



ORGANIZATIONAL PERFORMANCE

Reading the room: Leveraging popular business books to enhance organizational performance

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Abstract Managers need to think creatively about ways to improve organizational performance. We explore one such tool. Popular business books that offer unique takes on important topics can serve as an effective tool to engage workers and lead them to new understandings. In particular, we discuss the key insights for organizations offered by ten classic and popular bestselling business books. Each one offers enduring lessons of value for employees interested in helping their organizations become more successful.

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“If we encounter a man of rare intellect, we should ask him what books he reads.”—*Ralph Waldo Emerson, 19th century essayist, lecturer, and poet*

1. Required reading

Managers often look for innovative means to teach key lessons in the quest to aid their firms in achieving superior performance. For example, some managers use quotes from popular movies that focus on business topics to inspire and motivate employees. Sales teams might be encouraged to “always be closing”—the famous tagline from the popular

movie *Glengarry Glenn Ross* (Zachary, McKenny, Short, & Ketchen, 2012). Incorporating unconventional methods to better engage workers may be especially critical in the current work environment wherein millennial employees, who are often associated with lower attention spans and a desire for more communal learning activities, make up a majority of the U.S. workforce (Anderson & Rainie, 2012).

A variety of helpful ideas can be found in popular management bestsellers. As the above quote from Emerson suggests, gleaning insights from books has long been tied to the development of wisdom. One effective method to enhance learning is the use of novels. Indeed, a recent study of college students found that reading a fictional story results in heightened brain activity (Ryan, 2014). In turn, business books might be leveraged by recounting important historical events or the lives of successful

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individuals to illustrate strategies and practices. Below, we outline 10 business books that provide key lessons surrounding elements of strategic management. In our selection of books, we strive to create a balance between works recognized as classics and those viewed as more contemporary. As summarized in [Table 1](#), our belief is that each of these works teaches enduring lessons of value for employees interested in understanding the long-term determinants of organizational success.

1.1. Understanding the nature of cause: *Zen and the Art of Motorcycle Maintenance: An Inquiry into Values*

What does motorcycle repair have to do with philosophies relevant to business? Robert Pirsig's fictionalized autobiography answers this question and more as he chronicles the tale of a 17-day motorcycle journey from Minnesota to California. The plot of the book follows multiple perspectives, alternating between a first-person account of the practical challenges of managing a father-son cross-country road trip and an alternative storyline focusing on numerous philosophical discussions such as the nature of belief. A key concept throughout the story is the seemingly paradoxical nature of value as a characteristic with both objective and subjective elements. The book examines the inherent complexity of the seemingly innocuous question: "What is good?"

Zen and the Art of Motorcycle Maintenance (Pirsig, 1974) uses the storyline of the narrator overcoming the challenges of navigating a motorcycle trip to parallel the myriad challenges associated with managers seeking to improve their firms. For example, as the storyline progresses, one character struggles with the challenges of learning how to best repair his BMW R60 motorcycle, a potentially daunting task on a cross-country road trip. Individuals must plan for a potential breakdown by carrying likely replacement parts and knowing how to repair the vehicle or by hoping to find a mechanic at the right place at the right time with the right parts in stock. While one character eschews the use of technology, another is eager to learn the intricacies of repairing his own vehicle. This plot device aligns with research in strategic management suggesting that CEOs often prefer to prioritize gut instincts over objective data, and perhaps simply hope for good luck, even in the face of major strategic decisions such as a potential merger (see [Salas, Rosen, & DiazGranados, 2010](#)).

From one perspective, the story is about the narrator's mental struggles to exist in a world where answers seeking to explain the world's problems are

seemingly never clear-cut. A key theme of the book is the balance between a romantic perspective that values more superficial elements with a contrasting classic perspective that views life from a more analytical approach. The author asserts that motorcycle riding is romantic, yet motorcycle maintenance is practical. A well-worn business adage, "we know we always waste half of our marketing budget—we just don't know which half," illustrates the challenges managers face in understanding similar difficult trade-offs for potentially improving their firm's performance in light of possibilities that are difficult to validate with perfect confidence.

1.2. Effective strategic leadership: *Freakonomics: A Rogue Economist Explores the Hidden Side of Everything*

Is a gun or a swimming pool more dangerous? Why do drug dealers tend to live with their mothers? What do schoolteachers have in common with sumo wrestlers? These questions and many more are tackled by Steven Levitt and Stephen Dubner in *Freakonomics*. The book uses a number of intriguing questions to examine hidden factors that are usually overlooked when seeking to understand complex phenomena. *Freakonomics* (Levitt & Dubner, 2005) challenges conventional wisdom by discussing incentives and motivations often overlooked when examining social issues.

One example in *Freakonomics* surrounds the different incentives owners and real estate agents face when seeking to sell a home. At first glance, the goal of each party appears to be the same—maximizing the selling price. The thought process behind this assumption is a logical one: the owners would like to maximize their revenue and because listing agents earn a percentage of the price as a commission (often 6%), they should be naturally motivated to maximize price as well. But the hidden truth is that a realtor's profit per house is quite modest. The buyer's real estate agent typically receives half of the 6% commission and then the seller's agency takes a big share of the 3% that remains. The net result is that selling agents are often incentivized to convince sellers to offer their house for a much lower than optimal asking price in the hope that the house will sell quickly. Much like a waiter hoping to rapidly turn tables to maximize total tips, most real estate agents are playing a numbers game driven by volume rather than selling price maximization.

The sort of hidden dynamics highlighted in *Freakonomics* are important for building knowledge surrounding strategic leadership. For example, management theorists have advocated going

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