



## **MGT 689-C: Organizational Behavior & Design**

*School of Business at Stevens Institute of Technology*

Spring 2018

### **Mini Case Analysis: Is Anybody Listening?**

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**Date:** 03/11/2018

#### **Introduction**

Bart Gaines, Leron Cathy and Craig Langley are Plant managers who work for an automobile manufacturing company. The Company recently began to produce vehicles with a T-latch which was introduced to improve safety of the door locks in vehicles. The T-latch was built for the rear seat doors and brought in a sense of improved safety for the family segment vehicle.

On implementation of T-latch in the family segment cars, the firm noticed a significant increase in the sales of these vehicles. There was a possible issue in the T-latch noticed by the plant managers which was ignored by the management team.

#### **Context**

The automobile firm noticed a drastic improvement in the sales of the family segment vehicle and the cars received several awards, which resulted in a bad feedback control model in the management team. The middle management team was so proud of the vehicle that they ignored the feedback given by the plant managers.

Unfortunately, the plant managers Bart Gaines, Leron Cathy and Craig Langley, found that the T-latch had a fault, in cases of extreme heat or weather conditions the T-latch cracked and failed to work. This was a serious issue since this could be a potential risk for family safety in cases of emergency or extreme weather conditions. Plant managers did try to put up the problem with the Middle Management Team, but they didn't succeed. The middle management said that they didn't find any issues with the T-latch. The management team should've taken this issue seriously and conduct various tests over this issue to evaluate if the issue raised was valid.

In my view this vehicle has high sales, profit and good reputation in the market, so the middle management must take a serious note of the feedback received from the plant managers and take serious action over it. Any damage that is potentially caused by the company knowingly can result in a very bad impact over the firm. For example, when the CEO of Volkswagen exposed the pollution flaw in their vehicles resulted in him stepping down from the position, aa huge loss of fame and faith worldwide for the firm.

### **Key Issues, Challenges or opportunities – Identity and Cause**

The introduction of the t-latch was the way forward in ensuring safety in vehicles but, T-latch had some problems that were not noted. The T-latch had a risk of cracking/failing during extreme weather conditions meant that the users/people using these vehicles were at risk. The performance of the T-latch wasn't up to the set standards. Instead of enhancing safety, it put the users at risk. The plant managers found this malfunction of the T-latch and informed the management. The management should have investigated about this matter seriously and conducted a series of tests. If the T-latch would have been found defective, the company would have recalled the sold vehicles for modification of T-latch. They firm would improve the latch in future vehicles to ensure it has no issues. Taking such corrective measures ensures that the firm indeed guarantee's family safety.

### **Analysis of the Alternatives, Actions or Decisions**

The feedback mechanism of the firm is not correct. The quality control measures need to be taken seriously. There needs to be a new feedback control model implemented that ensures proper methodologies to deal with feedback. The plant managers should also be given some permission to discuss issues with top management.

### **Feedback Control Model**

- Step 1 – Establishing objectives and standards: The control process begins when performance objectives and standards are set through planning. Both output standards and input standards are established at this step.
- Step 2 – Measuring actual performance: During this step, attention is devoted to accurately measuring actual performance results and performance efforts.
- Step 3 – Comparing results with objectives and standards: The comparison made at this step is summarized by the following control equation:  $\text{Need for Action} = \text{Desired Performance} - \text{Actual Performance}$ . Methods of comparing desired and actual performance can be assessed through any of the following alternatives: a historical comparison, a relative comparison, or an engineering comparison.
- Step 4 – Taking necessary action: This step involves taking any action necessary to appropriately address differences between desired and actual performance. Managerial attention is focused on those situations with the most significant deviations between desired and actual performance. Two types of exceptions can be recognized with the control equation: a problem situation and an opportunity situation.

### **Proposed Solutions or Alternatives**

The feedback control model needs to have a standard set of rules and protocols. Management needs to utilize the feedback received to evaluate the performance against set standards. The feedback control model has four steps.

- 1) Establishing objectives and Standards, Determination of strategic goals
- 2) Measuring actual performance and Establishing standard of performance
- 3) Comparison of performance with set of standards
- 4) Taking of corrective action if the need arises.

The feedback control model can be effectively used in this case. The automobile company aims to create vehicles that guarantee family safety.

There should be an analysis conducted over the present situation of the firm and the vehicle. The most effective analysis that can be used to analyze the present situation is SWOT analysis. It will help the firm assess its Strengths, Weakness, Opportunities and Threats. Using this the firm can further implement strategies to improve itself.

### **Recommendation**

- Implementation of a better feedback methodology in the firm, which improves communication and decreases the barriers of communication. So a new Feedback Control mechanism will be implemented which will ensure faster and proper response.
- This will help employees and customers to easily reach out for any issues.
- SWOT analysis over the present situation of the firm and the car to improve further.

### **Summary**

The most misunderstood type of information across various layers of management was the performance of the T-latch versus the main strategic goal. The sales of the vehicles increased as more customers purchased vehicles with T-latch. The middle management refused to investigate the fault of the latch despite concerns and issues raised by the plants managers. The management didn't look at the long-term effects of a malfunctioned T-latch. Team work could have been the best way for the management to overcome this problem. The management can use SWOT Analysis and correct any problems noted in the T-latch and the vehicle and further improve the feedback system using better control measures.

### **References:**

Organizational Theory and Design 11<sup>th</sup> Edition by Richard L. Daft