

December 2006

Essay Questions

Essay 1

You are the mentor to a newly appointed manager in your company, leading an experienced and high performing team, and she has asked that you spend some time talking to her at your next meeting about how she can influence people in the organisation to help her meet her own and team objectives. From your understanding of OB, what are you going to advise her to think about?

(60 marks)

- [Examiner's Solution](#)
- [Selected Student Answer](#)

Power is the ability to influence and it would seem appropriate for your new manager to consider what sources of power she already has access to. From an individual point of view, she has legitimate power (given to her by the organisation and embedded in her position as a manager in the organisation), she has reward power (in terms of managing her high performing team through intrinsic and extrinsic rewards, perhaps linked to performance appraisal or MbO) and coercive power (again over her team). She has the capability of building referent power (by building a reputation throughout the company and gaining the respect of managers and staff) and displaying expert power (through her growing experience of leading her team alongside any specialist expertise she brings to the company).

In terms of obtaining further power to influence she can:

- Build an image of success;
- Create obligation in others;
- Identify with powerful people;
- Deliver excellent performance;
- Limit access to information that she has;
- Control key supplies and budgets;
- Develop a network to support her in the organisation;
- Reorganise the job to take on more responsibility;
- Take calculated risks and be creative;
- Become a problem solver;
- Follow company rules sensibly;
- Control personnel and finance decisions;
- Manage her boss (which would be necessary to deliver most of the above).

As she is managing a high performing team, she also has power from:

- The scarcity represented in her team's expertise;
- Managing any uncertainty effectively;
- Making sure her team is seen as central to the organisation;
- Making sure her team is the key supplier of what it does.

Some discussion about whether her need for power comes from a personalised need or a socialised need is also important. The personalised need for power can often be seen as negative from the organisational standpoint as it delivers for the individual rather than the organisation as a whole. A socialised need, however, delivers for the organisation and is consistent with a team approach to delivery.

From a practical point of view it is important to recognise that:

- Power can only be wielded in the context of a relationship which other people depend on in some way and, as such, power has no meaning outside that context;
- Individuals can learn to use power effectively (and this, therefore, could be a key issue in your ongoing mentor/mentee relationship);
- Power can flow in any direction in an organisation (and therefore, your mentee should not always be looking up in terms of power relationships);
- There are issues around the ethical use of power, especially on the impact of wielding power upon the interests of organisational stakeholders;
- Your mentee needs to take care in using power to play politics especially in the links between management approval and disapproval compared to results being acceptable or unacceptable.

Essay 2

Your company has experienced a significant increase in staff turnover rates dating from the introduction of a new incentive system three years ago. The new system has resulted in substantial pay increases for the top 5% of performers, but informal information suggests that stress levels have increased while productivity per employee has actually fallen. It also appears that Job Satisfaction has decreased. Your CEO does not understand what has been happening but has asked you to analyse the situation using OB concepts. What do you see are the key issues from an OB perspective?

(60 marks)

- [Examiner's Solution](#)
- [Selected Student Answer](#)

The two prominent individual determinants of Job Satisfaction are:

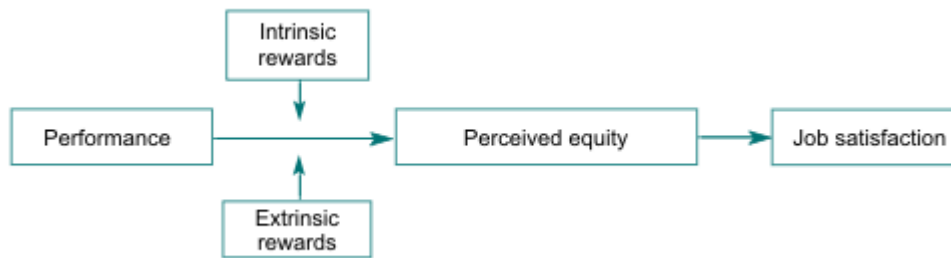
- **Years in career** – basically, as people grow older they experience more JS at work and this continues until there is a distinct decrease when approaching retirement. There is also an early career dip (between 6 months and 2 years into a career) when employees learn that personal needs will not be met as quickly as expected.
- **Expectations** – initial expectations are created as people search for jobs and are influenced by colleagues, recruiters and generally from the job market. These initial expectations are then tested when actually working for an organisation and if they are met, then JS results. If they are not met, then JS declines and the potential for people leaving an organisation increases (with resulting costs for refilling posts). Organisations try to manage this potential decline through realistic job previews.

The organisational determinants of JS are:

- **Supervision** – while participative supervision tends to increase JS, not all decisions need to be taken in such a manner. Through participation employees become more confident about their understanding of the work environment, are better informed, experience higher self-esteem and self worth, all leading to higher JS.
- **Job challenge** can initiate a higher level of physical and intellectual involvement at work and those employees with a high need for achievement become more satisfied when their jobs require more intellectual or physical effort. Employees experiencing job challenge report higher levels of JS.

- **Job clarity** occurs when employees understand what is expected from them, when they are encouraged to participate in decision-making, and when they are given effective feedback on their performance. That clarity results in an increase in expended effort and an increase in JS.
- **Incentives**, both extrinsic and intrinsic, are related to JS and they are linked through equity theory. Since only 5% of employees are being rewarded through pay, this will impact on the equity of the other 95%.

Job satisfaction is indirectly related to performance:



As diagrammatically shown above, satisfactory performance triggers reward (either intrinsic or extrinsic) which is then perceived to be equitable (or not) and that leads to Satisfaction being experienced (again or not).

Discussion of the Organisational Stress Model would also be appropriate (especially in relation to finances being only one of many potential stressors).

Unless the composition of the work force has changed, the individual determinants of JS could not explain the reduction in JS. The new incentive scheme may have led to a reduction in Personal Equity.

The key points that should be discussed here are:

- The need to collect more data (currently the information appears to be very anecdotal and there is a need to survey employees);
- The design of the incentives system and any linkage that has been made to productivity;
- There does not seem to have been an effective evaluation of the new system as yet;
- The relevance of reward theory to the felt impact of the incentives system (is it perceived as equitable?);
- The levels of organisational stress being experienced and how this is being managed within the company;
- The reasons the people are leaving the company need to be identified (perhaps through an analysis of exit interview data);
- Is the performance measurement system up to the task of identifying the top performers?

Essay 3

A consultant has reported that the effective adoption of self-directed teams in your organisation is highly variable. In the production department, they are achieving their expected tasks effectively and efficiently. However, in the marketing department, they are failing to meet their targets, seem to be forever arguing, and complain that they don't understand what is going on in other teams. The consultant offers his opinion that the main problem is to do with group development but your senior manager thinks there might be wider problems. From an OB perspective, how would you advise your senior manager to proceed from here?

(60 marks)

- [Examiner's Solution](#)
- [Selected Student Answer](#)

In creating self-directed teams (SDTs), managers need to take the size of the team into account; they need to plan how the team will be trained, and to think about how pay is structured. They need to consider the changed role of the supervisor, and they need to think about what authority the team is given to operate in a self-directed fashion.

In terms of size, the SDT should be relatively small (certainly no more than 20) but also big enough to form a critical mass (probably from 8 upwards). A team of 8–20 should provide psychologically meaningful work. Larger teams increasingly find it more difficult to manage themselves, have too broad a range of tasks and the incidence of Social Loafing increases (thus introducing greater process losses as the team grows in size).

On training for SDTs, it is important to focus on the provision of work skills and where possible to use cross-training (utilising the knowledge already existing within the team). It is also important to avoid external training interventions as these might adversely effect the group climate or work effectiveness.

Pay systems should be implemented in such a way that individual reward is linked to team performance. Continuance of traditional individual reward for individual performance will be seen as incongruent with the idea of maximising team performance and would be counterproductive in encouraging a high performance team.

The role of the supervisor can be one of the harder aspects of creating SDTs as there is a requirement for the supervisor to change from being in a vertical liaison role (with higher management) to one that involves more horizontal coordination with other SDTs. It appears that this is not effective for the marketing teams. With the increased delegation of authority, and wider Span on Control, inherent in more organic structures that encompass SDTs, traditional 'command and control' mechanisms become redundant (if not counter-productive).

Delegated authority to SDTs should include the authority to plan their own work, to organise and control defined pieces of work, and to be responsible both for the quality and quantity of work. For management, the challenge is to let go traditional power and to allow the SDT to control its own direction with managers adopting more of a coaching role.

Mature SDTs will evaluate each other using peer appraisal (the use of 360 degree feedback would be an example of this). Individuals in SDTs would be involved in training each other until everyone in the team was competent to perform all related jobs assigned to the team. The teams themselves would be responsible for scheduling work and assigning tasks within the team (and would take decision on the appropriate use of flexitime or things like 40 hour, 4 day, weeks to complete the work required). The SDT would also allocate work-assignments to meet the needs of individual team members (as well as meeting the organisational needs). The mature SDT would also take responsibility for monitoring team performance, taking corrective action when necessary, and the management of equipment utilisation, reporting the results of these activities to higher management. Finally, the SDT would be expected to apply the principles of TQM and quality improvement to all phases of the teams work.

Some discussion of Tuckman's model of Team Development may also be appropriate (the evolution of teams through Forming, Storming, Norming, Performing and Adjourning).

- What are the differences between the two departments cited by the consultant?
- Is there any learning from production that can be transferred to marketing?
- What are the options for creating change for the better?
- Is team size an issue in the marketing department?
- Is it possible to effectively link individual reward on marketing to group performance or is this a negative incentive?
- Has supervision and delegation been changed in marketing to support SDTs? What are the difficulties of doing this in a marketing environment?
- What effect would the travelling nature of marketing people have on adopting SDTs?