Group B

Question no. 1

Sandra Holt, Manger of electronics Assembly, asked Hektor Cruz, her senior technician to handle things in the department while Sandra worked on the budget. she needed peace and quiet for at least a week to complete her figures. After 10 days , Sandra discovered that Hector had hired a senor secretary, not realizing that Sandra had promised interviews to two other people.

Evaluate Sandra's approach to delegation?

Solution

For mangers to delegate more effectively there are six approaches that can help. These are:

1. Delegate the whole task
2. Select the right person
3. Insure that authority equals responsibility
4. Give thorough instruction
5. Maintain feed back
6. Evaluate and reward performance

When we evaluate Sandra's delegation, she used the second approach to select the right person who is senior technician to the company. Also she used the first approach, in delegating the whole task.

The drawbacks of Sandra's delegation

- First she violates the forth approach, which is giving thorough instruction. Because successful delegation includes information on what, when, why, where, who, and how. The subordinate must clearly understand the task and the expected results. It a good idea to write down all provisions.
- The second limitation is she didn't maintain feedback. Because it is important to keep open likes for communication with the subordinate to answer questions and provide advice, but without expecting too much control.
- The third d weakness was Sandra didn't insure that authority equals responsibility while delegating. Merely assigning a task is not effective delegation. Therefore the employment of a senior secretary by Hector Cruz was the right decision . Sandra's promises to interview to two other people, to hire as a senior secretary were not informed to Hector Cruz.

Question 2

Many experts note that organizations have been making greater use of teams in recent years. What factor might account for this trend?

Solution

- The vertical chain of command is a powerful means of control, but passing all decisions up the hierarchy takes too long and keeps responsibility at the top. The team approaches gives manages a way to delegate authority, push responsibility to lower levels, and be more flexible and responsive in the competitive global environment.
- We can see teams in two approaches, cross functional teams and permanent teams cross functional teams are used to provide needed horizontal coordination to complement an existing divisional or functional structure. A frequent use of cross- functional team is for change projects, such as new product or service innovation.
- The second approach is to use permanent teams, groups of employees who are brought together in a way similar to a formal department. In this approach authority is pushed down   to lower levels, and front line employees are often given the freedom to make decision and take action on their own. Team members may share or rotates team leadership.

Question 3

An organizational consultant was heard to say, "Some aspect of functional structure appears in every organization "Do you agree? Explain

Solution

- Functional structure is the grouping of positions in to departments based on similar skills, experts, work activities, and resource use. It can be thought of as departmentalization by organization resources, because each type of functional activity, accounting, human resource , engineering , manufacturing represents specific resources for performing   the organizations task. And then we agree with the consultants saying it can appears in every organizations.

Because even if the intense/degree differ with organization the characteristics of functional structure exist in every organization. These are:

- Flow of information ups and downs
- Departments communicate with each other
- Compatibility of manager and employee because of similar training
- Rules and regulation within the organization which govern duties and responsibilities
- Resource organization based on their nature
- Any organization need efficient use of resources (economies of scale)

- Strategic direction and control

Question 4

Major difference between divisional and functional structure

	Divisional approach	**Functional approach**
Departments grouped	based on output	based on resources and skill
Chain of command	encourage decentralization	converges at top
Departments	Diverse departments' Produce single outputs	common function grouped in Single department
Conflict (di/ce idea) resolution	at division	president level
Span of control	small	large
Resource utilization	Duplication of resource	efficient use of resource
Labor skill	less specialization	deep specialization
Coordination and control	poor coordination across division	direction and control by top Manager
Communication between Departments	excellent communications	poor communication
Responsiveness	fast and flexible, concern to customer	slow response and lagging information

Chapter 10 (Group B)

Ethical Dilemma

A matter of Delegation

Harrington, who was responsible for insuring that new product lines met federal safety guidelines, realized that the new safety guidelines were not implemented by his boss Golopolus while he was aware of such changes in the safety guide lines.

Because Golopolus gave him a job, Harrington felt loyalty to him and didn't want to lose him by interfering even though he knew that the non-implementation of the guidelines would impact the company (Rockingham Toys).

Should he question Golopolus about implementing the new safety guidelines?

What do you do?

Three options are given.

1. **Prepare a memo to Golopolus, summarizing the new safety guidelines that affect Rockingham product line and requesting his authorization for implementation**.
2. Mind your own business. Golopolus hasn't said anything about the new guidelines and you don't want to overstep your authority. You've been unemployed and need this job.
3. Send copies of the reports anonymously to the operations manager, who is Golopolus's boss.

From the given alternatives, **our choice is No 1**.

Reasons for our choice

Let us begin our argument from the third alternative

Send copies of the reports anonymously to the operations manager, who is Golopolus's boss.

From the given alternatives, our choice is No 1.

This is not a good alternative for the fact that it hurts the development of team spirit and affects their relationship. I.e. it is something like accusing. Eventually the case may outburst and develops negative relationship. On the other hand, while Harrington was responsible for his boss, jumping one step ahead without informing his boss still will not be the right way of communication. Chain of command suggests the route through which information flows within the organization.

The second alternative is also not preferable for the fact that, though the ultimate responsibility was his boss and once he is delegated to perform his job, he will also be accountable for the task he didn't accomplish. Everything has its own limits. Beyond this limit an action must be taken to the best of the advantage of the organization.

The first alternative enables him to accomplish his duty. That is writing a memo to his boss, clearly indicating the impact of the non implementation of the guidelines and requesting his authorization for implementation.

Even though we chose No 1 among the given alternatives the group also believes that, without any communication, dealing with his boss simply by preparing a memo to his boss was not the right way of approaching. One of the 14th principles of Fayol suggests the use of verbal communication instead of formal written communication.

On the other hand, Harrington was not sure whether his boss expected him to implement the new procedures. Look, here you can be sure that Harrington was not effectively delegated by his boss. Though Harrington was aware that his boss was also aware of the new safety guidelines, he didn't know why his boss was not taking an action. Probably he might have been busy or for some other reason. So he must point out facts from safety guidelines and ask Golopolus to discuss on the matter and try to get facts why Golopolus takes no action to implement them. Also he should emphasize that the non-implementation of these guidelines would affect the company's product lines. He should also be able to analyze the case first and anticipate why Golopolus didn't take an action. One of the means is to do informal communication with quality control team members.

It has to be noted that "Responsibility is the duty to perform the task or activity as assigned. Typically managers are assigned authority commensurate with responsibility (Daft, pp310).

Merely assigning a task is not effective delegation. Managers often load subordinates with increased responsibilities but do not extend their decision –making range. In addition to having responsibility for completing a task, the worker must be given the authority to make decisions about how best to do the job (Daft, page312)

Successful delegation includes information on, what, when, why, where who and how. The subordinate must clearly understand the task and the expected results. It is a good idea to write

down all provision discussed, including required resources and when and how the results will be reported.(Daft, pp312).

So Harrington should be delegated with the authority that enables him to accomplish his job.Had he been authorized,it would have been simple.

Here again, one question may arise based up on our critics,. Assume that Harrington decided to discuss with his boss and the result of the discussion may be anticipated as follows.

1. His boss appreciates his finding and may allow him to exercise it.
2. There might be ample reasons why the new safety guidelines so far couldn't be implemented.

3) His boss may deliberately ignore him discussing by saying neither yes nor no. That is, he may leave him tactically without showing his stand.

If the results were 1 and 2, there would be no problem. Assume the third option was the result of the discussion, and then what the fear of Harrington comes in reality. If he proceeds, then he can guess what the consequence will be. Therefore, what he should do?

In an organization where authority and accountability are not clearly stated, you will face such a problem. So the following will be our advice.

- **Analyze the environment you are operating.**
- **Clearly be aware of the organization culture (How work is done: how things are going etc.)**
- **Analyze all possible alternatives.**
- **Evaluate each alternative.**
- **Select the best alternative which you think fit for the environment you are operating.**

Marshall Pinkard, president and CEO of FMB&T, a growing California-based regional commercial and consumer retail bank, clicked on an e-mail from Ayishia Coles. Ayishia was the bright, hard-working, self-confident woman who'd recently come onboard as the bank's executive vice president and chief information officer. The fact that the person in Coles's position in the company's traditional vertical organization now reported directly to him and was a full-fledged member of the executive committee reflected FMB&T's recognition of just how important information technology was to all aspects of its increasingly competitive business. The successful, leading edge banks were the ones using information technology not only to operate efficiently, but also to help them focus more effectively on customers needs. Marshall settled back to read what he expected would be a report on how she was settling in. He was sadly mistaken. After a few months on the job, AyishiaColes was frustrated. What she needed from him, she wrote,was a clear statement of her responsibilities and authority. The way Ayishia saw it, the relationship between information technology and the bank's other business units was muddled, often causing considerable confusion, friction, and inefficiency. Typically someone from retail banking or marketing, for example, came to her department with a poorly defined problem, such as how to link up checking account records with investment records, and they always expected a solution the same day. What made the situation even more vexing was that more often than not, the problem crossed organizational lines. She found that generally the more work units the problem affected; the less likely it was that any single unit took responsibility for defining exactly what they wanted IT to do. Who exactly was supposed to be getting all these units together and coordinating requests? When she tried to step into the breach and act as a facilitator, unit managers usually didn't welcome her efforts.

Despite the vagueness of their requests, the work units still expected IT to come up with a solution—and come up with it quickly. All of these expectations seemed almost calculated to drive the methodical IT folks mad. Before taking on a problem, they wanted to make sure they thoroughly understood all of its dimensions so that the solution would fit seamlessly into the existing systems. This coordination took time that other parts of the bank weren't willing to give IT.In addition, Ayishia knew the IT staff was increasingly feeling underutilized. The staff wanted to identify opportunities for dazzling new IT developments to contribute to business strategies, but it found itself limited to applications work. Ayishia's greatest concern was the president of a large regional branch who was actively campaigning to locate decentralized IT departments in each large

branch under branch authority so that work would be completed faster to meet branch needs. He said it would be better to let work-units coordinate their own IT departments rather than run everything though corporate IT. Under that scenario, Ayishia Coles' department could end up one-half its current size. Marshall leaned back in his high-backed executive chair and sighed. At the very least, he needed to clarify Ayishia's authority and responsibilities as she had asked him to do. But he recognized that the new vice president was talking about a much larger can of worms. Was it time to rethink the bank's entire organizational structure?

CRITICAL ANALYSIS

(Group B)

- FMB&T is a traditional organizational with a vertical structure,
- FMB&T recognized the importance of using IT in the organization bench marking other successful and leading banks.
- It seems that because the organization is aware of the importance of IT, the president of regional branch is campaigning to locate or implement decentralized IT system.
- The newly assigned IT officer identified the following important things in the organization.
  - The conflict between IT departments and other units.
  - Units are not aware of their responsibilities.
  - IT staffs are feeling they are underutilized but in need of contributing for the business strategy.
  - Other units or subordinates are not welcomed the effort of Ayisha.

In general the case shows that the company is in big problem of

- Collaborating business units especially with IT.
- Delegating Authority and responsibility.
- Utilizing the company's resource.

Q1. What are the main organizational causes of the frustration that Ayishia Coles feels?

Answer Q1:- these are the cause for frustrations of Ayisha coles.

1. Unawareness of her authority and responsibility.
2. The conflict or poor coordination among it and other departments.
3. Her confusion on responsibility of other units.
4. The feeling of IT staff.
5. Her considerations of those other units are doing things knowingly to make IT peoples mad.
6. Ayisha felt that she is considered morally week and dishonest.

AnswerQ2:-we divided question no 2 in to three parts.

2.1 If we were Marshal we would clarify Ayishas authority and responsibility immediately based on her request. It was a responsibility of the CEO to delegate Ayisha at a time of her assignment. It is a nice click for us to rethink about the structure of the company to attain the goal desired especially in relation to IT.

2.2 The problem comes in mind is very serious which need to think about the renovation of the structure of the bank because it is recognized that the use of IT in the organization strategy is important which directly have impact on the structure of the organization.

2.3.1 Environmental factors
From our course we identified that three things will happen on uncertain organizational environment.
        1. Increased difference among departments.
        2. Need increased coordination.
        3. Must adapt to change.
These all happened in FMB&T
        ● Disagreement of departments
        ● Lack of coordination
        ● Being status quo
In which indicates the need for changing the structure from mechanistic to organic.
3.2.2 Technological factors.
        ● IT knowledge
        ● Employee skills
        ● Work procedures

IDEAL GENERAL CHART SUGESTED BY GROUP B

STRATEGY COUNCIL

BOARD OF DIRECTORS

BRANCH MANAGERER

IT

Administration

IT

IT

Marketing

Fiinance

PLANNING

REGIONAL MANAGER

INTERNAL AUDIT

EXCUTIVE COMITTEE

REGIONAL IT

PUBLIC RELATION

IT

IT

IT

CREDIT

QUESTION NO.6

What is the virtual net work approach to structure?

It is an organizational structure that disaggregates major functions to separate companies that are brokered by a small head quarter organization.

In the net work structure approach an organization gives more emphasis for activities that it can perform effectively and outsource other functions to other independent and more qualified companies on that specific function.

Is the use of authority and responsibility different compared with other forms of departmentalization? Explain.

Yes!!!

As every component of the net work are independent organizations and as each components act in its own self interest controlling is much difficult.

Managers' responsibility extends beyond the ''boundary'' of the organization to define shared goals, coordinating activities, managing relationships and keeping employees focused and motivated.

The highly flexible nature of the net work structure along with the required little supervision results in a very independent subordinates with only two or three levels of hierarchy in authority.