

Crib

Section A (OB)

1

(a) Describe the background to and the implications of *Hawthorne studies* in manufacturing?

The basic answer needs to be able to describe the following points

Background of studies:

- Hawthorne Works (29,000 workers)
- Elton Mayo, early business professor
- Highly influential research
- Funded by General Electric

Objectives

- Increase efficiency
- Discover optimum conditions for workers
- Within rational paradigm
- Increase productivity
- Physical changes on worker productivity

Taylorist assumptions (These are the underlying assumptions that inform rational design, and that the Hawthorne Studies (claim) to have started from)

- Physical conditions: lighting
- Physical conditions: fatigue
- Self-interest: pay
- Group = problem

Outcomes

- Discovered Human Relations theory
- Worker as social being
- Human cooperative systems
- Informal organization
- Hawthorne Effect
 - Impact of observation on worker

Implications

- Discovery of the social person
- Management can harness the power of the group
- There is harmony of interests between worker and managers

- The nature of leadership needs to change
- An alternative view of human nature

The strong answer would include examples involving Hawthorne studies and its implications.

(b) Describe the *illumination study* in the context of productivity improvement in manufacturing firms. What were the underlying assumptions in this study, which led to the conclusion that lighting was a key factor in increasing employees' output?

The basic answer needs to be able to describe the following points:

Illumination studies

- Experiments aimed to uncover the links between lighting levels and employee output in order to discover the optimum levels of lighting needed to maximise productivity and, owing to their funding from General Electric.
- Experiment 1
 - Output bobbed up and down
- Experiment 2, included a control group and increased light
 - Output levels continually rose
- Experiment 3, decreased lighting
 - Output still rose even when could hardly see
- Conclusion
 - Lighting didn't seem to matter
 - More psychological than real

Taylorist assumption:

The assumptions that correct physical conditions, such as lighting, can improve employee output. Therefore, Physical conditions are an important area of scientific research

Taylorist ideas :

- Poor lighting can cause a strain on workers and that high intensity lighting can lift workers' spirit

- Reflection on surfaces cause tiredness among workers

The strong answer would include examples and be able to describe all the three experiments associated with the Illumination studies.

Examiner's comments:

This question was aimed at testing the students' understanding of work design specifically productivity and workers conditions. This question was well answered by the majority of students. Part (a) asked about the implications of Hawthorne studies in manufacturing. Few students struggled to describe implications and assumptions. The quality of description and examples within manufacturing context allowed for differentiation between responses. Part (b) Most students had a reasonable level of basic understanding of Illumination study to improve productivity in manufacturing firms; however weaker responses did not discuss three experiments with illustrative examples.

2

- (a) Describe the nature of power in organisations and compare the terms executive power, management power and worker power in this context.**

The basic answer needs to include the following points:

Power

- A has power over B to the extent that he can get B to do something that B would not otherwise do' (Dahl, 1957)
- 'The capacity of an individual or group to modify the conduct of other individuals or groups in a manner which they desire and without having to modify their own conduct in a manner which they do not desire' (Tawney,1931:229)
- Influence? Control? Manipulation? Coercion?
- A marginal or central feature of organizational life?
- A possession someone has? A result of their position in the hierarchy? Part of someone's personal characteristics?
- No agreement on what power is
- Power in action: office politics, boardroom power struggles, decision making, etc.
- Types of powers

Executive Power

- Set wider operational goals

- Strategic direction of the company
- Set key overall policies
- Hire and fire key management
- Open and close key stores/factories
- Agree major purchasing decisions (e.g. a new IT system or investment in certain country)

Management power

- Operational decisions
- Individual career progression
- Appraisals
- Work allocation
- Set targets/pace of the machine
- Rewards and punishment
- Set discourse of organization

Worker power

- Specialist knowledge
- Specialist skills
- Implement management's requests
- Work to rule and 'go-slow'
- Withholding information
- Resist management control

The strong answer would include examples and explain other forms of power such as bureaucratic power, technological power and systemic power.

(b) Explain the dangerous effects resulting from following authority unquestioningly use examples of the *Milgram experiment* and *Zimbardo's prison experiment* to explain why authority is followed unquestioningly.

The basic answer needs to be able to explain the following points

Milgram Experiment

- Obedience and authority: An experimental view

- Teacher gives electric shocks when wrong answer given
- Scientist (in white coat) overlooks experiment
- 65% gave 450 volts (fatal shock)
- Ordinary people, simply doing their jobs, and without any particular hostility on their part, can become agents in a terrible destructive process. Moreover, even when the destructive effects of their work become patently clear, and they are asked to carry out actions incompatible with fundamental standards of morality, relatively few people have the resources needed to resist authority.' (Milgram, 1974)

Zimbardo's prison experiment

- Created a mock jail
- Randomly assigned roles
 - Prisoner
 - Warden
- Acted out roles
 - guards became sadistic
 - prisoners depressed and stressed
 - experimenters became prison officials
- Willingness to accept authority
- Ordinary people follow authority even when going against their moral beliefs
- Subservient attitude
- Role rather than personality critical

The strong answer would include examples such as Nazi Holocaust.

(c) Describe French and Raven's five bases/dimensions of power using examples to illustrate each.

The basic answer needs to be able to discuss the following points

- Legitimate: The extent to which an individual is socialised and has internalised the belief that certain groups (e.g. managers) have a legitimate right to command. This belief is et by cultural values and acceptance of current social structure.

- Reward: extent to which an individual can use rewards from organisation. The employee must desire the reward in order for it to work. If they do not want the reward it will have no sway over them
- Coercive: Perception that One's boss has the power to punish. This can be strong punishments, such as sacking, through to more symbolic forms such as withdrawing positive interaction. The more legitimate this approach, the more it will be accepted
- Expert: Knowledge that another person needs but does not have: for instance, a lawyer's advice as to whether an advertising campaign is legal. What is essential for it to be valid is that the recipient trusts the advice of giver.
- Referent: to be the type of person that others want to emulate. Being friendly/supportive towards others.

The strong answer would include examples.

Examiner's comments:

The second question received the second highest response and was aimed at testing the students' understanding of power within an organisation. This question was well answered by the majority of students Part (a) asked about the nature of power and comparison between three types of powers. Most students showed a good understanding of these concepts. Weak answers did not include examples of specialist skills, set targets and purchasing decisions to contrast the concepts. Part (b) Most students demonstrated a good understanding of Milgram experiment and Zimbardo's prison experiment. The strong answer included theoretical perspectives along with demonstrative examples such as Nazi Holocaust. Part (c) This question was well answered. Most students presented French and Raven's five bases/dimensions of power. The quality of description, examples and clear differentiation allowed for differentiation between responses.

3

(a) Describe and contrast the naïve, planned and emergent approaches to change.

The basic answer needs to be able to discuss and contrast the following points

Naïve approach

- Simplistic, surface view of the organization
- Sees only technostructural side of the organization – e.g. technology, bureaucracy
- Neglects messy, human elements

- Underestimates resistance

Planned approach

- Lewin's three-step model of change
 - Unfreezing
 - Movement
 - Freezing
- Link with force-field analysis
- Lewin – history in group dynamics and social/attitude change
- Organization development
- E.g. – police force and institutional racism

Emergent approach (es)

- Processual approach
 - Change as 'untidy cocktail' (Burnes, 2004: 989)
 - Political struggles
 - Human elements become basis for individual and group political battles in response to change
- Systemic approach
 - Organization as 'a set of different parts which work together as a whole' (Evered, 1980)
 - Interdependency of parts: knock-on effects of change

The strong answer would include examples.

(b) Discuss the different triggers for organisational change. Why is there often resistance to such change?

The basic answer needs to be able to describe the following points

- Triggers – forces towards change taking place
- Resistance – reactions against the change
- External Triggers for change: Political, Economic social and technological
- Internal triggers:

- Senior and Swailes (2012: 22)
- New senior staff – ‘new broom sweeps clean’
- Managerial aspirations, whims, decisions
- Union pressure and action
- Politics and power of groups and individuals
- Pressures for increased capacity
- Redesign, e.g. technology, physical layout
- Resistance to change:
 - Inertia
 - Groups and cultures (organization as an iceberg)
 - Systemic nature of the organization – knock-on effects (organization as a river)
 - Contractual obligations
 - Fixed investments
 - Lack of capability to change – e.g. finance, resources, space, equipment, skills
 - Redesign, e.g. technology, physical layout

The strong answer would include examples.

(c) Describe categories of organisational change outlined by Cummings and Worley. How would an organisation embarking on a change programme make use of these categories?

The basic answer needs to be able to describe the following points

Strategic interventions

- Overall corporate strategy, e.g. products and services offered, corporate values, competitive advantage, response to corporate environment
- Culture change programmes
- Change in corporate strategy
- Systems planning
- Organizational learning
- Rebranding

Technostructural interventions

- Technological and structural issues, including division of labour, coordination of departments, production and the design of work.
- Downsizing/delaying
- Redesign of organizational structure and bureaucracy
- New IT system
- Overall organizational interventions e.g. BPR, TQM

Human process interventions

- Interpersonal and social issues such as communication, interaction, decision-making and leadership.
- Group-based and team building activities aimed at strengthening group dynamics and the functioning of teams.
- T-Groups

Human resource issues

- Human issues at a more individual level, e.g. performance management, recruitment and selection.
- Appraisal
- Reward management (e.g. bonus systems),
- Managing diversity
- Employee wellness

The strong answer would include examples.

Examiner's comments:

This question was aimed at testing the students' understanding of organisation change. Part (a) Most students had a reasonable level of understanding of naïve, planned and emergent approaches to change; however weaker responses did not present examples. Part (b) Most responses demonstrated a basic understanding of the types of triggers for organisational change. However, resistance to change is not discussed with the concept of inertia, contractual obligations and lack of capability to change. Part (c) required the description of categories of organisational change outlined by Cummings and Worley. The strong responses included strategic intervention, technostructural interventions, Human process interventions and human resources issues with application opportunities in an organisation.

4

a) Explain how Taylorism allowed management to exert control over workers.

The basic answer would present explanation involving the following points

- Standardization
- Individualization
- Facilitates surveillance
- Knowledge resides with management
- Removal of craft skill

The strong answer would include examples.

b) If Taylorism helps managers to increase efficiency and control, why would management be reluctant to implement Taylorist techniques?

The basic answer would present explanation involving the following points

- Labour is non-standard and unpredictable
- Craft knowledge and expert power
- Labour organized in gangs
- Labour 'inherently lazy and unmotivated'
- Soldiering
- These meant that people did not behave like, nor could they be controlled like, machines
- Resistance from
 - Workers
 - Factory owners
 - Government: 1912 US Congress Inquiry

The strong answer would include examples.

(d) Discuss how scientific management principles might improve manufacturing efficiency, using examples from one or more manufacturing firms to illustrate.

The basic answer would present explanation involving the following points

- Designing organizations like machines
- Designed efficient work – but many of his obsessions were over controlling workers
- Division of labour – work broken into small, repetitive tasks
- Workers selected scientifically for each role
- Division of work between managers and workers: managers plan and design the work and workers do it
- Co-operation between managers and workers
- With division of labour in place, tasks are measured and timed to calculate the optimum way to perform that task
- Work is...
 - a means of achieving a clearly defined end
 - designed to achieve this end in the most cost-efficient and time-efficient manner
 - designed in a scientific manner, using measurement and calculation – as if designing a machine
 - broken down into simplistic, repetitive tasks requiring little or no skill – division of labour
 - designed to minimize waste
 -
- The strong answer would discuss a company operations with examples

Examiner's comments:

This question focused on work design. Part (a) the question was attempted well by most candidates by highlighting how Taylorism allowed management to exert control over workers. Good candidates explained the theory of Taylorism with examples. Part (b) Most students had a good level of basic understanding of demerits of Taylorist techniques. Part (c) Most responses demonstrated a basic understanding of scientific management principles and its application. Strong responses included examples from the manufacturing companies including the division of labour/work, cooperation between manager and workers, and designing organisations like a machine.

Section B (MB)

5.

- (a) Explain what is meant by:
- (i) the *transactional view of marketing*;
 - (ii) the *relationship view of marketing*.

Basic answer is:

(i) Transactional View

Purpose of marketing is to make a sale

Sale is the result of success

Business defined by products and factories

Price determined by market forces – it is an input

Communications aimed at aggregates of customers

Marketer valued for products and prices

Objective: make the next sale; find the next customer

(ii) Relationship View

Purpose to create a customer

Sale is beginning of relationship; profit is measure of success

Business defined by customer relationships

Price determined by negotiation – it is an outcome

Communications targeted and tailored to individuals

Marketer valued for problem-solving ability

Objective: satisfy the customer by delivering superior value

Better answer should be able to reflect on what this means for businesses, and how this is changing. I.e. relative rarity of transaction-only marketing activities, with increasing importance of service-based business models and direct links to customer via social media, direct on-line activities, etc.

- (b) Discuss the differences between the roles of a marketing manager and a sales manager.

Basic answer: should be able to summarise and reflect upon contents of this table:

on for the big picture.

- Consists of office work, research, and developing plans and methods of implementation.

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Better answers should reflect upon some of the following issues:

Marketer managers' activities usually fall into two broad groups:

1. Maintaining/optimising the performance of existing brands/products
2. Identifying new opportunities = Unmet Needs (Rational & Emotional) that could make us a profit

Many organisations reflect this in their Organisational Structure: Brand/Category Management AND New Product Development

Sales managers' activities are linked to different sales strategies, as shown in this table:

Marketing Objective	Sales Objective	Sales Strategy
Build	Build Sales Volume	High call rate on existing accounts High focus during call
	Increase Distribution Provide high service levels	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

- (c) Using examples to illustrate your answer, discuss:
- (i) the impact of service-based business models on the marketing activities of manufacturing firms;

(ii) **the relative merits of different forms of sales channels.**

(i)

Basic answer should explain the link between increasing popularity of relationship view of marketing – based around long-term interaction with customers – and the natural ‘fit’ this makes with many aspect of service-based business models.

Better answers could explore the characteristics of service-based models in terms of the customer relation pyramid.

(ii)

Basic answer should be able to present the following:

- *Direct*

the manufacturer does not use a middleman and sells and delivers direct to the end-customer.

- *Selective*

the manufacturer sells through a limited number of middlemen who are chosen because of special abilities or facilities to enable the product to be better marketed.

- *Intensive*

maximum exposure at the point of sale is needed and the manufacturer sells through as many outlets as possible.

- *Exclusive*

the manufacturer sells to a restricted number of dealers.

Better answers could explore issues including:

- Market - maximum coverage; compatibility
- Channel Costs – short channels vs long channels
- Product – cost; technology; service requirements
- Profit Potential – cost-benefit
- Channel Structure – nature of demand; other players
- Product Life Cycle – stage of maturity
- Non-marketing factors – available resources; location

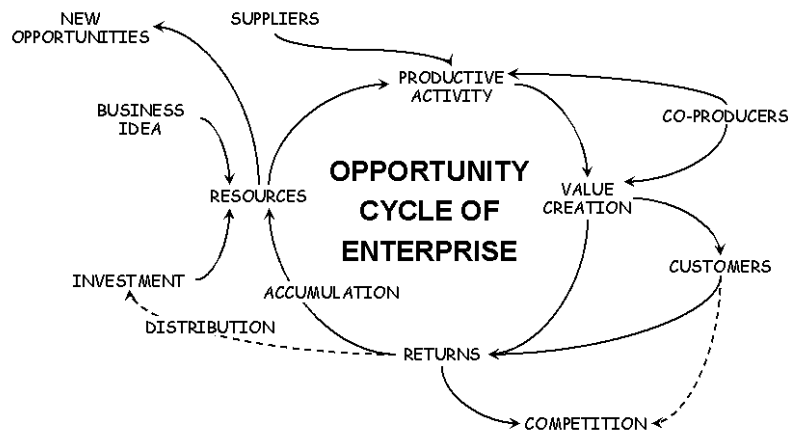
Examiner’s comments:

This question was attempted by a small number of students, but those that attempted all did a satisfactory job. All students were able to describe the two views of marketing, with stronger answers linking relationship view to the diffusion of service-based business models. For part (b) all students could discuss – to differing levels of detail – the difference between the two roles, with stronger answers able to put this in terms of positions within the company relating to existing and new products. For part (c), all those that attempted this two-section part of the question gave quite strong answers, for (i) better ones able to drill down into the detail how relationship-based approaches are needed to ensure successful service-based business models in a manufacturing context and for (ii) stronger answers exploring the link between channel and stage of market/firm development.

6.

Discuss the challenges faced by a technology-intensive start-up firm as it passes through each stage of the *opportunity cycle of enterprise*.

Basic answer should be able to sketch the cycle (shown below) and describe the key issues likely to be faced by the tech start-up at each one:



Ideas developed from Garnsey, E. and P. Heffernan (2005). "Growth setbacks in new firms." *Futures* 37: 675-697 and related papers



Getting the resources:

- Obtaining input resources
 - Funding
 - Technology
 - People
- Setting up production
 - Make or buy
 - Establishing routines and procedures
- Overcoming the “**liability of newness**”
 - Sources of Resources
 - Customers

Productive activity/value generation:

- Achieving steady resource generation
- Establishing a viable market position
- Finding customers and getting orders – and repeat orders
- Achieving revenue recovery
- Getting the right people in place
- Developing competence and capability
- Retaining or replacing key people
- Integrating new members into team
- Calling a halt to development work

Generating the returns / maintaining growth:

- Changing demands on management and staff
- Increased complexity, synchronisation needs, bottlenecks and backlogs
- “Penrose constraint” - limits on managers’ time and competence
- Accessing resources to sustain growth
- Maintaining competitiveness in evolving market
 - Finding new customers, maintaining existing customers
 - Generating new product stream
 - New competitors; Saturation; Erosion of margins
- Growth may peter out and plateau, or reverse

Better answers could explore these through specific examples, and highlight more complex issues such as:

- How to build reserves to overcome adverse environment/unexpected challenges
- Strategic options for pursuing organic growth or acquisition
- How all these issues may be heavily dependent on context (technology, market, etc) and factors external to the managers of the firm.

Examiner’s comments:

All students could present the opportunity cycle of enterprise and describe activities that a new company would need to undertake / barriers it would need to overcome as it cycled through these stages. The majority of students did a good job of addressing the core issues very effectively. Weaker answers were those that talked in very general terms about start-up firms (missing the key point about technology intensive) or did not go into sufficient detail in their descriptions. The stronger answers were those that were able to (i) add context specific issues, such the impact the of the characteristics of technology on which the start-up is based (e.g. single tech or system; nature of IP, etc), the nature of the competitive environment, etc. and (ii) use frameworks/concepts (such as Moore’s chasm, Pentathlon model, or similar) to provide structure to the issues they were discussing.

Section C (HR)

7

- (a) **Compare and contrast the business and economic frameworks in the context of employment relations of any two nations.**
- (b) **Discuss the extent to which these frameworks have influenced those countries' national economic competitiveness.**

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:

This question was focused on linkages between business and economic frameworks and was attempted by fewer students. Part (a) asked about the comparison between business and economic frameworks in the context of employment relations of any two nations. Good candidates explained definitions and two frameworks along with examples of Germany, Japan and USA. (b) Most students had a good level of understanding of these frameworks' influence on national economic competitiveness; however weaker responses did not discuss illustrative examples. One student did not answer this part.

8

You are the Director of Human Resources at a small manufacturing firm. It has come to your notice that there is a dispute between one of the production supervisors and the plant manager. The plant manager has made a recommendation to the senior management to fire a machine operator, who is working for the production supervisor, due to poor performance. However, the production supervisor has submitted a written complaint to you alleging a lack of clear performance appraisals by the plant manager for machine operators.

(a) Describe the different options available to you for resolving the dispute between the production supervisor and plant manager. What overall approach you would take?

The different options available for dispute resolution are

- Mediation
- Conciliation (cases related to Employment tribunal)
- Arbitration

Mediation can be done by internal or external parties. The choice between the use of internal and external mediators are illustrated in the table below.

Internal	External
(+) Knows and understands the organisation culture	(+) Comes with little or no knowledge of the organisation or parties in dispute
(+) Potentially requires less briefing	(+) May be a more experienced mediator with the ability to pick up issues quickly
(+) Little or no cost	(+) Likely to gain trust of parties more readily
(-) May not be perceived as impartial	(+) Able to provide the organisation with fresh view of possible cultural or organisational issues
(-) May have historical baggage	(-) Charges for services
(-) Experience level may be low	

Conciliation

- Independent and impartial outsider discusses issues in dispute between parties
- Sometimes separately, sometimes together
- Aim is a solution both parties can accept

Employment tribunal

Parties allow independent and impartial outsider (the arbitrator, or arbiter in Scotland) to determine the outcome

- Differs from conciliation and mediation because arbitrator acts like a judge, making a firm decision
- Hear cases involving employment disputes
- Less formal than a court, but decisions legally binding
- Usually panel of three
 - An employment Judge
 - Two non-legal (lay) members
- Witnesses can be required to attend
- No charge to claimant, but can incur costs (for “unreasonable behaviour”)
- Applications within three months of relevant event, or end of employment

Overall approach

Principle – resolve at lowest level of formality

Disciplinary and grievance procedures overlap suspend disciplinary or, if related, hold concurrently

- Establish the facts of the case
- Inform the Employer/Employee of the problem
- Hold a meeting to discuss the problem
- Allow the employee to be accompanied
- Decide on appropriate action
- Provide employees with an opportunity to appeal

(b) Discuss the performance appraisal practices you would put in place to help prevent such disputes in the future.

The key approaches to prevent conflict are:

- Put systems and procedures in place
 - Establish formal procedures
 - Explain plans
 - Listen
 - Reward fairly
 - Work safely
- Develop relationships
 - Value employees
 - Treat fairly
 - Encourage initiative
 - Balance personal and business needs
- Work together and build trust

Good candidates will expand on these issues and explore them in the context of performance appraisals. They will suggest having a clear process for performance appraisals, setting clear and objective targets, using the performance appraisals to not just identify the employees that need to be fired but use the appraisals to manage employee performance by identifying training and learning needs, etc. Excellent candidates will suggest particular approaches for performance appraisals that will lead to better outputs such as 360 degrees appraisals etc.

influences on the effectiveness of appraisals in general, and one of the most difficult to change. Answer should reflect the difficulties involved in most evaluative systems,

particularly given the scope for subjective evaluation of many attributes. Examples should be provided to illustrate the problems.

Examiner's comments:

This was a surprisingly popular question in section c and attempted by most students. Part (a) asked about the application of dispute management and performance appraisal practices in a given case context . This question was well answered by most students. Weaker responses were those that talked in very general terms. The quality of description and examples allowed for differentiation between responses. Part (b) Most students had a good level of basic understanding of performance appraisal practices; however weaker responses did not expand on the given case issues and explore them in the context of performance appraisals.