MET IIA Paper 4 2014-15, Section A

1) What are the effects of extraversion in leadership settings? Discuss the benefits and risks of leading in an extraverted manner.

Dominant personalities tend to be seen as competent by participating often in group problem-solving exercises where no leader has been appointed – however, dominant personalities do not necessarily contribute a greater number of correct answers in these exercises (Anderson & Kilduff, 2009). Meta-analytic research shows that leading in an extraverted manner is a consistent correlate of leadership emergence and effectiveness (Judge et al., 2002). However, these studies define leadership effectiveness in terms of the perceptions of the leader, whereas other scholars have called for leadership to be defined in terms of the performance of those being led (Kaiser et al., 2008). A key risk of leading in an extraverted manner is that it may be less effective when followers are also extraverted. Drawing on dominance complementarity theory, research shows that extraverted leaders have higher profits when followers are passive but had lower profits when followers are extraverted (Grant, Gino, & Hofmann, 2011). Thus, extraverts can emerge as leaders by participating often, which makes them seem competent to others, but may suffer credibility losses by the volume (and not the quality) of their contributions. In actual leadership roles, extraverts may benefit most when leading introverts, and monitoring their extraverted tendencies when leading other extraverts.

<u>Notes from examiners' report:</u> *The question called for an understanding of the effects of extraversion in leadership settings, and a discussion of the benefits and risks of leading in an extraverted manner. Most candidates demonstrated a solid understanding of what constitutes extraverted behavior in organizations and how extraverts tend to be evaluated and emerge as leaders in situations where there are no assigned leaders. However, the best candidates drew upon the relevant course material to articulate the difference between perceptions of leaders and actual measures of leadership effectiveness and how leading in an extraverted manner may be counterproductive when followers are also extraverted.*

2) What are the mechanisms by which goals affect performance? Discuss the key factors that affect the goal-performance relationship.

The mechanisms by which goals affect performance are (a) direction, (b) energy, (c) persistence, and (d) arousal and discovery of task-relevant knowledge and motivation. Direction refers to focusing the individual's attention toward goal-relevant activities and away from goal-irrelevant activities. Energy refers to enhancing the effort an individual will invest in the behavior. Persistence refers to prolonging the effort an individual will put forward. Task-relevant arousal and discovery refers to the indirect effect of goals on tendencies to use task-relevant strategies and skills.

The key factors that moderate the goal-performance relationship are (a) commitment, (b) feedback, and (c) complexity. Commitment (e.g., public announcements) is especially important to goal-performance relationships when goals are difficult. Feedback is important for understanding individual progress towards a difficult goal. The combination

of goal setting plus feedback is more effective than goal setting alone. Goals have smaller effects on performance when the tasks are complex. The key citation is Locke and Latham (2002).

Notes from examiners' report: *Most candidates were able to articulate that goals are most effective when they are specific, measurable and sufficiently challenging. Many answers spelled out the meaning of the SMART acronym and provided examples for aspect of a SMART goal. However, the best candidates conveyed a clear understanding of the theory and evidence concerning why goals affect performance (direction, energy, persistence, and the arousal and discovery of task-relevant knowledge). The best candidates also discussed the boundary conditions of this relationship, including commitment, feedback and complexity, while providing cogent examples for each of these boundary conditions.*

3) Describe the Big Five model of personality. Explain how each trait can be used to predict an outcome of interest in organizations.

OCEAN or CANOE: Openness to Experience, Conscientiousness, Extraversion, Agreeableness, and Neuroticism.

Openness to Experience relates to creativity. Conscientiousness relates to job performance. Extraversion relates to leadership effectiveness and emergence. Agreeableness relates to delivering performance feedback. Neuroticism relates to job satisfaction. Key citations are the course text (Robbins and Judge), and the Mount et al. meta-analysis.

Notes from examiners' report: *Many candidates were able to provide a description of the five personality traits, but some struggled to separate trait-relevant behavior and the outcomes predicted by these patterns of behavior. The best candidates drew deeply and widely from the relevant literature to explain the meaning of each trait and how each trait could be used to predict work outcomes. Although many candidates focused on job performance as the primary outcome of interest, the best candidates demonstrated an understanding of how traits could predict other outcomes, such as turnover, absenteeism, withdrawal behaviors, training proficiency, job satisfaction, and teamwork.*

4) What are the benefits of (a) brokerage and (b) closure for individuals in social networks? What kinds of individuals tend to become brokers in organizational social networks?

The benefits of brokerage are high performance, promotions, bonuses, and creativity. These benefits accrue as a result of being able to coordinate and control the flow of information from one place to another. The benefits of closure are enhanced trust and reputation. These benefits accrue as a result of highly connected networks improving the likelihood that people can coordinate with each other and police bad behavior. High self-monitors tend to become brokers in organizational social networks, particularly in expressive networks such as friendship. Key citation is Burt (2005) and Mehra et al. (2001).

<u>Notes from examiners' report:</u> *This question called for an understanding of the benefits of brokerage and closure for individuals in social networks, as well as the kinds of characteristics associated with people in brokerage roles. This question needed to demonstrate a solid understanding of the information benefits associated with brokerage and the reputation benefits associated with closure, and correctly identify a number of the common correlates of those in brokerage roles.*

MET IIA Paper 4 2014-15, Section B

(5) "*Apple is not the company it used to be*". Discuss the challenges faced by a technology-intensive company such as Apple in growing:

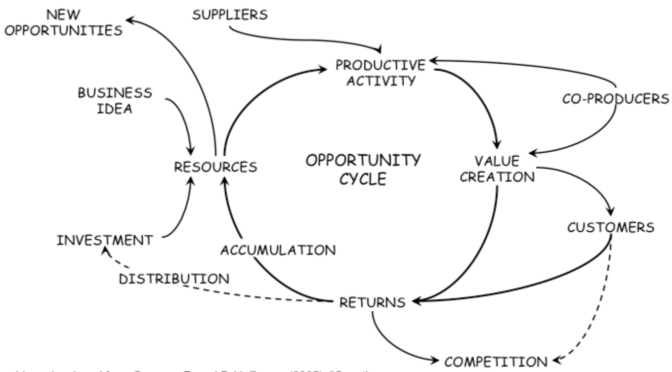
(i) from start-up through to initial resource generation;

(ii) from initial resource generation to long term sustainability.

[100%]

<u>Crib:</u>

Basic answers need to be able to discuss these two phases of company growth in terms of the Garnsey's cycle (as shown below). There should be a clear articulation of what each of these terms mean, and what type of activities the firm would be undertaking at each of these.



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

For the first phase, students should discuss: Initial issues would be Identifying and selecting a real opportunity; Selecting and committing to a viable project, Identifying resources; Selecting a good sector; Finding the right location; Hitting the window of opportunity; Minimising the risks of "lock-in". Next, issues of concern would include: 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). **Transitioning between the phases**, the challenges would include: 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

For the second phase, issues cover should include: 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.

Stronger answers might provide additional reflection on these two phases, highlighting issues such as the unlikeliness of most start-ups reaching the second phase, enriching with examples of success as discussed in class (e.g. Apple, Rolls-Royce) and failure (e.g. Nokia, Kodak), and commentary on ‘growth setbacks’ along the way.

Notes from examiners’ report: *Stronger answers were those that showed a good understanding of the fact that this question is explicitly about technology-intensive firms. While it was not essential to include the Garnsey model of the opportunity cycle, better answers were those that did provide some form of structure for their answer, and highlighted the interconnections between the issues. Better answers were also able to connect the firm level issues with the broader context (i.e. trends in technology, industry, economy, society, etc). Weaker answers were those that simply listed examples of small company versus large company challenges, or focused on summarising Apple’s history.*

(6) (a) Describe the stages of the selling process.

[20%]

(b) “*People don't want a quarter-inch drill, they want a quarter-inch hole”* (Theodore Levitt). Discuss what Levitt’s statement means in practice for the design and implementation of marketing and sales strategies.

[80%]

Crib:

(a)

Identify prospects (existing customers, trade shows, cold call, etc) > Pre-approach (planning) > Approach (appropriateness) > Pre-close (anticipating / identifying issues) > Presentation (appropriate format, demonstration) > Objection handling / (Negotiation) > Close (mutually agreed, clarity) > Follow-up (maintaining relationships).

(b)

Basic answers should cover two broad areas:

- Explanation of the evolution from **Production** Orientation (focus on producing goods and services) through **Sales** Orientation (focus on ensuring that products are sold), to **Marketing** Orientation (focus on identifying and satisfying customer needs and wants).
- Discussion of the shift from **transactional** (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) to the **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).

Stronger answers could explore the impact on the firm's business model and issues of servitisation through examples.

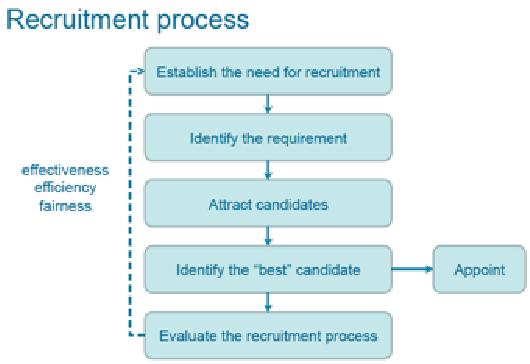
<u>*Notes from examiner's report:*</u> *Stronger answers put more effort into the describing and linking, rather than just listing. Weaker answers talked about sales and marketing strategies in general. Stronger answers were those that could discuss the core topic in the context of transactional versus relationship-based approaches, the growth of servitization, and the evolution from a production > sales > marketing orientation. The strongest answers were also able to discuss these issues in terms of linkages to business strategy in the face of changing competitive conditions.*

MET IIA Paper 4 2014-15, Section C

(7) A UK-based software start-up company has three employees and has just won a major contract to supply its software to a large overseas public sector organisation. The Chief Executive of this start-up has asked for your help in designing a process to help them recruit and retain new technical staff to cope with this increased workload. Describe the process that you would recommend, explaining the assumptions underpinning your recommendations.

[100%]

The very **basic answer** should be able to describe activities within each of key steps of the recruitment process as covered in the lectures, and approaches taken to help ensure staff retention, e.g. Increase learning and development opportunities, Improve line management, HR skills, Improve induction process, Improve employee involvement, Improve selection techniques, Increase pay, Offer coaching/mentoring/buddy systems, Improve benefits, clearer career paths, Improve work-life balance.



Better answers should be able to explore issues within each of these elements, drawing upon, e.g. Armstrong (2006)'s model of HR planning to describe the process that underpins 'Establish the need for recruitment', the role of competency descriptions / skills required in 'Identifying the requirement', especially as it is not explicit whether this is a technical or non-technical role, etc. There may also be questioning of the need to recruit rather than use agency or outsourced capability, given the context. Better answers should also explore the retention aspect the question in more detail, covering issues of segmentation of talent, reward, and training.

The **strongest answers** would be those that can link the issues of recruitment and retention to the specific context, and discuss the implications of the fact that this is:

- **UK-based -** awareness of UK legal context;
- **Software -** specific skills may be required (coding, customer support, etc), and these can be assessed;
- **start-up** - perhaps commercially inexperienced, very unlikely to have HR capability; consideration should also be given to the issue of the evolution of the firm and both its current and future needs;
- company has **three employees** - adding even a single new person to this group could have major impact on team dynamics;
- just won a **major contract** - implication that this will be a significant commitment of time/effort, but also likely to have large impact on the success of the company;
- to supply its software to a **large** - may need to people with experience of interacting with bigger more bureaucratic organisations;
- **overseas** - may be language/cultural awareness needed;
- **public sector** - may have very specific requirements and style of working) organisation.

Notes from examiner's report: *Many students missed out on marks by only talking about recruitment and not mentioning the retention aspect of the question. Stronger answers were those that could (i) link to some of the core HR models and research discussed in class and (ii) could unpack in more detail the specific issues highlighted in the question (e.g. UK-based, just won a big contract with overseas public sector organisation, etc) and link these explicitly to their recommendations.*

(8) (a) Describe the different types of learner.

[25%]

(b) Explain how corporate training programmes can be designed to take account of the needs of different types of learner.

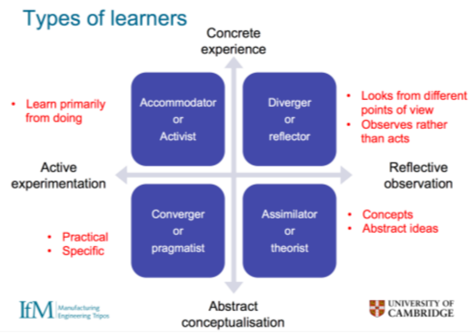
[25%]

(c) (i) Discuss the reasons why all employees in every organisation need to be aware of issues of equality, diversity and discrimination. [25%]

(ii) What types of training could be provided to address issues of equality, diversity and discrimination. Outline their advantages and disadvantages. [25%]

<u>Crib:</u>

(a) The different types of learner can be summarised as in the figure below:



(b) Given the diversity of learning types, 'one size fits all' training programmes will be ineffective in many cases. Those attending training programmes need to be assessed in terms of their learning types, and programmes should be designed to accommodate these differences. E.g. for those who are more Activist, then job rotation/secondment might be effective. For those who are more theorist, then attending seminars may work well.

(c) (i) Aside from 'because it's the right thing to do', all employees need to be aware of what is meant by, and to ensure they avoid Direct Discrimination, Discrimination by Association, Perception Discrimination, Indirect Discrimination, Harassment, Third Party Harassment and Victimisation. (ii) Training is needed to ensure that these issues are understood and how incidents will be dealt with. While the list of issues is clear, subtle things such as 'unconscious bias' are much harder to address. Any training programme needs to consider the requirements of different types of employees and their associated learning styles. For example, role playing and use of video may be extremely effective at ensure these messages are made clear and relevant.

Notes from examiner's report: *For (a), weaker answers just **listed** rather than **described.** For (c) (i) Stronger answers were those able to discuss how this may be linked to company culture (and hence hard to change) and how this can be damaging from a business perspective (e.g. impact on recruitment). For (c) (ii), better answers were able to link back to the issues discussed in parts (a) and (b), and discuss how the nature of ED&D issues make some forms of training more or less appropriate.*