Micro Exam Preparation (Colour coded)

Values, Attitudes and Behaviours

Conflict and Negotiation

Teams and Leadership

Reflective examples in <u>Chronological Order</u>

1. **Formation of group**
   Compliance: The formation of group for our team assignment was allocated by our tutor based on a personality test taken online. This clearly shows a <u>compliance</u> as there is an external coercion involved since it is against the student's will as they would have definitely chosen to form their group themselves. It is the result of an instruction and rule of the OB course.

2. **Team contract**

   Conformity: Everyone agreed readily that they were willing to put in a huge amount of effort in the group assignment to achieve the goal of H1. This might have been because of social facilitation for the others since majority of the group was already very keen on putting their all into the assignment for a score of H1. There might have been an internal acceptance by every member whether it was involuntary or not.

   Values: Everyone had the same <u>terminal</u> values which are to graduate and obtain a good job. To achieve this, our <u>instrumental</u> values were to work hard in our degree to graduate with flying colours, in this case now which is to score a high mark for our OB team assignment. We also ranked our values in terms of the content (trivial/important) and intensity (and how strongly we hold them). We place utmost importance in responsibility, diligence and honesty while doing this assignment as we needed everyone to complete their parts to a high standard and avoid any forms of plagiarism.

   *Possibly add in whether values change throughout the whole assignment and whether Tuckmans model was consistent. Not always in order.

   Attitude: evaluative statements that relate to a specific proposition.
   From attitude to behavior:
   May be consistent or inconsistent (cognitive dissonance)
   <u>Inconsistent</u>
   Affective component: I am unhappy with teammate
   Cognitive: The teammate constantly comes late for meetings and have no punctuality
   Behavioral: I will not pester the teammate to be more punctual or show my dissatisfaction

   <u>Consistent</u>
   Affective: I think the discussions are sometimes unproductive
   Cognitive: The group gets distracted very easily with other topics

Behavioral: I form agendas and always try leading the discussion back to it

Low-Context culture: Currently there is a low context culture happening since the shared values and agreements are written down in a contract to be signed. The relationships between the team members and personal involvement is not as valued??

Conflict involves two or more parties and can be overt or covert. There are different types of conflict:

Process conflict: Disagreements about how work should be organised and accomplished. When deciding on the place to hold our weekly group meetings to complete our assignment, one of our members persistently suggested his own student accommodation that had study area facilities. It was unfair in the sense that the rest of us had to travel a distance to his place and there was also no stable wifi.

Managing conflict through negotiation

Intergrative bargaining: Intergrative bargaining is used when resolving conflicts during the team assignment by dividing variable resources. This is to strive towards a win-win situation in order to reduce the level of insatisfaction between the members. It also has a longer term focus so that the conflict does not arise again and a convergence of interest will acknowledge both parties' point and focuses on regrouping the team into one unanimous voice again.
One example of intergrative bargaining was that it came to a conclusion that meet ups should be done in the university which is a compromise by both parties since it was the most convenient place for all members. It combines intermediate levels of assertiveness and coorperation.

Groupthink
Reducing groupthink by appointing devil's advocate in the contract. Each member has to proofread each others parts.

Macro Organisational Behaviour Case Studies

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Power and Politics

Enron – Power and Politics

Three Dimensions of Power:		
1st: The first dimension of power revolves around the **mobilization of resources** to influence the outcome of decision-making processes and/or to get someone to do something they otherwise would not do (to **defeat** conflict)	**2nd:** The second dimension of power revolves around **controlling the participants and agendas of decision making processes** (inclusion, exclusion, changing terms of reference etc) [to **sideline** conflict]	**3rd:** The third dimension of power revolves around **managing the meaning of desired outcome**s (making them seem legitimate, beneficial, necessary, inevitable, rational, etc.) so that people accept them and conflict never arises over them. [to **prevent** conflict]
Types of power used: **Reward Power** • Enron's management had the tangible power to reward or punish employees via their 'rank or yank' reward and punishment system. Rewarding those who ranked A and punishing those who ranked C. <u>Examples:</u> • Top performers were offered huge cash bonuses and stock option grants and top 75 performers and their spouses were treated to an all expense paid four days vacation trip. • they spend lots of money on reward, "*the company abolished seniority-based salaries in favor of more highly leveraged compensation that offered huge cash bonuses and stock grants to top performers*" (p5) • Performing employees earn astronomical salaries. "If you met your goals you could double your salary."	Enron has sidelined resistance by controlling the process to ensure decisions are made in the top management's desired way. • The setting of meeting agenda exercised by top management • Criticism, feedback, and opinions are prohibited to which indirectly stops employees from questioning Enron's performances and its higher level management's crimes. (Would this overlap with Authority power?) • Enron also hire younger people "Because young people did not insist on coming in at none or leaving at five, or on keeping things as they had always been." Young people also do not question authority. • Communications via email and general meeting were deliberately structured to ensure employees only receive certain information and prevent	• Employees did not retaliate or showed any form of resistance on the exhausting work load and hours as management has been 'Enronizing' them to compete fiercely and to put focus solely on the company. • Enron consistently sent out the message that the employees (known as Enronians) were the brightest and the best, lucky to recruited and now on an evangelion mission to transform Enron. (p5) • This legitimized the high work regimes in the minds of the employees as it seemed to be for the greater good of the society, hence was deemed necessary and acceptable. • Lay and Skilling had previously easily managed to ensure that employees do not question their decisions by deliberately 'engineering' and setting their stage-managed announcements to incorporate meanings into

- Poor performing employees were 'yank' or fired.

Referent Power
- Employees had unquestionable faith in both Lay and Skilling as they were both described to be surrounded by faith and charisma as quoted by Sherman (2002) to be the 'gate-crashing Elvis at an old country club dinner'.
  <u>Examples:</u>
- Jayne seemed to be magnetized by the referent power of Lay as she could not understand how people could 'get things so wrong' i.e. make their own speculations on the company's condition even after Lay had make it clear during the stage-managed presentation that 'the worst was now behind them'.
- "Lay was able to pitch it to his employees as a merger"
- "Enron employees had unquestioning faith in both leaders, who were surrounded by an aura of charisma" (p2)

Authority Power
- Orders by the Chair and CEO (both Skilling and Lay) were never questioned or challenged as they were both deemed to have formal power within the hierarchy of Enron.
  <u>Examples:</u>
- Ensured that Enron would be located in Houston rather than Omaha, by gaining control of the board after using his power to handpick his executive (also overlapping the 2nd dimension of power)

- feedback from the other employees.
- Overall employees were never included in upper level management decision making to ensure that higher level of decision-making was confined to 'safe' participants who would not expose and leak Enron's fraudulent acts.
- Control of the arena (many issues that threaten power holders never make it to the decision arena)
- The culture of fear embedded prevents employees to pose questions and thus meetings were often adjourned without any inquiries.
- Lay handpicked his executives at the beginning of his Enron worklife who are mostly people that have previously worked with him.
- Lay was able to control the location of Enron by influencing the Board.

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their presentations to ensure that the message received are easily perceived by employees as legitimate and beneficial outcomes for them, the company and the society.
- Lay's presentation to explain the situation and convince that company is fine with attempt to produce a belief that company is fine.
- In Enron's case, the company had an advertising campaign launching the concept of "what we believe" and also declare via Vision Team that "everything we do is change" to reduce the resistance of change. (p3)

• Employees are not encouraged to communicate upwards and are also discouraged from questioning authority. **Information Power** • Top management (Lay and Skilling particularly) seems to be holding most of the information and hence their unquestionable authority could possibly be explained by their possession of information that others do not have and hence the reliance and on top management to carry out the appropriate conduct (which is not the case here). The information is kept tightly and not distributed to the employees. <u>Examples:</u> • VP, Sherron Watkins discovers accounting scandal but Lay ignored her. • Skilling's departure: no one knows exactly why except for Lay. • Even when Jayne had frequent access to Lay, she still believed that all the rumors and gossips to be untrue. • Amy stumbles and sees a lot of troubles happening in the financial department but apparently she only has partial information. • Senior managers have no idea what's going on.		

Recommendations:
The reward system should be restructured since employees became greedy and profit-tracing under rank-and-yank system. Each person only wants higher profits and not for the overall benefit of the company.

What are some of the pros and cons of using the power. Critique your own recommendations.
There should be more communication between the top management and the employees to ensure more transparency in the decision making which will avoid issues like fraud.
Appropriate information should be readily available to the employees especially when it concerns the company as a whole instead of it being withheld by the top management as their information power.

The top management (Lay) should not only have hired his own people. A diverse group of employees, although may end up with different opinions, may end up giving constructive criticism from different perspectives for the betterment of the company. Ultimately, the one with authority will make the final decision after considering all options instead of being confined to a limited view (i.e CEO).

Develop a change program (combine 3 dimensions)

- The target network, channel and audience are too generic-there is a need to consider the different audiences in the organization, and to target different networks using more channels are needed.
- The CEO needs to communicate with the senior managers of each function to communicate what exactly is involved in the different departments; these managers need to then communicate with their subordinates to explain the situation to them. Jayne may need to have meetings with the people most at risk from.
- Because the communication is too generic and the information is inadequate (i.e., the load is not sufficient), rumor is filling in the gaps and different individuals are encoding and decoding messages differently. There is a need for more feedback if rumour is to be combated and encoding/decoding distortions are to be reduced. This can be accomplished through smaller, face-to-face meetings within the different departments.
- the one-off meeting may be fine as a starting point because everyone gets to hear the message at the same time from the CEO directly. But it then needs to be followed up by separate communication by different people to different networks.
- The meaning of what it takes to be a good manager should changed from one who was macho, aggressive and punitive to one who was democratic and participative.