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PAPER 4

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Module 3P6: ORGANISATIONAL BEHAVIOUR
(Section A)

Module 3P7: MANAGING BUSINESS AND PEOPLE
(Sections B and C)

SECTION A

1. Bureaucratic organisation emphasises the value of formal planning, structures, hierarchies, rules, task specialisation and standardised processes to secure predictable efficiencies. In contrast, post-bureaucratic organisation emphasises the value of informal networks, relational capital, horizontal interaction, culture and shared values to secure flexibility and innovations. Positioned often within the literature as a trade-off, good answers will address how organizations might balance demands for efficiency with demands for flexibility through the development of organizational capabilities that permit organizational 'ambidexterity'.

[Examiner's comments: Most answers demonstrated solid basic knowledge of the literature concerning bureaucratic work organization, post bureaucracy and issues surrounding the apparent trade-off between efficiency and flexibility. The best answers developed a sophisticated discussion around the contingent deployment of elements of both bureaucratic and post-bureaucratic work organization and, further, argued for a contingency approach to organization and employment to overcome the efficiency versus flexibility dilemma.]

2. Herzberg famously commented "If you want someone to do a good job, then give them a good job to do". Marxist and labour process analysis writers contend that 'alienation' between workers and their work is a feature of the bureaucratic and scientifically managed workplace, and attempts to deploy motivational measures, such as incentives, is only necessary because work has little meaning in the contemporary work place. Good answers will evaluate the above statement and discuss with reference to theories of motivation and contemporary management practice. Excellent answers will further address implications for the use of process and content theories of motivation and associated management practices, including the use of incentives, job enrichment, job rotation and performance management.

[Examiner's comments: Many focused on describing process and content theories of motivation and did not directly address the question. The best answers referenced critical theories, such as labour process analysis, to discuss the implications of developments in work organization (e.g. scientific management) for workforce motivation and the intrinsic value of work.]

3. Universalistic theories of organizational behaviour, and sub-disciplines, prescribe 'best practices' for superior performance. In contrast, contingency perspectives highlight the influence of a range of contextual factors, including strategic, historical, structural and cultural considerations to name but a few, that influence the shape and formation of 'best fit' management practice. Institutional theory highlights further normative, coercive and mimetic institutional pressures that influence potentially managerial decision-making and firm behaviour. Good answers will address the tensions between these different explanatory frameworks and the implications for management practice and performance.

[Examiner's comments: Basic answers merely described various contemporary theories of work organization such as culture management and presumed universal application with little or no discussion about the contingent nature of applied practice (i.e. best fit over best practice). The best answers developed sophisticated criteria by which they analyzed the appropriateness of firm practice in different contexts, according to variability in strategy, structure, culture etc.]

4. There continues to be very few women within the senior executive populations of Britain's largest and most successful companies. Good answers will appraise the issue through feminist analysis of contemporary work organization, providing explanation through liberal, Marxist and / or radical feminist perspectives. Excellent answers will further address the implications of underrepresentation for management practice and suggest further possible measures for redressing the gender imbalance e.g. regulation, education, culture.

[Examiner's comments: The question provided the opportunity for critical theory and analysis, and drew out some solid answers from the candidates. The candidates demonstrated a good knowledge of the literature, understanding of feminist theory and topical issues surrounding female employment in senior positions.]

Jonathan Trevor

SECTION B

(5) (a)

Changes in demand – industrial inkjet printer (legislation)

Changes in supply – bumper crop of some foodstuff

Matching demand and supply – shipping in Wiis directly from overseas factories to meet Christmas demand

Changes in the environment – PV panels for domestic retrofit

Innovation (products, processes, channels of distribution, forms of marketing, forms of organisation) – examples for each of these could include: mobile phone, float glass process, iTunes, Red Bull, open innovation.

(b)

Two core parts in a good answer to this question: demonstrate knowledge of innovation management generally and the specifics of large firm challenges with this process.

Innovation management in general:

1. Market and customer issues – failure to understand and satisfy market need
2. Technology issues – what level of ‘newness’ is appropriate
3. Capturing the value – strength of IP position but also general ability to make money from the IP – and this can include access to ‘complementary assets’ (i.e. additional resources needed to get the idea to market).
4. Product strategy and planning – is there a coherent approach to developing and delivering what products to what markets in what timescales?
5. NPI processes – is the overall process (the ‘innovation funnel’) managed in an integrated manner. One approach that could be presented is that of the ‘Pentathlon Framework’.

Innovation management challenges in large firms:

In contrast to new firms, large established firms already have substantial assets (factories, people, suppliers, etc) which are likely to be already optimised for producing existing products. Capital invested in these assets needs to be generating returns and so needs to be operating at maximum capacity. Huge efforts are likely to have been made at removing inconsistencies and errors in current production processes. Anything that interferes with the smooth running of operations is likely to be resisted. Launching a new product or process is fraught with uncertainties (see first part of this answer) and so, from a short-term return-on-investment perspective, it is better to continue doing what you do now. When innovation does happen in larger firms, it is very often ‘incremental’ (i.e. just small improvements to existing products or processes) and ‘radical’ innovations are quite rare. This is also a result of how companies often interact

with their existing customers – if firms ask customers what they want, the reply is often ‘a slightly smaller/cheaper/faster .. version of what we have now’. ‘Disruptive’ innovations are particularly hard for large, long established firms to manage as they often require a complete change of production capability, or rely on new skills.

[Examiner’s comments: Most students could clearly describe and provide examples of common sources of new business opportunities. Some chose to structure answers in terms of the Ansoff Matrix of firm growth options. Answers to part (b) were clearly differentiated between those who could provide a structured response, addressing issues highlighted in the question (i.e. ‘large’, ‘long-established’, ‘manufacturing’), and those who simply talked in very general terms about the challenges of innovation in firms.]

(6) (a)

Markets are not homogenous and firms typically divide markets into sub-markets of more-or-less homogenous consumers. Segmentation allows firms to develop separate marketing strategies for each of their sub-markets.

Segmentation could be based upon: demographics, usage, need state, lifestyle, ..

(b)

Marketing manager:

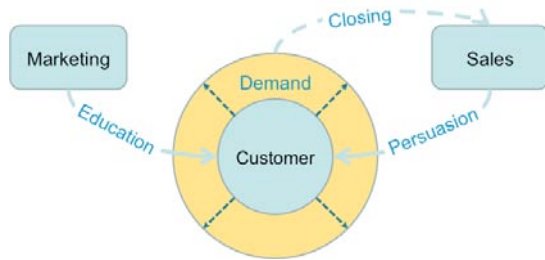
- Works to increase profitability through appropriate volumes, products and customer mixes.
- Is focused on developing strategies for the optimum mix of product and markets.
- Is concerned with long-term issues that shape the business 5-10 years down the road - the dreaming of what could be.
- Has a strategic focus, using planning and direction for the big picture.
- Consists of office work, research, and developing plans and methods of implementation.
- Work is divided into two broad groups: (1) maintaining/optimising the performance of existing brands / products and (2) identifying new opportunities / unmet needs.

Sales manager:

- Works to increase current volume and meet current sales quotas.
- Interacts with the individual customer to focus on factors relating to current events
- Is focused on short-term concerns relating to today's products, today's customers and today's strategies
- Has a tactical function, using skill and methods to gain immediate results as called for by a plan

- Works ‘in the field’, calling on customers
- Manages the selling process, i.e. Identify prospects; Pre-approach; Approach; Pre-close; Presentation; Objection handling; Negotiation; Close; Follow-up (maintaining relationships).

The interaction between the two could be summed up in the following diagram:



The sales strategy depends upon the sales objective, which is linked to the marketing objective, as shown in the table below:

Marketing Objective	Sales Objective	Sales Strategy
Build	Build Sales Volume	High call rate on existing accounts
	Increase Distribution Provide high service levels	High focus during call Call on new accounts
Hold	Maintain Sales Volume	Continue present call rates on current accounts
	Maintain Distribution Maintain Service Levels	Medium focus during calls Call on new outlets when they appear
Harvest	Reduce Selling Costs Target profitable accounts	Call only on profitable accounts Consider telemarketing or dropping the rest
	Reduce service costs and inventories	No prospecting
Divest	Clear inventory quickly	Quantity discounts to targeted accounts

[Examiner’s comments: The first part of the question did not pose too many challenges to the small number of students who attempted this. For the second part, some students wrote about the broad differences between sales and marketing, just summarising the notes from class. The better answers were those that started with broad discussion of the differences in these two business functions, but then drilled down into the actual tasks undertaken within these two roles, and how they interact.]

Tim Minshall

SECTION C

7 (a)

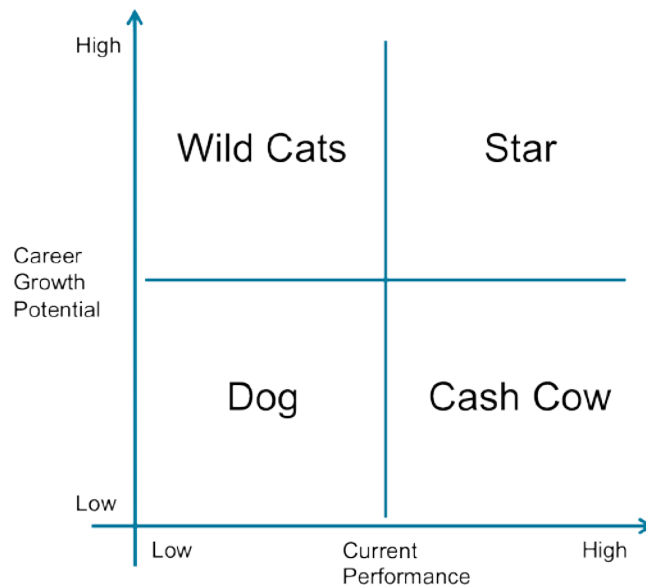
The CIPD definition of talent management is “...*the systematic attraction, identification, development, engagement, retention and deployment of those individuals with high potential who are of particular value to an organization*”.

The issue with many companies today is that their organizations put tremendous effort into attracting employees to their company, but spend little time into retaining and developing talent. A talent management system must be worked into the business strategy and implemented in daily processes throughout the company as a whole. It cannot be left solely to the human resources department to attract and retain employees, but rather must be practiced at all levels of the organization. The business strategy must include responsibilities for line managers to develop the skills of their immediate subordinates. Divisions within the company should be openly sharing information with other departments in order for employees to gain knowledge of the overall organizational objectives.

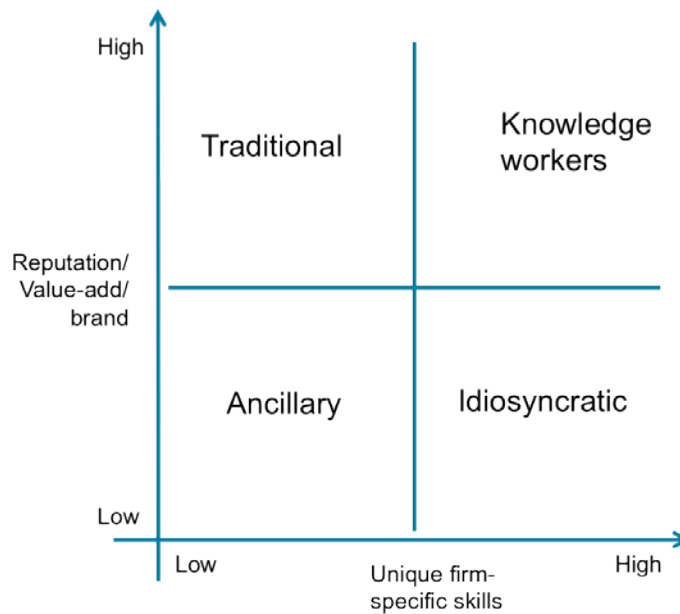
Talent management is increasingly important to organisations due to:

- Growth in knowledge workers
 - Impact of technology
 - At all levels
- “War for Talent”
 - Intensifying demand for high-calibre managerial/professional talent
- Growing propensity to switch company
 - Demographics
 - Increased mobility
 - Low job security/loyalty

There are two frameworks that could be used to segment human resources for effective talent management. The first framework is the BCG matrix (Polish the stars; Shoot the Dogs; Milk the cash cows; Performance Manage the Wild Cats – see figure below).



The second framework is to segment human resources along value-added/unique skills as shown in figure below.



Core knowledge workers

- Add high value, unique/firm-specific talents
 - Relational contracts, “career” focus

Traditional human capital

- Can add value, but not unique (e.g. admin)
 - Transactional contracts

Idiosyncratic human capital

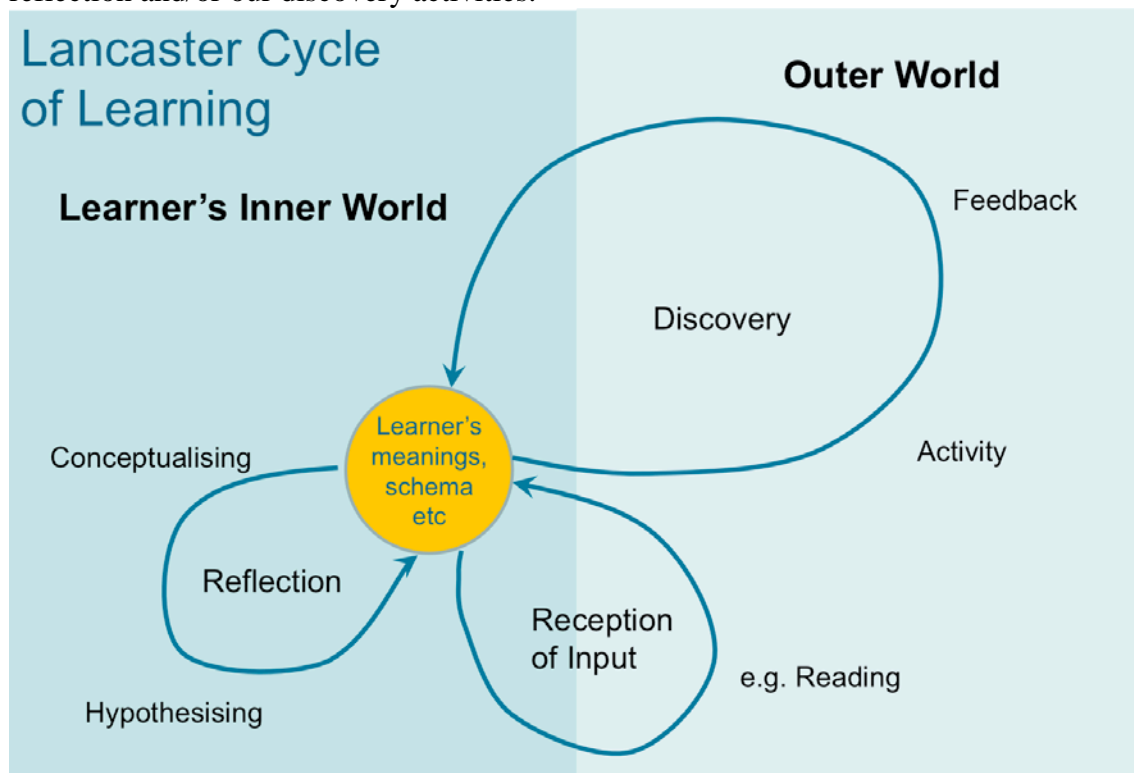
- Highly unique skills
 - Externalised (outsourced, portfolio careers etc)

Ancillary human capital

- Engaged in standardised work
 - Contract for services

(b)

The Lancaster model illustrates the way in which multiple modes of learning combine. Each is regarded as a cycle involving engagement and assimilation, but although not shown here, they also interact (in the sense that something we have read influences our reflection and/or our discovery activities).



On the job does not refer to purely experiential learning

Almost all organisations report making use of it.

Mentoring - senior person supporting more junior one (often as part of Talent Management) - formal or informal – relies on positive advisory relationship

Coaching - big growth area in recent years – in-house or external person – may be manager – structured approach e.g. GROW (Goal, Reality, Options, Will) – non-directive approaches generally taken to be more appropriate

E-Learning – at best flexible, responsive tailored etc. but often simply a high-tech text-book. 3 types identified – web-based (little interaction); supported on-line (interaction with tutor and other learners); informal (email, discussion boards – participants act as learners and tutors)

Off the job - out of favour, but allows more time for reflection, may allow interaction with people from other organisations or other parts of same organisation.

[Examiner's report: Most candidates showed a good understanding of the core principles of talent management, and discussed both frameworks for employee segmentations discussed in the lectures. For the second part of the question, good candidates provided an interesting discussion about the Lancaster Cycle of Learning. However, a lot of candidates got confused between the Lancaster Cycle and the Kolb's Cycle – choosing to describe the latter.]

Candidates might base their discussions on the countries that were considered in the lectures – Germany, Japan or the USA. The candidates are expected to describe the salient features of two nations frameworks. Comparisons of business frameworks are likely to include the differences in the extent of state regulation, the role of collective bargaining, promotion and benefit schemes, and job security. For economic framework differences are likely to relate to regulatory arrangements, sources of funding, corporate governance, vocational education and training infrastructure.

Further, candidates are expected to discuss the effect of regulation, whether to create a stable economic environment or to promote flexibility, the extent of training and employee development in encouraging a highly-skilled workforce or worker mobility; the predominate mode of pay bargaining and its effect on employer-employee conflict or management bargaining power; and management capabilities and systems and their effect on productivity and patterns of investment.

[Examiner's comments: Candidates showed a good understanding of the economic and business frameworks of the countries they chose to discuss, with the US and Japan being the most popular ones. Except for the best candidates, most did not provide a good comparative discussion – mostly choosing to simply describe what was taught in the lectures.]

Ajith Parlikad