Crib

Section A (OB)

1

a) **Describe the main features of Schein's *cultural iceberg*.**

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

- Patterns that shape organizational realities
- Learned basic assumptions
- Shared by organizational members
- Taken-for-granted
- Founder can create culture
- Culture can be changed
- Three levels:
    - Physical artefacts
    - Intangible activities and routines
    - Basic underlying assumptions

The strong answer would include description, examples and ability to change levels of Schein's cultural iceberg.

b) **Explain how a manager might use a cultural typology. You may apply at least one the following Cultural typologies, as a reference in your answer:**

- Deal and Kennedy Typology
- Charles Handy's Typology

The basic answer needs to be able to explain the following points in the following typologies specially focusing on applications:

- Charles Handy’s Typology: matching culture to external needs of the organisation
    - Power culture – Zeus
    - Role culture – Apollo
    - Task culture – Athena
    - Personal culture

- Deal and Kennedy’s Typology: It illustrates the relationship between risk and feedback
    - Work hard/play hard
    - Tough Guy - macho
    - Process culture
    - Bet your company culture

- Managerial view –sees culture as something that is in the possession of management
    - Managers are powerful social actors
    - Shape the symbolic behaviour and practices of the organization
    - Managers set the agenda
    - Managers have organizational power

- Symbolic perspective –sees culture as something beyond the control of management –but something the organization is
    - Culture is too complex to be managed
    - Cannot simply change peoples’ world view
    - People are complex social actors
    - Many competing factors and subgroups
    - Deeply rooted in the unconscious

The strong answer would include examples of companies where these culture exists and able to present challenges and benefits of cultural typology applications.

Examiner’s comment: This question was aimed at testing the students’ understanding of organisational culture and its application in manufacturing firm. This question was well answered by the majority of students. Part (a) asked about the main features of Schein’s cultural iceberg. Most students well responded to this question. The quality of description, examples and clear differentiations between levels of iceberg theory allowed for differentiation between responses. Part (b) Most students had a good level of basic *understanding of Deal and Kennedy's Typology and the Charles; however weaker responses did not discuss concept and application with illustrative examples.*

2

a) How do different communications media convey the social presence of the sender of the message?

The basic answer needs to include the following points:

- Communication and Power
  - Communication and miscommunication
  - Nichols (1962) – 20% of meaning remains in the transfer of a message from top to bottom of an organization
  - Latour (1986) power as a rugby ball – noise can disrupt communication each time a message is passed on

- Focus of communication
  - One-to-one
  - One-to-many (broadcasting)
  - Many-to-many
  - Many-to-one

- Channels of communication
  - Verbal
  - Bodily
  - Written
  - Symbolic
  - Mehrabian (1971) 55-38-7 ratio

- Social presence theory:
  - What sense does a particular communications medium give of a person being in the room with you?
  - Face-to-face – high social presence
  - Email – sender is distant (c.f. Mehrabian)
  - Emoticons – surrogates for lack of social presence?

The strong answer would include examples.

b) How is communication a trade-offs between efficiency and richness?

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

- Media richness theory
    - Richness of information conveyed in different media
    - Different communications media appropriate in different circumstances
    - Uncertainty – absence of information
    - Equivocality – degree to which information is open to interpretation
- Features of communication
    - Formal and informal communication
    - Channels of communication
    - Synchronicity and feedback
    - Focus of communication
- Types of message also determines the trade-offs
    - Facts about a project?
    - Figures, e.g. accounts?
    - Instructions for repairing machinery?
    - Directions to head office?
    - Feedback to members of a project team?
    - Praise to an individual who has won a new contract?
    - Anger to a colleague who is stirring up trouble?
    - An idea for a new project?
    - A new culture?
    - Forthcoming redundancy to a group of employees?

The strong answer would include examples.

Examiner's comment: The second question was aimed at testing the students' understanding of business communication. This question was well answered by the majority of students Part (a) asked about the social presence in communication. Most students showed a good understanding of social presence in communication with its *limitations. Weak answers did not include examples Part (b) Most students showed a good understanding of the relationship between efficiency and richness in business communication. Strong answer included theoretical perspectives along with demonstrative examples.*

3

a) Discuss ethical dilemmas in the workplace using example.

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

- Business ethics deals primarily with the principles that should used to govern business conduct. Key examples are:
    - Cheating on company
    - Cheating on client
    - Working in unethical industry
    - Turning a blind eye to unethical acts of co-workers or managers
    - Selling products that are bad for the planet or people

- Key areas of business ethics
    - Normative ethics: tells us what we should do
    - Descriptive ethics: tells us what people actually do and seek to provide an explanation of why they do it
    - Managing ethics: are the ways in which companies seek to manage the behavior of their staff.
- Companies are becoming subject of protest campaigns leading to
    - Corporate reputation damage
    - Brand image damage
    - Increased legislation
    - Focus on ties with key stakeholders
    - It can cost millions of pounds in fines and other intangible costs but working on it can give competitive advantage

The strong answer would include examples.

b) **Which of the following ethical frameworks do you consider more useful when tackling business dilemmas? What is your reasoning for this?**
- **Teleological Ethics**
- **Deontological Ethics**
- **Virtue Ethics**
- **Individual growth and organisational learning**

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

- Teleological Ethics
  - Actions are not good or bad because of their character or intention
  - An action can only be judged only by its consequences
  - Something is good if it increases the overall well-being of people
  - A moral act is thus one that increases pleasure (good) more than it produces pain (bad)
  - Cost-benefit of a particular action can be calculated (how easy would it be to do a cost benefit analysis?)
  - Pleasure is often equates to profit maximization in business
- Deontological Ethics
  - It asks whether the action is right, fair and honest
  - Not concerned with consequence of an action but the reason behind the consequence
  - Acts are ethical only if they are conducted based on duty and not if there is reward. Therefore it creates universal rules.
  - Most of us consider lying is wrong, what if you had lie to save someone's life? What is your duty here?
  - Deontological perspective is that of justice and rights. People have the right to free choice and to act how they want so long as they are not breaking law
  - Is it right that Starbuck does not pay tax in the UK?

- Virtue Ethics
  - Focuses on the individual, particularly their personal characteristics and these characteristics can be shaped or developed
  - Life long development of well-being
  - After 2007 financial crisis, Harvard MBA (2009) students created MBA oath. Would you pledge an oath on business ethics? Do you

think that saying an oath will make you behave in a more ethical manner?
    - Does not focus on ends (teleological ethics) and rules (deontological ethics)
    - Moral education of managers is vital to help them cope with the ethical complexity of modern life
    - Overemphasize the importance of the individual, either by praising heroic individuals or by blaming bad apples for immoral actions
- Individual growth and organisational learning
    - Emphasizes the importance of learning and development as part of the ethical development.
    - Another perspective argues that the community should be consider more important than individuals
    - Community and business value guides our decision making
    - What are your personal values and how important are they in your daily decision making?

The strong answer would include examples.

Examiner's comment: This question was aimed at testing the students' understanding of business ethics and its application. Part (a) most students had a good level of basic understanding ethical dilemmas in the workplace; however weaker responses did not discuss the business dilemmas individually and absolutely with examples. Part (b) Most responses demonstrated a good understanding of the ethical frameworks. However, weaker responses did not discuss pros and cons.

4

a) Define perception and explain the factors that influence it.

The basic answer would present explanation involving the following points

- Factors in the perceiver
    - Attitudes
    - Motives
    - Interests
    - Experience
    - Expectations

- Factors in the situation
    - Time
    - Work setting
    - Social setting

- Factors in the target
    - Novelty
    - Motion
    - Sounds
    - Size
    - Background
    - Proximity
    - Similarity

Factors that shape and can distort perception include the perceiver, the target, or the situation. When an individual looks at a target and attempts to interpret what he or she sees, that interpretation is heavily influenced by the personal characteristics of the individual perceiver. The more relevant personal characteristics affecting the perceptions of the perceiver are attitudes, motives, interests, past experiences, and expectations. The strong answer would include examples.

b) Identify and describe the shortcuts individual use in making judgement about others

The basic answer would present explanation involving the following points

> We use a number of shortcuts when we judge others, but it's important to recognize that while these shortcuts can be helpful, they can also result in significant distortions.
>
> Let's begin with *selective perception*. Any characteristic that makes a person, object, or event stand out will increase the probability that it will be perceived. Since we can't observe everything going on around us, we engage in selective perception.
>
> Another shortcut is the *halo effect,* which occurs when we draw a general impression on the basis of a single characteristic.

The reality of the halo effect was confirmed in a classic study. Subjects were given a list of traits like intelligent, skillful, practical, industrious, determined, and warm, and were asked to evaluate the person to whom those traits applied. When the word "warm" was substituted with "cold" the subjects changed their evaluation of the person. The experiment showed that subjects were allowing a single trait to influence their overall impression of the person being judged. Research suggests that it is likely to be most extreme when the traits to be perceived are ambiguous in behavioral terms, when the traits have moral overtones, and when the perceiver is judging traits with which he or she has had limited experience.

A third shortcut involves *contrast effects*. We do not evaluate a person in isolation. Our reaction to one person is influenced by other individuals we have recently encountered. For example, an interview situation in which one sees a pool of job applicants can distort perception. Distortions of any given candidate's evaluation can occur as a result of his or her place in the interview schedule.

The strong answer would include examples.

Examiner's comment: This question focused on perception and judgement. Part (a) the question was attempted well by most candidates by highlighting factors that affect perception. Good candidates explained definitions and theory with examples. Part (b) Most students had a good level of basic understanding of shortcuts in making judgement; however weaker responses did not highlight all the key factors and did not present examples.

Section B

5.

Discuss the differences between the growth challenges facing:

(i) **a large, long established multinational manufacturing firm such as Unilever or Rolls-Royce;**

(ii) **a relatively young but rapidly scaled firm such as Uber or Facebook;**

(iii) a very early stage start-up commercialising a very novel technology.

Basic answers should break down the 'growth issues' into some form of structure, such as strategic, operational and organisational issues (though other structures could be used), and consider the **differences** such as shown in the examples below:

	Strategic, e.g. ownership and resources/opportunities	Operational e.g. communication	Organisational e.g. structure
(i)	**Ownership**: Role of shareholders expecting 'safe' growth and dividends; **Resource/opportunity focus:** optimising use of existing assets	How to ensure that all aspects of business are aligned with strategy as firm grows and adapts to changes in external environment.	Complex, mature organisation can provide strong platform but also can lead to rigidity.
(ii)	**Ownership:** Role of public shareholders = expectation of continued rapid and substantial growth. **Resource/opportunity focus:** on-going growth requires substantial investment in infrastructure	Rapid scaling can present huge challenges for communications as firms take on new staff in substantial numbers	Need to 'scalable structure' to cope with fast growth, potentially spread out over wide geography.
(iii)	**Ownership**: Founders and investors may be in tension as they may	Simple when the firm is very small but (as Domino example	What has worked at foundation stage might not be

6.

	have different views on strategic direction. **Resource/opportunity focus:** substantial pressure of maximising investment in resources to capture opportunity	showed) this can change quite quickly as numbers go from single digit – tens – hundreds.	appropriate for next steps.

Other issues that could be considered include financing, HR, supply chain development /management, sales channel development, marketing strategies, *et al.*

<u>Stronger answers</u> could add the impact of the some of the contextual factors given in the descriptors, e.g. for (i) as a **manufacturing** firm, it needs to consider how its network of production assets are utilised as the firm grows; but also as a **multinational** firm it needs to consider issues of where these assets are best located in the face of changing global economic and political developments. Stronger answers could also explore issues of managing the introduction of new things (in contrast to managing delivery of existing activities), i.e. how to introduce new products and services while maintaining delivery of current ones.

Examiner's comment: This question was well answered by most students. For part (a) almost all students could draw a complete version of the 'opportunity cycle of enterprise' figure and Ansoff's Matrix with a good attempt at describing these models. The quality and thoroughness of the description allowed for differentiation between responses. For part (b), there was a wider range of responses. Stronger answers used a structured approach to demonstrate difference in growth challenges in the three context. Weaker responses were those that failed to give sufficient evidence of analysis.

6.

(a) **Compare the different sales and marketing approaches that could be used to launch:**

(i) a new design consultancy service;

(ii) a new industrial 3D printer;

(iii) a new smartphone.

[75%]

Basic answers would demonstrate knowledge of the core differences between sales and marketing for a service, a B2B product, and a B2C product, and specifically how this need to be considered at product **launch**. Such an answer should demonstrate awareness of the core factors covered in the lectures (such as: differences between sales and marketing activities - education/understanding c.f. persuasion/closing; transactional versus relationship-based approaches; development of appropriate channels; buying / selling process, understanding who buyer/end-user actually is, etc) and how these differ in the three cases:

(i) a new design consultancy service – as a service, this is very much a relationship based, requiring the development of trust amongst customers in the quality of the service, and the use of reference customers to build the market.

(ii) a new industrial 3D printer – depending on the type (i.e. rapid prototyping for designers or final part production as part of existing production process) the process could be quite transactional or relationship focused, depending also on the type of firm providing the equipment (existing supplier versus new entrant).

(iii) a new smartphone – as these products are sold at scale, the development and production of the device itself needs to be tightly integrated with the sales and marketing to ensure that supply matches demand in what can be very volatile and competitive markets. Need to consider channel, especially the role of the all the intermediaries such as networks who will have a strong influence on the way a product such as this is launched.

Stronger answers might explore how the context within which each is being delivered could impact the delivery, e.g. for a small/new firm with limited resources and a small number of existing products/services compared to a large firm with substantial resources and huge existing product / service portfolios.

(b) Explain why mature firms often find it challenging to successfully market and sell radically new products or services.

[100%]

Basic answers should demonstrate understanding of the fundamental nature of incumbent firms and how path dependencies can constrain future actions. This could include discussion of how ownership can impact on appetite for risk; how Kodak-type scenarios (existing business model very tightly linked to existing resources meant that doing anything new was extremely challenging). Basic answers should also be able to demonstrate awareness of the difference between the nature of incremental and radical innovations.

Stronger answers could critique this premise and highlight some of the advantages that incumbent firms have terms of incremental innovation c.f. radical innovation, when compared to newer, smaller firms. Others might bring in the concept of 'organisational ambidexterity' as a management approach for allowing incumbent firms to attempt to do both the incremental and the radical.

Examiner's comment: This was a surprisingly unpopular question but those that attempted it did well relatively (reflected in the high average mark). For part (a), all students could sales and marketing approaches of the three types of product/services with examples. For part (b), there was some spread in marks as some students provided very well structured responses describing the differences. Weaker responses were those that talked in very general terms about their ideas. Part (c), most students provides range of description with examples demonstrating challenges of radical product market and sell by mature firms.

Section C (HR)

7

(a) Describe the main "levers" through which managers applying HRM seek to influence the behaviour of the workforce. Under what conditions are they most likely to be effective?

As noted by Storey (1992), the key levers available to managers also differ under HRM. The selection of people who are a "good fit" with the organisation is crucial given the emphasis on development (the "learning company"), commitment, and the creation of organisational "culture". Despite the focus on individual communication, teamwork is promoted, and performance-related remuneration may well be based on team rather than individual achievements. The approach may be said to involve changing culture and wide-ranging strategies rather than procedures and sanctions.

McDuffie (1995) identifies particular conditions which create a good environment for the implementation of HRM:

- Employees possess knowledge and skills that managers lack
- Employees are motivated to apply skill and knowledge through discretionary effort
- Business strategy can only be achieved through employees' discretionary effort

Marchington and Wilkinson (2005) suggest that HRM is less attractive to employers in industries where the time taken to train new staff is relatively short, work performance can be assessed simply and speedily, and there is a supply of substitutable labour readily available.

(b) Explain the factors to be considered in defining and implementing a Talent Management programme. What are the potential drawbacks?

The first factors to be considered in implementing a talent management programme concern the staff to be included. For example, segmentation of staff might result in a breakdown such as the following:

- Core knowledge workers
    - Add high value, unique/firm-specific talents
        - Adopt relational contracts, "career" focus
- Traditional human capital
    - Can add value, but not unique (e.g. admin)
        - Adopt transactional contracts
- Idiosyncratic human capital

        - Highly unique skills
            - Adopt externalised approach (outsourced, portfolio careers etc)
- Ancillary human capital
    - Engaged in standardised work
        - Adopt contract for services

Typically, investment would be concentrated on the first group (Martin, 2006). This would be considered to be an exclusive approach, although this may go further to involve the selection of particular key individuals within, most likely, the first group. Some organisations, such as RBS and UBS, adopt an inclusive approach, seeking to develop all staff to their maximum potential. This approach is recommended by most HR professionals (CIPD, 2006), but exclusive models are more common.

Whatever the approach, it is important not to focus exclusively on management staff. Professional, technical, front-line and other roles may be critical within a particular business. Some technology-based organisations have introduced parallel track development routes to ensure that technical staff can progress without leaving the domain in which they excel.

The activities to be included are another important factor in defining a talent management programme. Again, a wide range of practices are in use. The practices adopted should reflect the particular needs of the business and of the individuals involved, though frequently programmes adopt a standard configuration in order to ease the administrative burden.

A number of issues arise from the implementation of talent management. The adoption of the more common exclusive models raises the problem of how to motivate those who are not included in the programme, that is, those not deemed to be critical to the future performance of the business. Individual performance may also be context sensitive, both due to personal attributes, and due to the configuration of the team within which they work. Hence, there is no guarantee that someone who performs well in one situation will do so in another.

The skills and competences required within the organisation are likely to change over time, and it can be difficult to identify those who will be critical to the business in the future. The programme, and those with which it engages, must, therefore, be kept under review, and should be adjusted to align with corporate objectives. For similar reasons, programmes should involve development, not simply identification.

Overall, talent management should be adopted alongside other HRM practices and the organisation should avoid relying too much on “spotting talent”.

Examiner’s comment: This question was attempted by fewer students. Part (a) asked about main levers of influencing workforce behaviour through Human Resource Management. Good candidates explained definitions along with examples. (b) Most students had a good level of understanding of approaches to implement talent management; however weaker responses did not discuss illustrative examples along with drawbacks.

8

A global automotive company is planning to implement lean manufacturing principles throughout the organisation due to shrinking overseas market share and a stiff competition in the local market. What advice would you give to the CEO from a change management perspective? Your answer must address the nature of change, the process of implementing change, common obstacles to change, and suggestions to overcome employees' resistance to change.

Resistance to change will depend upon the individual's interpretation of the change and its impact upon them, influenced by e.g:

- Its effect on the intrinsic nature of the work
- Its effect on the amount and direction of discretion, power and autonomy
- The organisational context (trust of managers/firm)
- The manner in which it is introduced
- The perceived balance of cost and benefits Underlying tension (long standing disputes aired as part of change process)

The key approaches that managers might use to overcome resistance to change are:

- Education and Communication -When there is a lack of information & analysis
- Participation and Involvement -initiators do not have all nec. info & others have power to resist
- Facilitation and Support -Where resistance largely reflects problems of adjustment
- Negotiation and Agreement -Where one or more powerful parties will lose from the change
- Manipulation and Co-option -Where other factors will not work or are too expensive
- Explicit and implicit coercion -Where speed is essential and initiators have considerable power

The key steps to implement change successfully in organisations.

- Increase urgency -inspire people to move, make objectives real and relevant.
- Build the guiding team -get the right people in place with the right emotional commitment, and the right mix of skills and levels.
- Get the vision right -get the team to establish a simple vision and strategy.
- Communicate for buy-in -Involve as many people as possible, communicate the essentials, simply, and to appeal and respond to people's needs.
- Empower action -Remove obstacles, enable constructive feedback and lots of support from leaders.
- Create short-term wins -Set aims that are easy to achieve -in bite-size chunks. Manageable numbers of initiatives.
- Don't let up -Foster and encourage determination and persistence -ongoing change -encourage ongoing progress reporting -highlight achieved and future milestones.
- Make change stick -Reinforce the value of successful change via recruitment, promotion, new change leaders. Weave change into culture.

Strong answer will address issues faced by multi-national companies, e.g., large number of employees, differences in cultures, languages, working styles etc. They will also touch on issues faced during lean transformation, e.g., flexibility, reduction of wastes, continuous improvement.

Examiner's comment: This was a surprisingly popular question in section c and attempted by most students. This question asked about application of change management in a context of lean principle adaptation in a firm. This question was well answered by most students. Weaker responses were those that talked in very general terms compatibility of hard and soft HRM. The quality of description, examples and clear variations between frameworks allowed for differentiation between responses.