

Soualiga Supplies

A big American hardware and building materials store decided to expand its operation to the Caribbean and is planning to open a branch on St. Maarten. Being a large company they buy products in bulk and figured they can retail their products considerably cheaper than the competition on St. Maarten. The company will operate under the local name Soualiga Supplies NV and thinks to be able to become market leader within 5 years in St. Maarten.

1. *What form of organization is Soualiga Supplies? Explain why.*

It is a sales organization, it does not transform the products it sells

For several months reconstruction has been in full swing at the old supermarket building to construct the Soualiga Supplies super store. The mother company has their own remodeling and reconstruction department since they have dealt with setting up super stores many times before. The local authority, the executive council of St. Maarten however, insisted that they use local laborers and subcontractors wherever possible. The project consisted of a project manager, George Ash, a site manager Tony Crown and 6 different building/ decorating crew's consisting mainly of local construction workers under the supervision of American supervisors. The remodeling phase is planned to take 1 year.

The project is seriously falling behind schedule. Nearly all crews fall short of expectations and the supervisors complain that the 'American' set targets are not realistic in the Caribbean. Over time several supervisors have asked to return to the USA. Overseeing all crews was the site manager Tony Crown, who argued that he kept trying to reason with the supervisors and their crews about the set targets. The crew consists mainly of local workers, they were skilled enough and he didn't want to be watching them all the time. But they didn't seem to be motivated much. They make up excuses, come late all the time and cut corners to such an extent that when the work was inspected afterwards it sometimes had to be done over completely. George then had Tony replaced by 'Iron Jim'.

For months now the acquired building of a former supermarket is being transformed into a modern hardware 'Super Store'. George Ash has reported in his monthly progress report by e-mail, to the main office that he has run into serious difficulties with the local staff and doesn't think he will be able to solve these problems and be ready on the scheduled time. The main office has responded by sending three persons to help with the situation and start preparing the opening.

2. *Draw the MMR model and then apply it to this situation, who is who and what feedback was given.*

Messenger is George Ash, the Medium is the internet, the Message is that they are having problems and are not making the target date, the Receiver is the mother company, the Feedback is sending three people to help.

3. *Every message can have two goals, name them and identify what part of the message is which.*

They are Cognitive goals, and Persuasive Goals. The cognitive part is the information that we are falling behind on schedule. The Persuasive part is the part where he states he doesn't think he will be able to solve these problems; this implies a request for help.

4. *Is the progress report a form of internal or external communication and is it formal or informal?*

It is internal formal communication

These three persons are a senior project manager Harry Browne, the intended future branch manager Garry Futuro and Anna Dupont a senior Human Resource Manager who has worked on several international projects. She understands that local labor markets differ in the skill of workers, the height of wages, labor laws and customs formed by culture. Her assignment is twofold, assists in solving whatever problems there are with the local staff in this phase of reconstruction, and start preparations for the staffing of the new branch once it becomes operational.

In order to assist management in solving the problems with the staff Ana suggested studying the progress reports and starting interviewing several key persons to hear their views on the situation. One of the first ones she interviews is Iron Jim. He tells her that he figured very quickly that these workers didn't like to work, so you better be on their case. Be everywhere, hire two foreman for every crew to pay close attention on how the workers do the job and fire at least one worker every month to let the rest know who they dealing with. In his interview Jim further explains that he drastically simplified their job descriptions and reduced the span of control by adding the foremen to the crew. This way the foremen can closely supervise their work.

5. *What type of manager/ leader is Iron Jim, explain your answer.*

Jim can be considered an Authoritative manager because he gives very detailed orders, and takes severe measures against those who do not adhere.

6. *Hersey and Blanchard have a theory in which 4 possible scenarios can occur in reference to the degree employee's are willing and able, and which leadership style should be applied in those situations. What are these 4 scenarios? Which is Iron John applying, and which one may be better suited according to the theory?*

The scenarios and subsequent management styles are:

- Unmotivated / Unqualified: Telling
- Motivated / Unqualified: Selling
- Unmotivated / Qualified: Participating
- Motivated / Qualified: Delegating

Jim applies the style of telling. Here we seem have scenario 3, Unmotivated but Qualified, the participating style may be a more effective approach.

7. *What two important ways of gathering information are there, which ones are applied here?*

We have Desk research and Field research. Both are applied here, going over the previous reports is Desk research, doing interviews is Field research.

8. *To be useful information must meet certain conditions, what are they?*

Information must be: Trustworthy, Relevant and Actual.

The workers on the other hand feel treated badly for the lack of confidence in their abilities, are bored with their jobs and feel they are underpaid especially compared to their American supervisors and foremen. Turnover is high and the HR officer says it is getting harder to find new workers for the company is getting a bad name. The fixed compensation is rather low and there is a big demand for these construction workers on the labor market right now. But George had refused to increase wages as long as targets are not met.

Recently Soualiga Supplies had a referendum and a union now represents the workers. The Union had addressed several issues about the way people are being treated and even called it racist. When the outcome of talks with George Ash was not satisfactory the union addressed their concerns also to the mother company who already got some worrisome news from the investors about the progress of the project. The company had a referendum and the workers are now represented by a Union. They are pushing for a Collective Employment Agreement, or CLA in which they hope to regulate several issues. The project is serious behind schedule and is estimated to take another 6 months to complete. Anna has gotten a free hand to negotiate with the Union to come to a solution. The Unions biggest issues are the pay, and the management style of Iron Jim. The main concern of the mother company is to get things going as fast as possible and not starting off with a bad name in this new market.

9. *Explain the concepts of corporate identity and image, which of the two here is at stake?*

Corporate identity is how the company sees it's selve. Image is how it is seen by outsiders. Here their image is at stake.

In the mean time the mother company of Soualiga Supplies has recalled George Ash to the States and put the new senior project manger; Harry Browne, in charge of the reconstruction, and the intended branch manager in charge of preparations for the opening.

10. *Every Organization is influenced by its environment. What kind of factor is the insistence of the Executive Council to use local workers? And in what category we place the Union?*

1. political factor and 2. interest groups.

11. *Which of the organizational theories takes environment in consideration?*

The contingency theory

12. *The mother company at one point decided to take on the job of reconstruction or remodeling newly acquired locations in Hardware Superstores. In terms of changes in the production process; how do we call this?*

It is called diversification.

Ana took careful notice of the misfit between American Management and Local Construction Workers, also to avoid similar problems in the operational phase. She discussed with Harry Browne, who agrees with her on this to bring in a local firm to handle the reconstruction. They are negotiating with Gamma Management and Construction, for the job. The Union has accepted the invitation to come to a meeting and agreed that negotiations for this CLA only apply to the construction phase and not to the operational phase. Anna is preparing a negotiation meeting with a delegation of the Union and has a number of alternative scenarios prepared.

13. *Which 4 questions we should ask ourselves in preparation of a formal meeting like this?*

- What is the goal of the meeting
- What is the relationship between the two parties
- How to structure the meeting
- Where to hold the meeting

14. *Which conversation skills one generally needs to have a professional conversation? and name 2 examples of each*

Communication skills, like: listening, asking questions and reflecting on the content.

Structuring skills, like: to lead and to summarize.

15. What type of meeting would you consider this to be? Explain your answer.

We would consider this to be a decision making meeting. Negotiations are typically geared to reach decisions. It is not a problem solving meeting for it is not an open discussion to find the best possible solution.

16. Draw up a typical agenda for this meeting.

- Opening
- Determination of the agenda
- Attendance
- Main topics: management, pay schemes, work schedules
- Open floor
- Ending

The meeting is very successful. Both parties agree to extend the existing contract period with three months. They further agree on the take-over by Gamma of the project and a return to their old job descriptions. The Union also want a pay increase of 10%. Anna has agreed to a 2½% across the board. Another 2½% can be earned through personal incentives and an additional 5% per crew for realizing pre set targets. In order to see whether a worker can get the additional 2½% personal incentive retro active, the workers have to get an evaluation after 3 months and then 3 months later; at the end of the project again. All parties are happy with the deal.

17. What method of management is being employed by setting targets to be realized? Explain how it works

It's called management by objectives. It assumes that people can take responsibility for their own performance at work and sets certain goals and mainly checks on the achievement of these goals, not so much on how it is done.

18. In order for an organization to be effective it has to meet 4 criteria, what are they and explain what they mean.

- Efficiency, achieving goals by using the minimum amount of resources.
- Internal satisfaction; satisfaction what leads to motivation of employees.
- External satisfaction; your customers must be happy
- Continuity; be able to adapt to changes to remain effective in the future as well.

19. Iron John had simplified the job descriptions and added additional supervisors. This now is being undone. The workers get a broader task and more responsibility and control over their work. What 3 ways to make a job more interesting are there? Describe all three. Which one is being applied here?

- Job rotation; rotation over several jobs of the same level
- Job enlargement; adding more tasks of the same level
- Job enrichment; increase the control and responsibility.

The third one is being applied here.

For the time being Harry Browne is in charge of the whole project in St. Maarten. Under his responsibility two projects are being executed. One is the reconstruction under management of Gamma Management and Construction and the other is preparations for the opening under management of intended branch manager Garry Futuro. Anna heads the HRM department which renders support services to both projects.

20. Draw the organizational chart. What is this type of organization named?

This is called a functional structure with support / advisory functions

