

Applications and Cases

Monday, 10 June 2013 11:39 p.m.

** denotes an assessed application exercise. Options in **bold** were the choices my team made, but disagreements are welcome. :) External cases are ones that I have come across from real incidents in the New Zealand context.*

WEEK 2: Role of Business + CSR

* **FONTERRA**: Which of Fonterra's stakeholders is most important?

- **Farmers** because Fonterra is a co-operative between farmers. The farmers own Fonterra, supply milk to be processed and used to make other dairy products for domestic sale or export. Farmer dissatisfaction and unrest could have a huge impact on the economy.

FONTERRA: Which of the CSR strategies was Fonterra adopting with Milk in Schools?

- **Defensive** - after two significant scandals widely circulated by the media, the Sanlu Milk melamine contamination in 2008 and the nitric acid leak in 2010, Fonterra had to repair its international and domestic reputation as one of the leading dairy exporters of the world. The Milk in Schools programme is a defensive measure at restoring **goodwill**.
- Can be seen as **proactive** as impact of disrepute is not really severe in New Zealand - through **strategic CSR** Fonterra is appealing to the next generation of consumers, which will have positive economic benefit in the future when the children buy Fonterra products.

RIBENA: Were they acting unethically or illegally by using misleading advertising?

- Unethically - yes. Misleading consumers with false (dishonest) claims: "blackcurrants in Ribena have *four times the vitamin C of oranges*".
- Illegally - yes. Parent company GSK was charged by the Commerce Commission and later found guilty for breaching the Fair Trading Act. They were fined and had to publish corrective advertisements.
- Ribena also aired a 'reparative' advertisement to address the incident.
- Acted **defensively** after court proceedings; had to repair reputation. Arguable: no action taken in philanthropic view (they did not donate to charity), so the reparative measures may be viewed as **cynical**.

MERCURY ENERGY: Which of the four levels of CSR were they acting on in the case of Folole Muliaga? [EXTERNAL CASE, 2007]

- **Minimalist**. Mercury Energy cut off the power in Folole's home when her family could not keep up with bill payments. Folole was dependent on an oxygen machine in her home, and died a couple of hours after her electricity was disconnected. Mercury Energy's statement said the company was unaware of 'life-threatening consequences'.
- They acted **legally but unethically**. They were legally allowed to disconnect the power but chose to do so despite Folole's family asking for compassion and discussing options about paying the outstanding bill in instalments. In this case, Mercury Energy was interested in making money and not the potential implications of cutting off Folole's electricity, despite the contractor who cut off the power being aware of Folole's condition.
- Mercury Energy acted **defensively** in response to national and international outcry, paying \$10,000 to cover the cost of Folole's funeral and issued a letter to all its customers expressing regret for their decision to disconnect the family's power. Executives of Mercury Energy and Mighty River Power, of which Mercury Energy is a subsidiary, also attended Folole's funeral.

WEEK 4: Business Context: Global, National and Industry Levels

* **ICEBREAKER:** Which is the biggest challenge for outsourcing?

- **Dilution of control:** Icebreaker has lost control of some aspects of the supply chain in deciding to relocate production to Chinese factories. The factories are also owned by international companies eg. Japanese and German. Quality control, for example, could be compromised. Icebreaker may also be a relatively smaller company that has contracted the factories producing their garments, and may be subjected to 'prioritising' -- bigger brands may have priority for urgent orders. Icebreaker may therefore fail to meet deadlines.
- **Communication:** Icebreaker has to communicate with Chinese, Japanese, German etc companies regularly. Because of cultural differences, some of these messages may be misinterpreted or 'lost in translation'. Miscommunications can have severely negative effects on production and may result in delays in delivery to stockists, etc.
- **Logistics/Transportation:** Icebreaker acquires its merino wool from New Zealand, but has to transport the wool to China where it is processed and the garments made. The garments are then transported to stockists all over the world. Any delays may have negative impacts on sales and customer and retailer goodwill.
- **Political/Legal Obstacles:** foreign and economic policies and agreements have significant effects on Icebreaker's supply chain. New Zealand and China currently have a Free Trade Agreement but disruptions such as political instability or new economic policies may result in this agreement being jeopardised. Political relations between foreign countries that own the factories, eg. Japan and Germany, and China may also have adverse effects on Icebreaker.

ICEBREAKER: PESTE Analysis from webcast.

- **Political** - New Zealand offers little trade protection as a significant free market.
- **Economic** - customer affordability is important.
- **Social** - wool was seen as unfashionable, so Icebreaker had to work around this stigma.
- **Technical** - treatment of merino wool so that it is comfortable; technical excellence required for 'premium technical product'.
- **Environment** - 'clean green New Zealand' image needs to be maintained and environmentally-conscious practices in place in all aspects of the supply chain (factories in China).

WEEK 5: Organisational Structure + Crowdsourcing

* **MECHANICAL TURK:** Amazon's Mechanical Turk is an organisational **success** / failure.

- at all stages, the Mechanical Turk **benefits users and owners**. Amazon receives money from businesses wishing to use the system. Businesses putting up HITs (Human Intelligence Tasks) can get the job done efficiently with little cost compared to paying many employees minimum wage to do the same work. Turkers receive monetary compensation and self-satisfaction for doing good work; the reward system encourages and ensures a good standard of completed work. However, Turkers may not be paid if their work is deemed 'unsatisfactory' -- this may be a result of businesses putting up HITs abusing or taking advantage of the system.
- Crowdsourcing results in work being completed faster and more **efficiently** than if employees were to be hired to do the same work. Menial tasks such as tagging products will be removed from highly-paid employees' workload and they can focus on more challenging tasks, generating greater economic benefit for the cost of their labour to their employer.
- A closer relationship to the **global marketplace** is established -- Turkers come from all over the world, offering different regional and cultural perspectives. For international companies like Amazon, this enables them to appeal to their customers better.
- Turking is **voluntary** and Turkers are under no pressure to meet a quota. They Turk when they are free to do so, or feel like it. Exploitation can be argued, such as in developing regions, where sweatshop-like conditions may be used for the benefit of the owner.

ORGANISATIONAL METAPHORS (Gareth Morgan): Which of the metaphors does the Mechanical Turk best fit?

- **Machine:** each Turker is replaceable by another. Everyone works as a part in a huge, seemingly mechanical operation. Work is unemotive and routine, with objectives and goals clearly set for each HIT. Connotations of inhuman/machine-like efficiency.
- **Organism:** every Turker will do their work, but also have to gauge proficiency of other Turkers' work and so to some degree are interdependent. The Mechanical Turk organisation is open to all Turkers, several of whom must contribute to HITs. Disturbances will not affect the organisation much because they are from all over the world and new trends etc can be adapted and applied to Turkers' work when they become prominent.

WEEK 6: PLOC

* **STEVE JOBS:** Steve Jobs was a **leader** / manager.

- Primarily a **leader** (arguably **autocratic**) because he utilised personal power over and above his positional power. He was essentially the soul and vitality of Apple; what the company achieved was because of his inspirational qualities and motivation of employees towards his vision of perfection. His effective leadership brought Apple back from potential bankruptcy and nurtured creative design and innovative software that has given Apple a dominant presence in the technological market. Steve Jobs had influence in nearly all aspects of the company and his control was far-reaching.
- Primarily a **manager** (a **top manager**) because his role at Apple was to ensure financial success for the company after it was suffering from poor performance. Steve Jobs set the strategic goals at Apple which has enabled it to be such a dominant force in the technological market today.

WEEK 7: Organisational Culture

* **GOOGLE:** The most important artefact / value / **underlying assumption**.

- "You give back what you take out": employees at Google have access to an immense range of perks, but the **underlying assumption** is the principle of giving as much in return as what has been enjoyed. Generation of new ideas and increase in productivity is key to the facilities and services at Google being available to employees. Employees may feel subconsciously obliged to return as much as they can to their company due to their perks and fantastic work environment. Nothing really comes for free.

MARISSA MAYER: Was she bringing Google's corporate culture to Yahoo!?

- **Yes.** Mayer abolished telecommuting for Yahoo!, demanding that all employees turn up to the office in order to encourage greater generation of ideas from employee interaction. The attempt to impose Google's workplace culture at Yahoo! was not met positively because it was a long-established culture at Yahoo! to telecommute.

THE BODY SHOP: general workshop discussion on the company's **culture**.

- **Symbols:** logo and décor associated with the environment and sustainability.
- **Stories:** Anita Roddick's founding of the company and numerous campaigns (including defending human rights, a core value).
- **Sustainable products:** the Body Shop's products contain all-natural ingredients, some of which are sourced from third-world nations through Fair Trade schemes (in line with their core value of supporting community fair trade). The Body Shop's products are also not tested on animals (a core value of the Body Shop is that they are against animal testing), despite being bought by L'Oréal, which has a marked history of animal testing and L'Oréal's parent company, Nestlé, having a checked history of dealing with Fair Trade suppliers.
- **Slogan/Motto:** "*Nature's Way to Beautiful*" and "*Know Your Mind, Love Your Body*" are linked to their core values of activating self-esteem and protecting the planet.
- **Rituals:** hugs and staff get-together sessions.

- **Hero:** CEO and founder Anita Roddick.
- **Campaigns and Controversies:** their core values have led to numerous campaigns that are at times controversial, but the social agenda is an important part of company culture. Campaigns aligned with each core value are outlined below.
- **Five Core Values:**
 - **against animal testing;** initiated a 4-million strong petition which was delivered to the European Commission in 1996 and also supports the Cruelty Free International campaign.
 - **support community fair trade;** pioneering "Trade -- Not Aid" programme with suppliers in developing countries such as India and Ghana.
 - **activate self-esteem;** the 1997 Ruby doll campaign that was 'anti-Barbie' -- "There are 3 billion women who don't look like supermodels and only 8 who do".
 - **defend human rights;** the Ogoni people's campaign against human rights violations from exploitation by Shell's oil production.
 - **protect the planet;** campaign with Greenpeace about consumption of fossil fuels and its impact on global warming as well as reducing environmental impact of stores and offices.

WEEK 8: Teams and Diversity + Communication

* **JAGMOHAN:** The police commander should

- allow Jagmohan to wear his own turban and grow a beard.
 - allow Jagmohan to wear a specially-designed police turban and grow a beard.**
 - not allow Jagmohan to wear a turban or grow a beard.
- Jagmohan is guaranteed freedom of religious belief and expression by the Universal Declaration of **Human Rights**/UN Human Rights Charter as well as the New Zealand Human Rights Act of 1993. The police commander cannot discriminate against him on the grounds of religion or culture.
 - A specially-designed turban can be a part of standard police issue, and would therefore still be police uniform and ensures Jagmohan remains a cohesive and identifiable part of the force.
 - New Zealand is becoming an increasingly diverse country, and representation of different cultural denominations in the police force will be advantageous. It is also important to accept **diversity** in the workplace as it promotes harmony and a more positive working environment.

AIR NEW ZEALAND: Is their tattoo ban acceptable? [**EXTERNAL CASE, 2013**]

- **Yes** - Air NZ policy stands: the ban on visible tattoos remains in place despite accusations of **hypocrisy** (use of Gin Wigmore who is heavily tattooed, and some All Blacks players, some of whom are also visibly tattooed, in advertising campaigns; the Air NZ logo is a koru).
- Other airlines have taken similar approaches so their stance is not unreasonable, eg. Virgin, Qantas, Jetstar.
- Accepts **diversity** is a good thing but the comfort of passengers (especially Asian passengers, which comprise a significant proportion of passengers every year) is important and must be considered at the forefront of this decision. Their cultural development officer states that Air NZ celebrates diversity in workplaces around the world with many staff happily bearing cultural tattoos.
- The tattoo ban does not apply to non-frontline staff, which is an acceptable **concession**. The image of the airline frontline, ie. its air hosts and hostesses, is a lasting impression on passengers which could significantly affect the reputation of Air NZ and future financial performance. Non-customer serving staff such as office employees do not face the same restriction.

NASA CHALLENGER SPACE SHUTTLE DISASTER: Who was responsible for the NASA Challenger Space Shuttle disaster?

A. NASA Managers

- B. Engineers at Morton Thiokol
- C. The US Government(?)

- The managers subjected the engineers from Morton Thiokol as well as managers originally allied with the engineers to **groupthink**, allegedly ignoring the protests of the engineers who have been contracted to prove that it was **not safe** to launch as opposed to safe to launch. They may have misused or abused their power to intimidate the engineers into not speaking up when a final decision had to be made.
- **Impact of noise** (barriers affecting the transfer of messages)
 - **quota** of 50 launches per year set for NASA to meet would have placed considerable pressure on the managers, especially at the higher levels, if they were to keep their funding from the government.
 - this pressure was multiplied with **time constraints** imposed at the meeting that determined whether the launch was a go or no.
 - use of **jargon** by the engineers may have been misunderstood or ignored by the managers as being irrelevant and the full meaning of their protests or implications of a launch may have been lost.
 - the managers filtered the arguments of the engineers:
- **Storming** (as part of Tuckman's model) means that conflict between the managers and engineers occurred during their meeting. This would have resulted in no consensual decision for a launch or not. The managers were pushing for a launch and the engineers were pushing against a launch; they could not agree.

WEEK 9: Entering, Working in & Leaving an Organisation

* **TRANSPACIFIC WASTE MANAGEMENT ROLE:** What were two main bases of discrimination or bias?

- **Gender** - bias against women (pregnancy and menstruation) eg. Alasdair Thompson's comments about female productivity being reduced because of their "[monthly] sick problem".
- **Culture or Religion** - cultural or religious practice or beliefs may impose some difficulty in work arrangements or consideration during application, eg. the Muslim applicant who could not work on Friday but could compensate by working on Sunday instead.
- **Race or Ethnicity** - Asian-sounding names, African-American names or photographs, etc. could negatively affect applicants' chances of getting a job before they are even seriously considered because of racial bias. A **language** bias may come into effect as well. (Evidenced by studies.)

WEEK 10: Career Theory

* **BANK INTERNSHIP:** Which two candidates from **Tracy Misilei / Anita Ling / Ruby Xu** would be selected for an interview based on their CV applications?

- Tracy and Anita had the most impressive CVs that were deemed relevant to the bank internship position. Their good **grades**, past experiences and participation in activities, as well as **presentation** style were highly influential in their selection. Their skills and qualifications exhibited in their CVs indicated that they were the **best fit** for the internship and the closest to meeting all criteria for selection.
- **NOTE THAT THE NAMES MAY VARY FROM STREAM TO STREAM. :)**