

Case Incident 1

“DATA WILL SET YOU FREE”

Ford CEO Alan Mulally is known for starting meetings by saying “Data will set you free” and for trying to change Ford’s culture to one that is based on increased accountability, more information sharing, and hard metrics. “You can’t manage a secret,” he is also fond of saying. Although it’s not clear whether Mulally’s approach will work at Ford, which is known for its self-contained fiefdoms where little information is shared, some companies have found that managing people according to hard metrics has paid off. Consider Freescale Semiconductor, a computer chip manufacturer based in Austin, Texas.

Freescale has discovered that in order to have the right people at the right time to do the right job, it needs an extensive and elaborate set of metrics to manage its 24,000 employees in 30 countries. Of particular concern to Freescale is retention. “There’s no greater cost than human capital, especially in the technology industry,” says Jignasha Patel, Freescale’s director of global talent sourcing and inclusion. “When you’ve got a tenured employee that decides to walk out the door, it’s not just one person leaving, it’s that person’s knowledge and network and skills.”

To manage talent and prevent turnover, Freescale holds line managers accountable for recruiting, hiring, and retaining employees. To do that, managers need to project their talent needs into the future and reconcile those with projected availabilities. Patel provides line managers with census data that helps them make their projections, but at the end of the day, the responsibility is theirs. “What we have done is taken all of our inclusion data, all our metrics, and we’ve moved the accountability over to the business unit,” Patel says.

Patel also provides Freescale managers with benchmark data so they can compare their effectiveness with that of other units. The benchmark data include the number of people hired, turnovers, and promotions—and breakdowns by demographic categories. “There’s [a return on investment] for everything we do,” says Patel.

Questions

1. Why do you think Freescale focuses on metrics? Why don’t more organizations follow its approach?

Answer: Metrics allow for accountability and accurate record keeping. Freescale focuses on metrics for employee retention, which can be very expensive for a company to replace human capital when an experienced employee leaves the company. Some organizations do not share information and do not communicate; therefore they are more likely to lose good employees as well as customers.

2. As a manager, would you want to be accountable for the acquisition and retention of employees you supervise? Why or why not?

Answer: Yes. Building your own team can be paramount to success. Acquiring and retaining employees is crucial to the performance of your organization and the best managers do this proficiently. Reducing turnover and retaining quality talent are two important keys to productivity for managers.

3. In general, what do you think are the advantages and limitations of such metrics?

Answer: The advantages are that quantitative data and metrics bring clarity to many decisions. Strategic planning for human resources and talent management can be facilitated through information systems and the use of knowledge management systems or computers since these programs can include data from many sources including Census data and the Bureau of Labor Statistics. One limitation is when these systems are relied on solely without the use of common sense and even intuition to make certain decisions, particularly about individuals. In addition, some firms spend too much time planning and get involved in “analysis paralysis,” whereby they plan but do not execute the strategy.

4. Freescale focused on metrics for the acquisition and retention of employees. Do you think metrics can be applied to other areas of management, such as employee attitudes, employee performance, or skill development? How might those metrics be measured and managed?

Answer: Yes, metrics can be applied in every area of organizations. There are many skills inventories, leadership surveys, personality tests, etc. Many of these tests offer important results for hiring purposes, team building, cross-cultural development, and many other areas. Each senior to middle manager should be responsible for the measurement and management of these tools in order to provide an environment for the employees to succeed and prosper. The only caveat is that these instruments should be used in conjunction with other methodologies as well to ensure equity for all employees.

Source: Based on R. R. Hastings, “Metrics Drive Winning Culture,” *SHRM Online*, April 9, 2007, www.shrm.org.

Case Incident 2

The Global Recession and Workplace Malfeasance

The great global recession has claimed many victims. In many countries, unemployment is at near-historic highs, and even those who have managed to keep their jobs have been asked to accept reduced work hours or pay cuts. In some cases—say, the U.S. auto industry—job losses have been predictable but no less painful. However, in other cases, they have come as a surprise. Norm Elrod had earned an MBA while employed at an online marketing firm. His degree didn't save his job—Elrod was laid off in October 2008 and, as of April 2009, he was unemployed and still looking for work. “There's a lot of frustration out there,” Elrod said.

The financial and psychological pain caused by the recession may lead you to wonder whether employees attempt to get even. Is there evidence the recession has led to increased incidents of workplace violence, sabotage, or theft? As it turns out, this is a very difficult question to answer with any confidence. The difficulty illustrates how OB can teach you how to think critically about problems and analyze them carefully.

During any recession, there is no lack of reports on the calamitous effects of the downturn. The Times of London reported that U.S. job losses were directly linked to 58 fatalities in eight incidents during one month in 2009. Among them was a Vietnamese man fired from his factory job who killed 13 people at an immigration center in Binghamton, New York.

It's not just displaced-worker violence that is getting headlines. Among nearly 400 employees asked in late 2008 whether the recession had caused a recent rise in thefts of money among employees, 18 percent said yes, 41 percent said no, and 41 percent were unsure. Though this poll suggests only a small minority of employers thought the recession had led to an increase in employee theft, the media reported the opposite result. The *Wall Street Journal* ran the headline “Businesses Say Theft by Their Workers Is Up.” *MSN Money*, under the headline “Businesses See Rise in Employee Theft,” reported the poll results as follows: “When asked if they had noticed a recent rise in monetary theft among employees, such as fraudulent transactions or missing cash, 18% said yes, 41% were unsure and the rest said they hadn't.” You'll notice that, put another way, 18 percent agree that theft is up, and 82 percent either disagree or are unsure. But that makes for a less sexy headline.

Another mischief factor is companies that exist to provide services, software, and technology to deter workplace theft. While they might provide a valuable service to the organizations they serve, it is in their interest for employers and the general public to believe incidences of workplace violence and theft are increasing. These companies often produce press releases, which then work their way into the media and presumably generate potential clients for the organizations. One such company, for example, publicizes a study of workplace theft, reporting it has increased each and every year since 2003.

We are not arguing that all business press articles—or all studies done by organizations—are inaccurate. But these examples do illustrate one of the benefits of learning OB: Put on your investigator hat, ask questions, analyze the situation, and consider the source!

Questions

1. Does this case prove economic downturns and company layoffs fail to lead to workplace malfeasance? Why or why not?

Answer: Students should recognize that the statistics from the study would indicate little effect of the economic downturn on bad behavior among employees or ex-employees. Reading about incidents of major violence or internal sabotage by released employees shows that they occur during times of economic well-being. The determinant seems to be personal flaws rather than economic ones.

2. Does the case prove we can learn nothing from the business press?

Answer: No, it doesn't. What it means is that each person needs to be a more aware consumer of information to place it into context for meaning without falling victim to the direction of the information source. This is true of not only press reports but any source of information important to the person.

3. Does this chapter provide any clues for how you can be an informed consumer of business news on OB issues?

Answer: The chapter discussions on Systematic Study, Evidence-based Management and Intuition provide clues useful to anyone about approaching situations with greater ability to effectively evaluate them for meaning and interpretation.

4. Some companies install surveillance equipment (cameras, computer software) to monitor their employees. Valenti Management, which owns and runs 117 Wendy's and 17 Chili's restaurants, has installed fingerprint scanners on all its cash registers. Do you think these measures infringe too much on individual privacy? Can a company take prevention too far? How do you strike a balance between prevention and intrusion?

Answer: The answers to this question will depend on the student's ethical position. Most students will likely perceive these steps to be intrusive. But ask them to look at these tools from the viewpoint of the business owner/operator. Does this protect the business from poor behavior by some employees? Sometimes intrusion is necessary on all to prevent bad behavior by the few. Yes, the intrusion can be taken too far to destroy employee trust. The balance can be established by communication between employer and employee about what is being done and why.

Sources: Based on J. Bone, "Gunman Kills 13 and Takes 40 Hostage in Upstate New York Town," *The Times* (April 4, 2009), http://www.timesonline.co.uk/tol/news/world/us_and_americas/article6031421.ece; S. E. Needleman, "Businesses Say Theft by Their Workers Is Up," *Wall Street Journal* (December 11, 2008), p. B8; M. Conlin, "To Catch a Corporate Thief," *Business Week* (February 16, 2009), p. 52; P. McGeehan, "Well Educated, and Now Collecting Unemployment," *New York Times* (April 5, 2009), p. Y23; and "Businesses See Rise in Employee Theft," *MSN Money* (December 12, 2008), articles.moneycentral.msn.com/Investing/Extra/businesses-see-risein-employee-theft.aspx.

Instructor's Choice

Companies Dealing with OB Issues

The assignment is to find an organization that is facing two or more of the four challenges discussed in the chapter. It is recommended that students use one of the recognized search engines to conduct research. Remind students that they may have to read between the lines to discover the effects and response to challenges. One example that can be used to start the discussion (make the connection) is to go to the Nike Web site (www.nike.com) and review the company's statements about having their products manufactured offshore. For the past several years Nike has come under increasing criticism for its manufacturing practices in Vietnam. Have students see how the company explains its current practices and relationships with foreign contractors.



EXPLORING OB TOPICS ON THE WORLD WIDE WEB

Search Engines are our navigational tool to explore the WWW. Some commonly used search engines are:

www.excite.com
www.google.com

www.yahoo.com
www.lycos.com

www.hotbot.com
www.bing.com

Using the World Wide Web (WWW) to locate information can be a useful tool to the student (or manager) interested in exploring topics in OB. For this first exercise, go to www.searchenginewatch.com to learn more about what Search Engines and Metacrawlers do and how they differ. Once you are on the searchenginewatch home page, click on Search Engine Listings, then on Major Search Engines. This page presents an overview of the major engines and how best to use them. Do not forget to look at other topics on this Web site that are interesting to you.

Now perform a search on "Organizational Behavior" using three different search engines. Do the results differ or are they the same? If they differ, why do you think they are different? Write a paragraph or two answering these questions based on what you learned from researching Search Engines. Also, include another paragraph providing examples and/or reasons of when you would use choose one Search Engine over another.

1. The text tells us that OB replaces intuition with systematic study. Where do scholars prepare for a career researching OB topics? Additionally, what if you decide at some point to pursue graduate study in OB? Where would you go? Perform a search to identify two to three graduate programs in OB and print out the home page with the descriptions of these programs and bring them to class. Note that different schools have programs in different departments and disciplines which show the diversity thinking about OB in these programs. If you need ideas as to where to start, try:
 - a. Harvard— <http://www.hbs.edu/units/ob/index.html>
 - b. Official Web site of the Organizational Behavior Division of the Academy of Management— <http://www.obweb.org/>

- If time allows, we will discuss as a class the information you found on the general areas of study and the types of courses required in graduate work in OB.
2. One of the challenges facing managers is the fact that organizations are no longer constrained by national borders.
 - a. Go to the SHRM homepage (www.shrm.org) and identify OB topics that relate to globalization. Try to find as many as possible. Compare your list with a classmate and note the ones you missed.
 - b. Choose one of the topics and on a separate paper write three questions you have on the topic. Click on the topics or Web links on the SHRM homepage and try to find the answers. If you find what you are looking for, write the answers next to your original questions. If you are unsuccessful in finding the answers, write a short paragraph describing what your strategy would be to find the answers you want.
 3. Many organizations look for ways to promote diversity through family-friendly policies. Look for three companies who are incorporating family-friendly policies into their HRM strategy. On a separate paper answer the following questions:
 - a. Who are the companies? (Be sure to list their Web address, too.)
 - b. What are their policies?
 - c. How do these policies attract and keep people?
 - d. Do these policies interest you? Why?
 - e. How might they make their policies more attractive to workers?
 - f. If they make the changes you suggest, what results would you expect? (Is there evidence to back up your opinion? If it is just your opinion, say so, but later we will look for studies that back up or refute your opinion today.)
 4. Find an organization that directly addresses the cost of absenteeism or turnover on its Web site. What, if anything, is that organization doing to reduce those costs? What did your search tell you in terms of the importance or unimportance of these costs to organizations? In class we will meet in small groups to discuss the strategies organizations are using. Once you have found an organization, check with me to make certain that we do not have too many in the class researching the same company. Be prepared to talk about your organization's strategy to the group and possibly the class. Below are some Web sites to get you started, but do not hesitate to perform your own search:
 - a. www.shrm.org
 - b. <http://www.jointventure.org/initiatives/health/96direct/effect.html>
 - c. <http://eafinc.org/jobsvry.htm>