



Organizational Audit of



for

MSIS-2501

Building & Leading High-Performance Teams/Organizations

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Introduction

The Boyenga Team is one of the highest performing real estate team in the Silicon Valley Bay Area. The team was started by its two co-founders, Eric and Janelle Boyenga, in 1996. Since then, the company grew to encompass 12 highly talented and skilled team members. Alongside the diverse knowledge and capabilities of all the team members, the Boyenga Team also utilizes its team spirit and cooperation among members to sell over 1,100 properties with a total of more than a billion dollar value of real estate all across the Bay Area.¹ The team has worked with multiple brokers before they partnered with the modern real estate tech company, Compass, of which Eric and Janelle are also the co-founders. In 2017, the Boyenga Team created their reputation as the “Property Nerds” with the slogan “We Engineer Happiness”, in hopes of creating a connection between people within the tech industry and the real estate industry. They also utilize digital technology and social media platforms to market their listings and to differentiate themselves from many other real estate firms.

The Boyenga Team emphasizes on building team spirit and improving team work. This is especially important since most of its work centralizes on coordination and cooperation amongst a group of high producing individuals. It is therefore crucial to have a team that wants to work towards the same goal and have a compatible culture with the team. The Boyenga Team however does not do well in making its culture, vision, team goals, and team values apparent. Over time, some individuals on the team find that there is no overlap between their goals and values, and the team’s goals and values, leading to a high turnover rate.

Problem Statement

The Boyenga Team has had a high employee turnover rate over several years which would be the focus of our analysis. Based on the previous experiences of our team member, we hypothesize that this problem is the result of lack of motivation amongst the team members and consistent failure of the company to take actions for improvements. This study is focused on identifying the factors in motivation that affect a member's behavior.

Approach

Objectives of the Study:

- To know the existing culture of the organization and find its impact on the motivation of team members.
- To learn the team member's relationship with their peers
- To identify compatibilities between individual goals and organizational goals

In order to analyze the problem at Boyenga, we have interviewed the manager and have sent out a survey to be filled by the team members. The survey consisted of 15 questions including few open-ended questions. The survey questionnaire has been designed and personally administered.

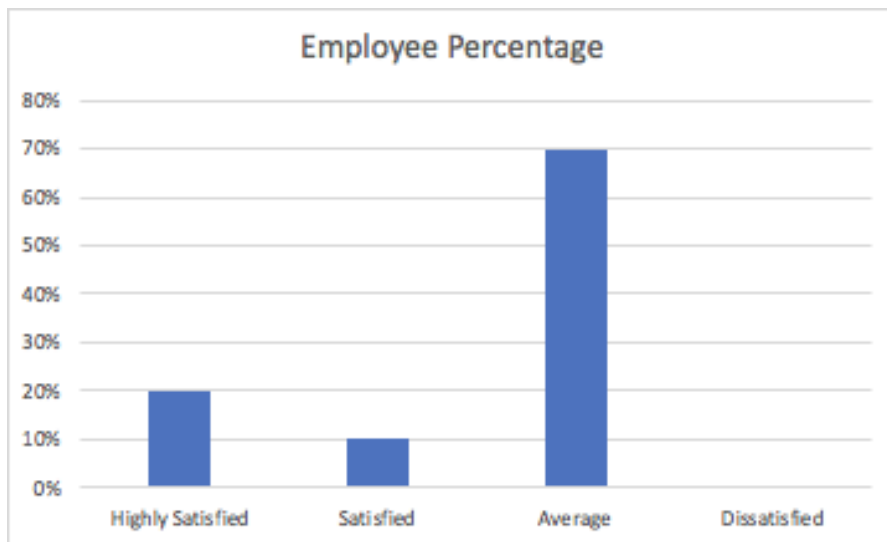
Role	Average tenure
Manager	30 years
Team Leader	6 years
Realtor	1 month to 6 years
Sales Agent	3 months to 5 years

Our team collected data from individuals working in different roles with objective to uncover the following insights:

Manager: To know his/her perception about team member tenure in the team, kinds of goals set, consistency of performance, evaluation of team members and benefits offered (reward system).

Others: To know their opinion regarding atmosphere in the organization, opportunities to grow, relation outside of work, actions that motivate them, rewards for high performance/ punishment for low performance, and about free exchange of ideas.

Based on our data collected, below is the rate of satisfaction for team members as per their feedback -



Limitations of the Study:

1. We only had access to few members as it is a small team, thus sample size is low.
2. Survey is based on opinion of team members which may be biased.
3. It might not accurately reflect the current attributes as the period of study is short and the perceptions of team members could change over time.

Problem Analysis & Recommendations:

1. **Misfit of culture**: Experienced agents in the real estate domain are used to an individualistic style of working, while the Boyenga team's manager promotes a team-oriented culture which can be a misfit of culture for them.

Analysis:

Through the surveys collected from members on the Boyenga Team, a misfit of culture is one of the most concerning problems to the company. A newly hired agent expects to have a flexible schedule, to have trainings and guidances from the team (so that there is a growth potential), to feel belonged and included, and to be recognized for good efforts and good performances. The Boyenga Team however has adopted a culture that is significantly different from those individual expectations and we will analyse how these misfits can remove self-motivation using the Maslow's Hierarchy of Needs. The Boyenga Team expects all members to work according to a client's needs. This means that they work more than five days a week and ten hours a day, resulting in food and sleep deprivation, and unfulfilled physiological needs. At the Boyenga Team, there is also not much growth potential as trainings are not provided and expert guidances are not offered. Due to the independent nature of work, individual agents often do not feel like they are part of the team, especially with the lack of team building activities and team events. On Maslow's Hierarchy of Needs, the safety need and the belonging need are not met. Lastly, there is not a good appraisal system enforced by the company to measure performance, causing a lack of recognition and acknowledgement of high performance and good efforts, and an unmet esteem need. Failure to provide the needs of the individual members creates obstacles on Maslow's Hierarchy. Individuals are not motivated to achieve high-level needs if they have not achieved needs at the bottom of the hierarchy.

Recommendation:

To apply Maslow's Hierarchy of Needs effectively, the Boyenga Team should specifically support fulfillment of the high-level needs after the low-level needs have been satisfied.² They should implement a team work schedule to ensure all members on the team get equal amount of work and no one has to work overtime. The managers of the Boyenga Team should enforce an appraisal system to keep track of individual and team performance. With this system, they can effectively hold meetings once every week to provide feedback on team performance, to provide their expert guidance on ways to communicate and work with clients, and to discuss the current market conditions. Once in a month or two, they could perhaps hold one-on-one meetings with individual members to discuss about personal development. They can also arrange lunch/snacks after meetings to allocate time for team members to connect and build relationships amongst themselves. When the low-level needs are met, individuals are motivated to achieve the high-level needs, and ultimately arrive at self-actualization, fostering a self-serving behaviour.³

2. **Unequal distribution of task**: According to the findings in the survey the new potential client leads received by the organization are passed on to the agents who have recently closed a deal or done well.

Analysis:

In an organization, employees are very sensitive to whether they are treated fairly and reasonably. The equity theory can be applied to this case. Sometimes employees are not concerned about the value of the rewards they receive, but the relative value of comparison with others. People often like to constantly compare with others and make judgments about the degree of fairness, thus affecting their work enthusiasm. In a real estate company, the completion of a

task is closely related to an agent's commission. Therefore, unequal distribution of tasks can be a crucial problem. When team members feel they are treated unfairly, they are likely to leave the current company and enter a new organization, resulting in a high turnover rate.

Recommendation:

The sense of fairness is largely the result of subjective speculation by employees. People tend to think that they worked more than others but get paid less. Therefore, the team should implement quantitative management in the performance appraisal and reward system, so that everything can be scored, and the transparency of each team member's work is improved. Furthermore, when the manager distributes tasks, the reason for the distribution should be fully communicated among the members, so that most members understand how and why the tasks are distributed. By distributing tasks on the basis of broad recognition, the manager can create a sense of fairness in the minds of the team members.

3. **Weak performance appraisal**: Members on the Boyenga team convey the lack of structured performance appraisal mechanisms.

Analysis:

Surveying the Boyenga Team, we understood the impact of performance appraisal systems on an team member's motivation. Performance appraisal systems are a good way to provide and get feedback along with setting new goals and targets for an individual. Team members don't have a clear understanding of their shortcomings and potential areas of improvement due to the lack of constructive feedback. In our conversation with the manager, he agreed that a formal procedure for evaluating the team member's performances does not exist in the organization. In our opinion, this problem relates well to the expectancy theory. Agents expect to have

rewards/feedback for efforts that they have put in to achieve desirable performances, but the absence of a formal system leads to a mismatch. This mismatch lowers the motivation of agents which in turn decline their efforts and performances, and ultimately lead to high turnover.

Recommendation:

In our perspective, the Boyenga Team can work on setting up a formal procedure that evaluates the team members on various attributes and rewards their efforts adequately and fairly. Ideally, this appraisal procedure will be conducted semi-annually or quarterly to include all efforts and achievements of a member, and to record them while these information are still fresh in the evaluator's memory. Such a formal measure, according to the expectancy theory, would complete the chain of efforts leading to performance that is rewarded, which would in turn keep the team members motivated.

4. **Lack of acknowledgement**: The team showed signs of low acknowledgment of work within peers in the organization.

Analysis:

Based on the responses received, we noticed that there was a lack of mutual acknowledgment from the managers to the team members and amongst the peers. Reasons for it could be the nature of work within the organization and competitive nature of the industry. Independent nature of assigned tasks and no accountability for individual tasks lead to indifference towards acknowledgment and recognition. Since the rewards are not tied to team achievement, individuals do not pay much attention to their peer's work. Due to high competition amongst the team members, there could be a deliberate ignorance towards achievements. From our opinion, this leads to a lack of motivation as per the expectancy theory. Some individuals value

appreciation of efforts and achievement more than monetary returns as rewards. The lack of this appreciation leads to unfulfillment of their expectation and lowers their motivation resulting in high turnover.

Recommendation:

The management should have a rewarding system that appreciates both individual and team achievements and efforts. Peer evaluations can be included as a part of appraisal systems which would ensure more accountability within the team. Frequent recognition rewards should be embedded as a part of the company's culture. We believe that an implementation of this system will increase a team's motivation and promote a culture of acknowledgment within the company. Therefore, team members feel satisfied towards the effort and performance that they have put in to gain the desired reward.

Conclusion

Through our problem analysis, we recommend that the Boyenga Team improve motivation of the team by recognizing different needs of each member and tying them to the organizational goal, implementing a fair and effective performance appraisal system to reward efforts and performances accordingly, and acknowledging performance at individual as well as team levels, to increase team member's satisfaction and decrease team member's turnover.

References

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