

B) Social Influences in Group Organizations

1) Assets and Liabilities of Group / Individual Decisions

	Group Decisions	Individual Decisions
Assets	<ul style="list-style-type: none"> • <u>greater sum total of info</u> – important if problem requires utilization of knowledge (e.g., rather than skill) • <u>more diverse viewpoints</u> – minimize risks of individual getting into a rut • <u>increase acceptance of a decision</u> – members who participate in decision = more likely to accept • <u>better comprehension</u> – lower risk of miscommunication if members participated in decision-making process • <u>greater willingness to take risks</u> – individuals are less likely 	<ul style="list-style-type: none"> • <u>responsibility</u> – individual is directly accountable • <u>independence</u> – untainted by group influences (~ strong leader)
Liabilities	<ul style="list-style-type: none"> • <u>social pressure</u> – evidence shows that minority decisions have less influence on group decision making even when they are more sound • <u>valence of solutions</u> – evidence also shows that decision-making becomes rigid once a solution is found to meet some minimal requirement; the group resists adopting better solutions made subsequently • <u>individual domination</u> – a dominant member captures more than fair share of influence • <u>conflicting goals</u> – members goals may become winning an argument rather than finding best solution • <u>time</u> - takes more time to reach consensus 	<ul style="list-style-type: none"> • <u>limited perspective</u> – individual brings only one set of experience / knowledge to problem • <u>none of the group assets</u> – see above • <u>limited ability to avoid the liabilities of groups</u> – see across
Slade Plating	<p><u>Assets</u> –</p> <ul style="list-style-type: none"> • Sarto group appears to be more productive (working together) than other groups (this allows Company greater flexibility) • Sarto group encourages positive worker attributes (innovativeness) <p><u>Liabilities</u> –</p> <ul style="list-style-type: none"> • Sarto group alienates outsiders (H Schell) – if the Sarto group monopolizes innovation, do other workers give up. • Sarto member's worship Tony's innovativeness even when an outsider (Pearson) may eventually have better skills / attitudes • Has Sarto's group reached sub-optimal decision? Their time punching routine harms the company but benefits themselves (and may benefit company by allowing low wage / no union) • Easier for group to rationalize time card violations (everyone else does it) 	<p><u>Assets</u> –</p> <ul style="list-style-type: none"> • Kirk provides an "independent" perspective on how shop works <p><u>Liabilities</u> –</p> <ul style="list-style-type: none"> • influenced by group pressure (Kirk rates all Sarto members ≥ 8; Clark members ≤ 8; all outsiders (other than Pearson) ≤ 7) – was Kirk a pseudo Sarto group member? • failure to get perspective of others – Kirk only had insight of H Schell and Tony Sarto (the worst and best in the shop) – 23 other (non-group) workers may have different view on shop dynamics. ALSO – Kirk only worked for 1 yr (has no knowledge of history between groups – maybe some operate b/c burned by Sarto in the past)

2) What social influences affect performance appraisal process?

	Generally	Application to Slade Printing
Equity Theory	<ul style="list-style-type: none"> • EEs evaluate social relationships – relative to others <u>and</u> as if econ transaction on market • EEs base comparison on relative Inputs & Outcomes • If inequity is present, tension (proportionate to amt of inequity) drives people try to find state of equity • equity found by – altering (or distorting) inputs / outcomes + leave job + distorting others inputs / outcomes + change object of comparison • mgmt – should ensure EE feeling of equitable treatment (choose reward system – equity / contribution OR social responsibility OR equality) 	<ul style="list-style-type: none"> • EEs believe that equity allows them to abuse the punch card system so things “average” out (this is result of Slade’s low comp system) • Sarto group may exclude others b/c don’t believe others contribute as much • H Schott brags about his own innovativeness (perhaps justifying pay equal to other workers) • Slade reward system appears to rely on equality or social responsibility (i.e., more for seniority) but NOT equity / contribution
Beer Article	<ul style="list-style-type: none"> • <u>organizations need performance reviews</u> – manpower planning + influencing EE performance + moral obligation of feedback to EEs + legal protection • <u>problem</u> – conflicting goals of EEs and mgmt in review process • <u>solution</u> – revise appraisal system (decouple development / evaluation) + foster EE / mgmt relationship + choose an appropriate for of appraisal interview 	<ul style="list-style-type: none"> • Slade could use the performance review process to understand EE motivations and ramifications of “cracking down” on punch card abuses (or to confirm Kirk’s ideas) • consider that punch card abuse may have been allowed long enough that EEs believe it is acceptable (legal issue for Slade)
Merck	<ul style="list-style-type: none"> • incentive system should balance incentive / equity issues while pursuing company goals • must clearly identify performance goals to validly reward / punish top / bottom performers • Mgmt often does not know how to use the appraisal system • EEs are demoralized b/c get the same rating whether work hard or not 	<ul style="list-style-type: none"> • Slade’s incentive system (does it have one?) is not working. • Slade pays based on seniority and skill required for job. H Schott works in aisle 2 with other harder working EEs (makes more b/c of seniority??). Is this a problem? • H Schott says no use working hard (notes that Pearson is killing himself for nothing)
Karen Leary	<ul style="list-style-type: none"> • culture influences EE expectations as to what is acceptable behavior • <u>EE</u> may be more concerned w/ perceptions of peers than result of performance review • <u>other</u> group members may be demoralized by special treatment of an individual → mgmt must stand up to EEs who get out of line (or be seen as weak) 	<ul style="list-style-type: none"> • Is punch card abuse considered acceptable in a non-union shop (maybe an implicit trade-off w/ mgmt) • Is H Schott performing poorly b/c of treatment by others (how account for this in review system) • How is H Schott able to keep his job despite performing so minimally? Is it special treatment b/c of his relationship to Otto?

3) Negative effects of groups. Causes of group conformity. How do group pressures affect individual obedience to authority?

	Generally	Application to Slade Printing
Carter Racing	<ul style="list-style-type: none"> • Group consensus can reinforce a sub-optimal decision without necessary critical thinking (or a little more data) • Mis-represented (or incomplete) data can lead to sub-optimal group decisions • Minority voice based on intuition (Paul Edwards gut feel about air temp) can be the better choice despite majority voice with empirical evidence (Tom Burns chief mechanic w/ skewed data) • Skewed data can generate incorrect conformity 	<ul style="list-style-type: none"> • Is Kirk's assessment really "empirical" evidence? Can Slade rely on his assessment in making any decisions? Is the data Skewed by Kirk's affinity for Slato group? • Slato group consensus re-inforces punchcard abuse. (neg effect) • Slato group's existence makes others feel less valuable (neg effect) • Punch card abuse only occurs when supervisors absent (group pressure causes disobedience as soon as authority figure is out of sight)
Hausser	<ul style="list-style-type: none"> • ratchet effect – people incentivized to sub-optimally perform to minimize future requirements • Members of group face same pressures → mutually relieving these pressures re-enforces conformity ("we are in it together") • Members can surrender their individual perspective to the "protection" of their leader (e.g., Jay in FL takes care of all) • Groups resist change; make life hard for those who want to makes positive changes (Fred who came in fired up but hid orders kept getting lost until he learned) 	<ul style="list-style-type: none"> • Sarto group members cover for each other on the punch card abuse and when one is in need (but not others) – all are in it together • Group members accept the views of their leaders as gospel • No one ever gets laid off. They have a good thing as long as they do not rock the boat • H Schott notes that Pearson is killing himself for nothing + tried to convince Kirk to under-perform
Milgram Exp.	<ul style="list-style-type: none"> • Individuals can be made to do heinous acts when they don't bear personal responsibility 	<ul style="list-style-type: none"> • Tony Sarto's ideology has been embraced by his group w/o question • Sarto group membership re-inforces / allows / encourages harsh treatment by members of non-members
Mary Kay	<ul style="list-style-type: none"> • Membership is limited (women only) + seen as providing unmatched benefits • Positive / "build you up" attitude attracts members • Recruiters (leaders) incentivized to find / facilitate the success of other consultants means close scrutiny of subordinates even w/o formal work guidelines • Bumble Bee (award) does not know it should not be able to fly but does anyway. (Can do attitude infects all group members leading to conformity) 	<ul style="list-style-type: none"> • membership in Sarto's group is exclusive (people seen as high performers) • membership brings benefit of everyone watching out for everyone else (work coverage + punch card issue) – "we all benefit together" • exclusivity - Sarto members help each other but don't help non-members • Sarto group exhibits can do attitude. Does whatever is required to get job done (this justifies slacking off other times)

C) Human Resource Systems at the Organizational Level

1) HR issues with lean production / JIT / TQM / continuous improvement

	Generally	Application to Slade Printing
Lean Product. (Womack)	<ul style="list-style-type: none"> • cross training of sales team in all functions • commissions are team based to eliminate competition for walk in customers • EEs encouraged / trained to work directly w/ customers (LT relationships + reading customer preferences to provide notice of trends) • facilitate flow of info b/w EEs in different divisions • innovate / use info technology to free up EEs time to work on more productive tasks • organize EEs into teams w/ authority to find best way to do work (Leader also works) • tight manage of yield and quality to minimize line stoppage & overtime • EEs empowered to trace / fix every error (don't treat as random event) • career advancement relies on broadening skills (rather than specialization) • removing safety net of inventories challenges EEs to achieve perfection 	<ul style="list-style-type: none"> • Compensation is strictly individually based (thereby incentivizing workers to arrange for illicit time punches) • little communication occurs outside of each group (e.g., better communication b/w Aisle 6 workers and Tank 2/3 workers (Clark group members) might facilitate better production processes / problem solving) • production process seems to involve little tech innovation – are EEs being used in most efficient manner? • EEs have little incentive to innovate a better production process (as this would reduce OT) • EEs have little prospect of career advancement
Integrat Tech (McDuffie)	<ul style="list-style-type: none"> • skilled, motivated, flexible lean production (~ no buffer inventories) work force leads to higher yield (cars / hr) and quality (fewer defects / car) • EEs m/b trained <u>and</u> motivated to identify / fix problems as they occur (b/c no buffers for down time) • reciprocal commitment ~ alignment of EE / ER interests w/ understanding that ER is committed to EE future • EE's collect / communicate valuable info to maintain / improve yield & quality • EE authority to shutdown entire line for a problem incentivizes EE to fix before shutdown occurs • technology complements HR to maximize EE contribution • Lean production concern = costs of core rigidity (rather than mass production's focus on efficiencies from division of labor) – solution = multi-use assets / EEs • line EEs constantly seek to improve processes / equipment (~ "give wisdom to the machine") • education of EEs regarding philosophy of lean production (& difference from Mass Production) is the key first step in transitioning to Lean Production (& best achieved through hands on experience at a "learning example" factory) 	<ul style="list-style-type: none"> • batch processing limits the "no buffer" pressure on EEs to ensure quality control • no alignment of EE / Slade interests – EEs have low incentive to shut down line to find a problem • no formal EE feedback process to suggest solutions / improvements to engineers (only occurs if engineers seek out line EEs like Tony)

<p>Nummi</p>	<ul style="list-style-type: none"> • treat all EEs w/ respect + allow to make decisions + encourage to think differently + make feel connected = successful production • EE responsibility + accountability = high quality + lower cost • high EE productivity derives from organization / mgmt of EEs • Key EE policies = develop full human potential + build trust + develop team performance + treat each EE as a manager + ensure stable employment for all EEs • EE s/b motivated (a) to do job that enhances self worth / earns respect of others + (b) by ER who values worker input • EEs are trained to do all other team functions (including that of leader) • ER and union collaborate in hiring process fosters team environment • JIT is in reality a quality control system b/c no buffer when problems arise • empowerment of EEs is key to maximizing efficiency (not new technology as GM expected when it agreed to this JV) • Lean production techniques cannot be simply overlaid on existing facility (this is why GM's team experiment at Van Nuys failed) – Japanese solution is much more comprehensive • Key to lean production = mutual trust • no lay-off policy increases EE loyalty / productivity • “continuous improvement” allows EEs to move on to more self fulfilling challenges once they solve current production problems 	<ul style="list-style-type: none"> • Slade is more of a typical US firm – low ER trust knowing EEs will take everything they can • <u>divergent interests</u> - Slade EEs <> partnered with Slade in developing quality products at low cost • Porter's proposal to “blow the lid off the whole thing” is more adversarial than Nummi partnering approach • only incentive for Slade EEs to put in extra effort is overtime (also incentivizes them to work inefficiently thereby creating OT opps) • Slade values innovative input of workers (but unclear if EEs derive self worth from their product) • no layoff policy increases worker loyalty (don't want p leave or to start union) but not productivity (due to conflicting incentives like low pay)
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2) HR issues when organizing for innovation. How much separateness? How does need to manage for speed affect mgmt of people?

	Generally	Application to Slade Printing
Cisco	<ul style="list-style-type: none"> efficient integration of newcomers is critical to maximizing return from acquisition in the near term policy = open communication + explain the situation up front focus on integrating leaders of acquired companies (other EE's will follow) heavy reliance on Buddies to imbue new EEs in the "Cisco way" CEO keeps close contact w/ EEs encourage EEs to innovate / allowed to fail Cisco culture compensates EEs for low wages 	<ul style="list-style-type: none"> Slade seems rather unlike Cisco not growing thru acquisition (new EEs are one-off hires / transfers) EEs seem to be dropped into dept and allowed to form their own connections (Kirk starts w/ H Schott but later relies on Tony for instruction) Mgmt (Porter) is out of touch w/ EEs (must rely on an exiting Jr EE for feedback) Slade looks to EEs for innovation (perhaps more out of necessity than good mgmt practice, tho) opportunity to "abuse" punch card system compensates EEs for low pay (~ Bizzarro version of Cisco's system) Has no real corporate culture(?) unless it is to cheat the company
Eisenhardt	<ul style="list-style-type: none"> lots of real time data allows mgrs to develop simultaneous options from which to choose based on intuition always seek inputs of experts to sharpen decision strive for consensus but don't delay a decision heavy reliance on self confidence active coping – formulate concrete steps to stabilize an unstable world 	<ul style="list-style-type: none"> Engineers seek out Tony when they need expert input on new designs self confidence – Tony (and members) have it; others (apparently including Clark) don't
Cappelli (Market Driven Approach)	<ul style="list-style-type: none"> market driven employment policy = no LT retention → rather focus on finding / keeping key EEs Key = control turnover (employer (ER) cannot counter pull of the market) ER should first determine how long it wants EEs to stay retention policy – should focus on people who will be easy to retain (i.e., hire undesirables) Adapt to attrition – cross train EEs to help with retaining / developing EEs → cooperate w/ competitors 	<ul style="list-style-type: none"> Slade has hired people with lower levels of education (means lower risk of turnover b/c they have fewer alternatives) Slade seems to have no real retention policy but apparently no real need cross training - Sarto group members can do each others jobs (always helping each other out)