



Caselets for Management

Identify the direction of communication flow in each case-let given below

- (a) Aircraft manufacturer McDonnell Douglas has started a news dissemination program where staff writers as per the instruction of the President of the Company prepare daily, monthly and quarterly newsletters. These include a wide range of operating topics like costs, scrap numbers, progress reports on projects, stock prices and problem encountered in current projects. This is then transmitted on behalf of the President electronically to everybody associated with the program like employees, suppliers and the middle level managers so that everybody is kept informed promptly.
- (b) Haworth Company in Holland has an employee meeting system called 'sensing sessions'. These sessions provide an opportunity for the employees to inform management what is on their minds. The management used these open sessions to discover what is going well and what is not and to seek suggestions found to be very useful in obtaining ideas.
- (c) MVM School has set up an interdepartmental committee to develop special methods of teaching for children with learning disabilities. This committee is composed of Department Heads from various subject departments like English, Social Sciences, Mathematics and Science. This committee meets once in two weeks to discuss and solve common problems, ensure coordination between their activities and come up with creative teaching methodologies.

Read the passage given below and answer the questions that follow;

Glenn Tilton, CEO of united Airlines wanted to save the company from going towards bankruptcy as it was making continuing losses. He traveled around the country and talked to his employees to get their suggestions on what was required to help the company recover from bankruptcy. One of his goals in these talks was to get employees to think about solving problems rather than blaming others for what wrong with the company. They could ask any questions or give suggestions as long as they did not blame their colleagues, supervisors, unions or management for the airlines' plight. Based on the suggestions and opinions he cut the workforce, convinced employee for wage concessions and instituted a bonus system that reward the employees for achieving the company's goals for on time departures. As a result the customer service ratings went up and they were able to recover from their losses.



In order to appreciate the employee behavior regarding productivity and customer service the company came up with a new incentive system under which employees were paid a bonus of over \$26 million after the company exceeded its goals.

With reference to Kurt Lewin's three step change process, answer the following question:

- (a) Identify the driving force in the above case.
- (b) Identify the 3 steps in the change process. Justify your answer citing relevant details from the facts given in the case. Do not make your own assumptions.

Read the following passage and answer the questions at the end of the passage:

Mr. X has just taken over an auto plant that has been in turmoil for several years. There were allegations by the workers who thought that management was just a bunch of old-fashion slave drivers who did not care for anything but their productivity and profits. Hearing this Mr. X immediately, after a week of his joining called a meeting with the union leaders who were pressing hard to go for a strike if the attitude of management did not change. After a long drawn discussion which continued for several days Mr. X was able to convince the union leaders and worker's that all efforts would be made to not to treat the workers merely as production tools and that it will be his responsibility to look into this matter. He also promised after consulting the management and his colleagues that there would be open house sessions quarterly where the workers and employees will be given a chance to express themselves. But in turn negotiated with the union leaders that they will not drive the worker towards strike and any sort of work disruption. The workers also promise to maintain the level of production at high level.

What are the managerial styles of

- 1) Auto company management and
- 2) Mr. X according to the Managerial Grid Theory of leadership? Also depict the 2 managerial styles by drawing a well-labeled diagram of Managerial Grid.

Read the following passage and answer the questions at the end of the passage:

In an attempt to control costs and gain workforce flexibility, Marimac Pvt Ltd has begun using increasing numbers of temporary workers to fill jobs-especially those of a seasonal or special-report nature. Several workers now hold temporary jobs in Marimac, and many of these people are seeking full-time positions while organizing that their present jobs may last only a few weeks of months. A part from that, these temporary workers are



referred to as the temp by the employers, which make them feel isolated insecure and ostracized.

Answer the following questions:

- a) Considering that there is an increase in the number of temporary workers working Maimac, how can you motivate these temporary workers. List any five measures.
- b) What could be the possible consequences of adopting such practices in an organization as:
“Temporary workers being referred to a “the temp” by the permanent employers”? Give answer in not more than 30 words.



A Question of Motivation

Alex and Stephanie have a few things in common. Both are students at their state's university, and both work full-time at a local supermarket to make ends meet and help pay for college. Though the pay isn't great, it's a steady job that allows them some flexibility, which helps when scheduling classes. Both students joined the supermarket two years ago, and, given their similar situations, became friends quickly.

Although Stephanie seems to enjoy her job, arriving and leaving work each day with a smile on her face, Alex often grumbles and complains about his work. Much of the time, Alex complains about his boss, Dan, who oversees the produce department. Stephanie works for Jonathan, a 10-years veteran who everyone generally admires for his friendly demeanor and relaxed management style.

Most employees want to work for Jonathan, as he often assigns his employees different duties each week so workers don't get bored. Stephanie, for instance, can be working at the checkout counter one week, stocking shelves the next, and the store's culinary center the following weeks.

The culinary center is a new service that the store is test-marketing. Employees show customers how to create exciting recipes from start to finish. It is Stephanie's favorite place in the store to work. She is also responsible for taking customers around the store to locate ingredients for a culinary center recipe, many of the ingredients being some of the store's finest. And she enjoys allowing customers to sample what she cooks. So far, the culinary center is a success, and many of the store's more expensive ingredients are becoming difficult to keep in stock. To help with this issue, Jonathan encourages his employees to notify him immediately when an item is running low and even empowers employees to reorder items from vendors. By doing this, Stephanie has quickly grasped how the supermarket operates.

Alex's supervisor, in contrast, prefers most of his employees to work in the same area each day—Alex is one of those employees. Dan believes that the best way to master a job is to do it over and over again. This means that Alex has to stock the same produce areas each day. As boxes of produce are delivered to the store's supply room, Alex unloads their contents onto the shelves to make them look as orderly as possible. Most of the time, though, he doesn't feel inclined to do either task.

After a particularly boring morning of restocking apples (the store had apples on sale that day), Alex met Stephanie for lunch in the break room. After sitting down, Alex reached into his lunchbox and pulled out an apple, a look of disgust on his face. "Ugh . . . If I have to look at another apple, I'm going to be sick."



“Bad day again?” asked Stephanie as Alex stuffed the apple back into his lunchbox.

“I stocked apples all morning—what do you think?” Alex retorted.

“Why don’t you tell Dan you want to do something else?” Stephanie inquired. “I see that he lets Denise work in other areas.” Stephanie leaned closer. “I’ve even heard that she gets paid more than you. Is that true?” she whispered.

“Apparently, she gets paid \$2.00 more an hour, but I do the same things that she does. Oh, that’s right. One thing I don’t do is tell Dan what a cool shirt he has on or how awesome his car is. They’re both pathetic if you ask me,” frowned Alex.

“Two dollars more an hour, but she’s been here for only 3 months!” Stephanie exclaimed. “And I know that you work just as hard as she does. No wonder you’re so irritated all the time.”

“I don’t even care any more. What’s the point? If I stock more apples, or something meaningless like that, what does it get me—another sticker that says ‘good job’? Oooh, that’s really great. Thanks a bunch Dan!” replied Alex, punctuating his last sentence with a sarcastic thumbs-up. “Anyway, enough about my day. How’s yours going?”

“Pretty good, actually. Jonathan and I met earlier today, and we both set a goal for me to sell 10 bottles of ruffle oil next week.”

“Wow. That stuff is pretty expensive, isn’t it?” asked Alex.

“Thirty-five dollars for four ounces,” replied Stephanie. “It’ll be tough, but I found a pretty good recipe that I’ll be making for customers who stop by the culinary center.” She paused, then said, “I think I’ll be able to do it. I’ve made quite a few similar recipes before, and even though this one is more difficult, it shouldn’t be too bad. Besides, if I sell the oil Jonathan said that he’ll give me a \$75 bonus. So I’m definitely going to give it a shot. The nice thing is that I’ll be able to do this on my own, without someone breathing down my neck”.

“Well that’s certainly more than I’ll be making this week,” said Alex. “This job is okay, but I’d probably leave if I could. It’s too risky right now to just quit. If I can’t find something, then I’ll be in trouble when that next tuition bill comes around.”

“Look on the bright side. At least you make more than Jeans. She’s been here for 7 years, still working in the deli,” replied Stephanie.

“That’s true,” sighed Alex as he returned to his lunch. He looked up at the clock. They had been at lunch for a half hour already. Dan was quite the stickler about keeping lunch to a minimum. Although store policy allowed employees 45 minutes for lunch, Dan often pushed



his employees to keep it to 30 minutes. As Alex quickened his chewing, Dan strolled into the break room and opened the refrigerator, his back to Alex and Stephanie.

Wheeling around with a soda in hand, Dan commented, “Bit of a long lunch, hey Alex?”

Alex could feel the blood rising to his face. “It’s been exactly a half hour, and I’m almost finished,” he said.

“Well, we’re running low on apples again. So quite lying around and get back to work.” Dan walked toward the door, stopped, and turned around. “I thought that college students were supposed to be smarter than this. At the very least I would hope that they could tell time.” He added, -“ I guess the university must have glossed over your application.” And with that, Dan left.

“What a jerk,” said Stephanie after Dan was out of earshot.

“What else is new,” said Alex. “I’d guess I’d better get back to work.” Alex got up and returned what was left of his lunch to the refrigerator. When he opened the door, he noticed a sandwich labeled with a post-it note that read “Dan’s.” After glancing quickly to the door, he casually swept the sandwich onto the floor. Stephanie turned around at the sound.

“Oops,” smirked Alex. He paused, staring down at the sandwich. “Five-second rule!” he said as he picked up the sandwich, being sure to smear the underside of it on the floor. After putting it neatly back on the shelf, Alex turned to Stephanie. “Well Steph, have a good one. I think maybe I’ll take my time on those apples.”

Questions for Discussion

1. How can expectancy theory be used to explain the differences in motivation between Alex and Stephanie? What specifics from the case apply to expectancy theory?
2. Alex states that he is underpaid for the work he does. What motivational theory does this apply to, and how would it explain Alex’s behavior?
3. Using concepts from organizational justice, explain why Alex knocks his boss’s lunch to the floor. What should Alex’s boss do to improve the fairness of his treatment?



Sushma's Quandary: A Microcase on Delegation

Sushma Gupta worked as the Assistant Manager (AM) of operations for Mega Shopping Arena (MSA). MSA, a popular store, sold everything from food, clothes, and shoes to stationery, furniture, household items, electronics, and toys. The store advertised itself as a one-stop shop where the customer could find everything he or she needed. Sushma was happy that she was working with such a reputed, well-established store.

Sushma loved her job and had worked hard to get to the position of AM.

Her life revolved around her work, so much so that she had to be forced to take leave or a vacation. Her seniors were happy with her work, and Sushma was looking forward to the performance appraisals in March.

She was sure that she would be promoted. She had excelled at her work in the four years she had been at the store, and she felt that she definitely deserved to become Manager.

In March, as she had expected, Sushma was promoted and made Manager. Her job profile now was different – she was no longer required to do the day-to-day administrative tasks that she had been doing till then.

Neither was she required to deal with customers. Her new role involved managing the supply chain, and taking care of the advertising and marketing plans of the store.

In her new role, Sushma had a team of four AMs, who were each required to present a daily report to her at the end of each day. The AMs were required to handle the administrative duties, including dealing with counter staff, as well as to handle customer complaints.

However, Sushma being the perfectionist that she was, insisted on taking all the decisions herself, even when they had to be made at the AM level. Because of this, the AMs did not have a sense of ownership. They shied away from taking decisions, leaving them to Sushma, besides asking for her guidance even on small issues.

One day, Sonal Kapoor, a regular customer, came to return a pair of wrinkle-free trousers that she had bought a week earlier. Mrs. Kapoor, a member of store's loyalty program, was quite upset because the trousers had shrunk in just one wash, and she wished to return them.

She produced the original bill, and asked for a full refund, pointing to the notice hung on the wall which clearly stated the store's return policy of giving full refund if the customer returned the product within a week along with the original bill.



At this point, Sushma was not in office, as she was attending an offside meeting. Rajeev, the AM handling the matter, refused to take a decision as he was not sure how to ascertain the number of days from the day of purchase – whether he should include the day off purchase or not! He asked Mrs. Kapoor to come back the next day to meet Sushma. Mrs. Kapoor first tried to argue and then said she would agree to an exchange.

However, Rajeev refused to commit himself and kept asking her to meet Sushma. An irritated Mrs. Kapoor then raised her voice, drawing the attention of other shoppers.

She said she was surprised that there wasn't a single competent person who could help her out. Rajeev tried to calm her down but this only annoyed her further. She dashed to the exit, flinging both the pair of trousers and the loyalty card to the floor, vowing never to come back to the store. Rajeev knew the store had lost a loyal and valuable customer, but at the same time did not want to take any decisions without consulting Sushma first. He felt frustrated and helpless.

Ever since Sushma had been promoted, she had been working late, sometimes till midnight. However, most of the work that she was doing was something that she should have delegated to her juniors. She preferred to do the work herself, as she did not have enough trust in her juniors.

So in actual fact, only her title had changed – her attitude and focus had not. She was still doing the same work that she had been doing before her promotion! All this additional work, however, left her with very little time to attend to her own responsibilities.

On another occasion, when Sushma heard a customer complaining about the quality of fruits and vegetables at the store, she immediately went to the woman to sort out the issue, forgetting that she had an appointment with a senior official from Techtron Electronics who wanted to discuss his company's plans of running a promotional event in association with MSA.

It was a great opportunity for Sushma to get additional business. The marketing manager of Techtron, Vishal Anand, waited about 45 minutes for Sushma, but she was busy pacifying the woman who had come to complain. Anand ultimately grew tired of waiting and left; he then went to Stop & shop, MSA's prime competitor.

In the evening, Aravind Sinha, Director, MSA, came to know that Techtron had gone to their rivals. So he called up Anand to know why he had changed his mind and tied up with MSA's rival.

Anand then told him, "Your store was our first choice, but it seems your Manager was too busy to see me. I thought I should go elsewhere where they would appreciate my time." Sinha was taken aback.



On learning what had happened, Sushma was worried that she had disappointed Sinha. From being a star performer and everyone's favourite employee, Sushma had suddenly become the one person no one wanted to work with.

Her juniors thought she interfered too much, while her seniors thought that she was not focused enough. Sushma was confused. She liked to think of herself as indispensable, and thought she was working her way toward becoming exactly that for her organization.

The way she saw it, she was being helpful to everyone, working harder and longer than ever, and doing more than she was expected to do! What then, was she doing wrong?

Questions for Discussion

1. What in your opinion was Sushma doing wrong? What do you suggest she do now in order to rectify the situation?
2. Should the company have trained Sushma for her new role? What should Sinha do now?



Employee Motivation – A Short Case Study

Rohit Narang joined Apex Computers (Apex) in November after a successful stint at Zen Computers (Zen), where he had worked as an assistant programmer. Rohit felt that Apex offered better career prospects, as it was growing much faster than Zen, which was a relatively small company. Although Rohit had enjoyed working there, he realized that to grow further in his field, he would have to join a bigger company, and preferable one that handled international projects. He was sure he would excel in his position at Apex, just as he had done in his old job at Zen.

Rohit joined as a Senior Programmer at Apex, with a handsome pay hike. Apex had international operations and there was more than a slim chance that he would be sent to USA or the UK on a project. Knowing that this would give him a lot of exposure, besides looking good on his resume, Rohit was quite excited about his new job.

Rohit joined Aparna Mehta's five-member team at Apex. He had met Aparna during the orientation sessions, and was looking forward to working under her. His team members seemed warm and friendly, and comfortable with their work. He introduced himself to the team members and got to know more about each of them.

Wanting to know more about his boss, he casually asked Dipti, one of the team members, about Aparna. Dipti said, "Aparna does not interfere with our work. In fact, you could even say that she tries to ignore us as much as she can."

Rohit was surprised by the comment but decided that Aparna was probably leaving them alone to do their work without any guidance, in order to allow them to realize their full potential.

At Zen, Rohit had worked under Suresh Reddy and had looked up to him as a guide and mentor – always guiding, but never interfering. Suresh had let Rohit make his own mistakes and learn from them. He had always encouraged individual ideas, and let the team discover the flaws, if any, through discussion and experience.

He rarely held an individual member of his team responsible if the team as a whole failed to deliver – for him the responsibility for any failure was collective. Rohit remembered telling his colleagues at Zen that the ideal boss would be someone who did not interfere with his/her subordinate's work.

Rohit wanted to believe that Aparna too was the non-interfering type. It that was the case, surely her non-interference would only help him t grow.

In his first week at work, Rohit found the atmosphere at the office a bit dull. However, he was quite excited. His team had been assigned a new project and was facing a



few glitches with the new software. He had thought about the problem till late in the night and had come up with several possible solutions.

He could not wait to discuss them with his team and Aparna. He smiled to himself when he thought of how Aparna would react when he told her that he had come up with several possible solutions to the problem. He was sure she would be happy with his having put in so much effort into the project, right from day one.

He was daydreaming about all the praise that he was going to get when Aparna walked into the office. Rohit waited for her to go into her cabin, and after five minutes, called her up, asking to see her.

She asked him to come in after ten minutes. When he went in, she looked at him blankly and asked, “Yes?” Not sure whether she had recognized him, Rohit introduced himself. She said, “Ok, but why did you want to meet me?”

Rohit started to tell her about the problems they were having with the software. But before he could even finish, she told him that she was busy with other things, and that she would send an email with the solution to all the members of the team by the end of the day, and that they could then implement it immediately.

Rohit was somewhat taken aback. However, ever the optimist, he thought that she had perhaps already discussed the matter with the team.

Rohit came out of Aparna’s cabin and went straight to where his team members sat. He thought it would still be nice to bounce ideas off them and also to see what solutions others might come up with. He told them of all the solutions he had in mind.

He waited for the others to come up with their suggestions but not one of them spoke up. He was surprised, and asked them point-blank why they were so disinterested.

Sanjay, one of the team members, said, “What is the point in our discussing these things? Aparna is not going to have time to listen to us or discuss anything. She will just give us the solution she thinks is best, and we will just do what she tells us to do; why waste everyone’s time?”

Rohit felt his heart sink. Was this the way things worked over here? However, he refused to lose heart and thought that maybe, he could change things a little.

But as the days went by, Rohit realized that Aparna was the complete opposite of his old boss. While she was efficient at what she did and extremely intelligent, she had neither the time nor the inclination to groom her subordinates.



Her solutions to problem were always correct, but she was not willing to discuss or debate the merits of any other ideas that her team might have. She did not hold the team down to their deadlines not did she ever interfere.

In fact, she rarely said anything at all! If work did not get finished on time, she would just blame her team, and totally disassociate herself from them.

Time and again, Rohit found himself thinking of Sureshm his old boss, and of how he had been such a positive influence. Aparan, on the other hand, even without actively doing anything, had managed to significantly lower his motivation levels.

Rohit gradually began to lose interest in his work – it had become too mechanical for his taste. He didn't really need to think; his boss had all the answers.

He was learning nothing new, and he felt his career was going nowhere. As he became more and more discouraged, his performance suffered. From being someone with immense promise and potential Rohit was now in danger of becoming just another mediocre techie.

Questions for Discussion

1. What, according to you, were the reasons for Rohit's disillusionment? Answer the question using Maslow's Hierarchy of Needs.
2. What should Rohit do to resolve his situation? What can a team leader do to ensure high levels of motivation among his/her team members?



Are Five Heads Better Than One?

Evan, Conner, Alexis, Derek, and Judy had been team members for only one week, but they felt that they were already working well together. Upper management at their company, Advert, a medium-sized marketing firm, picked the five employees for a special project: the development of a commercial promoting the launch of a client's 60-inch plasma flat-screen television. The project was especially critical because the television company was one of Advert's most important clients, and the firm's revenues had been slipping lately due to a few poor ad campaigns. Needless to say, upper management at Advert wanted the team to hit a home run with the project.

Upper management didn't have any trouble picking the five employees. All were bright, talented individuals who came up with creative ideas. More important, reasoned the top managers, the employees were similar on a number of characteristics. Evan, Conner, Alexis, Derek, and Judy were around the same age, had worked for the company for about the same amount of time, and because they all tended to be sociable, friendly, and valued getting along with others, their personalities seemed to mesh as well.

To give the team creative room, management allowed them as much autonomy as possible. It gave the team the freedom to see the project through from start to finish—coming up with their own ideas, hiring someone to film the commercial once the idea was in place, creating and maintaining a budget, and presenting the final commercial to the client. Advert's top managers had already met with and assured the client that it was in good hands with this team.

Excited to begin working, the team decided to meet in person to discuss ideas for the commercial. Conner, who was used to leading others in his previous work groups, took the head seat at the group's table. Immediately, he told the group his idea for the commercial.

"I've been thinking about this a lot since I was first told about the project," he said. "I know our client well, and I think they want us to do something out of the box—something that will grab people's attention."

Conner proceeded to explain his idea for the commercial, which centered on a college student "loser" trying to get a date. After one particularly attractive female turns him down, and she and her friends ridicule him, the student returns sullenly to his dorm, plunks down on an old sofa, and turns on his small, black-and-white "loser" television. But in the next shot, the student is setting up a 60-inch plasma television in his dorm room, door ajar. While he's doing this, the group of attractive females walks by. In the final shot, the student is in his dorm room watching his new television, with the group of attractive females around him.



Following his explanation, Conner leaned back in his seat and folded his arms across his chest. Grinning proudly, he asked, “Well, what do you think?”

Alexis was the first to speak up. “Um, I don’t know.” She paused. “I think it’s a pretty good start.” Hesitantly, she added, “The only thing that I worry about is that our client won’t like it. They pride themselves on being more sophisticated than their competitors. To them, this television is both an electronics device and a work of art.” But then Alexis quickly added, “But I don’t know, maybe you’re right that we need to do something different.”

Conner, with a slight frown on his face, asked the other group members, “What do the rest of you think?”

Evan responded, “Yeah, I think it’s a pretty good idea.”

“Judy?” asked Conner.

“I agree. It has potential.”

“Well, everyone else seems to agree with me. What do you think Derek?” Conner asked, with the other three members staring at Derek.

Derek paused for a moment. He had his own ideas as well, and because he had worked with the client, perhaps more than any of the other team members, he wasn’t sure about Conner’s idea. Derek had pictured a commercial that placed the television in a stylish, contemporary Manhattan apartment, with a couple in their 30s enjoying a classic movie, a bottle of red wine on the coffee table.

Feeling the heat from his teammates’ gazes, reluctantly Derek said, “Yeah, that sounds good.”

“Great, it’s settled then,” beamed Conner. “We’ll have this commercial to them in no time if we stay at this pace.”

So the team fleshed out the commercial over the next month. Everyone got along, and the feeling of camaraderie strengthened. Once on board with Conner’s idea, the team members became more confident that they would be successful, so much so that they made the commercial even racier than the original idea. The attractive girls would be dressed provocatively, and instead of watching the television, the student and the girls would be laughing and drinking, with the television on in the background. There were a few hesitations here and there as members expressed other ideas, but each team member, enjoying the group’s solidarity, decided that it would be better to keep the team in good spirits rather than risk losing the team’s morale.



The team quickly decided on a company to shoot the commercial and approved the actors. In a short time, they had completed their commercial. The next step was to present the commercial to their client. Conner took it upon himself to alert management that the team was ready to present the commercial.

“Impressive. Your team is a month ahead of the deadline,” said one of the top managers. “We have a lot riding on this, so I hope that it’s good. I presume everything went well then?”

Conner nodded. “Yes, very well. No problems or disagreements at all. I think we worked really well together.”

On the day of the presentation, the team waited anxiously in a meeting room for their client to arrive. Advert’s top managers took their seats in the meeting room. Soon after, three of the client’s manager, dressed in professional attire, walked into the meeting room and sat down quietly. After welcoming the clients to the presentation, Conner and his teammates began the presentation, with Conner leading the way. He explained that the idea had come to the team almost instantly, and that given that everyone thought it was a good idea, he was sure that their company would feel the same. Then he dimmed the lights, pressed play, and let the commercial run.

It did not take long for the team to realize that the commercial was not having the effect they had wanted in their clients or their managers. The clients exchanged several sideways glances with one another, and the managers shifted nervously in their seats. After what seemed like an eternity, the commercial ended and the lights came back on. An awkward silence filled the room. The clients began murmuring among themselves.

“That was, um, interesting,” said one of the clients, finally.

Conner replied that the thought the idea was “out of the box,” and that, therefore, audiences would easily remember it.

“Oh, they’ll remember it all right,” smirked one of the clients. She then turned to Advert’s top managers and stated, “This is not at all what we were looking for. The commercial doesn’t fit our needs and doesn’t portray the image that we are trying to obtain. Given that you told us that we would be in good hands with this team, my colleagues and I fear that your company will not be able to meet our goals. We appreciate the time that this took, but we will likely employ another advertising firm to film our commercial.” With that, she and her colleagues left the room.

After a thorough lecturing from Advert’s top managers, the team was disbanded. One month later, Derek was at home watching television when a commercial came on. Classical music played in the background as the camera swept through a modern home. The camera slowly rose up behind a tan leather sofa seating a couple enjoying a bottle of wine and watching a new 60-inch plasma



television. In the bottom corner of the screen, in small writing, was the name of one of Advert's competitors. Apparently, Advert's former clients got what they were looking for in the end, but from a competitor. Derek shook his head and vowed to speak up next time he had an idea.

Questions for Discussion

- What factors contributed to the poor performance of the Advert team? As a manager, what could you have done to help the team perform better?
- According to the case, the Advert team was given a relatively high degree of autonomy. How might this autonomy have contributed to the presence of groupthink?
- Teams can be either homogeneous or heterogeneous. How could you characterize the Advert team, and how did this affect the team's creativity and performance?
- What are some group decision-making techniques that could have helped reduce conformity pressures and groupthink among the Advert team?
- How would you describe Conner's leadership style? Why do you think his style wasn't effective? In what situations might Conner be an effective leader?



What Customers Don't Know Won't Hurt Them, or Will It?

Sitting at her desk at the car rental shop where she worked, Elena couldn't believe what she was hearing. Gripping the phone tightly, Elena listened as the head manager of the company's legal department told her that a car that she had recently rented to a customer had blown a tire while the customer was driving on a nearby highway. Although the customer, Jim Reynolds, tried to maintain control of the vehicle, he crashed into another car, seriously injuring himself and the other driver. Apparently, the tire had noticeable structural damage that caused it to blow. Elena started at her desk in shock as the legal department manager asked whether she was aware of the tire's condition before renting the car to Mr. Reynolds.

"I... I'm sorry, what did you say?" asked Elena.

"I asked whether you were aware that the tire was damaged before renting the car to Mr. Reynolds," repeated the manager.

Elena paused, thinking back to when she had rented the car to Mr. Reynolds. Unfortunately, she knew the answer to the manager's question, but she did not know whether she wanted to answer it. Her mind raced with worried thoughts about how she wanted to answer it. Her mind raced with worried thoughts about how she let herself get into this position, and then she remembered when her supervisor first told her to lie to a customer.

Elena had started working for the rental car company 2 years ago. Fresh out of college, she was intrigued by the possibilities of joining a company and moving up the ranks into management. She worked hard, sometimes putting in 50 or more hours a week. And she was good at her job, too. Customers would frequently tell her supervisor of Elena's great service and courtesy. Within no time, the supervisor began telling her that she was a strong candidate for management and would probably be running her own rental office within the next year.

Intrigued with becoming a manager, Elena began to work even harder. She was the first one at the office each morning and the last one to leave. Things were going well, until one particularly busy day, when the rental office had more business than it could handle. The office typically had a few vehicles left for walk-in customers, but on this day the lot was empty except for one SUV, which a couple had reserved for their vacation. The couple's reservation was for 1pm, and it was now 12 noon. Proactive as usual, Elena decided to go to work, the door to the rental office flew open, and a man rushed toward the counter.



“Do you have anything to rent?” he quickly asked. “I don’t have a reservation, but I really need a car right now for the rest of the week.”

Elena apologized and explained that the only vehicle they had at the moment was reserved, but that he could wait at the office until another car was returned. In fact, she said, they expected to have two vehicles returned around 3pm.

“That’s not good enough,” the man replied, “I need a car now.”

“Again, I do apologize sir, but it wouldn’t be fair to hose with a reservation to rent the only car that is available,” said Elena.

With a frown, the man turned to leave. As he did, Elena’s supervisor, who had been listening to the conversation, chimed in. “So you really need a car, huh?” he asked the man.

The man whirled around. “Yes, I do.”

“I’ll rent it to you for \$150 a day,” said Elena’s supervisor. One hundred and fifty dollars a day was much more than the rental company’s usual fee.

The man paused for a moment and then said, “Fine, I’ll take it.”

As he left with the only vehicle left on the lot, a stunned Elena asked her supervisor why he had rented the SUV when he knew that it was reserved—and at such a high price.

“That guy would have paid anything, and he ended up paying twice as much as we would have gotten out of it,” her supervisor said, laughing. Look, if you’re going to be a manager, you need to know how to make money. Always take the best deal you can get.”

“Even if it means losing another customer?” Elena asked. “What are we going to tell the couple who had a reservation for the SUV?”

“You’re going to tell them that it broke down unexpectedly and it’s at the shop. If you want to be a manager, starts acting like one.”

Soon after the couple with the reservation walked into the rental office. Elena didn’t want to lie to them, but she also didn’t want to jeopardize her chances of obtaining a management position. She also figured that the couple would be more understanding if she told them that she SUV had broken down than if she told them that she had rented it to another customer. So, Elena followed her manager’s advice and lied to the couple.

In the months that followed, Elena encountered several more instances where her supervisor asked her to lie to customers because her office had reserved too many vehicles. Pretty soon, it became second nature, as she found herself lying to customers without pressure from her



supervisor. To date, however, her lies hadn't caused any serious harm to anyone, at least as far as she knew. That track record changed, however, the day Jim Reynolds rented car from her.

The day was routine in that the rental office was very busy. There were only two vehicles on the lot—a compact car and a new luxury sedan. Mr. Reynolds had reserved the less expensive compact car. However, when checking the car over before Mr. Reynolds arrived, Elena noticed a large lump on the outside well of the passenger side front tire. From her training, she knew that this lump could be dangerous. But Elena also knew that she would have to give Mr. Reynolds the luxury sedan for the same price as the compact car if she decided not to rent him the compact car. She thought about what her supervisor had told her and knew that he probably would be upset if she didn't get a high rate out of their new luxury sedan. Besides, she reasoned, the car will be fine and Mr. Reynolds would have it for only a day. So, Elena went through the routine. With a smile and a handshake, she rented the compact car to Mr. Reynolds, who didn't notice the tire because it was on the passenger side and Elena didn't walk Mr. Reynolds around the car—a routine practice at the rental company.

Fast—forward one day and Elena's world had completely changed. Now, Elena was on the phone with the manager of the company's legal department, wondering how she ever thought it would be safe to rent the car to Mr. Reynolds. She could admit that she knew about the tire and decided to rent the car anyway, or she could lie and say that the tire looked fine when she rented the car. If she told the truth, becoming a manager would probably be out of the question, at least for a long while. Anger welled up inside her. She had worked hard to get where she was. She regretted not having told her supervisor that she wasn't going to lie to customers, even if it meant getting a better rate. But that moment had passed. She could tell the legal department manager that her supervisor had told her to lie to customers, but she knew that her manager would deny it. Either way, the options weren't too appealing.

“Hello?... hello?” asked the legal department manager.

Elena returned to the conversation. “Sorry, I lost you for a moment,” she said, “Yeah... about Mr. Reynolds...”

Questions for Discussion

- Using concepts from reinforcement theory, explain why Elena might be motivated to lie to customers. With reinforcement theory in mind, do you think that Elena will confess to the legal representative? Why or why not?
- How might the rental office's climate influence Elena's behavior? What factors contribute to the current climate? What steps could you take to improve the ethics at this office?



- Do you blame Elena for her behavior or do you attribute her behavior to external factors? How do concepts from attribution theory fit in?
- Consider Elena's personality. Would you predict that escalation of commitment will occur (and she will lie to the legal representative), or will she decide to come clean? Explain your answer.
- Do you think Elena would make a good leader some day? Why or why not? What factors might this depend on?
- What emotions might Elena be experiencing? How might Elena's emotions affect her decision to tell the legal department manager about the incident with Mr. Reynolds?