

Lesson:-34

The Struggle for Power at Ramsey Electronics

A vice president's position is about to open up at Ramsey Electronics, maker of components for audio and visual equipment and computers. Whoever fills the position will be one of the four most powerful people in the company and may one day become its CEO. So the whole company has been watching the political skirmishes among the three leading candidates: Arnie Sander, Laura Prove, and Billy Evans.

Arnie Sander, currently head of the research and development division, worked his way up through the engineering ranks. Of the three candidates, he alone has a Ph.D. (in electrical engineering from MIT), and he is the acknowledged genius behind the company's most innovative products. One of the current vice presidents—Harley Learner, himself an engineer—has been pushing hard for Sander's case.

Laura Prove spent five years on the road, earning a reputation as an outstanding salesperson of Ramsey products before coming to company headquarters and working her way up through the sales division. She knows only enough about what she calls the "guts" of Ramsey's electronic parts to get by, but she is very good at selling them and at motivating the people who work for her. Frank Barnwood, another current vice president, has been filling the Chief's ear with praise for Prove.

Of the three candidates, Billy Evans is the youngest and has the least experience at Ramsey. Like the Chief, he has an M.B.A. from Harvard Business School and a very sharp mind for finances. The Chief has credited him with turning the company's financial situation around, although others in the company believe Sander's products or Prove's selling ability really deserves the credit. Evans has no particular champion among Ramsey's top executives, but he is the only other handball player the Chief has located in the company, and the two play every Tuesday and Thursday after work. Learner and Barnwood have noticed that the company's financial decisions often get made during the cooling-off period following a handball game.

In the month preceding the Chief's decision, the two vice presidents have been busy. Learner, head of a national engineering association, worked to have Sander win an achievement award from the association, and two weeks before the naming of the new vice president, he threw the most lavish banquet in the company's history to announce the award. When introducing Sander, Learner made a long, impassioned speech detailing Sander's accomplishments and heralding him as "the future of Ramsey Electronics."

Frank Barnwood has moved more slowly and subtly. The Chief had asked Barnwood years before to keep him updated on "all these gripes by women and minorities and such," and Barnwood did so by giving the Chief articles of particular interest. Recently he gave the Chief one from a psychology magazine about the cloning effect—the tendency of powerful executives to choose successors who are most like themselves. He also passed on to the Chief a Fortune article arguing that many American corporations are floundering because they are being run by financial people rather than by people who really know the company's business. He also flooded bulletin boards and the Chief's desk with news clippings about the value of having women and minorities at the top levels of a company.

Billy Evans has seemed indifferent to the promotion. He spends his days on the phone and in front of the computer screen, reporting to the Chief every other week on the company's latest

financial successes—and never missing a handball game.

Case Questions

Whom do you think the Chief will pick as the new vice president? Why?

Whom do you think should get the job? Why?

True or False

1.

Leadership and power are different in terms of the direction of influence, leadership focuses on downward influence and power does not.

TRUE
FALSE

2. **Power based on one's position in an organization is known as referent power.**

TRUE
FALSE

3.

Power is largely determined by the dependency of others on you for something they really want.

TRUE
FALSE

4.

Control over knowledge or information that is difficult to acquire gives the controller power based on scarcity.

TRUE

FALSE

5.

The most popular and common power tactic used by employees was reason.

TRUE
FALSE

6.

Coalitions seek minimum size to maximize their power as well as working best in organizations that have a high degree of task and resource independence.

TRUE
FALSE

7.

Sexual harassment is basically about power not sex.

TRUE
FALSE

8.

Complaining to your supervisor, bypassing the chain of command, and forming coalitions are all forms of illegitimate political behavior.

TRUE
FALSE

9.

High self-monitors are more susceptible to initiating political behavior in organizations than low-self-monitors are.

TRUE
FALSE

10.

Organizational political behavior is more a function of individual than organizational factors.

TRUE
FALSE

11.

Role ambiguity, ambiguous performance appraisal processes, and zero-sum win/lose negotiating mentality are all individual factors that contribute to organizational political behavior.

TRUE
FALSE

12.

Control of organizational resources is important for gaining political power and effectiveness.

TRUE
FALSE

13.

Implied in the term "impression management" is the fact that all IM is inherently false and misleading and therefore unethical.

TRUE
FALSE

14.

In a job interview situation a controlling style is more effective and has a more positive influence on recruiters than a submissive style.

TRUE
FALSE

15.

You come into your dorm room and find that a Coke has been spilled onto your roommate's computer keyboard, requiring \$600 in repairs. When your roommate returns from classes you explain to him/her that you were in chemistry class and then the dining hall until just before he got there and you can prove it. You are using the defensive behavior of buffing to avoid blame.

TRUE
FALSE

Multiple Choice

1.

Power based on fear and in the ability to exercise sanctions on another is _____ power.

1. legitimate
 2. expert
 3. coercive
 4. reward
-

2.

The two types of power that are opposites or reflections of each other are:

1. legitimate and referent power.
 2. expert and legitimate power.
 3. reward and expert power.
 4. coercive and reward power.
-

3.

Dependency is built on three elements, scarcity, nonsubstitutability, and:

- 1.
 2. importance.
 3. valence.
 4. fidelity.
 5. efficacy.
-

4.

You are trying to persuade a classmate to go with you to a movie because he has a car and you don't. You offer to pay for the gas and wash the car if he will drive. You are using the power tactic of:

1. **friendliness.**
 2. **bargaining.**
 3. **reason.**
 4. **assertiveness.**
-

5.

Which of the following situations constitute(s) sexual harassment?

1. **A woman manager has a Playgirl pinup of naked men on the side wall of her office that can be easily seen when you enter her office and one of the male managers is offended by it.**
 2. **A younger male first-line supervisor continually asks his female middle-manager out for a date and she has repeatedly told him she's not interested.**
 3. **A male VP tells his female secretary that she would get a better evaluation and raise if she would go with him on a weekend ski trip.**
 4. **all of these.**
-

6.

One of the most important factors that leads to politics in the office is:

1. **the reality that most hard facts used to allocate resources are subject to interpretation.**
 2. **managers not delegating legitimate authority to employees when creating work teams.**
 3. **largely the result of reorganization brought on by the implementation of TQM programs.**
 4. **none of these.**
-

7.

Research on organizational politics and "networking" showed that:

1. **most managers do not practice networking and strongly dislike politicking.**

2. a person's location in an organization is an important determinant of his/her influence.
 3. who you know is NOT as important as what you know in getting ahead.
 4. few managers did favors for other managers nor did they "call-in" favors when they had done them.
-

8.

Individual factors that contribute to political behavior in organizations include:

1. employees with a high external locus of control.
 2. individuals with low self-monitoring skills.
 3. the perception of limited alternatives or probability of success.
 4. having an arbitrary performance evaluation and promotion system.
-

9.

One of the most "political" of decisions in an organization has been found to be:

1. the allocation of scarce resources.
 2. choices of company locations.
 3. the assignment of work responsibilities to managers.
 4. promotions of employees.
-

10.

One of the many ways you can improve your political effectiveness is to:

1. make yourself appear indispensable.
 2. frame arguments in terms of personal goals.
 3. stay out of sight.
 4. avoid alliances with others
-

11.

When or who is most likely to engage in impression management?

- 1.
 2. **People who are low self-monitors, who have an external locus of control.**
 3. **In situations that are ambiguous and high in uncertainty.**
 4. **People who have a tendency to misrepresent the truth.**
 5. **In situations where you feel you should take responsibility for some negative consequence.**
-

12.

Tim is working on managing the impression he makes on his boss's boss, Ms. Tall. Whenever they are in a meeting together and Ms. Tall argues for a particular point, Tim agrees, even if his boss does not. Tim is using which impression management technique?

1. **The dead duck, my boss is going to kill me.**
 2. **conformity**
 3. **association**
 4. **flattery**
-

13.

You have been given the assignment of laying off 1/3 of your current hourly workforce. In making decisions about who to let go and who to keep, you have numbered everyone's file and refer to them by number rather than by name. You discuss them only in terms of their jobs, not in terms of who they are or how long they've been with the company. Your behavior, while legitimate, is an example of which defensive behavior?

1. **buck passing**
 2. **stalling**
 3. **depersonalizing**
 4. **stretching and smoothing**
-

14.

Defensive behavior has a number of outcomes, such as:

1. **long-term promotion of your self interest.**
2. **short-term liability of a lack of trustworthiness.**
3. **increased short-term effectiveness because it lets you get on with business.**
4. **increased rigidity, detachment, and a highly politicized culture, long-term.**

15.

What questions should you ask yourself when considering the ethics of political behavior in your organization?

1. Does this action serve my self-interests or the organization's interests?
2. Does this respect the rights of others?
3. Is this activity fair and equitable for everyone concerned?
4. all of these.

Exercises

1. Define conflict
2. Differentiate between the traditional, human relations, and interactionist view of conflict.
3. Contrast task, relationship, and process conflict
4. Outline the conflict process
5. Describe the five conflict-handling intentions

True or False

1.

Conflict exists whenever there is competition for resources, power, or position, regardless of the awareness of the conflict by the parties to the conflict.

TRUE
FALSE

2.

The human relations and interactionist views of conflict agree that conflict is a normal and natural part of people working together.

TRUE
FALSE

3.

If Jo and Tim are in conflict over the goals and direction of their sales team, they are experiencing process conflict.

TRUE
FALSE

4.

Conflict caused by leadership styles, reward systems, and the degree of dependency between groups is an example of conflict caused by structural issues.

TRUE
FALSE

5.

The conflict issues tend to be defined in Stage III, during a discussion of intention.

TRUE
FALSE

6.

The conflict intention that strives to achieve the goals of all parties involved in the conflict is an accommodating approach.

TRUE
FALSE

7.

Conflict is functional whenever it provides a medium through which problems can be aired and solved and self-examination is fostered.

TRUE
FALSE

8.

While conflict can have positive results, research shows that professionals, R & D scientists etc., work best with little or no conflict.

TRUE
FALSE

9.

Amad is negotiating the sale of a car with Phyllis. Phyllis wants the lowest possible price. Amad wants the best commission. They both feel that only one of them is going to get what he/she wants. This is an example of distributive bargaining.

TRUE
FALSE

10.

For integrative bargaining to work, both parties must be open with information, sensitive to the other's needs, and able to trust and be flexible.

TRUE
FALSE

11.

Once you've established your BATNA, the next step in the negotiating process is clarification and justification of your negotiating position.

TRUE
FALSE

12.

If you know the personality of the other negotiator, you can predict his/her negotiating behavior.

TRUE
FALSE

13.

In a study of North Americans, Arabs, and Russians, it was noted that while the three cultures differ in terms of negotiating strategy, they all have the same sense of urgency and time awareness when negotiating.

TRUE
FALSE

14.

If a manager wanted a third party negotiator to facilitate a settlement, the situation has relatively low intensity, and the ability to enforce the settlement is not important, the best choice would be of a mediator.

TRUE
FALSE

15.

Of the four types of third-party roles, the one that focuses on improving relations rather than resolving issues is that of an arbitrator.

TRUE
FALSE

Multiple Choice

1.

The primary difference between a human relations perspective and an interactionist perspective regarding conflict is simply that:

1. the former sees conflict as bad, the latter as good.
2. of a different time frame; the former was dominant in the 1930s and the latter in the 1970s.
3. the former holds that conflict is inevitable but can be prevented, while the latter argues it cannot be.
4. the former accepts conflict as natural, the latter actually seeks to encourage conflict.

2.

Malcolm sees that Mike is about to get "his" promotion due to Mike's outside the office relationship with their boss. Malcolm begins to subtly point out to Mike and his boss some of Mike's major mistakes over the last year to derail Mike's promotion. This situation describes:

1. task conflict.
2. relationship conflict.
3. process conflict.
4. job conflict.

3.

It turns out that the boss is actually going to give Malcolm the promotion. While Mike and the boss are friends, Malcolm is clearly better qualified and Mike doesn't really want the promotion, as he doesn't feel he's ready for it. Malcolm had assumed Mike was getting the promotion because the boss spends more time talking with Mike than he does with Malcolm and the boss largely refused to discuss the promotion with Malcolm, saying "I'll talk with you about it, when I'm ready to." The source of this conflict seems to be:

- 1.
2. structure.
3. personal variables.
4. communication.
5. leadership style.

4.

Jane thinks her raise should have been 7.8% due to her outstanding performance over the last year. Her boss explains that her 3.4% raise was due to the fact that most of her co-workers were more productive, had fewer customer complaints, and tended to be less argumentative with him and with others than Jane. This conflict is based on which variable?

1. structure
2. personal variables
3. communication
4. leadership style

5.

If in a conflict, one person will do whatever is necessary to get his/her way and shows little concern for the other party's concerns, then we would say this person demonstrates a _____ conflict-handling intention.

1. compromising
2. combative
3. cooperative
4. competitive

6.

The conflict-handling intention that seeks to appease the other party and demonstrates a willingness to put the other party's interests above one's own, is:

1. avoiding.
2. compromising.
3. collaborating.
4. accommodating.

7.

When we discuss and think about conflict, we are most likely thinking about which stage of conflict?

1. Stage II: Cognition.
2. Stage III: Intention.
3. Stage IV: Behavior.
4. Stage V: Outcomes

8.

A conflict resolution technique that involves playing down differences while emphasizing commonalities is:

1. smoothing.
 2. avoiding.
 3. communication.
 4. superordinate goals.
-

9.

A dysfunctional outcome of conflict would be:

1. the generation of unique ideas that are not implementable.
 2. reducing group cohesion.
 3. creating intellectual conflict.
 4. none of these.
-

10.

A key element in all of the strategies used by managers to encourage conflict is:

1. the use of an accommodating style.
 2. rewarding dissent and punishing conflict avoidance.
 3. an emphasis on lateral communication.
 4. fostering a competing style in conflicts.
-

11.

Jamal decides that he won't accept less than \$1,500 trade-in on his used computer system in his negotiation for a new system. The \$1,500 represents Jamal's _____ in terms of distributive bargaining.

1. target point
 2. resistance point
 3. BATNA
 4. Settlement range
-

12.

The essence of the negotiating process is in the:

1. preparation and planning.
 2. developing a BATNA.
 3. clarifying and justifying.
 4. bargaining and problem solving.
-

13.

When it comes to men and women negotiating, research shows that:

1. there is no real difference between male and female negotiating styles.
 2. women are more cooperative and relationship oriented.
 3. women are more confident than men in negotiating.
 4. men are nicer than women.
-

14.

The cultural context of a negotiation primarily influences:

1. the amount and type of preparation.
 2. the emphasis placed on relational issues.
 3. the tactics used.
 4. all of these.
-

15.

The third-party negotiator who can enforce an agreement on both parties and whose process always results in a settlement is a/an:

1. conciliator.

2. arbitrator.
3. mediator.
4. consultant.

The Struggle for Power at Ramsey Electronics

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In the month preceding the Chief's decision, the two vice presidents have been busy. Learner, head of a national engineering association, worked to have Sander win an achievement award from the association, and two weeks before the naming of the new vice president, he threw the most lavish banquet in the company's history to announce the award. When introducing Sander, Learner made a long, impassioned speech detailing Sander's accomplishments and heralding him as "the future of Ramsey Electronics."

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Case Questions

- Whom do you think the Chief will pick as the new vice president? Why?

- Whom do you think should get the job? Why?

How Harvard Business Review Failed to Respond to a Crisis

LEAD STORY-DATELINE: The Wall Street Journal, May 14, 2002.

For months now, most of the literary world has been aware of the romance-related conflict at the Harvard Business Review, one of the most respected and lauded management journals of our time. For decades, this magazine has provided a wealth of astute management thinking and offerings. Now the journal itself is faced with an image that reflects mismanagement, poor decision-making, questionable ethics, and botched conflict resolution. Consider the following details: Harvard Business Review's once well-respected but now former editor, Suzy Wetlaufer, became romantically involved with and married Jack Welch, former chairman of General Electric and one of the most successful CEO's in decades. Their involvement began, by most accounts, when Wetlaufer interviewed Welch for a future article for the HBR. The romance created much office chatter and raised a number of ethical and leadership questions. "I have never seen a managerial situation where there was less agreement over what was going on," states Walter Kiechel, editorial director of Harvard Business School Publishing.

Some management analysts believe that the HBR situation is a prime example of how not to manage during a potentially scandalous crisis. For example, when the romantic behavior between Wetlaufer and Welch became public knowledge, many coworkers were concerned. That concern grew even stronger when Kiechel, not wanting to lose the valuable interview, called in two other editors at the last minute to re-interview Welch in the hopes that the possible conflict-of-interest concern could be alleviated. Both editors, fully aware of the details regarding the romance, resented being bought into the pejorative situation to try and correct the problem. They both also supported other editors in calling for Wetlaufer's resignation.

Another primary example of mismanagement occurred when Kiechel and his superiors ignored concerns expressed by employees regarding Wetlaufer's behavior in mixing her professional life with her personal life. In response, top management decided to form a task force to review the organization's ethics policies and tried to squelch the rumors and lack of confidence spreading throughout the staff. To make matters worse, after dealing with the crisis for approximately three months, the staff was even more upset when they learned that Welch helped to provide Wetlaufer with a high-powered attorney and offered telephone advice to her during her negotiations with Harvard to maintain her employment. As such, although Wetlaufer stepped down as editor, she was still allowed to keep her office and was given the new position of editor-at-large. This management decision upset a number of staff members. So disconcerted were two senior editors, Harris Collingwood and Alden Hayashi,

that they both resigned in protest. Admits Hayashi, "I resigned because I lost faith in HBR's ability to do the right thing."

TALKING IT OVER AND THINKING IT THROUGH!

Although the Harvard Business Review is one of the most prestigious and well-respected journals in the management field, its leaders clearly made mistakes in their handling of the problems with Wetlaufer. Do you believe this situation will adversely affect the reputation of the journal in the future? Explain your rationale.

Do you believe that it was ethical or unethical for Wetlaufer to become romantically linked with someone she was interviewing for the journal? Are most professionals capable of remaining objective under such circumstances? Explain.

In your opinion, what could management have done to alleviate the conflict and generate trust and support for the other staff members?

THINKING ABOUT THE FUTURE!

Although many credit Wetlaufer as "being a stellar editor who turned the stodgy bi-monthly journal into an edgier and more creative monthly magazine," there were other signs that she perhaps needed intervention and counseling. According to some staffers, the 42-year-old editor demonstrated other questionable behaviors. "Suzy was on a journey to improve the magazine, but after she went through a divorce, she showed signs of being in trouble... she needed guidance from her bosses," stated Mr. Hayashi.

SOURCES:

Hymowitz, Carol. "An HBR Case Study: How Magazine Failed to Respond to a Crisis," The Wall Street Journal, May 14, 2002.

Incidents of "Desk Rage" Disrupt America's Offices

LEAD STORY-DATELINE: The Wall Street Journal, January 16, 2001.

There appear to be a growing number of employees who are behaving like Costas Tsoikas, a New York Internet company employee who, after enduring months of rushed deadlines, cramped work quarters, and long hours, snapped one day and launched out at his boss in an "obscenity-laced tirade". That behavior led Mr. Tsoikas to resign a week later with a label from his boss as a "bad employee". While many people are familiar with road rage and air rage, the term desk rage is relatively new. Today, however, thanks to the volatile "New Economy" world of work--along with its long hours, tight work environments, unstable stock offerings, and increased workloads, tempers are flaring and employee conflicts and confrontations are increasing.

Although very few companies are reporting the volatile behaviors of their employees, occupational and workplace experts tend to agree that such incidences---and their severity---are on the rise. Incidences of confrontation that culminate into workplace violence receive a lot of publicity, but what the public doesn't see are the more common shouting matches and fist fights that don't make the evening news. In addition to the stress and anger that comes from work overload, there are other factors that contribute to desk rage.

According to New York-based Integra Realty Resources, Inc., a real-estate appraisal firm, high commercial real estate rental fees has created the "Dilbertization of America, whereby workers, as in the 'Dilbert' comic strip, spend their lives trapped in a maze of tiny cubicles". According to Sean Hutchinson, President of Integra, there is now a "scrunch factor", in which more employees per square foot are forced to work together in tight quarters. "The big guys take offices that are just as big or bigger than in the past, while the minions are getting stuffed into smaller and smaller spaces", states Hutchinson. Add to that the irritating task of having long commutes into the city, which is what millions of employees now are having to do. This is occurring largely because economic prosperity has appreciated the value of many homes in the cities, thus forcing workers to live farther away from their jobs. By the time these workers arrive to work, many are already grouchy, angry, or downright irate. Those emotions contribute to the desk rage now experienced by many employees.

TALKING IT OVER AND THINKING IT THROUGH!

What are four factors that are contributing to employee "desk rage" in many of America's offices today?

What suggestions do you have for employees who might be experiencing desk rage?

Identify three strategies that managers can undertake to help employees minimize their desk rage and confrontational behavior.

THINKING ABOUT THE FUTURE!

Desk rage is not limited to older, more seasoned workers. A greater number of twenty-something employees are also experiencing desk rage, many because of their lack of experience and inability to cope with organizational pressures. For example, in a study conducted by the Marlin Company, men between the ages of 25 and 45 tend to be more prone to act out, but women are also in the running. "Women are definitely having desk rage", says Marlin president Frank Kenna. "They just do it more subtly". In the future, firms need to plan strategies to help their employees cope more efficiently with the pressures of working in high stress, fast-paced dynamic environments. Designing offices to help mitigate some of the stress and confrontations will also aid in producing a more pleasant work environment.

SOURCES:

Costello, Daniel. "Incidents of 'Desk Rage' Disrupt America's Offices", The Wall Street Journal, January 16, 2001.

- Linda Morable