Instructor's Manual to Accompany

Organizational Behavior 7/e

by Steven L. McShane and Mary Ann Von Glinow

Teaching Notes for Additional Cases

Prepared by:
Steven L. McShane, The University of Western Australia

Teaching Notes for Additional Cases

INTRODUCTION TO TEACHING NOTES FOR ADDITIONAL CASES

This file/document include teaching notes for the additional cases in *Organizational Behavior, Seventh Edition*. Each case analysis includes a list of the most relevant case topics, a brief case synopsis, and a case analysis.

The textbook does NOT provide discussion questions for Additional Cases, allowing instructors more flexibility in making use of these cases for assignments or in-class discussion. However, many of the teaching notes include case questions with suggested answers. Alternatively, some teaching notes present a suggested analysis of the case in terms of symptoms, problems, and recommendations.

The next page provides a matrix of topics related to the additional cases in this book. the primary topics -- those discussed specifically in the teaching notes -- are indicated with a black dot. Secondary topics are indicated with a white dot. Secondary topics are not explicitly discussed in the teaching notes but are potentially relevant to the case and are likely to be discussed by some students in a nondirective (i.e. with specific questions) case analysis.

Case Chapter	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
A Mir Kiss?		●	○					●			●				
Arctic Mining Consultants		●		○	●	○		●				●			
Chengdu Bus Group	○				●			●			○	●			●
Fran Hayden		○		●	●	○				○		○			
From Lippert-Johanson		●	●	○										○	
From REO to Nuclear to Nucor	●						○	●				●	○	●	○
Going to the X-Stream	○										○	○	●	●	●
The Regency Grand Hotel		●		●	●	●				○		○		○	○
Simmons Laboratories		●	●	●				○		○	●	○			
Star Enterprises				●	●						●				
Tamarack Industries				○	○			●			●	○			
The Outstanding Faculty Award					●		●							○	

Chapter 1: Introduction to the Field of Organizational Behavior
Chapter 2: Individual Behavior, Personality, and Values
Chapter 3: Perceiving Ourselves and Others in Organizations
Chapter 4: Workplace Emotions, Attitudes, and Stress
Chapter 5: Foundations of Employee Motivation
Chapter 6: Applied Performance Practices
Chapter 7: Decision Making and Creativity
Chapter 8: Team Dynamics
Chapter 9: Communicating in Teams and Organizations
Chapter 10: Power and Influence in the Workplace
Chapter 11: Conflict and Negotiation in the Workplace
Chapter 12: Leadership in Organizational Settings
Chapter 13: Designing Organizational Structures
Chapter 14: Organizational Culture
Chapter 15: Organizational Change

A MIR KISS?

These case teaching notes were prepared by Steven L McShane, The University of Western Australia

Primary Case Topics

Conflict, cross-cultural issues, team dynamics

Case Synopsis

This case describes the actual events in the replica of the Mir space station at Moscow's Institute for Biomedical Problems (IBMP). The Mir replica included four Russian cosmonauts who had already completed half of their 240 days of isolation, and an international crew of three researchers from Japan, Canada, and Austria. The Canadian, Judith LaPierre, was the only female participant. Trouble began when two of the cosmonauts fought on New Year's Eve. Later that evening, the Russian cosmonaut commander tried to kiss LaPierre twice. He tried again the next morning. The researchers were appalled by the behavior of the cosmonauts and by IBMP's inaction. Japan's researcher quit and was replaced by a Russian researcher. The connection between the cosmonauts and the researchers was permanently sealed soon after. When revealed to the public, IBMP's Russian scientists dismissed the kissing incident by saying that it was one fleeting kiss, a clash of cultures, and a female participant who was too emotional.

Discussion Questions and Suggested Answers

1. **Identify the different conflict episodes that exist in this case? Who was in conflict with whom?**

   Students should be able to identify several conflict episodes and conflicting parties in this case. Lapierre experienced conflict twice with the Russian commander who tried to kiss her. The international researchers experienced conflict with the Russian cosmonauts who were fighting with each other. The Russian cosmonauts who were fighting obviously were in conflict with each other. The international researchers experienced conflict with IBMP because of their inaction. The Japanese space program also experienced conflict with IBMP to the extent that they withdrew from the program. (Although not explicitly stated in the case, LaPierre and her husband experienced conflict with Canada's space agency over its inaction and failure to protest IBMP's response to the incidents.)

2. **What are the sources of conflict for each of these conflict incidents?**

   Different values and beliefs – This seems to be one of the most significant sources of conflict in this case. The participants had different cultures, different genders, and different educational and professional experiences. The Russians seem to view sexual harassment as less important than do people in Canada, Japan, and Austria. Kissing a woman is apparently considered a compliment (at least, Russian men think this way), whereas it is a personal violation in Canada. The cosmonauts had a different view of their fighting and general experience in isolation than did the international researchers.

   Task interdependence – Each of the conflicting parties had some level of interdependence with each other. Typically, this was reciprocal interdependence because their actions affected each other throughout the experiment. The researchers and cosmonauts had high interdependence (until they were sealed off from each other) as they shared space and resources in a small area.

   Ambiguous rules – There seems to be a lack of agreement over proper behavior. The cosmonaut fight and the sexual harassment incidents clearly violated rules for some people, but weren't viewed as important or clear rules by the cosmonauts or scientists who ran the lab. The participants did not clarify what behaviors are inappropriate (although it is never possible to clarify every behavior that may result in conflict). IBMP's interpretation of its role differed from what the international researcher's expected of that group.

Communication -- Although not overt, these people spoke different languages and communicated through English, which was not anyone's 1st language. Certainly the potential for miscommunication as well as reluctance to communicate.

Incompatible goals – This is a relatively minor source of conflict compared to other factors. The researchers seem to have a different set of goals than did the IBMP researchers or the cosmonauts.

Scarce resources – Some students might identify this as a critical source of conflict, but there doesn't seem to be much evidence that anyone lacked resources. There was limited personal space, but no other resource seems to be an issue here.

3. **What conflict management style(s) did Lapierre, the international team, and Gushin use to resolve these conflicts? What style(s) would have worked best in these situations?**

LaPierre and Gushin (IBMP researcher) mainly relied on the avoiding conflict management style. Gushin denied there was a problem, at least, not a problem with the cosmonaut's behavior. LaPierre initially was quiet on the kissing incident, although she was more active with the international researchers in complaining with the cosmonauts' behavior.

The international researchers developed a forcing style through their letter of complaint, and the Japanese representative left after diplomatically complaining. (Implicitly, the Canadian space agency developed an accommodating style because it did not complain even though LaPierre's husband notified the agency a day or two after the New Year's Eve incident.)

It is useful to consider the appropriateness of other conflict management styles where rules of behavior have been violated. For example, it would be silly to apply a compromising style – should the researchers let the cosmonaut kiss LaPierre once each week? Collaborating is strongly recommended in this textbook because conflicts are rarely completely win-lose. In this incident, the parties might agree on a structural solution that would satisfy everyone. They might try to find ways in which each party can behave comfortably without offending others. To some extent, this involves establishing rules of behavior, a structural solution described below.

4. **What conflict management interventions were applied here? Did they work? What alternative strategies would work best in this situation and in the future?**

The main strategy tried here was to reduce task interdependence. Specifically, the scientists locked the port between their compartment and the cosmonauts. This seems to have been successful, but it is doubtful that isolating conflicting parties will work in outer space for long periods of time. LaPierre and perhaps the Japanese agency also tried to clarify rules, but without success. Rule clarification can potentially work where the parties can anticipate the types of conflict. However, there are so many potential areas of conflict, that forming rules is usually a reaction more than a proactive conflict management strategy.

What should be done here? This is a good question for debate. To correct fundamental causes of conflict, the lab should consider more diversity-type cross-cultural training and team building so everyone knows how the others will perceive their actions (e.g.., trying to kiss women isn't usually perceived by them as a compliment.).

ARCTIC MINING CONSULTANTS

These case teaching notes were prepared by Steven L McShane, The University of Western Australia

Primary Case Topics

Motivation, individual performance (MARS), leadership, team dynamics

Case Synopsis

A crew of four people staked claims for Arctic Mining Consultants. The case describes their production over the seven days, as well as incidents that occurred over this time. In particular, the case describes how the leader (Parker) reacts to the lower performance of Millar and the other crew members.

This is one of my favorite cases because it covers diverse topics and has a personal touch to it. Students seem to be very involved in the case -- it is written in a way that they can easily visualize (even though few of us have worked in these harsh conditions.) We don't have an epilogue, except to say that Millar works in the forest industry in a management position.

Symptoms

The main symptoms in this case are that Millar's work effort decreased by the end of the project, Millar was thinking about quitting during the assignment, Millar did not accept subsequent job offers from Parker, and Millar felt dissatisfied with the assignment and with Parker.

Problem Analysis

The main problems in this case relate to the issues of motivation, leadership, and team dynamics.

Motivation

Expectancy theory explains why Millar didn't work as hard at the end of the assignment, and why he did not accept further assignments. Millar had a low E-to-P expectancy due to Parker's poor coaching. Rather than working with Millar on further improving his performance, and rewarding Millar for his good performance, Parker criticized Millar. This criticism continually weakened Millar's perception that he is able to perform this type of work. Millar's low perception of competence made him "give up" during the last day. (This is significant because Millar's extra effort would have enabled the crew to complete the assignment on time.)

Millar's lack of effort on the last day can also be explained by his P-to-O expectancy. Specifically, Millar believed that he received insults from Parker no matter how well he performed the task. Notice that on the days that Millar completed 8.5 and 7 lengths, Parker said nothing. On days when Millar's performance was lower, Parker criticized Millar.

The P-to-O expectancy also explains the effect of pay and the bonus on Millar's motivation. Specifically, on the last day, Millar felt that getting an extra day's pay was almost as good as receiving the bonus, particularly considering the hard work (a negative outcome) he would have to endure to complete the work by the end of the day.

(Note: Rather than using expectancy theory, students can analyze Millar's motivation through behavior modification, particularly Parker's use of punishment. Equity theory might also explain Millar's behavior on the last day of work. Specifically, he compared himself to Boyce, who continually had lower performance than Millar yet received less verbal abuse. Millar adjusted his inputs (job performance) so that his outcome/input ratio would be balanced with Boyce's ratio.)

MARS Model

The key to this case is that Millar had misguided role perceptions. Specifically, he put his effort into higher quality ("picture perfect") posts and too much blazing (marking out the area), whereas Parker required more quantity than quality. Millar was motivated to perform the work, and he demonstrated an ability to perform the work. Some students will argue that Millar had more difficult territory than the others (i.e. the situation undermined his performance). However, the evidence suggests otherwise. The team covered extensive area over an entire week, so the law of averages suggests that the territory would be fairly evenly distributed over that time. Also, Parker and Talbot worked on the territory of others (assisting them) without any decrease in performance. Even if Millar had more difficult terrain throughout the week, he was short by only 2.5 lengths, which would have been achieved if he focused on quantity and less quality from the beginning.

Leadership

According to the Path goal leadership model, Parker is effective at setting goals (Achievement-oriented style). However, he does not provide enough (any?) supportive leadership. He does not treat them with respect nor is he concerned for their well being. Yet, path-goal theory says that the leader should be supportive because the work (physical labor, deadlines) are stressful.

Parker also fails to use the directive style, yet there is some evidence that he needs to clarify performance criteria. Specifically, near the end of the assignment, Parker complains that Millar is too neat with is work, that is, he should focus more on quantity than quality. This suggests that Millar (and perhaps the others) could use some guidance on the type of performance required for this assignment.

Team Dynamics

There are several team dynamics operating in this case. Parker and Talbot share one tent, and Millar and Boyce share the other tent. This physical arrangement may have weakened relations between Parker and the employees in the other tent. Team cohesion is perhaps also low due to the low task interdependence in this assignment.

Team cohesiveness seems to be low because the team norm of completing the project on time was not supported by Boyce. (Boyce said that he worked only as hard as he had to.)

Recommended Solution

It is probably too late to encourage Millar to work with this company again. However, several long term actions would improve motivation, performance, and retention of other employees.

One recommendation would be to find out why Parker did not provide more supportive and directive leadership. If he lacks supervisory knowledge, then the company should consider providing him (and perhaps other crew leaders) leadership training. the lack of clear role perceptions is a major issue here, which can be traced back to Parker's lack of clear direction and coaching (he noticed Millar's work earlier in the week but said nothing).

There may be some problem with the size of the bonus relative to the size of the paycheck for an extra day's work. Depending on its cost effectiveness, the company might consider increasing the size of the bonus.

If Millar (and perhaps other employees) are paying too much attention to the quality of takes and not enough attention to the quantity, then it may be useful to provide some basic "role perception" training. This would be a short session (one-half day?) where employees learn about the performance standards more clearly.

CHENGDU BUS GROUP

Primary Case Topics

Motivation, leadership, team dynamics, organizational change

Case Synopsis

This case is about a government owned bus company, the Chengdu Bus Group (CBG), operating in a city of China. The company experienced significant problems, primarily due to poor management and the consequent financial issues; destructive competition between the different sections of the company; poor operational functioning of the company resulting in poor customer service and accidents; and disparities between the pay and workloads of different staff. A new company director was appointed to address the multitude of problems occurring within CBG and to transform the company into a profitable enterprise that performed its service properly.

Discussion Questions and Suggested Answers

1. **Before the reform, Chengdu Bus Group had many difficulties. Please explain these difficulties and how they were overcome?**

   Management: The management was not doing their jobs effectively which subsequently contributed to poor performance in the company. Specifically, this can be seen in the continuing financial problems, continued complaints against the operations of the company, high turnover in areas of staff, and gross inefficiencies (both labour and financial).

   Overcome by: Extensive examination of the problems from the managers and their roles, and then rapidly changing their job roles and positions to remedy the problems the management were creating and/or perpetuating. This reform was also done in a way that created a rapid 'quantum' change, thereby avoiding possible resistance to the changes.

   Financial: It is indicated that CBG was in financial crisis and this can be assumed to have arisen from the inefficient and unprofitable functioning within the company (and its four sub-companies). Turnover is also known to be financially costly to an organization and therefore contributing to this problem.

   Overcome by: Removing the inefficient and uneconomical practices within the company as well as removing the internal competition between the sub-companies by buying back the external equity, thereby returning the company to a profitable state. Also, dealing with the staff problems causing the high turnover rates would have also helped to rectify this problem.

   Competition between the sub-companies: The four sub-companies of CBG were competing against each other and not sharing resources. This was creating very inefficient practices and reducing profitable aspects of the bus company due to the over-servicing of bus routes.

   Overcome by: Reacquiring the external stakeholder equity thereby removing any reason for the internal competition that was causing many of the company's problems. The resources utilized by the bus companies (bus stations, repair workshops etc.) were then consolidated and streamlined to service all of the bus companies in an efficient and economical way. The areas under the control of each sub-company were then reallocated to separate and clarify the roles of the sub-companies (therefore creating specific goals). This made the potentially profitable routes profitable again, and opened up the ability to develop other routes into profitable ventures.

   Employee performance: The employee's at CBG were experiencing inequity in their job roles and salary which was seen to be resulting in high turnover and higher accident levels, and likely creating many other aspects of poor job performance and satisfaction (as well as likely being a cause of complaints from customers).

   Overcome by: Primarily by removing the inequity in the job roles and salary of the employees. Additionally, many penalty provisions were removed and replaced with reward systems, for example the 'safe mileage

accumulation' (utilizing the positive outcomes associated with rewards instead of punishment). This provided the employees with goals, rewards, less negative reinforcement and job equity.

2. Describe the way Dr Chen implemented organizational change at Chengdu Bus Group using the Action Research Approach.

Establish client-consultant relationship: This part is not really applicable due to the fact that the 'change agent' (Dr Chen) was recruited as an employee of the Chengdu Bus Group. However, the relationship between himself and the Chengdu city leaders, to whom he was employed by, and answerable to, was established. This meant that his roles, and his power and resources in performing these roles were made clear, as well as the expectations and necessary outcomes required of him.

Diagnose the need for change: Dr Chen gathered data (information) on the problems in the organization which were causing difficulties and which might have also prevented effective change from being implemented. He analyzed this information and decided that the problems included: dysfunctional management; employee satisfaction, performance and turnover; the operating procedures relating to the day-to-day running of the company; and the external shareholders and the counterproductive competition that they caused. Dr Chen then decided on the objectives for his change and acquired approval and support for these objectives from the Chengdu city leaders.

Introduce the intervention: Dr Chen then implemented a 'quantum change' by implementing rapid and drastic changes. This was due to the fact that the organization was seriously misaligned with its environment and the necessary performance requirements and, therefore, its survival was threatened. This meant that a 'quantum change' was far more likely to be the most effective change style. Additionally, Dr Chen had a relatively short period of time to achieve the necessary outcomes, thereby making an effective 'incremental change' even less possible.

Evaluate and stabilize the change: Dr Chen's changes were highly effective due to the increased performance and profitability of the company as a whole and the increased employee performance, satisfaction and lower turnover. This was made evident due to the reform award from the State-owned Assets Supervision and Administration Commission (SASAC). Not too much is detailed about the nature of the 're-freezing' of the company's conditions but due to the fact that the reform was successful it is reasonable to assume that the company's conditions and operations were maintained in this new structure, thereby allowing a 're-freezing' of the conditions and culture.

Disengage the consultant's services: This part of the process does not apply because Dr Chen was not a consultant and nothing is mentioned about him leaving the position after the successful reform.

3. Describe the case of Chengdu Bus group using Lewin's 'force field analysis' model.

CBG's poor performance and conditions meant that forces driving the organization to change exceeded the restraining forces keeping the organization in its current state. The conditions creating the driving forces were largely due to the dysfunctional management structure and operating policies subsequently leading to poor organizational performance and profitability, as well as poor employee satisfaction, turnover and performance.

The major force that 'unfroze' CBG's situation was Dr Chen being instated as the company director and implementing drastic organizational change. Dr Chen then changed the organization to more desired conditions by 'reducing the restraining forces'. This primarily involved removing the dysfunctional management system, organizational policies and operating procedures. These subsequent changes improved the profitability and performance of the company and made it possible for the company to survive, which was the 'desired conditions' for the company to achieve.

After all of these changes had been implemented the company was then encouraged to continue functioning in this new state to 're-freeze' the organizational conditions in this new desired state. An example of re-freezing that supports the new values and behaviors include the safe mileage reward scheme for the employees.

FRAN HAYDEN JOINS DAIRY ENGINEERING

This case analysis offers two sets of notes. First, we provide analysis following the symptoms-problems-recommendations model. These notes are based on discussion and assignments using this case in Steve McShane's classes. This analysis is followed by a question-specific case analysis prepared by the case author. Instructors who would like students to have questions to guide the discussion may prefer that analysis.

These case teaching notes were prepared by Steven L McShane, The University of Western Australia

Primary Case Topics

Emotions and attitudes, organizational commitment, distributive and procedural justice, work-related stress

Case Synopsis

This case describes the experience of Fran, a high-achieving management graduate as she takes up her first full-time position at Dairy Engineering. Fran has high expectations of her new job but from day one, experiences dissatisfaction which increases over the months. Her job is routine and does not call for much initiative. She then runs into difficulties with her boss as she experiences the realities of organizational politics for which she is ill-prepared to cope with.

What happened?

The relationship between Fran and her boss was irretrievably damaged. He did not trust her and she felt threatened by him. She did move out of MIS but after three months, found another job and left the company. For Fran, this was a disastrous and damaging start to her career but from which she learned some valuable lessons.

Symptoms

1. Possible loss of Fran Hayden (she was thinking of quitting, or might get fired)
   - good potential as an employee
2. Fran experienced distress (stress beyond normal levels)
   - taking the stresses home, resulting in quarrels with her boyfriend and flat mates
   - even her colleague Vernon noticed she looked miserable
3. Possibly loss of good ideas
   - Mike indicated unwillingness to discuss new ideas any more

Other symptoms that students might suggest (but aren't symptoms)

Symptom?	Comments
loss of motivation	Not clear that Fran's performance declined, therefore no loss of motivation.
Job dissatisfaction	Could be placed as a symptom (even though cause of turnover intention and likely some stress. But case has many pieces of info that hang together better under job dissatisfaction as a problem. Otherwise, would need to discuss these as separate problems (possible, but messy and some are not very conceptually deep alone).

Fran violated communication protocol	Possibly a symptom in that she did something that offended some staff, but seems to be mainly Peter. However, it sounded like she would have sounded out Peter if he wasn't away. Also, Peter's boss called Fran about this, and said he would speak to Peter.

Problem Analysis

Low affective commitment and job dissatisfaction

Several of Fran's experiences contrast with the main strategies to build affective commitment.

Justice/support -- Not clear that there is injustice here regarding Fran (no comparison other inequity or inequality), but plenty of incivility from Peter. Humanitarian values, including courtesy, are important predictors of affective commitment

Lack of Trust in Leaders -- Fran's trust in Rob declined over time because Rob was not following through on his promises to act on her concerns. (Note: This is likely NOT an example of espoused-enacted values congruence because Rob was not articulating values, just actions he would take, but didn't.) Fran left Rob's office on one occasion "wondering what to believe". She also doubted that he read her report. Fran did not trust Peter at all, considering him something of a loose cannon.

Involvement -- Quite low, in three ways. First, she was not integrated into the unit -- she wasn't even expected on her first day, and the job was not what she was hired for. Second, the job was trivial compared to the job for which she was hired. This lack of task significance may have also related to lack of involvement. Third, Peter and Rob were nonresponsive to her requests.

Shared values -- Fran's values (as indicated by her actions) were quite different from those around her. Fran's actions reflect an egalitarian, low formalization set of values (she talked to whomever without concern for "proper" hierarchy), whereas the people who most affected here had much more emphasis on hierarchy and face time. Although not stated, it is possible that her values as an accountant might differ somewhat from values of MIS (but this is a very weak inference and might be best excluded).

In addition to the above, Fran's psychological contract violation and job tasks with low motivation potential likely influenced her affective commitment.

This analysis should also report that Fran displayed high continuance commitment -- she was reluctant to quit after just 5 months of employment because of the cost of appearing poorly on her resume.

Injustice

Mike referred to Peter taking his ideas and claiming them as his (Peter's) own. Although limited information, this an incident of injustice because Mike puts forth in the inputs (ideas) and receives no credit for it, whereas Peter seems to have received the outcomes without corresponding inputs. This motivated mike to stop suggesting ideas, which is reducing inputs.

Stressful workplace

Several facts indicate that Fran worked under conditions that were unnecessarily stressful (i.e. created distress)

- Role-related stressors
- Work underload --Fran is performing work work well below her skills, and she doesn't have enough work to fill her day.
- Role ambiguity -- possibly stress over leader responsibilities between Rob and Peter (some mentioned "leadership ambiguity" and "leadership identity crisis"
- role conflict -- might exist here in that Fran is an accountant in MIS. However, little evidence of this role incongruence other than work underload.
- Interpersonal stressors

- Peter repetitively engages in psychological harassment -- incivility, bullying (e.g., yells at Fran for going to training program; tries to isolate Fran from others; insults Fran in front of others; effectively removes her from the department)
- Organizational politics -- e.g. #1: Rob is not supporting Fran to defend against Peter's power plays, which one might infer are motivated by personal status needs (personal power needs) rather than department needs -- e.g. #2 Vernon asks Fran for a written documentation of Peter's actions, which puts Fran in firing line of conflict between Peter and Rob, Vernon, and possibly senior mgt.

In spite of these stressors, Fran held up to some extent based on her determination to take action (transfer) and consciously decide to stay rather than quit. this suggests resilience (partly from social support of friends). Still, symptoms of stress were apparent.

Psychological contract violation

(Note: Psychological contracts are not discussed in some versions/editions of this book.)

One of the major problems in this case is major violations of Fran's psychological contract.

- Arrives to work as the new Asst. of Cost Accounting to find the job does not exist.
- Put into job outside her career interest (MIS vs accounting) -- particularly problematics because she was interested in a position with Diary Engineering for the opportunity to gain practical experience in accounting
- Ends up doing is "entirely clerical" and underworked -- not enough work to keep her occupied
- Has to apply (again) in a transfer to get the job she was originally offered (???)
- Interviewed and hired by Rob, so didn't experience Peter before first day of work.

Other problems that students might suggest (but aren't clearly problems)

Potential problem	Comments
Poor leadership	Somewhat limited details. We can "label" Peter and Rob in terms of low emotional intelligence through their behavior, but this offers limited explanation, particularly when their behavior is used to explain their EI levels (i.e. circular). Better to focus on their behaviors as given (i.e. limited explanation why they act that way) and refer to these behaviors in other problems.
Fran is de-motivated	But did Fran reduce her work effort? EVLN states that some people put out just as much work effort but act on dissatisfaction in other ways. (Fran applied voice and exit, not neglect.) Fran WAS motived to leave, but this is explained under other headings. You might be able to analyze the motivation to leave under expectancy theory, but not clear that such an analysis is necessary given the other analysis here.

Recommendations

Short term recommendations

Fran should be moved immediately into an accounting role to (a) realign situation with her psychological contract, (b) reduce stressors (harassment, work underload, role ambiguity of leadership), and (c) potentially improve her org commitment and job satisfaction (more involvement, more support with less harassment)

Long-term recommendations

1. Need to investigate the causes of Peter's behavior toward Fran. Is this unique or common (evidence of latter? Can Peter's behavior problems be corrected, or should he be moved to a job better suited to his skills (if available)? We don't have enough details, but seems to be related to very low emotional intelligence and possibly personality disorder. Correcting Peter's behavior could avoid future problems of stress, turnover intentions, low loyalty, and lack of motivation to submit ideas.

2. Need to investigate Rob's inaction. We don't have enough details, but seems to be a high need for affiliation (including conflict avoidance), which is not well suited to a management position. Or, it might be that Rob underestimates his responsibility as leader. As with Peter, we need to determine whether Rob can be coached to improve his performance as a leader, or needs to be moved to job better suited to his skills.
3. Generally, based on the behaviors of Peter and Rob, the company should investigate whether leadership development is a concern throughout the organization. If so (or in any event(, a 360 feedback system may help to improve leadership under certain conditions.
4. Fran's hiring experience might be unique. If not, the organization needs to look into developing a standardized process of socialization of new employees. This includes assurance that they get a realistic (accurate) preview of their job, including duties and boss; that they enter the job for which they are hired; that the induction process engages the newcomer, such as actively preparing the workplace for their first day and spending time over the first few months (through a buddy and formal orientation) to become aware of the workplace and help form friendships.

Fran Hayden Case analysis with Questions

These case notes were prepared by Glyndwr Jones, School of Management Studies, University of Waikato

1. Describe Fran's emotions and attitudes since joining Dairy Engineering. How have they changed, and why?

Franz emotions can best be described as 'see-sawing.' She started on a high, with expectations of being able to contribute at Dairy Engineers as the first step on her career. She received her first set-back on day one when, to her disappointment, found that there was no position in Costing for her and she had been allocated to MIS. After completing the first run of 'Big Ugly' Fran's spirits fell as she found that there did not appear to be enough work for the four graduates. She wondered why the company needed her.

The next phase saw Fran's emotions hit another low when, after returning from the management workshop, she found that she was in trouble. Her spirits dropped again. This is a crucial point in the cases as Fran confronts, for the first time, the politics of organizational life, for which she is ill-prepared.

These events influence her attitude and she begins to become disillusioned with the company and the position. Toward the end of the case, Fran is beginning to seriously re-consider whether she had made the right move. Fran's emotions influence her attitude and behavior, and by the end of the case, she is considering moving on.

2. Describe Fran's level of loyalty (affective commitment) and explain why she has this level of loyalty.

The case illustrates well the need for managers to show concern for developing employee commitment and loyalty to the enterprise. Fran started with the organization but there is no evidence that any formal induction procedures exists in the company. The fact that she turned up and no job was available is evidence of this. From there on, Fran is left to 'swim or sink' on her own.

Over the period of the case, it can be seen that because of the mismanagement of the new employee, there is little sign of a growing affective commitment on Fran's part to the organization, in fact the very opposite is occurring. But this is not accidental; this process can and should have been managed if the organization is really concerned about attaining and developing its human resources. In this case, it did not do any of this and by the end of the case; Fran has become disaffected with her position and the company.

3. Discuss Fran's psychological contract with Dairy Engineering.

There is no evidence in the case about Fran's employment contract with the organization but one did exist under the then current legislation. More importantly however is the notion of a psychological contract between Fran and the organization. Again, this is not something that needs to be left to chance; it is something that needs to be managed and again here is little evidence in the case that this occurs. Fran increasingly comes to question her loyalty to the organization as she finds herself caught up in political 'in fighting.'

4. What would you have done in Fran's position? What should she do now?

Hindsight is a great thing so saying what Fran should have done is easy but think about the pressures she was under.

i. She was a new graduate, keen to achieve and show willingness. Hence jumping at the chance of going to the management workshop and producing a report for the department.

ii. An important lesson; the situation existed before Fran came along. When a new graduate joins an organization, all the components, the elements and processes are already in place. A new graduate needs to acknowledge and recognize that they are very unlikely to be able to change anything. They will have to fit in quickly. There is a saying; 'History weighs heavily on organizations' and this is certainly true in this case.

What should Fran do now? She has few options. She will not be able to stay in her present position with her current boss, that is clear. In the short–term, she can make efforts to transfer to another department. Longer, term, I think she should be looking for a new position but she cannot do that now because any future employer is going to ask the obvious question – why did you leave Dairy Engineers? But I think that within the next year, , she will need to move on.

5. What pressures do you think the main participants might be under in this case?

The case provides scope for students to explore the roles and pressures the main protagonists are experiencing and consider why. They can do this by analyzing each of the major players. For example, Fran's boss is conscious that out of the other managers, he is the one who is lacking in 'expert' knowledge. This is likely to be worrying him... We do not have enough information to say what pressures there are but plainly, there is a political 'in fighting' going here over resources. To add to this, the head of accounts is a somewhat weak, ineffectual leader who does not seem to want to face up to Fran's boss. Fran becomes the 'meat in the sandwich.'

6. What skills might have enabled Fran to better cope with the situation? Can these skills be taught in business schools?

Could Fran have been better prepared by her studies for such an eventuality? I doubt this. Of course, exposure to organization politics perhaps in her management course might have helped but this is the real world of work. I am afraid to say that there is just no short-cut for experience, which Fran does not have

7. What would I have suggested to Fran?

- That she keep her own counsel, kept her head down, listened and learned and got to understand the lay of the land in the company – fast.
- Set realistic goals. University and the world of work are very different. For much of the work in an organization, know-one is really y looking for you to obtain an A. The company wanted 'Big Ugly' done, and done on time. That is it . You cannot get an A+ and it is not called for. In many positions, 'satisfying' is what managers are looking for.
- Unfashionable as it may seem, Fran has to learn to balance competing demands and competing bosses. This is not easy. She must make sure that she does not go over the head of her boss; this is a no-no and in this case, Fran will not be able to regain the respect of her boss.
- Look for another position!

Comments for Instructors

One variation is to use the case as 'prediction' case. This means not handing the case out in one go but physically 'cutting it up' at critical points and asking: what do you think will happen next? There are several critical turning points in the case where this could be utilized. For example, when Fran came back from the management workshop and after she had applied for a transfer.

In my experience, the case lends itself well to a role play with a number of students acting out the role of Fran, her boss and the head of accounting.

FROM LIPPERT-JOHANSON INCORPORATED TO FENWAY WASTE MANAGEMENT

These case teaching notes were prepared by the case authors, Lisa V. Williams, Jeewon Cho, and Alicia Boisnier, all of SUNY at Buffalo

Primary Case Topics

Social identity theory, social learning theory, organizational commitment, personal/organizational values, self-concept

Case Synopsis

This case is based on one person's real-life work experience. Using the pseudonym Catherine O'Neill, the story describes her personal background, including her father's influence on her personal identity and her association with a prestigious accounting firm with which Catherine strongly identified. The story goes on to discuss Catherine's residential move due to her husband's job change and Catherine's related job change to a position with which Catherine did not identify well.

Discussion Questions and Suggested Answers

1. Discuss the social identity issues present in this case.

Students should recognize that social identity played a strong role in this case. First, Catherine joined business clubs at school. Also, she received two job offers and chose to work at Lippert-Johanson Incorporated (LJI). Catherine chose membership in these groups because she was proud to be a member of them. They represented high ethical standards, and had an excellent reputation for quality work, both in industry and with other accounting firms. In addition, she wanted to be associated with these groups because membership in these groups indicated that she too had high ethical standards and an excellent reputation for quality work.

Besides social identity, Catherine's personal identity was made salient in references to her father. Catherine was interested in accounting because it was her father's lifelong profession, and when she finished her interview, the first thing she did was call her father. This makes it clear she both identified with her father's love for the profession, and sought his approval and support as well.

2. What indicated Catherine's positive evaluation of the groups described in Part 1? How did her evaluations foster her social identity?

The business clubs were described as "highly regarded," which indicated Catherine would have had this opinion of them. LJI was described in detail.

Some indications of Catherine's positive evaluations during the interview process were appreciation for the "quiet, focused work atmosphere," and liking everyone's work attire (suits and conservative apparel). Catherine also stated she liked the "feel" of LJI and would love to work there.

After Catherine began working at the firm, there were several indications that her social identity with LJI developed. First, Catherine was told she would soon participate in continuing professional education, indicating the firm valued its high standards by providing training for its employees. Also, Catherine was immediately welcomed into the group, beginning with lunch invitations and including external activities such as baseball and soccer teams, happy hours, and parties. Students should recognize Catherine's group membership becoming more salient, and her integration into the firm. Finally, Catherine attended meetings of professional accounting societies where colleagues were impressed as they learned where she works. This increased the value assigned to Catherine's membership in the LJI group.

3. What theory helps us understand how Catherine learned about appropriate behaviors at LJI?

Social learning theory provides insight into how Catherine learned about appropriate behaviors at LJI. Social learning theory includes three components: behavioral modeling, learning behavior consequences, and self-reinforcement. Behavioral modeling and learning behavioral consequences are both present in this case study.

In her early years, Catherine experienced behavioral modeling as she observed her accountant-father's behavior. When she began working in the accounting industry she observed her interviewer's and colleagues' mannerisms, dress, and approach to work to learn what is appropriate. Catherine indicated her admiration (respect) for these individuals, made their modeling more relevant to her. Also, she witnessed her father's success as well as the success of her colleagues, which also helped make the behavioral modeling more influential.

With regard to learning behavior consequences, Catherine also received cues about appropriate behavior through indirect experience. Reading the comprehensive LJI handbook and watching her colleagues earn promotions (or not) are two observable means that Catherine indirectly learned behavior consequences.

4. Compare and contrast LJI and Fenway Waste Management.

LJI was extremely professional and formal. There were specific people who had specific roles. The firm was guided by a mission statement, which as supported with explicit policies and procedures in the employee handbook. Employees were expected not only to become familiar with the handbook, but also to use it to understand the firm and guide their behavior. Professionalism, high standards, and education were emphasized as highly important, and were found throughout firm practices. Also, in general, accounting is considered a white collar, professional industry; even within this environment LJI stood out as an exemplary company.

Fenway Waste Management was in a much less prestigious industry, and had its own particular characteristics. The organization was much more casual. Because the materials were greasy, the warehouse crew often tracked the grease into the offices. The furnishings were old and unimpressive to Catherine. Furthermore, employees dressed much more casually. They were also informal about their roles in the organization - because the company was small, Catherine often "pinch hit" and did work that was not formally her own.

5. What was Catherine's reaction after joining Fenway Waste Management and why was her level of social identification different from that of LJI?

Catherine was having problems adjusting to her new position. Her social identity was very strongly tied to LJI because Catherine valued her membership in the organization. Its professionalism, high standards, focus on education, and excellent reputation were all qualities Catherine found attractive and identified with. She did not see these qualities at Fenway, and so did not identify well with the organization. Catherine preferred her previous environment so much she made a point to continue dressing in less casual attire, as well as to attend AICPA meetings. The meetings put her in touch with other accountants and provided the professional environment and standards that Catherine was missing.

6. Is there evidence that Catherine experienced the categorization-homogenization-differentiation process? What details support your conclusion?

Using evidence from this case study, we can see that Catherine did engage in the categorization-homogenization-differentiation process. First, Catherine's father was an accountant. Catherine had knowledge about, and a positive impression of the accounting profession based on her association with her father, and accordingly favorably categorized accountants. She also used categorization when she interviewed at LJI. Based on the accountants' style of dress and their demeanor, Catherine assigned positive qualities to them and had a strong desire to work at the firm (i.e., join the group). Catherine also homogenized the group because, based on meeting a relatively few people at the large firm, she assumed everyone at the firm was similar to the people she had met and the opinions she has formed.

When Catherine left LJI to Fenway we saw evidence of the full categorization-homogenization-differentiation process. Catherine compared the groups (Fenway and LJI) and considered LJI as the more attractive group. She viewed LJI as the ideal of how things should be done (i.e., professional degrees, dress and mannerisms, somewhat formal, impressive furnishings) and had problems adapting to Fenway, which was much less formal (i.e., casual dress and attitudes, blurred lines among job descriptions, and old furnishings). It seems that Catherine saw members of each group as similar (homogenization) because she never commented about anyone who stood out as "different" in either group. Differentiation was also indicated because Catherine continued to attend AICPA meetings and overdress for work. She also commented that she felt much more at home with the members of the AICPA than she did with her colleagues at Fenway. These behaviors and statements indicated Catherine had engaged in differentiation whereby the members of the accounting profession, and her former employer were viewed more favorably than her current co-workers and employer. Due to theses comparisons, Catherine continued to maintain strong identity with LJI and accountants, but did not value her membership with Fenway.

Supplemental Question

1. What were some of the norms and values present at LJI? How did Catherine learn about them?

From the case, we learn that LJI seems to have a very transparent set of norms and values, ranging widely from norms for dress and behavior (i.e., formal, neat, and professional) to values about high work standards and interpersonal interaction (personal conversation at lunch and outside social activities, for example). These norms and values appeared to be widely-held and strongly-shared. For example, everyone relied on the handbook for information, and everyone had a similar attitude about work.

Catherine learned about LJI's norms and values because she cared about and paid attention to them. In fact, it can be argued that she may be characterized as a high self-monitor, based on her tendency to look for environmental cues and meet social expectations. Other students might say that she is not a high self-monitor because she did not change her behaviors when she started working at Fenway. In addition, she was socialized through a rigorous selection process which made her "grateful" to have been chosen from among so many qualified candidates, through written policies published in the firm handbook, and through participation in lunches and outside social activities. She was probably also socialized into her profession through her participation in American Institute of Certified Public Accountants (AICPA) meetings.

FROM REO TO NUCLEAR TO NUCOR

These case teaching notes were prepared by Steven L McShane, The University of Western Australia

Primary Case Topics

organizational effectiveness, organizational culture, team dynamics, leadership

Case Synopsis

This case describes the evolution of REO Motor Car Company through to its contemporary iteration of Nucor, America's largest steelmaker. It describes how REO was formed, its initial competitive advantage, increased competition, transition to a maker of trucks, and eventual failure. The emerging firm, Nuclear is then briefly described, followed by the incredible rise of Nucor. the case presents information about the organizational culture of both REO and Nucor.

Discussion Questions and Suggested Answers

1. Use the four perspectives of organizational effectiveness to analyze the initial success and then failure of REO.

The REO organization might be best understood in terms of the stakeholder perspective. The company paid considerable attention to its employees (relative to other firms at the time), which apparently resulted in a more loyal workforce. The case notes the centrality of Reg Olds' values instilled on the organization in the treatment of employees. the case also notes that the welfare capitalism at REO made the transition to unionization easier than at other companies. Although REO introduced the first auto production assembly line (but not the moving mechanized version that Ford introduced), there is little to suggest that the open systems perspective lens assists our understanding here. REO remained small and probably much less efficient than Ford. Also, there isn't much information to analysis the company's interaction with its external environment, except that Olds attempted several new types of products (buses, vans, etc), none of which was successful. Similarly, the case lacks information to understand REO in terms of either organizational learning or high performance work practices.

2. Use the four perspectives of organizational effectiveness to analyze the success of Nucor.

The high performance work practices (HPWP) perspective is by far the most appropriate to explain Nucor's success. HPWP's rely on a set of human resource practices to maximize human capital, and several widely accepted HPWP practices are implemented at Nucor. Specifically, the company has a strong team orientation where teams have considerable autonomy to perform their work. The company also has a highly-successful performance-based reward system to motivate teams to perform quickly with high quality.

the other organizational effectiveness perspectives offer some guidance as well about Nucor's success. From the organizational learning perspective, the case notes Nucor's emphasis on innovation as well as knowledge sharing (such as when things go wrong). From the stakeholder perspective, the case notes that Nucor responded to problems with its environmental record. The stakeholder perspective is also relevant in terms of the company's treatment of employees. The company's strong culture also relates to stakeholder priorities (e.g. customers and employees).Finally, Nucor can be understood from the open systems perspective by its adaptation over time to different marketplace opportunities and needs. For instance, the case describes how Ken Iverson shut down unprofitable divisions during the transformation to Nucor and encouraged new technological developments to improve productivity.

GOING TO THE X-STREAM

These case teaching notes were prepared by the case author, Roy Smollan, Auckland University of Technology

Primary Case Topics

Organizational culture, organizational change, organizational structure

Case Synopsis

The case covers elements of organizational change, culture, structure, leadership, conflict, power and politics in an IT company introducing a new product. The culture and structure of the organization are changing as it grows in size and introduces more formality in decision-making, new HRM practices, a new accounting system and new strategies. Conflicts arise that derive from personality and perceptual differences about the changes that are taking place and about ongoing operational issues.

Discussion Questions and Suggested Answers

1. **Identify the strengths and weaknesses of X-Stream's organizational culture.**

   Nature of organizational culture: Organizational culture is regarded as a set of assumptions, beliefs, values, customs, structures, norms, rules, traditions and artifacts (Schein, 2004), and a system of shared meanings.

   Description of culture: X-stream's culture has a strange mix of informal, competitive, participative, supportive and political forces. Each department seems to have its own subculture that is different to the others and seems to derive from the leadership style and behavior of its manager. How much is common is difficult to describe but the influence of Gil as CEO is significant.

   Strengths: Gil aimed to create a company where innovation and empowerment were important and this is at least partly evident. The people-oriented approaches of Gil and Denise seem to promote trust, engagement and commitment. The casual, fun-type of atmosphere could enhance innovativeness and job satisfaction. The high standards of Jason should result in high quality products.

   Weaknesses: Values are not widely held despite Gil's intentions. Departmental sub-cultures and leadership styles undermine unity of purpose. The use of nicknames is offensive to some staff. The political behavior of Don undermines trust. Loose controls have affected performance.

2. **Analyze the sources of the resistance to the proposed changes by Gil and Alkina and discuss how the company could deal with the resistance.**

   Resistance to the changes: The new performance management system has been opposed by at least three staff – Don, Jason and Heather – and possibly others. People resist change when they believe it is unfair and when they have something to lose, such as power, status and authority, and more tangible aspects, such as salaries, benefits, office space, etc. Jason, who appears to have an autocratic management style, may expect that he will obtain negative ratings in the 360 degree performance management system. Don, who is arrogant and has committed a number of indiscretions, may likewise feel that his approach will result in negative appraisals. Heather believes nobody is qualified to judge her performance. Other new HR policies such as more formal job descriptions, person specifications and recruitment and selection procedures may be resisted because they will take more time and because they go against the informal approach that has always existed.

   Dealing with resistance: To deal with the resistance Gil and Alkina need to meet with all staff (in New Zealand and Australia separately) to explain why the changes are necessary. In these meetings they can answer any questions from staff. It might be useful to engage staff in the design of the new processes and documents because participation enhances acceptance of change. Those who unreasonably persist in their opposition need to be firmly

told that the changes will take place and must be adhered to. The implementation and success of the changes must be tracked and corrective action taken if necessary.

3. **Discuss the type of organizational structure you believe the company should adopt and explain why you think this would be the best.**

   Current structure: At present there is a functional structure, but it is not evident how the departments are structured. The structure of the Australian operation is also not clear, nor is how the people there liaise with the New Zealand head office.

   Alternative structures: There are a number of alternatives to the existing structure and each will have its own advantages and disadvantages. In the New Zealand office the structure could be changed to a divisional one, with departments for hardware and software. Website design could be included in software or in a division of its own. Since there is currently only one person in it (Heather) it would probably work better if it was part of software, but, given Heather's unusual personality and habits it might be difficult for her to work under another manager. The advantage of this structure is that each division has a clear focus on it own customers. However, the functions of accounting and human resources also need to be accommodated. A hybrid structure might therefore work better. Reporting to Gil could be a manager of hardware (with departments of R&D, production and marketing), a manager of software (with suitable sub-departments), and the administration department (with accounting and HR). The disadvantage could be lack of communication between the hardware and software divisions and lost opportunities in identifying and working with common clients. Productive forms of liaison would therefore need to be worked out. In any structure, communication of information and decision-making processes need to be established so that people have the maximum amount of information and input they need for effective decision-making and job satisfaction.

THE REGENCY GRAND HOTEL

These case teaching notes were prepared by Steven L McShane, The University of Western Australia

Primary Case Topics

Empowerment, job design, motivation, individual behavior, stress

Case Synopsis

The Regency Grand Hotel was one of Bangkok's most prestigious hotels when it was recently sold to a large American hotel chain. John Becker, an American with 10 years of management experience with the hotel chain, was appointed as the new General Manager. Becker applied empowerment practices to the hotel's 700 employees, who have always worked according to management's instructions. He told the hotel's supervisors to give employees the opportunity to use their initiative, and to coach and assist rather than provide direct orders. Becker reduced the number of bureaucratic rules, which upset those who previously had decision-making power over these issues. The general manager spent time encouraging empowerment among employees, although they still had trouble knowing the limits of their autonomy. Supervisors would reverse employee decisions by stating that they were major issues requiring management approval. Eventually, employees reverted back to relying on their superiors for decision making. Rather than improve customer service, the hotel's performance deteriorated. Absenteeism and turnover of staff also increased.

NOTE: This is a true case that occurred in another (but culturally similar) Asian country. The industry has also been changed to maintain anonymity. The original industry also requires high levels of customer service.

Discussion Questions and Suggested Answers

1. **Identify the symptoms indicating that problems exist in this case.**

   The main symptoms in this case are that employees stop using their initiative, that employees applied empowerment ineffectively, and that the hotel experienced higher turnover, absenteeism, stress, and customer complaints. Students might also identify conflict and dissatisfaction.

2. **Diagnose the problems in this case using organizational behavior concepts.**

   Empowerment Problems.

   The most obvious problems in this case is that the empowerment process did not create a setting that supports empowerment. First, it is not clear that all employees possessed the necessary competencies to feel comfortable with that degree of autonomy.

   Second, empowerment requires a learning orientation culture, yet it is clear that employees were not supported when mistakes were made. Similarly, although John Becker seems to trust employees, other supervisors seemingly do not have the same level of trust.

   Third, empowerment requires jobs with a high degree of autonomy with minimal bureaucratic control. The opposite seems to exist here. Employee decisions were reversed, thereby undermining their autonomy. The MARS model helps to explain why employees did not apply their autonomy:

   - Role perceptions -- lack of role clarity about how and to what degree employees can make decisions without being reversed by their managers.
   - Motivation -- some employees were initially motivated to use their autonomy, but not later for reasons explained in the expectancy theory section (below)
   - Ability -- (maybe) some knowledge for autonomous work probably missing
   - Situational contingencies -- generally OK; they have resources and time (note: management reversal of employee actions is not a lack of opportunity issue)

Job design problems.

This case can also be understood from the perspective of job design. Empowerment is a form of job enrichment,. According to job characteristics model, enrichment requires certain conditions, lacking here:

- *Skills/knowledge* -- employees did not have competencies or role clarity to engage in empowerment
- *Growth Needs* -- some employees probably lacked growth needs because of their contented roles taking orders from management. (But as noted above, other employees demonstrated that they did have fairly high growth need strength.)
- *Work context* -- Fine initially, but deteriorated with low supervisor support

Some concepts from other chapters are also relevant to this topic. These include expectancy theory, ERG theory, behavior modification, and stress management.

Expectancy theory

Expectancy theory is the main motivation theory that applies here, particularly regarding employee motivation to engage in empowerment practices. With respect to the E-to-P expectancy, employees were uncertain about how much discretion they had in their jobs. When they did try some initiative, their supervisor's reversed these actions. This likely undermined their self-efficacy regarding the ability to work in an empowered job. Low self-efficacy results in a lower E-to-P expectancy.

P-to-O expectancy also had an adverse effect on employee motivation. Employees who tried empowerment experienced negative outcomes from their supervisors, and possibly from customers. While Becker initially supported employee empowerment, he later retreated to his office, thereby providing less favorable outcomes to employees to took initiative. Overall, employees stopped taking initiative because both their E-to-P and P-to-O expectancies decreased.

Needs Hierarchy theories

Some students might apply needs-based motivation theories to explain part of this case. Specifically, they might suggest that most Regency employees have low growth/self-actualization needs because they were comfortable with the previous leadership, which did not offer much job challenge. This point may be true for some employees, but several Regency staff members DID try to apply empowerment, suggesting that they had some degree of growth need strength. Furthermore, needs theories generally explain what needs people possess, not what behaviors they engage in.

Behavior modification

This case can also be discussed in terms of behavior modification. The supervisors either punished or provided extinction reinforcement to employees who engaged in empowerment practices.

Stress management

Some employees quit or increased their absenteeism because they experienced higher levels of stress. Several stressors explain the causes of this stress:

- *Role-related stressors* -- ambiguous expectations and practices about how to engage in empowerment
- *Interpersonal stressors* – Employees experienced increasing conflict with management.
- *Organizational stressors* – It is possible that the purchase of the regency as well as subsequent changes probably added to stress, but this issue isn't certain.

3. **Recommend solutions that overcome or minimize the problems and symptoms in this case.**

Students might identify a variety of recommendations for this content-rich case. Some might suggest that Becker (or his successor, as some students doubt that Becker has any credibility now) requires sessions in cultural sensitivity. Others suggest that empowerment will work at the regency if employees are given clearer instruction and training, and employees see role model examples of empowerment. It might also be useful to introduce the process slowly so employees have time to adjust with less stress.

The empowerment intervention is a major form of organizational change, so students who have read that chapter would recommend a number of change management initiatives, including coercion to supervisors who do not "get on board" the change effort.

SIMMONS LABORATORIES

NOTE: Simmons Laboratories is an updated version of the famed "Bob Knowlton" case, written by Alex Bavelas and revised by William Starbuck. The case title and character names have been changed in this book so students would have difficulty hunting for solutions to the case on the internet. For those familiar with the Bob Knowlton case, Bob Knowlton is Brandon Newbridge in this version; Simon Fester is Lester Zapf in this version.

These case teaching notes were prepared by Steven L McShane, The University of Western Australia

Primary Case Topics

Perceptions, leadership, emotional intelligence, conflict management, team dynamics, creativity

Case Synopsis

Brandon Newbridge, who discovered new technology, leads a project team at Simmons Laboratories to refine that technology. One evening, a highly intelligent and knowledgeable stranger, Lester Zapf, appears at the lab. Newbridge felt vaguely annoyed from his initial meeting with Zapf. The next day Newbridge's boss, Dr. Goh, advises Newbridge that Zapf has been appointed to join the Newbridge's project team. Zapf contributed important developments to the team's objectives, but operated independently of the team and received credit alone rather than as part of the team. Newbridge felt threatened by Zapf's presence and Zapf's apparent support from Goh, but Newbridge made no attempt to speak to Goh about his concerns. Newbridge eventually quit Simmons Laboratories, leaving a note to Goh explaining his reasons. Ironically, Goh had decided to place Zapf in charge of another project that was going to be set up very soon. Goh had hesitated to communicate this transfer to Newbridge, who Goh assumed valued Zapf's contribution to his project.

Suggested Case Analysis

Symptoms

Loss of a valued employee, Brandon Newbridge; dissatisfaction among staff; likely reduced work performance

Problem Analysis

1. Perceptual distortions

This case is filled with perceptual misunderstandings, with unfortunate consequences. Newbridge misunderstands Goh's perception of his capabilities and value to the organization. Goh also lacks awareness of the effect that Zapf is having on Newbridge and the entire staff. Goh particularly lacked sensitivity to and awareness of the effect of Zapf on Newbridge's self-concept -- the extent to which these events undermined his self-worth at Simmons Labs. Ultimately people move to environments where they feel valued, and for Newbridge that no longer occurred at Simmons.

2. Ineffective management of creative employees

This is a classic situation where a stereotypically creative person with low interpersonal skills (including low emotional intelligence) causes more problems than is necessary. These mavericks are often completely passionate, clever and unknowing (and uncaring) of "normal" business practice. They often don't operate thoughtfully within the existing culture. They only see what's within themselves and their passion. It's a big mistake however to think that they don't and can't contribute. They are risks to the company but if taken on for the right reasons and managed thoughtfully, can become fantastic assets. The manipulative clever ones are the ones that challenge a company and its managers fourfold! The broad problem here is that the creative maverick in this case -- Lester Zapf -- was not effectively managed by Goh or other leaders. Zapf was given free rein to become involved without any feedback or direction regarding the impact of his actions. There was no attempt to buffer the effects of his behavior on Newbridge and other staff.

3. Lapses in Emotional intelligence/social competency

This case illustrates several examples of low emotional intelligence, as well as the consequences of that condition. Goh could not read Newbridge's subtle signals that he was unhappy with Zapf's presence. Similarly, Goh apparently did not empathize well with Newbridge's circumstances, in spite of being aware of Zapf's personality and behavioral style. Zapf is a classic example of someone with high insensitivity to the emotions and needs of others. He did not seem to be aware of how his actions affected -- or would affect -- people around him.

4. Conflict and decision-making styles

This case illustrates the challenges (as well as opportunities) that occur when people have different perspectives of the world and different approaches to making decisions. The case analysis would particularly examine differences between Zapf and Newbridge in the context of their likely Myers-Briggs Type Indicator scores.

5. Leadership problems

To some extent, this case can be analyzed form the perspective of Newbridge's leadership. Newbridge was in charge of this unit and was aware of the problems that Zapf was creating in morale within the unit, yet he did not attempt to solve these problems. This might be considered an example of laissez-faire leadership -- a lack of active involvement in managing the situation where the situation called for action. Newbridge did not control Zapf's dominance at team meetings, which likely undermined the decision-making process as well as the self-worth of other team members.

6. Team dynamics

Zapf was clearly a poor choice of employee for a team setting, and his presence in the unit may have undermined team dynamics. Zapf ignored the team's preferences and did not attempt to work effectively with other team members. His actions have undermined team cohesion (breakdown in cooperative spirit) because of conflicts that emerged and the events that undermined individuals in team meetings. The organization's stated reward system -- the person who produces gets ahead in this outfit -- also likely created a competitive environment that threatened individual employees, at least when the new employees (Zapf) joined because he violated the cooperative norm in the team that otherwise buffered that competitive effect.

Recommended Solutions

There are several strategies to address situations involving creative employees with low emotional intelligence and low team orientation. One increasingly validated approach is to hire people for their social as well as intellectual competence, recognizing that both are needed in effective organizations. Essentially, it is difficult to leverage the benefits of highly creative/intelligent people who lack social skills because organizations are social entities (everyone needs to interact with others to some degree), and the best ideas tend to come from teams, not lone star employees.

Another way to resolve the problems with socially-challenged creative employees is to develop their social skills. For example, it may be useful for Goh to coach Zapf on how his actions might affect others, and to help Zapf understand that achieve his creative goals requires support from co-workers. These people can also develop their emotional intelligence -- become more sensitive to the emotional reaction that others have of the person's behavior. At the same time, leaders can work with people around socially-challenged creative types by validating their worth and supporting the challenges they face when working with creative, yet irritating staff.

The case solution might involve ways for employees to develop their mutual understanding (increasing the open area in the Johari Window), such as through more social events, anonymous 360 degree feedback, or other mechanisms that can still maintain relationships.

It seems to be too late to get Brandon Newbridge back at Simmons Labs, although future employment prospects should be considered and discussed. However, the case illustrates the need for companies to train managers in how to leads teams where some staff do not work effectively in team settings. This would include coaching employees with poor social skills, finding creative ways for these people to work with minimal damage to workplace relations, and working with other employees to e-validate their self-worth and buffer any stress they experience when working with these people.

STAR ENTERPRISES—RITA'S ISSUES AT WORK

This case analysis offers two sets of notes. First, we provide analysis following the symptoms-problems-recommendations model. These notes are based on discussion and assignments using this case in Steve McShane's classes. This analysis is followed by a question-specific case analysis prepared by the case author. Instructors who would like students to have questions to guide the discussion may prefer that analysis.

The following case teaching notes were prepared by Steven L McShane, The University of Western Australia

Primary Case Topics

Equity theory, organizational commitment

Case Synopsis

Rita, one of the most experienced employees in the quality control section, is asked to work as the acting quality control manager when the regular manager was transferred to another part of the company. Rita assumed she would permanently have this management position, and she demonstrated strong motivation to perform her new role. However, the company advertised the position externally and hired someone else, apparently without considering Rita for the position. Rita resented the new manager, particularly when he required her assistance for work issues with which he was unfamiliar. Rita also resented the new manager changing quality control systems that Rita had introduced earlier. She was thinking about leaving the organization.

Suggested Case Analysis

Symptoms

Rita is dissatisfied with the situation, her performance (and motivation to perform) has fallen, she has taken more sick leave, she engages in less org citizenship behavior (and is less motivated to do so), and she is thinking of quitting

Problem Analysis

1. Feelings of Inequity

This case can be partly analyzed using equity theory. Rita's comparison other is the new managers. The inputs she seems to consider are her work experience and being a good performer (except on budgeting). She noted that the company had recognized her contribution to the company's success. In contrast, the new manager had no history of contributing to this company. And although he apparently had been hired "highly recommended" and was experienced in quality control, he lacked experience in this industry (automobiles, whereas he was previously employed in appliances). The main outcomes that Rita considered are the management position along with the associated higher pay and enjoyment of the work involved.

Rita experienced underreward inequity because the new manager was offered the position rather than Rita. Rita mentioned that she would "show them (the company) what they were losing out on," implying that she had more to contribute than the new manager. Rita tried to reduce her feelings of inequity in a few ways. First, she reduced her inputs by minimally performing her job and engaged in less organizational citizenship by limiting how much she helped the new managers. Rita also withdrew from the situation by having more absenteeism (which might also reduce inputs) and eventually thinking of quitting.

2. Declining Affective Commitment

This case identifies a few conditions that explain why Rita's affective commitment to the organization declined. First, the perceived injustice (see equity analysis above) is a key influence on affective commitment. Second, Rita felt that she was not receiving support from management. She says she was "treated so badly" because the company did not

consider her for the position. Third, Rita feels less trust in management, largely because of the inequity and lack of management support. Fourth, Rita has less involvement in organizational activities. Previously she was involved in improvements to quality control practices, whereas these practices were being removed by the new manager and it doesn't seem that the new manager or anyone else is asking for her participation in new improvements. Declining affective commitment leads to the symptoms of lower performance and organizational citizenship as well as increased probability of quitting.

Recommended Solutions

The damage has been done regarding Rita's relationship with the organization, but it might be possible to repair it. More important, the recommendations would identify ways to prevent these problems from occurring in the future. A short-term recommendation is to involve Rita more actively in changes within the department. the case suggests that perhaps the new manager needs more development as a participative leader, so perhaps training him would help. Rita may be initially reluctant to be involved and particularly to work closely with the new manager, but meaningful participation should eventually change that.

Second, this case suggests that the organization might not have introduced sufficient career development practices to prepare for internal promotions. Even if Rita is not qualified or capable in the long run to perform management roles, career development would provide an opportunity for her to discover her strengths and redirect her to more advanced positions in the company where she can further develop and benefit the organization. Finally, this organization needs to consider how to provide clearer expectations along with explanations about its decisions. It is evident that Rita was not informed about her lack of opportunity for this position and the reasons were not provided at all, let alone in a timely fashion.

The following case teaching notes were prepared by Nuzhat Lotia, University of Melbourne

Discussion Questions and Suggested Answers

1. Identify and discuss why Rita was upset at work? Analyze the sources of conflict in this situation.

Rita was upset at work as from her perspective her goals and interests of upskilling herself, wanting the higher position and more money were being negatively affected by the organizational and managerial interests and context of limited resources and wanting to fill the position with an appropriately qualified and skilled person. Thus, there was conflict due to incompatible individual goals and organizational or managerial goals. The source(s) of her conflict were: different goals (Rita wanted the higher position and the money); limited resources (the decision not to send her on the training); lack of or miscommunication (her assumption that she would be made permanent in the acting position). The conflict was then escalated due to communication problems. Rita did not communicate how the decision to hire from outside affected her and withdrew from work. She no longer took initiative and decided to do the minimal work possible.

2. How would you assess Rita's approach to managing the conflict that she is experiencing at work? Your answer should include a discussion of the positive and negative aspects of her approach.

Rita's approach to managing the conflict was avoidant and compromising at times. Avoiding the situation by withdrawing from work did not lead to any resolution of the conflict and in fact it frustrated Rita more and she felt resentful. She did initially compromise by helping the new manager, but as she had resolved the conflict situation, the resentment returned and she became an ineffective worker again. She did not communicate and negotiate with the general manager or the new quality control manager to come up with a solution to resolve the problem. Instead, she stopped communicating completely. She tended to be avoidant and compromising in dealing with the conflict she experienced. This had an impact on her as a worker and on the organization.

What do you think she should have done differently?

Rita should have tried to address the issue as it occurred and not waited around as the conflict escalated as a result. She should have tried to resolve the differences between her and the general manager so that they could have come up with a solution that could be satisfactory for both parties. This could only have happened if she had understood her

own emotions and communicated her discontent at the situation to the general manager in an effective manner instead of saying that she understood and later feeling resentful. The general manager too should have communicated to Rita about the decision to advertise and hire for the quality control manager position and perhaps she would have applied for the position herself. One solution could be that she could have negotiated being promoted to an associate manager position with increased pay and a greater role in undertaking managerial responsibilities and developing her financial management skills on the job. Overall, she should have used a problem-solving collaborative approach to managing the conflict.

TAMARACK INDUSTRIES

These case teaching notes were prepared by Steven L McShane, The University of Western Australia

Primary Case Topics

Conflict management, team dynamics

Case Synopsis

Tamarack Industries hires college students during summers to work on the production line. Regular employees resented being split up to reform teams with some students, so the foreman decided to allow the students to form their own team. Rivalry soon formed between members of the regular team and student team. Eventually, this led to sabotage, which motivated the foreman to break up the teams.

Discussion Questions and Suggested Answers

1. **What are the signs (symptoms) of conflict in this case?**

   This case describes several symptoms from both parties (regular employees and students). In the past, the regular employees "resented" working with the college students and "complained" about their work performance. Although these conflicts did not exist this year, the regular employees resented comments about them from the college students as well as their work on shorter production runs. The demeaning remarks by the college students might also be considered symptoms of dysfunctional conflict. The most overt symptoms of conflict were the sabotage of the other team's work.

2. **Use the conflict model to (a) identify the structural causes of conflict, and (b) discuss the escalation of conflict described in this case. Your answer should also identify the signs (symptoms) of conflict in this case.**

   The main source of conflict in this case is differentiation. The teams consisted of people with significantly different backgrounds, values, and beliefs (i.e. college vs regular staff). Some of the other sources of conflict had minimal relevance. For example, the teams had low (pooled) interdependence regarding task resources, their goals were not incompatible, and they did not lack resources to perform their work.

   However, there was ambiguity in rules of conduct. Also, the case suggests significant communication problems in the sense that the two teams did not talk to each other but formed stereotypes. The rivalry that formed between the teams might suggest that there was a values scarce resource -- superior performance. Only one team could be the best, which may have explained why the teams tried to undermine each other's performance through sabotage.

   Conflict escalation: This case nicely illustrates the problem of escalating conflict when the underlying sources of conflict are not identified and resolved son enough. Initially, the conflict was limited to verbal taunts by students and complaints by the regular staff. Later, this conflict escalated into sabotage of production output.

   This case describes several symptoms from both parties (regular employees and students). In the past, the regular employees "resented" working with the college students and "complained" about their work performance. Although these conflicts did not exist this year, the regular employees resented comments about them from the college students as well as their work on shorter production runs. The demeaning remarks by the college students might also be considered symptoms of dysfunctional conflict. The most overt symptoms of conflict were the sabotage of the other team's work.

3. **Analyze this case using relevant theories on team dynamics.**

   The main team dynamics concepts that apply to this case are team norms and cohesion. Both teams develop norms of misbehavior toward the other team, even condoning or encouraging sabotage. The motivation for employees to

engage in this dysfunctional behavior was amplified by team cohesion. both teams became highly cohesive, for several reasons:

- Member similarity -- members of each team were similar to each other; college students or regular staff
- Team size -- Not much information, but sounds like the teams are reasonably small
- Member interaction -- members of each team seem to have a high degree of interaction with each other and less with people on other teams
- Somewhat difficult entry -- no evidence that this affected team cohesion
- Team success -- this likely influenced cohesion, particularly on the college team due to its higher performance and rapid development
- External competition and challenge -- the other team became an external challenge

Together, the dysfunctional team norms and high team cohesion produced dysfunctional behavior in this case.

4. If you were Dan Jensen, what action would you take in this situation?

This question should generate considerable debate because the solution is not that simple.

To begin, the instructor might want to ask whether the foreman's solution is the best option here. Most likely, the foreman's action will NOT work. On the one hand, mixing teams could improve relations among college students and regular staff because they would now work together and have more opportunity to know and understand each other (see the conflict chapter on communication and mutual understanding as a solution to conflict). However, this conflict management strategy works only if differentiation is sufficiently low. If the two groups are quite different, then mixing them together could, as predicted, spark resignations, or at least reduce organizational commitment. There is also the problem that mixing teams with cause teams to revert to an earlier stage of team development, which could hurt performance.

The alternative solution is to maintain the two teams, but introduce actions that minimize conflict within the existing structure. For the remainder of this year (until students return to school), this option may be better. What actions can minimize conflict and its dysfunctional consequences? First, the foreman needs to reinforce a set of behavioral norms that includes respectful behavior. It is likely that clarifying the need to avoid verbal abuse will help. Also, the foreman needs to be firm about the wrongdoing of sabotage. Although punishment should generally be avoided, there are times when extreme behavior such as sabotage requires action. Another strategy is to introduce a performance-based reward that includes a financial reward for the individual's own team as well as the other team. This might encourage cooperation or, at least, reduce attempts to undermine the other team's performance.

THE OUTSTANDING FACULTY AWARD

These case teaching notes were prepared by Steven L McShane, The University of Western Australia

Primary Case Topics

Team dynamics and decision making, individual decision making

Case Synopsis

This case describes the experience of a faculty member who sat on an Outstanding Faculty Award committee for the College of Business. The case describes the process from nomination to selection, as well as discussion regarding differences of opinion. The committee used a structured decision process involving weighted criteria and scores for candidates on each criterion. However, the final choice went to a faculty member who received the bottom score.

Discussion Questions and Suggested Answers

1. What problems in team decision making likely caused the committee to select for the award the worst applicant on their list?

Students should be able to identify at least two team decision making problems in this case. One problem is that a more influential people derailed a logical decision process because their preference had more weight. The chapter on team decision making advises that no one on the team should dominate the process.

A second problem is that individual committee members were easily swayed by the support that others gave to the associate dean's suggestion. This relates to peer pressure in that others probably do not wish to appear at odds with the group attitude.

Another observation here is that when a committee debates over the top two alternatives (candidates), the conflict can become so strong that a third alternative wins the race. This likely occurs because strong emotions make it more difficult for each side in the conflict to accept the other party's preference, whereas a neutral (but less qualified) third choice receives positive support.

2. What would you recommend to future committees so they avoid the problems identified in this case?

Several suggestions are possible, preferably based on the discussion in the preceding questions:

Ensure that all committee members have equal status or that those with higher status (such as associate deans) avoid using their influence.

Ensure that committee members develop criteria and weights for those criteria early in the process (before candidates are identified), and that they agree to stick with those criteria.

Students might debate whether committee members should debate the merits of each candidate before voting. This is probably a good idea in that it brings out information. However, debate can sometimes cause people to move toward the group preference in spite of contrary evidence.

3. Discuss what happened in this case using concepts and theories of individual decision making (Chapter 7).

The structural aspects of the decision making process are generally fine. The committee worked through a logical process of identifying applicants and evaluating them. After realizing that they could not evaluate the candidates holistically, they followed a rational process of selecting the best candidate through a procedure of rating candidates on a set of five criteria. This process resulted in identification of a candidate with the highest score.

The problem with the decision making process wasn't so much with the process itself; the problem was that committee members abandoned the process on a few occasions. First, after the top candidate was identified,

committee members debated over the decision criteria, suggesting that some people did not like the outcome of the logical process. This reflects the human tendency to form preferences earlier than the rational decision process. When some committee members did not like the top scorer, they wanted to change the criteria to fit their preconceived preference. This problem relates to the emotionality of decision making, particularly that we form preferences long before working through inferences (reasons) for liking or disliking that alternative.