

Developing an Enhanced Retail Corporation
Through an Understanding of Organizational Behavior

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Managing Behaviors in Organizations

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Abstract

Managers and leaders of all levels in a retail corporation should have a solid understanding of organizational behavioral theories and philosophies in order to become better leaders. Having a greater understanding of organizational behavioral theories and philosophies leads to developing a more effective management style, increased employee morale, and greater production levels that sustain and create growth within the company. There is no cookie-cutter approach to management; however, understanding these theories and philosophies will take managers, leaders and employees alike to greater levels of success.

This paper is a complement to an accompanying PowerPoint presentation with the same title. The purposes of this paper and presentation are for training and educating managers and leaders in retail organizations. Throughout the presentation, discussion time is allotted for assimilation and conversation—applicable to current, future and past workplace situations. With each theory, philosophy and discussion section, new thoughts and practices are encouraged through open-conversational dialog. Ideally, this presentation should be given as an interactive half or full-day training workshop for retail leaders. Participants of the workshop are expected to leave with a greater understanding of organizational behaviors, theories and practices that enhance their leadership styles and organizations.

There is no “ONE BEST” approach to management; however, understanding organizational behavior principles will assist in creating and enhancing a more successful retail organization. Studies show that there are many common characteristics in successful corporations. Companies that practice encouragement of managers praising employees regularly have lower costs and higher productivity (Risher, 1999). Along with this highly coveted result also come employees who have greater job satisfaction, derived through fair treatment by their bosses and coworkers (Judge & Locke, 2000). Retail managers should praise subordinates consistently and encourage their counterparts to do the same.

Training is also a major contributor to a company’s success. Employees who are carefully trained to work in teams and are treated fairly (Benavides, Benach, Diez-Roux & Roman, 2000) tend to be happier and more productive than those who are put into groups and lack organizational support (Hackman, Wagemen, Ruddy & Ray, 2000).

There are four basic steps that should be utilized as much as possible in order to derive the most effective results. Participation is the first step. People learn more quickly and are able to retain the new skills when they are interactive in their own learning process. The second step is repetition. The more the employee practices the new skill, the better they will get. The third step is application—actually using the training on the job. The final step is crucial, but often under-utilized--giving feedback. Giving the necessary feedback allows the employee to know how effective he or she did and how to carry on the practice in the future. Examples given in the PowerPoint presentation for successful companies who utilize proper training include: Motorola, Corning, Siemens and Harley-Davidson (Ewing, 1999).

In retail, these training practices should be utilized with new employees and employees learning new positions. Courtesy clerks should be trained how to bag groceries, and also how to treat customers. Checkout clerks should be trained how to use the checkstand equipment, treat customers like they want them to return, while also giving direction to other employees serving customers. Mentoring programs should be utilized for all positions within the organization according to F. Wickman and T. Sdodin, authors of “Mentoring” (1997). Retail managers should promote mentoring throughout the time of every employee’s career, in order to strengthen the organization as a whole.

One other proven winning practice of prosperous organizations is the practice of offering good employee benefits and friendly working conditions (Bollinger, 1996). These people-oriented benefits have proven to yield higher profits, longer employee retention and lower absenteeism. Many retail organizations provide these benefits

through unions, which should be supported by management, as they too yield greater feelings of security and happiness to employees.

In order for intended participants of this presentation to become more effective retail leaders a discussion segment on leadership and power is featured next. Discussion topics include: Becoming an outstanding leader (Yukl, 1998), a practical definition of leadership, and basic sources of power (French, 1959). Small discussion groups will be created and conversation on the dynamics of power and leadership traits will be facilitated.

While leadership skills and understanding the dynamics of power are beneficial for retail leaders, the study of winning practices of successful managers is also beneficial and included in this presentation. Results from an in-depth study of the top-rated managers found a handful of common practices that retail leaders are encouraged to practice. According to Buckingham & Coffman (1999) great managers were evaluated on the successes derived through data analyzing profit and loss comparison, employee turnover and employee satisfaction poll scores. Results of this study are discussed in the presentation and conversation encouraged on how to increase and promote these proven habits of great managers.

Attendees of the presentation may ask themselves if they know any retail leaders who practice a management style that is commonly referred to as “Theory X.” Theory X assumes workers are lazy and will only work when being pushed with constant direction. This negative approach to management is accompanied with levels of employee disrespect and an assumption that workers are irresponsible and disinterested in working hard. Although, many of today’s current retail leaders use a Theory X management

style, it is recommended that another style be utilized as much as possible, because of the many benefits associated with its use. There will be times when Theory X may be very applicable and necessary, discussion of these possibilities will be encouraged.

Theory Y is a more positive style of management. This style of management assumes that workers will act as they are treated and that workers have a psychological need to work, seek achievement and responsibility. Theory Y promotes treating employees with respect and that employees are highly responsive to their work environments (Greenberg, 2002, pp. 6&7).

Classical organizational theories will also be discussed in the accompanying PowerPoint presentation of this paper. Emphasized in this section are rules to keep in mind accompanied by discussion which clearly define the retail organization's chain of command, formulation and implementation of plans, rules, favoritism and division of specialized tasks to appropriate individuals with the appropriate skills. Also, discussion will be encouraged concerning what an ideal bureaucracy should look like.

In an ideal bureaucracy, employees are educated about the organization's hierarchy, who is in charge of what duties and departments each member is assigned responsibility to. In an ideal bureaucracy, employment is viewed as permanent. Along with these basic ideas, the organization as a whole should be committed to being profitable, rational and as efficient as possible. Retail corporations prosper under these conditions (Greenberg, 2002, p.15).

Other organizational theories that retail leaders should incorporate into their management philosophies are the Golem effect and Pygmalion (self-fulfilling prophecy) effect (Eden, 1997). The self-fulfilling prophecy theory states that employees will live

up to the stated or implied expectations of others. Very often if a manager treats an employee as if they are incompetent, the employee will do incompetent work. The Golem effect is very similar. When low or negative expectations are implied or emotional and professional support is withheld, lower confidence is experienced and poor performance will be the result. Again, retail leaders will be reminded that creating a positive employee environment will encourage an enhanced-positive working consequences and higher productivity levels.

B.F. Skinner (Nye, 1992) writes about the operant conditioning process that has proven very useful to successful retail leaders and leaders in many other organization types as well. Skinner's theory discusses the benefits of "positive reinforcement." When positive reinforcement is given for work that is done well, it also encourages similarly enhanced practices in the future. Also, included in Skinner's operant conditioning processes is what is referred to as "negative reinforcement," which used to assist employees in discontinuing undesirable practices. While implementation of operant conditioning in retail leaders' management styles can be difficult at times, it is important to maintain every employee's self-esteem at all times.

Wiesenfeld, Brockner, and Thibault (2002) discuss how to maintain an employee's self-esteem and why it is important for retail leaders to make workers feel good about themselves and their work. According to this study, employees must be given a feeling of security, empowerment, and a sense of being uniquely valuable and accepted. Likewise, employers should maintain an environment where workers can excel. This is done through repeated recognition and praise. Also, managers need to

create methods for utilizing employee's individual skills, talents and experiences, while also giving recognition for each.

The next topic will be the power of emotions, which will aid managers in understanding how emotions can play an important part in job performance. The accompanying PowerPoint presentation supports discussion on job performance, moods and emotions based on work done by A.P. Brief, A.B. Butcher and L. Roberson (1995). Concluding this discussion, retail leaders should be aware that people in good moods tend to remember things associated with being in a good mood at times in the past. Creating a positive working environment that promotes healthy moods reduces stress and promotes generosity and greater helpfulness in team-like situations.

Retail leaders should have a greater understanding on how to motivate employees. The next section of the presentation encourages discussion on several motivational theories including: Maslow's Hierarchy of needs (Maslow, 1970), the Equity Theory (Adams, 1965) and the Path-goal Expectancy Theory (House, 1996). Discussion and examples of each theory will be utilized to build a greater foundation of retail leadership.

Understanding the dynamics of effective teams will also build a greater foundation of leadership skills for retail leaders. The next segment of the presentation will yield in-depth discussion and exploration of building, maintaining and promoting effective retail teams. Studies by G.M. Parker (1990) and D. A. Nadler (1998) will be discussed in order to better understand effective team dynamics. Handouts based on studies of High-performance teams will be passed out. Katzenbach and Smith's, (1999, p.92) characteristics for high-performance teams will be discussed. Specifically the

impact of people having complementary skills, being committed to a common purpose/goal and working together. They are also deeply committed to one another's personal growth and success. This facilitated discussion should provide retail leaders a better understanding that performance is the crux of what matters for teams, it is the means, not the end.

Leaders can foster team performance best by building a strong work ethic, based upon the needs of the customers, employees and shareholders. Other handouts on team building, will be distributed to participants as well as handouts on role definition, goal setting, problem solving and interpersonal processes exercises. These will facilitate a better understanding of the subjects.

A brief discussion on decision-making will follow the segment on teaming. Wedley & Field's (1984) decision making process will first be described and followed by N. Dalkey's (1969) work. Dalkey's Delphi method of decision-making will be described and a practice session will be facilitated. These decision-making processes will be promoted as necessities to teach employees of all levels within the retail organizations.

Along with the discussion of decision-making processes will be a discussion and group exercise on the subject of change. The presentation and exercise will discuss when change is likely to occur, important facts about change, why change is resisted and implementation of organizational change. Handouts based on the work of John Kotter (1996) and Peter Senge (1999) will be distributed and discussed to enhance ideas for implementing organizational retail change and vision.

Finally, the last subject covered before the review of organizational behaviors discussed in the PowerPoint presentation and workshop for retail leaders is strategic planning. A ten-step process is discussed based on H.K. Christensen's book, Corporate strategy: managing a set of businesses (1994). Participants of the workshop will get an opportunity to work in teams and develop a mock strategic plan utilizing their retail leadership experience and knowledge gained during this workshop.

Each team will be given the opportunity to "sell" their strategic plan in a mock boardroom setting format presentation. Participants will then be able to give feedback and comments at the conclusion of each group presentation. Networking will be encouraged in this segment of the workshop and a brief break will be given before the concluding review.

In conclusion, retail leaders will gain an enhanced understanding on organizational behaviors and will be able to develop more effective management styles. Also, attendees should be able to increase employee morale and production, while finding ways of creating more personal success in every endeavor. Retail leaders and participants of this proposed workshop will walk away with a toolbox of organizational theories and practices. Handouts--including one of the associated PowerPoint presentation accompanied by basic experience using enhanced understandings of presentation materials and discussions should give retail leaders what they need fine-tune their organizations.

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