

P4 Crib

Section A

1

(a) Compare and contrast *Teleological* ethics with *Deontological* ethics. Give examples to support your answer.

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

Teleological ethics:

- o Actions are not good or bad because of their character or intention
- o An action can only be judged only by its consequences
- o Something is good if it increases the overall well-being of people
- o A moral act is thus one that increases pleasure (good) more than it produces pain (bad)
- o Cost-benefit of a particular action can be calculated

Deontological ethics

- o It asks whether the action is right, fair and honest
- o Not concerned with consequence of an action but the reason behind the consequence
- o Acts are ethical only if they are conducted based on duty and not if there is a reward. Therefore it creates universal rules.
- o 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

Key differences (Contrast):

Teleological and deontological ethics are two opposing ethical theories that determine the moral goodness or badness of an action. Teleological ethics determines the goodness or badness of an action by examining its consequences whereas deontological ethics determines the goodness or badness of the action by examining the action itself. Thus, this is the key difference between teleological and deontological ethics.

Good answer will reflect on when organizations are following deontological and teleological theories of morality, their focus is on what they should do and the outcomes of the decisions made involving examples of Nestle KitKat, Rolls Royce Bribery case, Rana Plaza Bangladesh.

b) Discuss the challenges with the *Shareholder Capitalism* model within the context of the COVID-19 Pandemic. Give examples to support your answer.

The basic answer will argue from the central purpose of business involving arguments from Milton Friedman and Adam Smith. The shareholder theory is usually credited to Milton Friedman, the University of Chicago economist and Nobel laureate. In a famous 1970 *New*

York Times article, Friedman argued that because the CEO is an “employee” of the shareholders, he or she must act in their interest, which is to give them the highest return possible. Friedman pointed out that if a CEO acts otherwise such as donates corporate funds to an environmental cause or to an anti-poverty program—the CEO must get those funds from customers (through higher prices), workers (through lower wages), or shareholders (through lower returns). But then the CEO is just imposing a “tax” on other people, and using the funds for a social cause that he or she has no particular expertise in. It would be better to let customers, workers, or investors use that money to make their own charitable contributions if they wish to.

The basic answer needs to be able to describe the following principles and problems:

Principles

- The social responsibility of business is to increase its profit
- Market has an invisible hand that promotes the greatest good for all
- Economic growth is good for all: the rising tide raises all ships
- Philanthropy: giving something back to society

Problems

- Self-interest is good for all
- Individual should be free to pursue their own interests
- Economic growth is good for all
- Shareholder interests are only important ones

Best answer will include industrial examples and will reflect on additional activities taken by companies during COVID 19 Pandemic, demonstrating stakeholder capitalism rather than shareholder capitalism such as:

- Keeping employees safe.
- Help supplier to manage their business in supply chain disruptions
- Making product affordable
- To offer full support to governments and society.
- To maintain the long-term viability of companies for shareholders.
- To continue sustainability efforts, including to fight climate change.

2

(a) Discuss how organisational design impact organisational performance. Give examples to support your answer. [50%]

Basic answer will include understanding of organisational design. Organization design refers to the integration of structure, people, rewards and processes to support the implantation of that corporate strategy. It is therefore not limited only to structural considerations but also affects and is affected by, the other variables. In this chapter however, we shall focus on the structural choices that managers make. Designing organizations involves more than just deciding about which type of organization structure to adopt, choosing job titles and specifying reporting relationships on an organizational chart. It affects the employee roles and behaviours, simultaneously directing and constraining them.

Organizational designers specify a formal structure of a company that enables a diverse set of roles, occupied by people with possibly divergent interests, to nonetheless accomplish organizational objectives. It contributes to company effectiveness and success by allowing individuals, groups and departments to achieve their intended goals. However, too much structure can stifle creativity and innovation. structures should be ‘as simple as they can be, but as complex as they must’. The best answer will argue from industrial example of Google , Amazon, Apple and Facebook that how different organisational structure leads to different types of organisational performance.

(b) Discuss how *Groupthink* impact team performance. Recommends interventions to address negative impact of *Groupthink* on team performance. Give examples to support your answer. [50%]

The basic answer will include understanding of groupthink. It is a mode of thinking that occurs when the members’ strivings for unanimity override their motivation to appraise realistically the alternative courses of action. Groups and teams can develop a high level of cohesiveness. This is generally a positive thing but it also has negative consequences. Specifically, the desire not to disrupt the consensus can lead to a reluctance to challenge the group’s thinking which in turn results in bad decisions. Examples are US foreign policy disasters including a failure to anticipate the Japanese attack on Pearl Harbour, the US invasion of Cuba’s Bay of Pigs, and the escalation of the Vietnam War. More recently, groupthink it has been blamed for the decision to invade Iraq, and unwise lending leading to the global financial crisis of 2008–9. Additionally, UK mishandling of COVID 19 Pandemic is also attributed to Groupthink.

In the different historical examples quoted, groupthink led to a failure by the group to make the best decision. The group discussed a minimum number of alternatives, and the courses of action favoured by the majority of the group were not re-examined from the view of hidden risks and other alternatives. The group failed to use the expert opinion that it had, and when expert opinion was evaluated, it was done with a selective bias which ignored the facts and opinions which did not support the group view.

Best answer will include industrial examples and reflect on link between the level of cohesion in a group and the occurrence of groupthink. However, an additional crucial variable is directive leadership. It appears that if the group leader is strong, states their position at the start, and appears to have a strong preference for a particular outcome, then there is more discouragement of dissent. The group is less likely to review a wide range of information; it will consider fewer solutions; and there will be more self-censorship by its members.

When groups become very cohesive, there is a danger that they will become victims of their own closeness.

Symptoms	Preventive action
1. <i>Illusion of invulnerability</i> : members display excessive optimism that past successes will continue and will shield them, and hence they tend to take extreme risks	(A) Leader encourages open expression of doubt by members
2. <i>Collective rationalization</i> : members collectively rationalize away data that disconfirm their assumptions and beliefs upon which they base their decisions	(B) Leader accepts criticism of his/her opinions
3. <i>Illusion of morality</i> : members believe that they, as moral individuals, are unlikely to make bad decisions	(C) Higher status members offer opinions last
4. <i>Shared stereotypes</i> : members dismiss disconfirming evidence by discrediting its source (e.g. stereotyping other groups and their leaders as evil or weak)	(D) Obtain recommendations from a duplicate group
5. <i>Direct pressure</i> : imposition of verbal, non-verbal or other sanctions on individuals who explore deviant positions express doubts or question the validity of group beliefs	(E) Periodically divide into sub-groups
6. <i>Self-censorship</i> : members keep silent about misgivings about the apparent group consensus and try to minimize their doubts	(F) Members obtain the reactions of trusted outsiders
7. <i>Illusion of unanimity</i> : members conclude that the group has reached a consensus because its most vocal members are in agreement	(G) Invite trusted outsiders to join the discussion periodically
8. <i>Mind-guards</i> : members take it upon themselves to screen out adverse, disconfirming information supplied by 'outsiders' which might endanger the group's complacency	(H) Assign someone to the role of devil's advocate (I) Develop scenarios of rivals' possible actions

3

(a) Compare and contrast *Situational Leadership theory* and *Transactional Leadership theory*. Give examples to support your answer. [50%]

The basic answer will include the following points from both theories:

Transactional leadership theory suggest that a leader should treats relationships with followers in terms of an exchange, giving followers what they want in return for what the leader desires, following prescribed tasks to pursue established goals.

This type of leader has a high degree of clarity at the same followers also understand what their leader expects from them. As a result, they feel productive in reaching clearly defined goals and objectives. This leads to effective leadership where group performance matters.

This leadership style can deliver results quickly. However, it can lead to low job satisfaction in specific industrial contexts because of low creativity among followers.

Situational leadership:

- It describes leadership behaviour on two dimensions. The first concerns ‘task behaviour’, or the amount of direction a leader gives to subordinates. This can vary from specific instructions, at one extreme, to delegation, at the other.
- two intermediate positions, where leaders either facilitate subordinates’ decisions, or take care to explain their own.
- The second dimension concerns ‘supportive behaviour’, or the social backup a leader gives to subordinates. This can vary from limited communication, to considerable listening, facilitating and supporting.
- The model thus described four basic leadership styles:
 - S1 *Telling*: High amounts of task behaviour, telling subordinates what to do, when to do it and how to do it, but with little relationship behaviour.
 - S2 *Selling*: High amounts of both task behaviour and relationship behaviour.
 - S3 *Participating*: Lots of relationship behaviour and support, but little task behaviour.
 - S4 *Delegating*: Not much task behaviour or relationship behaviour.
- the willingness of followers to perform a task is also a key factor.

Best answer will contrast the above point key elements of transactional leadership theory and argues that Situational leadership theory incorporates majority of transactional leadership theory. The answer will reflect on linkages between contingency theory and behavioural theory of leadership with examples.

(b) Discuss the difference between *Leadership* and *Management*, and why it is difficult to separate these concepts in practice. Give examples to support your answer. [50%]

The basic answer should argue involving the following three points:

- Leaders are typically portrayed as inspiring, change oriented visionaries.
- Managers are typically portrayed as planners, organizers and controllers.
- In practice, the roles overlap, are complementary, and can be difficult to distinguish.

Leaders and managers make distinctly different contributions. leadership is just one facet of a complex management role. ‘managers do things right’, while ‘leaders do the right thing’. Leaders are thus often seen as visionaries who drive new initiatives. Managers simply maintain order and stability. The leader is prophet, catalyst, mover-shaker, strategist. The manager is technician, administrator, problem solver. The leader influences others to sign up to their vision, inspires them to overcome obstacles, and generates positive change. The manager establishes plans and budgets, designs and staffs the organization, monitors and controls performance, and delivers order and predictability.

Best answer will demonstrate understanding of leadership and management from multiple theories and will provide key industrial examples.

4 **(a)** Discuss the key implications of *Hawthorne studies* in manufacturing firms. Give examples to support your answer. [50%]

The basic answer will describe the Hawthorne studies and discuss their outcomes. The famous Hawthorne studies consisted of a series of experiments conducted during the 1920–30s. Although they are approaching their centenary anniversary, they are still of relevance today. Then, as now, there was concern with poor productivity. Hawthorne reminds us that individual behaviour in the workplace is modified both positively and negatively by the group of which he or she is a member. These studies consisted of a series of experiments conducted at the Hawthorne plant of the Western Electric Company, located in Cicero, Illinois, which manufactured telephones. They formed the basis of the Human Relations School of Management.

The best answer will argue key implications to manufacturing firms with key industrial examples.

(b) Describe what *Organisational Behaviour* is and discuss the practical relevance of *Organisational Behaviour*. Give examples to support your answer [50%]

The basic answer will define the organisational behaviour. Organizational behaviour is the study of the structure and management of organizations, their environments, and the actions and interactions of their individual members and groups. Organizations do not 'behave'. Only people can be said to behave. Organizational behaviour is shorthand for the activities and interactions of people in organizations. Organizations populate our physical, social, cultural, political and economic environment, offering jobs, providing goods and services, creating our built environment, and contributing to the existence and fabric of communities. However, we tend to take organizations for granted precisely because they affect everything that we do.

The best answer will argue with evidence that organizations are social arrangements in which people control resources to produce goods and services efficiently. However, organizations are also political systems in which some individuals exert control over others. Power to define the collective purposes of organizations is not evenly distributed. Answer will present arguments by linking key aspects of OB such as motivation, leadership, bureaucracy etc.

Section 2

5

(a) Compare the different approaches that could be used when marketing and selling each of the following products:

- A new brand of toothpaste;
- A new car; and
- A new industrial robot.

[75%]

(b) Sketch and explain the main elements of the *Opportunity Cycle of Enterprise*. [25%]

Part a) –

Basic answers

Demonstrated awareness of (a) basic activities/processes of marketing and selling and (b) links between characteristics of each of these markets and the use of these activities. Basic awareness of the activities should cover:

For marketing: Marketing mix (4/7Ps); difference between transactional and relationship-based approaches; market segmentation; brand issues;

For selling: distinguish from marketing activities; describe selling versus buying processes; B2C vs. B2B - individual versus organisational; role of channels.

Better answers

Demonstrated awareness of issues arising from different characteristics:

Toothpaste (B2C, Fast moving consumer good, key role of brand and segmentation, importance of 4Ps, relationship to retailers);

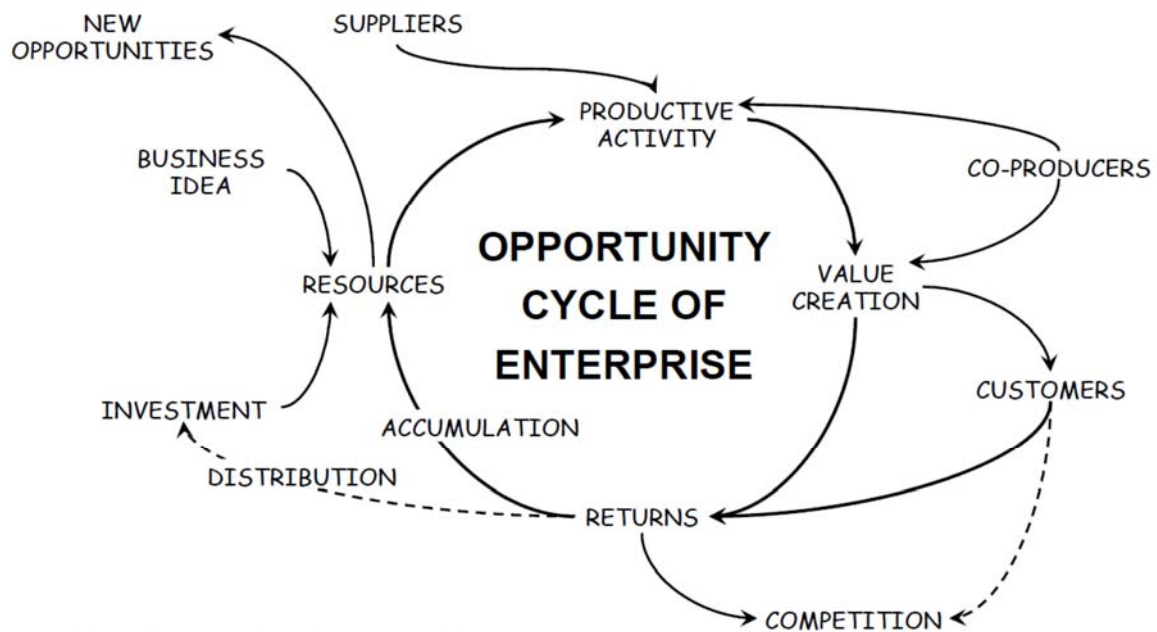
Car (could be B2C or B2B (individual versus fleet/business); importance of service contract; brand loyalty v important – very clear need to consider segmentation (lessons from Audi/VW/Skoda/Seat c.f. Tesla), and shift from transactional to relationship based view in this sector);

Industrial robot (B2B, major capital purchase, linked to service contract – or possibly full servitization, should discuss importance of relationship-based approaches in this context).

Best answers will address *the issues above but also reflected upon e.g. the differing roles of new technologies (social media) in all three situations.*

Part b)-

Sketched the key elements: PRODUCTIVE ACTIVITY, VALUE CREATION, RESOURCES, RETURNS, CUSTOMERS, COMPETITION, CO-PRODUCERS, ACCUMULATION, BUSINESS IDEA, SUPPLIERS, NEW OPPORTUNITIES, INVESTMENT, DISTRIBUTION.



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

Better answers

Each element was explained, i.e.:

Identify opportunity: Changes in Demand; Changes in Supply; Matching Demand and Supply; Changes in the Environment; Innovation (Products, Processes, Channels of Distribution, Forms of Marketing, Forms of Organisation)

Acquiring resources: raising investment, internal development, external (partnering)

Productive activity > create value: different possible business models (make, licence, partner, etc); product or service or combination.

Generate returns > **new resources:** 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; etc

Best answers

Discussed this as a cycle, with particular challenges for firms in managing this as an on-going process given the fact that resources and productive activities optimised to respond to the previous opportunity may not be suited to new opportunities. Stronger answers also addressed issues such as IP management at different stages, and discussed the differences for start-ups versus existing firms in going through this cycle.

6

Discuss why so few technology-based start-up firms manage to become industry leaders. Give examples to support your answer. [100%]

This question requires students to demonstrate that they understand the process of opportunity identification, resource mobilisation, resource generation, and sustained growth, and the wide range of different management challenges that need to be addressed at each of these stages.

These issues can be discussed in many different ways, but should include reference to the nature of the resources that are being used to address the opportunity (i.e. people and technology), and the nature of the opportunity itself. A basic answer should describe the process and highlight the challenges with the key message being that with so many challenges and uncertainties to overcome, it is highly likely that many companies will fail. Such issues could include:

- Obtaining input resources (funding, technology, people)
- Setting up production (make or buy, establishing routines and procedures)
- Overcoming the “liability of newness”
- 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

A more reflective answer would also include reference to the broader context such as the behaviour of rival companies, the industry dynamics and the broader economic issues. For example, examples used in class such as Domino, Apple and HyperTag provide plenty of material that could be used here to show how the behaviour of rivals, incumbents customers, investors and governments introduce numerous uncertainties that can have major impacts on the success of growing firms.

Section 3

7

You are the Director of Human Resources at a large Pharmaceutical manufacturing plant based in the UK. The union leader come to you with a number of grievances that includes alleged discrimination against employees. Further, the union leader is threatening you with industrial action if the grievances are not addressed quickly.

(a) Describe the different types of discrimination against which protection is provided under the *UK Equality ACT 2010*. [30%]

(b) Discuss the process you would use to resolve this dispute. [70%]

Part a) -Equality Law 2010 provides protection against discrimination for a number of “protected characteristics” – age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage & civil partnership, and pregnancy & maternity. The different types of discrimination against which protection is provided are: 1.Direct discrimination – Someone is treated less favourably than another person because of a protected characteristic (PC). 2.Discrimination by association – Direct discrimination against someone because they associate with another person with a PC. 3.Discrimination by perception – Direct discrimination against someone because others think they possess a particular PC. 4.Indirect discrimination – Can occur when you have a rule or policy that applies to everyone but disadvantage a particular PC. 5.Harassment – Employees can now complain of behaviour

they find offensive even if it is not directed at them. 6. Harassment by third party – employers are potentially liable for harassment of their staff by people they don't employ.
 7. Victimisation – Someone is treated badly because they have made/supported a complaint or grievance under the act.

Part b)- Overall approach Principle – resolve at lowest level of formality • 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 • Where disciplinary and grievance procedures overlap suspend disciplinary or, if related, hold concurrently

If informal action does not resolve the issue, 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 as below.

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

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

Good candidates will provide responses that directly address the issue in question. The fact finding step will include examining whether the problem is caused by a single (or a few) people in the organisation, or whether it is a systemic problem. Investigation is necessary to examine if necessary training and policy guidance is provided against discrimination. If it is found that the problem is caused by a single person, appropriate action as set out in the advised approach needs to be taken. It might very well be possible that the person responsible is not even aware that their actions are discriminatory.

8

- (a) The approach to employee relations is said to differ from one country to another. Compare and contrast the business and economic frameworks of two or more nations. [50%]
- (b) Discuss the reasons for these variations, and the extent to which they have influenced national economic competitiveness. Give examples to support your answer. [50%]

Part a) - Three countries were considered in one of the module lectures - Germany, Japan and the USA. However, given that the bulk of the course related to UK practice, students may decide to select this as one of the examples. If the UK is taken as one of the countries, done well, the answer could demonstrate a very good grasp of the topic, because the students will be employing material that was not presented in the context of a single frame of analysis. For the non-UK countries, material was presented under the headings of “Business” context, “Economic” context, and “Competitiveness”.

In this part of the question, students are expected to describe the salient features of the two nations’ frameworks. Comparison of business frameworks are likely to include differences in, for example, the extent of state regulation, the role of collective bargaining, promotion and benefit schemes, and job security. For the economic framework differences are likely to relate to, for example, regulatory arrangements, sources of funding (and associated conditions), corporate governance, and the vocational education and training infrastructure.

This part of the question is expected to be mainly descriptive. Good answers will provide a broad coverage of the features mentioned above, and are likely to adopt a framework similar to that used in the lectures (drawing on Clark and Claydon, 2007), emphasising similarities and differences. Poor answers will not identify contrasts and may refer to only a small number of features.

Part b) - This part of the question requires students to analyse the material presented in part a). Material on competitiveness was presented in lectures and referred to, for example: 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 influencing worker mobility; the predominant 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.

Good answers should reflect the fact that each system has both advantages and disadvantages in terms of competitiveness, and should acknowledge that the frameworks represent a mainly complementary group of practices (though not without contradictions). Good answers should also make a connection between national histories and social norms, and employee relations practices (as reasons), but should acknowledge the dangers of stereotypical descriptions of national systems and behaviour, recognising that practices vary with countries as much as between them. Very good answers may address the extent to which practices which once enhanced national competitiveness may now be having the opposite effect (and vice versa). Poor answers are likely to be most evident in this section, though there may be some attempt to align practices with national stereotypes.