Spring 2-1-2004

BADM 340.01: Management and Organisational Behaviour

Pamela Matthews

University of Montana, Missoula

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SUBJECT OUTLINE

BADM 340, Section 1 – Management and Organisational Behaviour
Spring 2004

INSTRUCTOR
Dr Pamela Mathews
Office: GBB 320
Telephone: (406) 243-2956
Email: pamela.mathews@business.umt.edu

Office Hours: Monday 9.00 -11.00 am
Wednesday 9.30 – 10.30 am
2.00 – 3.00pm
Other times by appointment

CLASS CONTACT
This subject will be taught:
Tuesday and Thursday 11.10am-12.30pm
Location: GBB L222

Subject overview
This subject is designed to provide you with an introduction to the fundamentals of
management and behaviour within organisations. It is intended to introduce you to a
broad range of issues that will help you to understand people and their behaviour in
the workplace. Through an examination of concepts related to diversity, motivation,
personality and attitudes, decision making, conflict, leadership and change
management, you will gain a much greater insight into how activities are organised
and why, in a formal organisational setting.

Both theoretical as well as practical (application) issues relating to the concepts will
be examined through the use of a combination of lectures, class discussions, case
studies, and experiential exercises. These activities are designed to be challenging and
fun, and your active participation in class activities and discussions is essential, and
will enhance your learning experience.

Aims and objectives
The aims of this subject are to provide you with a comprehensive coverage of the
theoretical as well as the practical issues associated with working in, or managing an
organisation. Specifically, by the end of this session, students will be expected to be
able to:

- Demonstrate an understanding of the theories of management and
  organisational behaviour, and the practical implications of these for managers
  and leaders.
- Develop skills in identifying problems associated with the management of
  people, and propose possible solutions.
- Increase awareness of the importance of ethical principles, personal and corporate values, and social responsibility in management practice.

PREScribed TEXT

Assessment
Students are required to complete three (3) items of assessment. All are compulsory and make up 100% of assessment. No late assignments will be accepted, or extensions granted without an adequate reason or presentation of a medical certificate.

Assessment item 1 - Essay
Due Date: 24th February 2004
Value: 30%
Length: approx 2,500 words

The culture of an organisation can have a significant impact on how that organisation operates. Choose an organisation that you are familiar with (eg. place of work, club) and identify the visible and invisible manifestations of its organisational culture, and examine how these influence employee behaviour.

- Please note: You are expected to make use of at least six relevant sources in compiling your paper, and must demonstrate appropriate referencing of all source material. You should also provide justification and supporting evidence for observations made and opinions expressed.

Assessment item 2 – Case Study
Due Date: 6th April 2004
Value: 40%
Length: approx 3,000 words

Read the attached case study entitled “Playing Footsy with the Family Business” and answer the three questions that appear at the end. All questions are of equal value.

- Please note: You are expected to make use of at least six relevant sources in compiling your paper, and must demonstrate appropriate referencing of all source material. You should also provide justification and supporting evidence for observations made and opinions expressed.
Assessment item 3

Date: 10-14th May  
Value: 30%

The final assessment item for this subject will be an examination consisting of two parts. Part A will contain short answer questions and Part B will be a short case study. Further details regrading the exam will be provided two weeks prior to the examination.

Class participation and expectations
Regular class attendance is expected and you must prepare appropriately for each topic. You should aim to read the specified materials or handouts before attending class as this will enhance your learning and enable you to get the most value from interactive activities. As the course is designed to make use of various different types of activities it requires your full participation in all aspects of the class.

If you have an authorised disability which requires accommodation, please see me during the first week of class.

Grading Policy
Letter grades will be based upon the following guideline:

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<th>Grade</th>
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<tr>
<td>A</td>
<td>90% and above</td>
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<td>B</td>
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<td>60-69%</td>
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Final grades will be determined by performance in the three (3) specified assessment items:

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<th>Assessment Item</th>
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<td>Essay</td>
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<td>Case Study</td>
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<td>Exam</td>
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Total 100%
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<tr>
<th>DATE</th>
<th>TOPIC</th>
<th>REQUIRED READING</th>
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<tr>
<td>27th January</td>
<td>Introduction- What is this subject about? Why study it?</td>
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<tr>
<td>29th January</td>
<td>Introduction to Management and Organisational Behaviour</td>
<td>Chapter 1</td>
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<td>3rd February</td>
<td>The Business Environment</td>
<td>Reading</td>
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<td>The role of ethics and social responsibility</td>
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<td>Diversity in organisations</td>
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<td>12th February</td>
<td>Organisational culture, socialisation and mentoring</td>
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<td>Managing across cultures</td>
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<td>Social perceptions and attributions</td>
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<td>2nd March</td>
<td>Motivation I</td>
<td>Chapter 8</td>
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<td>4th March</td>
<td>Motivation II</td>
<td>Chapter 9</td>
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<td>9th March</td>
<td>Linking job performance and rewards</td>
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<td>Group dynamics</td>
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<td>25th March</td>
<td>Communication</td>
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<td>29th March – 4th April</td>
<td>Mid-Session Break</td>
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<td>6th April</td>
<td>Power and Politics</td>
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<td>Leadership</td>
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<td>Designing effective organisational structures</td>
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<td>15th April</td>
<td>Organisational change and stress</td>
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<td>20th April</td>
<td>Organisational Innovation and Creativity</td>
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<td>22nd April</td>
<td>Control processes</td>
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<td>27th April</td>
<td>Human Resource Management</td>
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<td>Organisational socialisation and commitment</td>
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<td>4th May</td>
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<td>6th May</td>
<td>Revision</td>
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<td>10th – 14th May</td>
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CASE STUDY

Playing Footsy with the Family Business

Background
In 1990, Joseph Savenor, founder of a small shoe manufacturing company in North Deighton, Massachusetts, died at the age of ninety-six. Despite the fact that he had turned the day-to-day management of his business over to his son-in-law, Abe Seiler, ten years earlier, Joseph Savenor had continued to go to his office daily until just two weeks before his death. Savenor’s strong hand and Old World management style were very much a part of the company culture. He knew all of the workers, some of whom represented second and third generations in the company; they considered him to be a grand old man, and indeed Joseph treated them with a firm hand but well. More than one told stories of his coming to their aid in times of sickness, helping them to educate their children, and supporting them as if they were family. The company had never had a strike, and notwithstanding attempts by the Shoe and Boot Workers Union to organise the Savenor employees, they had shown no interest. The company had always been profitable, and the Savenors had become one of the wealthiest families in the North Deighton area.

Beginning in 1980, Joseph had begun to gift shares of stock in the company to workers on their twentieth anniversary of employment. By the time he died, this amounted to about 20 percent of outstanding stock, largely held by employees who had retired or were nearing retirement. In his will, the old man left his remaining 80 percent stock interest in the company, as well as the other assets of his considerable estate, to his two daughters and two sons in equal shares.

One daughter, Eleanor, in her sixties and never married, worked for the company as head of sales. She managed seven people, who had been with the company and average of twenty-seven years. Their sales routes were well established and changed little. It had been more than five years since there had been any growth in the customer list, and sales were sluggish. The market for shoes had shifted largely to discounting, with domestic shoemakers having an increasingly hard time competing against foreign manufacturers.

Joseph’s eldest son, Malcolm, was a busy and successful ophthalmologist in Manhattan. Malcolm had never had much interest in his father’s business, considering it a “trade” that was far beneath him both socially and intellectually. Malcolm’s wife, Anne, however, saw the words “my son the executive” written all over the inheritance. Here was a perfect opportunity to install Jeffrey, a thirty year old college dropout with a spotty work record, in an “appropriate” position.
Haro, the “baby” in the family, was a Professor of Sociology at Simmons College in Boston. Like his brother, he had little interest in the business. To him, the best thing he could do with his stock would be to sell it and use the proceeds to finance his studies of primitive tribes on remote Indonesian islands. Nonetheless, he had some sentimental feelings toward his father’s company and especially toward the cutters and stitchers, who, when he was a small child, used to fashion playthings for him out of leather scraps and often sat him in their laps and let him pretend to run the huge machines.

The other daughter, Susanne, was married to Abe Seiler. She shared her father’s loyalty to the family and had grown up with the feeling that the employees at Savenors were an extension of that family. Susanne and Abe had two sons and a daughter, all of whom had worked for the company for a number of summers, each coming on full-time after graduation from college.

The Plan
Abe Seiler had, for a long time, wanted to make radical changes in the company, moving it primarily into retail operations with a series of outlet stores. This would mean phasing out manufacturing and wholesale sales, and purchasing leather goods – shoes, belts, purses, and so forth – from abroad. He believed that the long term future of the company depended on taking it in new directions, but he was also aware that this was not feasible during Joseph’s lifetime. Quietly, and without discussion, Abe researched the possibilities, worked out a plan, and became increasingly convinced that the retail store concept would be enormously profitable and considerably enhance the value of the company’s stock. He knew he would have to get rid of the “dead wood” and bring in new, young, and dynamic leadership to execute the plan.

After Joseph’s Will had been probated, Abe moved quickly to try to buy the others’ shares. He had the business appraised and offered Harold just slightly more than the appraised value of his 20 percent. Harold gladly took the money. Eleanor and Malcolm weren’t so easy. Indeed, Eleanor was adamant about retaining her stock, and Malcolm offered Abe a true Hobson’s choice – either he would sell his shares to an outsider, or he would turn them over to Jeffrey – Abe could decide. Malcolm and Anne also wanted Abe to agree to make Jeffrey a vice-president. Personally, Abe believed he would have fewer problems with an outsider, but Susanne was uncompromising about wanting to keep her father’s company within the family. For the sake of his marriage, and because his wife was both a stockholder and a director, Abe grudgingly agreed. Malcolm and Anne turned their stock over to Jeffrey, who also became vice-president for manufacturing. “At least”, Abe thought to himself, “if all goes as planned, manufacturing and wholesale sales will be a thing of the past within two to four years, and this kid will have to find something else to do”.

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The Board of Directors
Prior to Joseph’s death, the company’s board of directors consisted of Joseph, who was chairman and CEO; Abe, who was president and chief operating officer; and each of the four children. The board met four times a year, received a brief report on operations and the latest company financial statement, and voted a dividend. Once a year, they went through the formality of re-electing the officers. Joseph used these meetings as an opportunity to gather his family around him, and it was understood that the meetings were essentially ceremonial. No other meaningful business was transacted, as there was a tacit understanding and agreement that Joseph was in charge. Therefore, the board meetings, often scheduled around holidays, served as little more than joyous reunions for this close-knit family. Joseph had always been generous in gifting a portion of the dividends to his children; in those years following his wife’s death in 1978, this portion had steadily increased.

After Joseph’s death, Malcolm, Susanne, Harold and Eleanor remained directors. Abe became CEO, the board was reduced to five, and the position of chairman went unfilled.

Abe
Abe Seiler was a high school physics teacher when he met and married Susanne Savenor. Susanne’s father was openly critical of both his daughter’s choice of spouse and Abe’s choice of career. “He’ll never be anything,” Joseph told his daughter on many occasions, “and just how happy are you going to be living on his salary when your hormones stop running your life?” Susanne knew that Abe was happy in his job, but after their second child was born, Susanne began to worry about how they were going to survive.

After seven years of marriage, Abe went to work for his father-in-law in the purchasing department. Abe’s style was abrasive, and it was only because of his concern for his daughter that Joseph intervened when Abe offended the workers by making what they considered to be unrealistic demands. After a while, the workers began to joke about Abe and essentially ignored him. Joseph, aware of the problems, nonetheless was insistent that Abe remain a part of the business. While it took pretty close to ten years, Abe finally began to like the business and actually got quite good at handling purchasing and finance, areas that did not bring him into close contact with the employees in manufacturing and sales. Later, despite his being second in command, he remained largely shielded from employee contact, those relationships being maintained by Joseph and Eleanor.

Eleanor
Eleanor Savenor had gone to work for her father immediately after graduating from Katherine Gibbs Secretarial School. Her whole life revolved around her family, and like her sister, she saw the employees at Savenors as family. Once a month, Eleanor
and her sales staff would get together at Leonard’s, a local restaurant, for lunch, and the group often entertained one another in their homes. Retired members remained very much a part of this network.

**The workers**

Virtually all of the workers at Savenors lived in North Deighton, within a mile or two of the plant – it was rare, even for a retiree, to move away – and most of them belonged to a local Portuguese Church. Turnover at the company was virtually nonexistent. Employees tended to join the company after high school, a few completed college, and most stayed until retirement. In many cases, husbands, wives, and children of the same family all worked at Savenors at the same time.

The company had been late in instituting a retirement plan; thus most of the retirees lived on their Social Security and welcomed the small dividends they received from their Savenor stock. When one of them ran into trouble, he or she would go to Joseph Savenor, who invariably reached into his own pocket to help them out.

**Abe’s problem**

Eight months have passed since Joseph’s death, and Abe Seiler wants to move ahead with his plan to change the direction of the company. Deep down inside, Abe has a feeling that getting some of the members of the family and many of the employees to accept what he has to propose will not be easy. Not being a “people person,” however, he really isn’t sure why. He knows that his plan will make money and possibly even save the company from a severe downslide. But Abe has never taken courses on management, and he needs help to figure out how to get his plan accepted.

Does Abe Seiler have the power, insight, and ability to change radically his late father-in-law’s company from a stagnating manufacturing operation to what he believes will be a more viable import/retail outlet operation with the potential for growth and expansion? Abe has limited power, as an outsider in a family held business, and his credibility with at least some of the stakeholders is in question. To effect the change, Abe is going to have to do a meaningful stakeholder analysis and gain an understanding of how to convince at least some of those stakeholders that the move will benefit them without seriously damaging existing norms and interests.
Questions

1. Analyse the group dynamics at Savenor Shoe Company and the roles of the members within the various groups, being sure to identify and discuss the areas of group cohesion, norms, and stages of group development.

2. Using Force Field Analysis, identify the driving and restraining forces that may impact upon Abe’s plans for change. (A graphic depiction of this may be useful to illustrate the difficulties that could be encountered).

3. Identify the resistances to change that Abe may encounter, why people resist change, and how Abe can reduce this resistance. Your suggestions should be realistic, and practical, and supported where possible with reference to relevant theoretical material.