

**Your organisation has gone through a period of downsizing following the global credit crunch. The organisation is still profit-making, but a recent and extensive consultancy report has identified that employee engagement has reached a very low point. You have been asked by the corporate Board to identify actions that managers can take to address this issue. What would you advise that managers can do to enhance work-related attitudes?**

*Essay 1 Solution*

The three key concepts on work related attitudes are Job Satisfaction (JS), Organisational Commitment (OC) and Job Involvement (JI).

JS is a pivotal construct that includes facets of work, rewards (extrinsic and intrinsic), attitudes of fellow workers, supervision and promotion. The fact that the company has gone through change including downsizing and de-layering indicates that JS will have been affected by these changes. Downsizing usually involves changes in work load, inevitably results in changes in personnel, and cuts down possible career options through a flattened structure. For the individual, the determinants of JS are years in career and expectations, the latter being effected by downsizing/de-layering. The organisational determinants of JS are supervision (reducing through downsizing/de-layering), job challenge (possibly increasing), job clarity and incentives (including, of course, the idea that people look for equity in pay). There is an indirect link between performance and JS with rewards being a mediating function.

It is not clear that the company is regularly measuring JS currently and there are methods available that can be adopted, such as the Job Description Index and the Minnesota Satisfaction Questionnaire. Once measurement has taken place, the key actions to encourage greater engagement are:

- ☐ Communicating clearly how people can achieve promotion with a possible refocusing on job enlargement or involving additional job challenge through alternative progression structures like career changes.
- ☐ Careful design of rewards systems to ensure that these are being perceived as equitable alongside a wider understanding that rewards need not always be about money are important.
- ☐ Through downsizing and de-layering, the role of supervision is likely to have changed especially if self-directed teams have been introduced and the consequences of this need to be clearly communicated to staff, possibly through training.

OC and JI are two other work-related attitudes that have been more recently researched. OC is about employees buying into organisational objectives, a willingness to exert considerable effort on behalf of the company and a desire to remain part of the organisation. Employees with OC will be ambassadors for the organisation and defend its reputation. OC is different from JS because it involves a wider perspective going beyond the job to the whole organisation. JI is about how much an employee identifies with his/her job, active participation in the job and is a key element of how the individual identifies their self-worth. JI is less at risk from the effects of downsizing/de-layering because the attitude is tied to the individual job rather than organisational factors.

The Board is not clear what the current position is and there is, therefore, a need to collect data to diagnose what the problem actually is;

- ☐ Defining clear promotion paths, equitable reward structures (both extrinsic and intrinsic), and having clear roles, especially for supervisors, are practical methods for ensuring that individual expectations lead to JS;
  - ☐ For OC and JI managers need to:
    - ☐ Demonstrate that they care for employees;
    - ☐ Create opportunities for people to achieve personal goals;
    - ☐ Modify jobs through job design and enlargement to increase opportunities for intrinsic rewards;
    - ☐ Find ways to reward people regularly and equitably;
    - ☐ Set goals including both organisational and personal development issues that are meaningful to employees.
- 

**You have just completed your MBA and at a review meeting with your boss you have been told that you do not make best use of the power you have available to yourself in the organisation. This is now seen as the main barrier to you being promoted into a general managerial post. You have committed yourself to reviewing personal and organisational sources of power with a view to being promoted. Provide an outline of what you should consider in a personal action plan.**

*Essay 1 Solution*

The need for Power is one of the three major socially acquired needs, along with the need for Achievement and the need for Affiliation. The need for Power is manifested in either a personalised or a socialised form. In thinking about promotion, it is likely that demonstrating a personalised need for power will be seen as a negative attribute (as this involves a focus on self to the detriment of the teams in which you work and the overall organisation). This need for power can often be demonstrated by highly Machiavellian personalities. The socialised need for power is now seen as being much more positive through the impact this has on teams and the overall organisation (and organisations may recognise this by rewarding such behaviours through promotion).

You can choose to use the sources of power that you have. If sources of power are not utilised, then they effectively do not exist. From the feedback, your manager states that you are not utilising the sources you have.

There are five individual sources of power. Three are associated with your position in the organisation, while two are associated with you as an individual. The organisationally associated sources are Reward, Coercive, and Legitimate. Thus, being in the position to reward people for appropriate behaviours or delivery of objectives is a source of power, but thinking about promotion has to be balanced against the business need to minimise costs. Coercion as a source of power means that you have the capability of providing negative outcomes to someone not displaying the required behaviours or delivering on their objectives. Again, there is a negative side to this source of power as many organisations have rules (and some countries laws) against bullying in the work place and consequently the manager needs to make careful use of coercion. Legitimate power comes with your position in the organisation and the responsibilities you have been given – i.e. who you can legitimately give 'orders' to (your ability to direct people to do work). The individually located source of Referent power comes from how you are respected or liked in the organisation and having this source of power

usually means that you are perceived to be a role model. Expert power comes from a recognition that you have a particular specialised expertise that the organisation values.

Sub-units, of which you might be the manager, obtain power by providing a service that is scarce within the organisation and through that scarcity you will have power within the organisation. If your unit(s) have the ability to reduce or remove uncertainty in the organisation, then power can again accrue to you as the manager. If your sub-unit is central to the delivery of organisational objectives, then again you as the manager can be seen as being associated with success. Finally, if your sub-unit is the only one that is

capable of delivering its product (or service), then that very absence of substitutes can be a source of power for you as the manager.

Making better use of the sources of power available to you may be achieved through:

- ☐ Building an image of success through effective communication of those successes within the organisation or more generally;
  - ☐ Creating an obligation in others by doing favours that can be returned in future;
  - ☐ Identifying with powerful people in the organisation who can impact on your career progression;
  - ☐ Giving excellent performance, doing an excellent job, through volunteering for hard tasks and defending the organisation;
  - ☐ Limiting access to information— 'information is power';
  - ☐ Controlling supplies and budgets – especially when these are concentrated;
  - ☐ Developing a network is about nurturing a good support system that will provide you with organisational support;
  - ☐ Reorganising the job to take on more responsibilities;
  - ☐ Taking risks and being creative – most organisations will accept the occasional failure if this is balanced by successes;
  - ☐ Being a knowledge worker and building a wide expertise;
  - ☐ Managing the rules of the organisation for the benefit of the organisation– not following rules blindly that lead to potential loss;
  - ☐ Controlling personnel and finance decisions;
  - ☐ Managing your boss.
- 

**As the Human Resources Director of your company, you are coming to the end of planning for a major change in how people are rewarded and promoted within the organisation. You are aware that several companies in your sector have failed to effectively introduce similar systems in the last couple of years, but you are confident that the design your people have created makes your system a much superior one. Through your study of OB, it has become clear to you that there needs to be a managed process for implementing such a change. What actions can help to ensure that effective implementation happens?**

Kurt Lewin suggests that planned change needs to go through the 3 phases of unfreezing, changing and refreezing. Dailey extends this 3-phase approach into an 8-step approach:

- ☐ Diagnosis is the step in which the company, perhaps with a change agent, identifies key symptoms of the problem requiring change at the individual, team and organisational level. A steering group to manage the change process may also be set up in this stage.
- ☐ Resistance is the step in which management can plan their reaction to the inevitable resistance to change that people originate as a response to fear that the change threatens them in some way. The key way of managing these fears is to involve people in the process of change.
- ☐ Carry-over is the step in which the change is implemented into the work situation and reinforced by the behaviours of those involved.
- ☐ Evaluation gives the organisation the ability to understand the effect of the change(s) that have been put in place and is often characterised through the identification of successes. Such successes would be measured at the individual level of employee attitudes/feelings, knowledge and behaviour, from a customers point of view and finally from the point of view of the organisation as a whole.
- ☐ Institutionalisation is the step that allows the organisation to embed the change into the standard systems, culture and structure of the organisation.
- ☐ Diffusion is the step that allows an organisation to adopt a change that has originally been adopted in a small part of the organisation, to an organization wide basis.

The key practicalities of planned change include:

- ☐ Support from senior managers is important because if they do not 'walk the talk', then more junior employees will not follow-through in delivering the change.
- ☐ Major change is usually initiated from either environmental uncertainty or environmental change and can prompt change in goals/strategy, technology or structure. For change to be successful, a sense of crisis may need to be present in the organisation (i.e. employees need to understand the need for change).
- ☐ There is a need for a clear vision of the future that will guide the change; the change process and will be capable of being communicated to employees.
- ☐ A clear process of change will increase the probability of successful change being achieved.
- ☐ Whilst participation of employees is important, there are occasions when it becomes less important (e.g. when time is key, where top management has all the necessary information, when outcomes will have little effect on employees, when employee acceptance is not crucial, or when employee skills development is not a key part of the process).
- ☐ The direct transfer of learning (in carry-over, institutionalisation or diffusion) is not always possible as there may be the need to customise the change to differing local circumstances.
- ☐ There may be a need to link change to reward.
- ☐ Unions sometimes can pool individual resistance to change to create a larger barrier to change.