framework

Planning	Organizing	Leading (command and coordinate)	Controlling
1. Vision & Mission 2. Strategizing 3. Goals & Objectives	1. Organization Design 2. Culture 3. Social Networks	1. Leadership 2. Decision Making 3. Communications 4. Groups/Teams 5. Motivation	1. Systems/Processes 2. Strategic Human Resources

Source : http://saylordotorg.github.io/text_principles-of-management-v1.1/s05-04-planning-organizing-leading-an.html

WHAT is Leading?

- Leadership as “a process whereby an individual influences a group of individuals to achieve a common goal” (Northouse,2010, p.3)

- Leaders are needed to handle change through *setting a direction*, *aligning people*, *motivating* and *inspiring people* (Kotter, 1998) => 4 actions

- Managers should be Leaders (but all managers are not)!

WHAT is Leading?

- The very act of defining leadership as a process suggests that leadership is not a characteristic or trait with which only a few certain people are endowed at birth.

- Defining leadership as a process means that leadership is a transactional event that happens between leaders and their followers.

WHAT is Leading?

FOUR LEADERSHIP STYLE



ACHIEVEMENT -ORIENTED LEADER (Delegating)	PARTICIPATING LEADER (Supporting)	SELLING LEADER (Coaching)	TELLING LEADER (Directing)
Set challenging goals, delegate the tasks and expects followers to perform at their highest level. Monitor progress but less involved in decision making.	Share decision-making with "followers"; the main role of leader is facilitating and communicating	Provide both directive. But sell the ideas to get people on board	Defines roles and tells people what, how , when and where to do various task

Situational Leadership Theory developed by **Paul Hersey** and **Ken Blanchard** in the late 1960s.

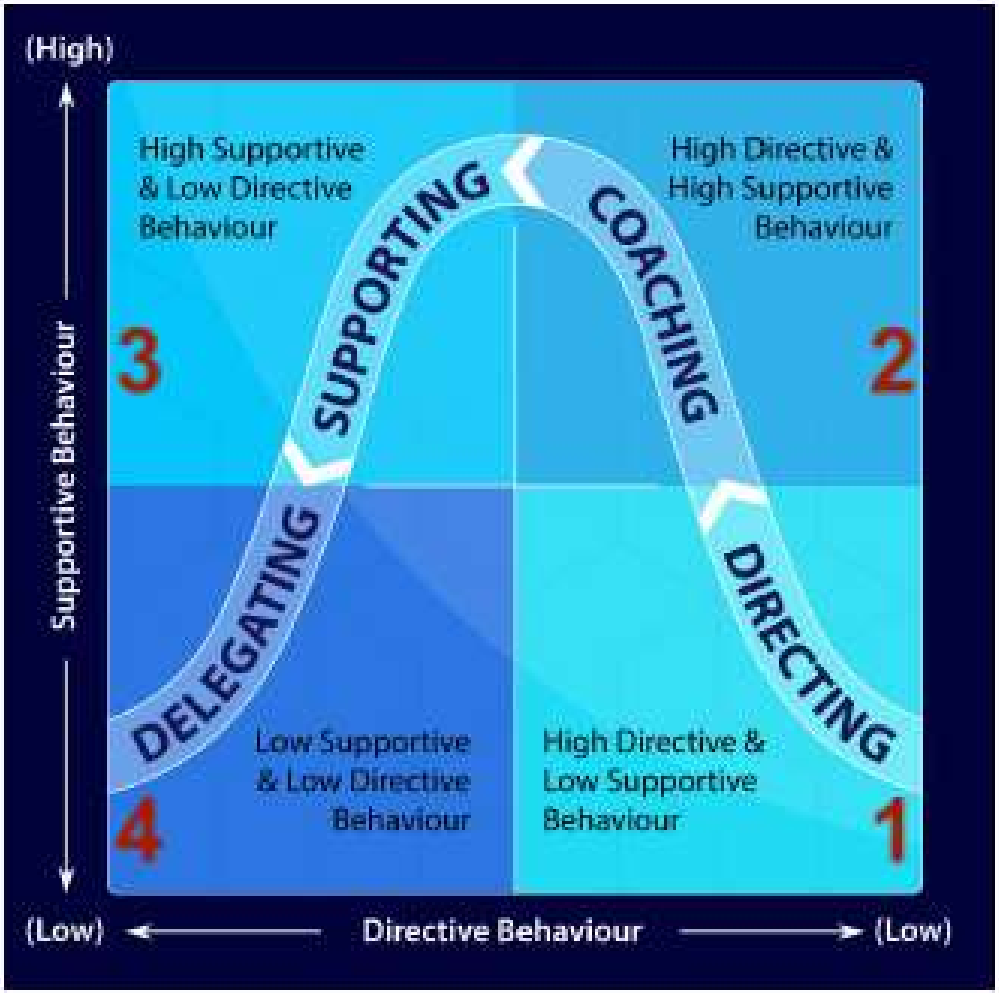
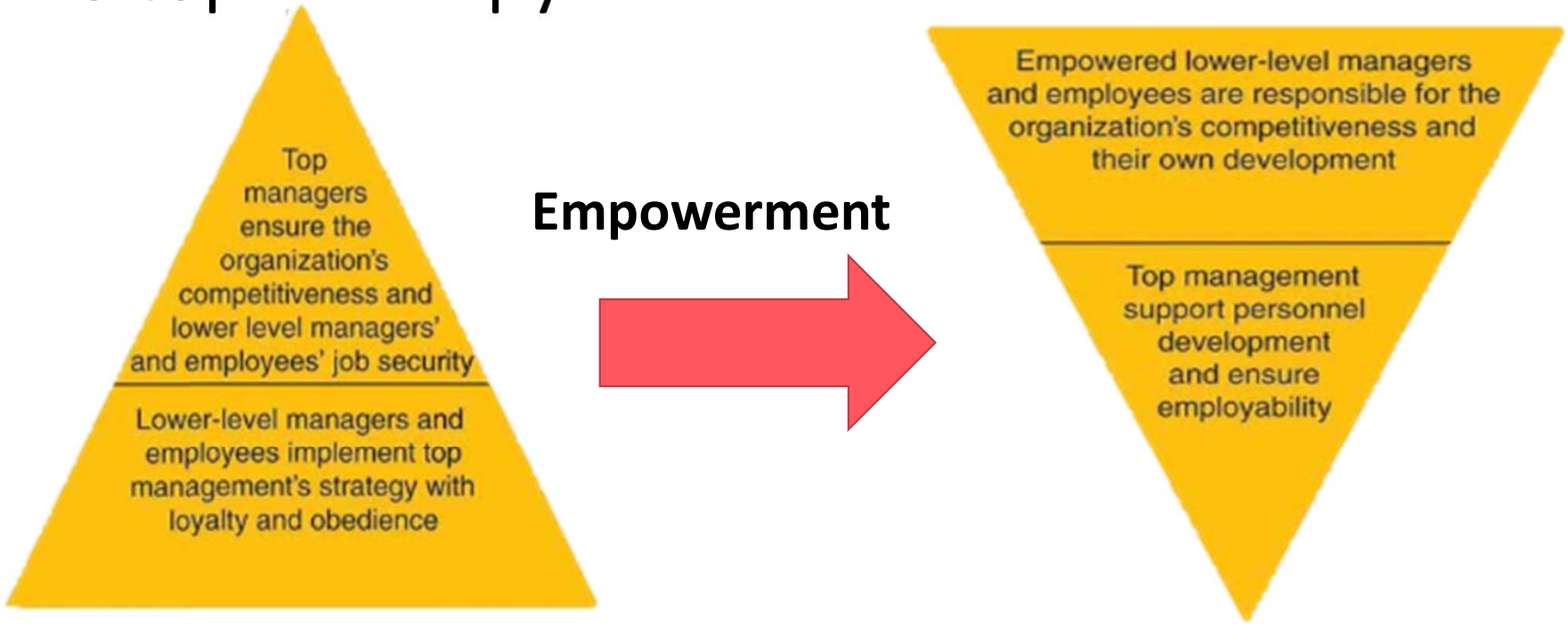


Figure n°2 : Scheme of the 4 leadership styles (Becky Leighton, 2019)


Upper Management
Long term goals: products, markets, business organizing
Jobs like CEO, CFO, COO, CTO, VP - marketing
Middle Management
Interprets plans & sets actions Jobs like- regional/plant managers
Lower-Level Management
Implements plans| Jobs like team leader, assistant mo foreman, shift manag

WHAT is Leading?

- The top of the pyramid….



…Question the definition of leading



Focus on empowerment

Managing people
Focus on empowerment

- Definition of empowerment :

« Delegating authority and decision-making, sharing information, and asking for their input »

Debate

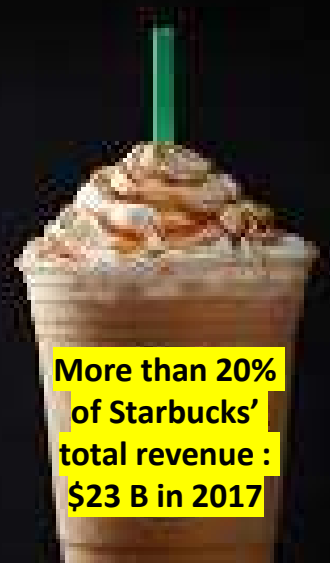
Is the empowerment of Starbucks coffee shop managers a relevant managerial principle?

Is empowerment a good idea for Starbucks?

Diana, store manager in Southern California

30 requests one day for an iced beverage offered by a local competitor

An internal champion Howard Behar



More than 20% of Starbucks' total revenue : $23 B in 2017

Vote from the Top Executive 7:1 against

After trying : say still no

Add on the list of her

After seeing the sales figures :



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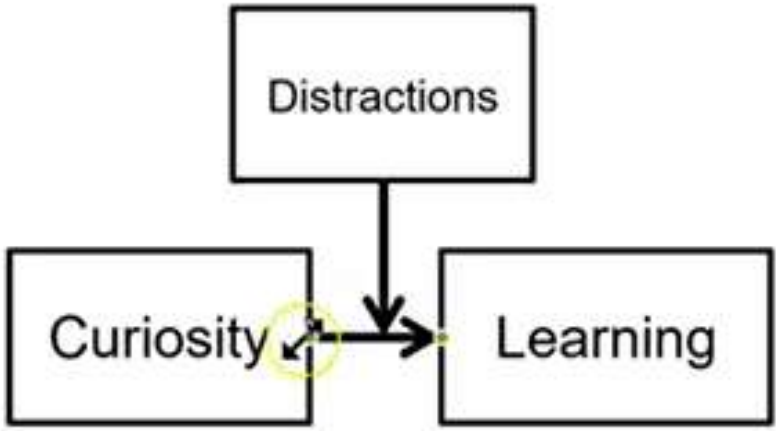
3 in 4 drinks Starbucks sells are now cold rather than hot. One barista said the coffee chain was becoming a 'frappuccino factory.'

Managing people
Focus on empowerment



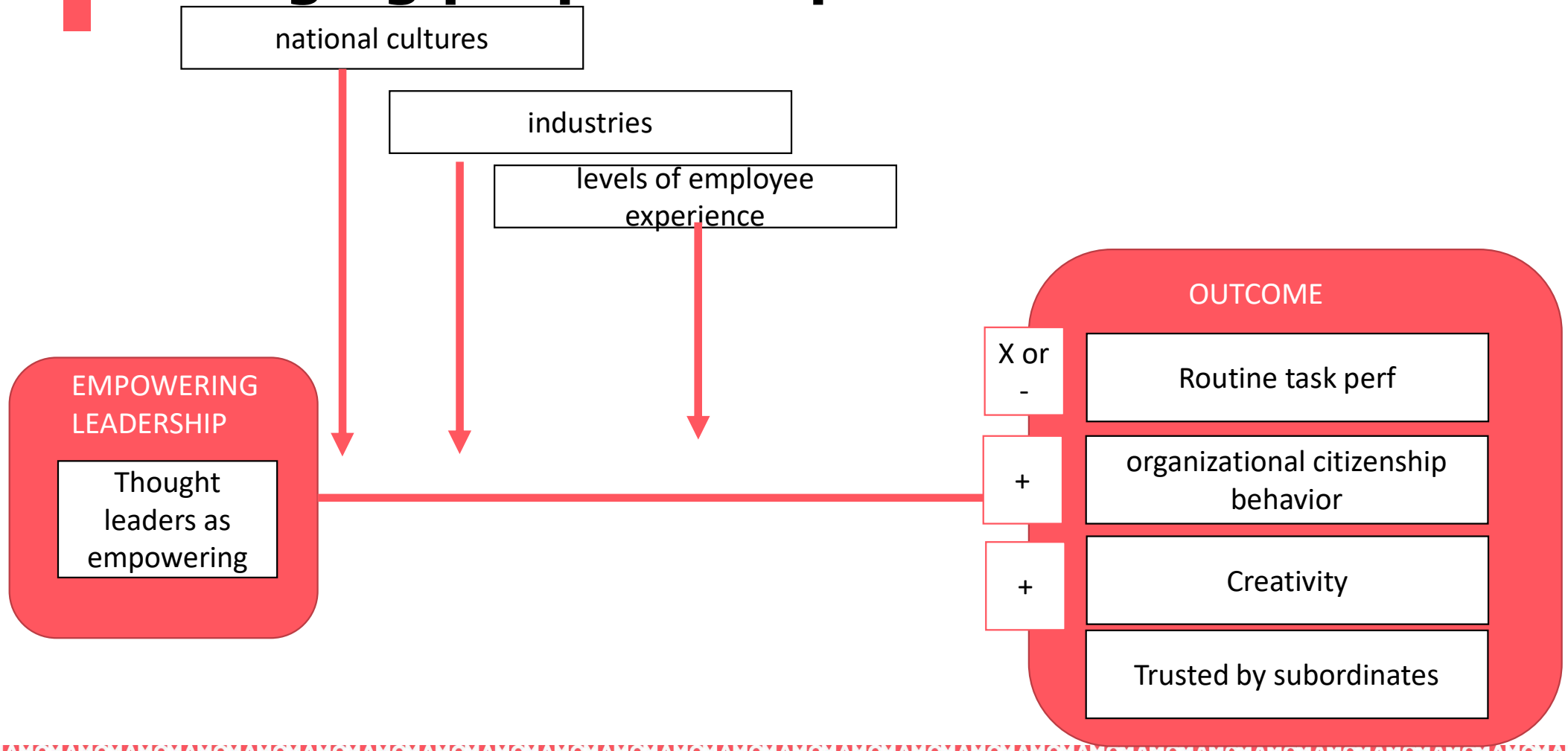
- Read the article
  - ❑ What outcomes are expected from empowerment?
  - ❑ What drives empowerment?
  - ❑ When and why can it be counter-productive? (moderator variables/boundary conditions)

Moderator



Go on moodle to upload the article

Managing people : Empowerment



Managing people : Empowerment

- Why need more research on this topic : But our recent research found **that this style of leadership works best in motivating certain types of performance and certain types of employees**
  - Empowering leaders are much more effective at influencing employee creativity and citizenship behavior (i.e., behavior that is not formally recognized or rewarded like helping coworkers or attending work functions that aren't mandatory) than routine task performance.
  - By empowering their employees, these leaders are also more likely to be trusted by their subordinates, compared to leaders who do not empower their employees.
  - leaders who empowered employees were more effective at influencing employee performance in Eastern, compared to Western, cultures, and they had a more positive impact on employees who had less experience working in their organizations.

Managing people
Focus on empowerment : For whom is it relevant?

- Empowerment can be general principle for the whole organization
- But it can also be individual specific

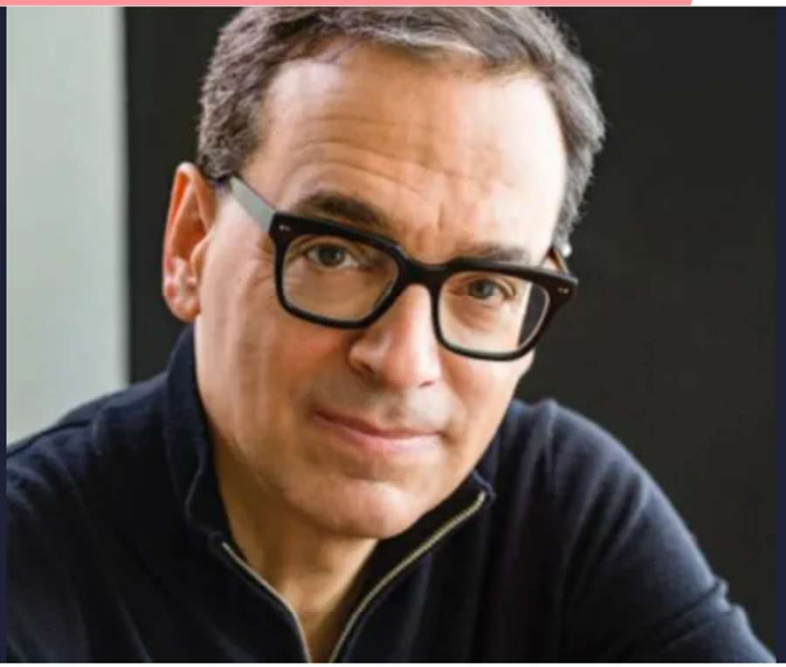
Contingency approach of management (boundary conditions): Each individual are different and require different ways of managing

Managing people
Focus on empowerment : For whom is it relevant?

Maslow's hierarchy of needs (1943)



Remark : the false impression that a need must be satisfied 100 percent before the next need emerges" (1987, p. 69)



Daniel Pink

Recognized expert on the science of motivation, the science of timing, and the business zeitgeist; writes and creates at the intersection of work, psychology, and society.

RANKED THINKER

Ranked in 2023.

Previously featured:

#9 (2021,)#6 (2019), #11 (2017), #10 (2015), #13 (2013), and #29 (2011).

SHORTLISTED

Thinkers50 2019 Talent Award.

Thinkers50 2013 Best Book Award.

FAST FACT

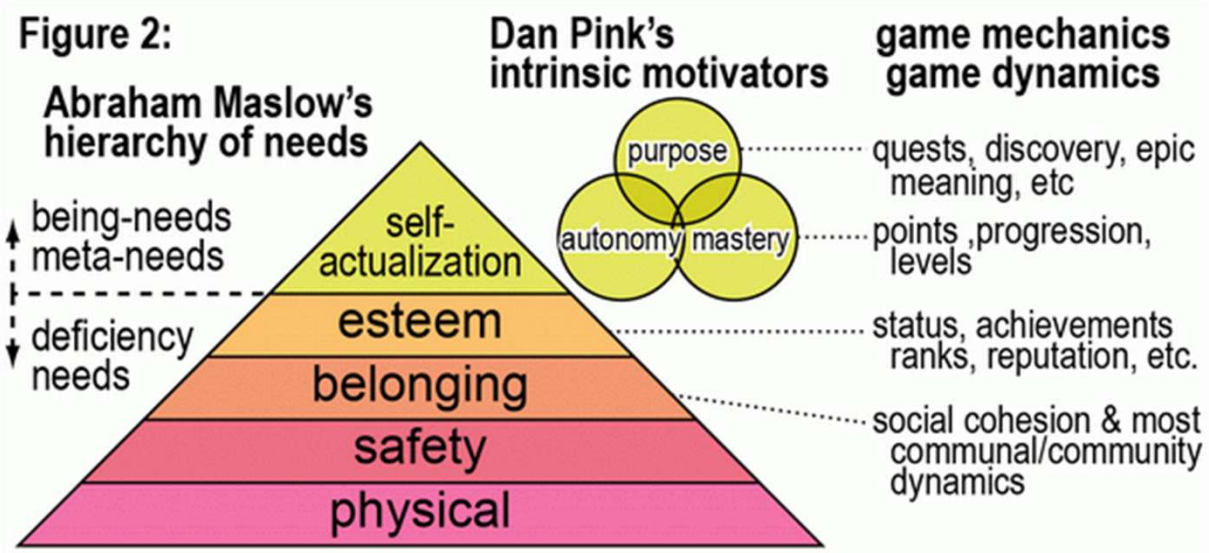
The Power of Regret was named a best book of 2022 by NPR, Amazon, Apple Books, and the *Financial Times*.

Managing people
Focus on empowerment : For whom is it relevant?

Daniel Pink :

- Intrinsic motivation with autonomy can be implemented only once all the - other needs are satisfied

- Autonomy alone is not enough need to be combined with purpose and mastery



Managing people
Focus on empowerment : For whom is it relevant?

What did he identify ?

Fostered intrinsic motivation is fostered through three key elements in the workplace:

- **Autonomy**: Giving individuals control over their work, enabling them to decide how, when, and what they work on (Delegation with no micro-management)
- **Mastery**: Allowing people the opportunity to improve their skills and become experts in their field (right competence, right, experience, right task, right support)
- **Purpose**: Connecting people's work to a larger, meaningful goal that goes beyond profit or personal gain (to me, task, department, company).

Managing people
Focus on empowerment : For whom is it relevant?



To go further

Two videos to understand in deep what is Daniel Pink key contribution :

- https://www.ted.com/talks/dan_pink_the_puzzle_of_motivation?subtitle=en&lng=fr&geo=fr

Then, let's look at 2:00 to 8;19

- https://www.youtube.com/watch?v=KgGhSOAtAyQ

For the framework

- https://www.my-mooc.com/fr/video/the-dan-pink-model-of-motivation-the-autonomy-mastery-and-purpose-framework-intrinsic-motivation

Let's go further

What boundary conditions?

Intrinsic motivation involves **creativity, problem-solving, and knowledge-based tasks**, where autonomy and mastery can lead to innovation.

- However, in more routine or mechanical tasks (often referred to as "algorithmic tasks"), extrinsic motivators like financial rewards or strict rules may still be more effective
- However, it work only first employee get a revenue high enough that money is not a problem

This works best for employees who are already at a baseline level of competence and are eager to grow.

- However, does not work for people unskilled or uninterested in advancing

Managing people
Focus on empowerment : For whom is it relevant?

Let's use the Theory X and Y of McGregor 1971 that you know from last year

Theory X	sphere	Theory Y
Dislike work, find it boring, will avoid it we can	ATTITUDE	Need to work, want to take an interest, we can enjoy it
Must be forced or coerced into compliance	DIRECTION	Direct ourselves towards an accepted target
Need to be directed, avoid responsibility	RESPONSIBILITY	Thrive on responsibility
Motivated by fear, lack of money, lack of job security	MOTIVATION	Motivated by the desire of self-development and to contribute to the world
Little creativity, except when getting around rules	CREATIVITY	Highly creative when given recognition and opportunity

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Find and advice on the leading practices



Camilla Kring

Leading expert in applied chronobiology.

RADAR THINKER

Thinkers50 Radar Class of 2026.

FUN FACT

Camilla has given over 800 lectures in Europe, China, Latin America, and the Middle East.

FUN FACT

A visit to Beijing's ancient Drum Tower sparked Camilla's fascination with time.

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Report work Step 2

1. Research:
Explore online how your chosen company manages and leads its employees.

> ***Tip:*** *Focus on identifying unique motivation practices.*
>
> ***Requirement:*** *For each practice you mention, clearly provide the source where you found this information*.

2. Analysis:
Discuss the degree of empowerment implemented by the company.

3. Recommendations:
Suggest ways the company could improve its managerial practices to make empowerment more effective.

> ***Tip:*** *Use established theories and models (for example, from Thinkers50 or other recognized management thinkers) to support your recommendations.*
>
> ***Requirement:*** *Each time you use a theory or model, cite your source.*