

Experiential Exercise

Power and the Changing Environment

Objectives

To describe the forces for change influencing power differentials in organizational and interpersonal relationships.

To understand the effect of technological, legal/political, economic, and social changes on the power of individuals within an organization.

The Situation

Your organization manufactures golf carts and sells them to country clubs, golf courses, and consumers. Your team is faced with the task of assessing how environmental changes will affect individuals' organizational power. Read each of the five scenarios and then, for each, identify the five members in the organization whose power will increase most in light of the environmental condition(s). (*Note: (m) = male, (f) = female*)

Accountant-CPA (m)
Advertising expert (m)
Chemist (m)
Chief financial officer (f)
Computer programmer (f)
Corporate trainer (m)
General manager (m)
Human resource manager (f)
Industrial engineer (m)
In-house counsel (m)
Marketing manager (f)
Operations manager (f)
Product designer (m)
Public relations expert (m)
Securities analyst (m)

1. New computer-aided manufacturing technologies are being introduced in the workplace during the next 2 to 18 months.
2. New federal emission standards are being legislated by the government that will essentially make gas-powered golf carts (40 percent of your current business) obsolete.
3. Sales are way down for two reasons: (a) a decline in the number of individuals playing golf and (b) your competitor was faster to embrace lithium batteries, which allow golf carts to run longer without another charge.
4. Given the growth of golf courses in other places (especially India, China, and Southeast Asia), the company is planning to go international in the next 12 to 18 months.
5. The U.S. Equal Employment Opportunity Commission is applying pressure to balance the male-female population in the organization's upper hierarchy by threatening to publicize the predominance of men in upper management.

The Procedure

1. Divide the class into teams of three to four students each.
2. Teams should read each scenario and identify the five members whose power will increase most in light of the external environmental conditions described.
3. Teams should then address this question: Assuming that the five environmental changes are taking place at once, which five members of the organization will now have the most power?
4. After 20 to 30 minutes, representatives of each team will be selected to present and justify their conclusions to the entire class. Discussion will begin with scenario 1 and proceed through scenario 5 and the “all at once” scenario.

Source: Adapted from J. E. Barbuto, Jr., “Power and the Changing Environment,” *Journal of Management Education*, April 2000, pp. 288–296.

Ethical Dilemma

Stressing Out Employees is Your Job

Some of the most admired business leaders argue that the only way to get the most out of people is to stretch them. Both business anecdotes and research evidence seem to back this view. “If you do know how to get there, it’s not a stretch target,” former GE CEO Jack Welch has said. “We have found that by reaching for what appears to be the impossible, we often actually do the impossible; and even when we don’t quite make it, we inevitably wind up doing much better than we would have done.”

As for the research evidence, we noted in Chapter 7 that goal-setting theory—whereby managers set the most difficult goals to which employees will commit—is perhaps the best-supported theory of motivation. The implication is that to be the most effective manager you need to push, push, and push more.

But does this pose an ethical dilemma for managers? What if you learned that pushing employees to the brink came at the expense of their health or their family life? While it seems true that managers get the performance they expect, it also seems likely that some people push themselves too hard. When Kathie Nunley, who travels more than 100 days each year, had to miss the occasion when her son won an art competition, the only person she could share her news with was the Delta ticket agent. “It hit me how sad it was that I was sharing this moment with an airline agent rather than my son,” she said.

On the one hand, you may argue that employees should be responsible for their own welfare, and that it would be paternalistic, and encourage mediocrity, for organizations to “care for” employees. On the other hand, if your stretch goals mean your best employees are those who give it all for the organization—even putting aside their own personal or family interests—is that what you wish your results as a manager to be?

Questions

1. Do you think there is a trade-off between the positive (higher performance) and negative (increased stress) effects of stretch goals?
Answer: Student answers may vary here but there is definitely a trade-off of positive and negative especially if the stretch goals are set way too high. It is a question of work-life balance in addition to stress issues.
2. Do you think a manager should consider stress when setting stretch goals for employees? If you answered no, what should a manager do if a valued employee complains of too much stress? If you answered yes, how might you consider stress in setting goals?
Answer: Yes, a manager should consider the employee as an asset, not just a tool in the production process. Setting high but attainable goals is different from setting goals that are almost impossible. Employees may reach the work goals but at what cost?
3. How do you think you would respond to stretch goals? Would they increase your performance? Would they stress you?

Answer: As an employee, you must maintain a good work ethic and work to be as productive as possible. It absolutely increases productivity but you must monitor your own health and habits to ensure a balance, especially if you have a family. Managing stress and change is a part of life, so ensuring that you have good sleep, nutrition, and exercise habits help to reduce stress levels.