

UNIVERSITY
ACADEMIC THESIS

ORGANISATIONAL BEHAVIOUR

ASSIGNMENT: ESSAY

Questions:

Read the case study 'Managing Like a Man' on pp.488-489 of McShane and Travaglione (2003) and address all of the following questions:

- 1) What problems are being encountered from the perspective of the employees?*
- 2) What problems are being encountered by Sally, and what could the organisation have done to address the problem?*
- 3) What could Sally do to improve her leadership style?*
- 4) Taking cross-cultural OB into account, discuss possible reasons why Sally's leadership style is questioned in Australia and accepted in Asia.*

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The nature of management in an organisation has considerably changed over the years as a result of globalisation and workforce diversity. Today, management is not solely about exercising legitimate power using directive leadership (McShane and Travaglione 2003, pp.401-404, 465-466; Robbins 1997, pp.138-139) but also about building relationships with employees, adapting leadership styles depending on situations, and working together with people from diverse cultural backgrounds (McShane and Travaglione 2003, pp.7-11, 74-99).

To understand the management terrain in the various areas of organisational behaviour mentioned above, the objective of this paper is to analyse the case study, 'Managing like a man at SilkQueen?' (McShane and Travaglione 2003, pp.488-489) and provide insights on the problems encountered by Sally Dawson, the employees and the organisation at SilkQueen. The paper will first focus on perception stereotyping and primacy effect to explain how the employees perceive the situation and Sally's leadership. The problems faced by Sally will be next looked into to understand how the organisation could have helped in various areas. Theories on improving leadership styles will be discussed and Hofstede's cross-cultural framework will be used to explain why Sally's leadership approach is accepted in Asia but not in Australia.

In order to understand the problems encountered by the employees of SilkQueen, an analysis of their perception of the former line manager Mr Wong will be necessary. This is because the evaluation of Sally by

employees is partly based on comparison with Wong. According to the employees' perception, Wong is an effective leader who is consultative, caring and concerned about their well being. He is seen as valuing employees' opinions as he always asked what the employees think before he does anything. Unlike Wong, Sally does not walk around the factory floor or show concerns for her employees. She does not ask what the employees think before she implements anything. The employees therefore perceive Sally to be a poor manager who does not care about employees' work conditions and who buries herself 'behind a high desk with her back to the door in an office two levels above' (McShane and Travaglione 2003, p.489).

These perceptions however may or may not be true (McShane and Travaglione 2003, p.485). According to organisational behaviour scholars, 'women are evaluated negatively when they adopt a stereotypically male leadership style and occupy traditionally male-dominated positions' (McShane and Travaglione 2003, p.485). The employees in this case assume that Sally being a woman should be 'nurturing and ... care about their workers' (McShane and Travaglione 2003, p.489), suggesting preconceived notions of how woman should behave (McShane and Travaglione 2003, pp.483-485). This notion of stereotyping can result in misinterpretation of information because not all people are the same, and many in the same social category may demonstrate inconsistencies with the stereotype (McShane and Travaglione 2003, pp.79, 483; Stangor and

McMillan 1992, pp.42-61; Schermerhorn *et al.*, 1998, p.55; Greenberg 1999, pp.28-29).

According to the romance perspective, “leadership is a perception of followers as much as it is the actual behaviours and characteristics of people calling themselves leaders” (McShane and Travaglione 2003, p.484). The first action by Sally in making a decision to change the work hours without consultation with the employees formed a lasting impression of her leadership, known as the *primacy effect*. The primacy effect relates to a perceptual distortion which states that ‘first impressions are lasting impressions’ (McShane and Travaglione 2003, p.86) and once an inaccurate first impression is established, it is difficult for the perception to change (McShane and Travaglione 2003, p.86) even when new information contradicts the first impression (Hill *et al.*, 1989, pp.373-387; McShane and Travaglione 2003, p.86). The consequence of Sally’s non-consultative management style spells the beginning of a problematic relationship with her workers (McShane and Travaglione 2003, pp.596-608). Within three months after she took over line management, Sally is faced with considerable indifference and hostility from her subordinates (McShane and Travaglione 2003, p.488). In addition to his pressure, Sally also has to ‘change the focus of her work’ (McShane and Travaglione 2003, p.488) when she took up the role of line management in the manufacturing operations – an area which she is unfamiliar with. Because of this, she has to work long hours with very little time for social life, resulting in increased stress (McShane and Travaglione 2003, p. 489).

Sally's problems and stress could have been substantially reduced if the organisation has played a supportive role (McShane and Travaglione 2003, p.473). A good organisation should first assess its manager's strengths and weaknesses before assigning new roles (McShane and Travaglione 2003, p.39). This may be done through a structured interview process or through research and information gathering (Hughes *et al.*, 2002, p.86) with the objective to understand two areas of managerial competencies – past behaviour to predict future behaviour, and recent behaviour to predict distant past behaviour (Hughes *et al.*, 2002, p.86). By understanding Sally's former experiences and roles, the organisation can then decide whether to assign her to another area or to send her to a leadership development program such as the *Leadership Grid* to train her in evaluating task-oriented and people-oriented leadership to work out a style best suited for her new role (McShane and Travaglione 2003, p.472; Greenberg 1999, pp.180-181).

Notwithstanding this fact, however, Sally should cultivate her emotional intelligence to monitor her own and others' feelings and emotions to guide her thinking and actions (McShane and Travaglione 2003, pp.125-126; Kimberley 2003, pp.88-89; DeJanasz *et al.*, 2001). According to behavioural theories by Ohio State Studies and University of Michigan Studies (McShane and Travaglione 2003, p.470), there are primarily two categories of leadership: people-oriented, and task-oriented (Robbins *et al.*, 2000, pp.596-597; Schermerhorn *et al.*, 1998, pp.211-212). The

behavioural studies propose a managerial grid based on a manager's 'concern for people' and 'concern for production', which ideal grid position rates the manager as performing best when the style of leadership is high on people and task dimensions (Robbins *et al.*, 2000, pp.597-600; Robbins 1997, pp.142-143; Schermerhorn *et al.*, 1998, p.212; McShane and Travaglione 2003, p.472).

In the case of SilkQueen, Sally could improve her leadership style by adapting a more people-oriented behavioural approach (McShane and Travaglione 2003, pp.471-472). To influence her subordinates, she could consider using contingency leadership 'based on the idea that the most appropriate leadership style depends on the situation' (McShane and Travaglione 2003, p.472). Theories of contingency leadership that Sally could use include Hersey-Blanchard *situational theory*, House's *path-goal theory*, and Vroom-Jago *leader participation theory* (Schermerhorn 1996, pp.104-109; McShane and Travaglione 2003, pp.472-477).

The Hersey-Blanchard *situational theory* proposes that effective leadership is dependent on the followers (Robbins *et al.*, 2000, p.603). This means that regardless of what the leader does, it is the actions or acceptance of the followers that decide the effectiveness of the leader (Robbins *et al.*, 2000, p.603). This theory suggests that the leader should change his or her leadership style according to the maturity of the followers and the situation (Robbins *et al.* 2000, p.604). Situational theory combines task and relationship behaviours and identifies four specific leadership styles:

telling, selling, participating and *delegating* (Robbins *et al.* 2000, p.604; Schermerhorn 1996, pp.104-105). Based on the maturity of the followers, each of the relevant four styles is used by the leader to respond to the employees by gradually declining control over activities and relationship behaviour (Robbins *et al.* 2000, p.604). For example, when an employee is new to the organisation, the leader should use the style of *telling* the follower what to do, giving clear and specific directions (Robbins *et al.* 2000, p.604). Depending on the maturity stage of the follower, alternative styles such as *selling* the leader's ideas, *participating* in decision making, or *delegating* responsibilities to the follower (Robbins *et al.* 2000, p.604) may next be used.

In the case of SilkQueen, using the *situational theory* approach would have helped Sally understand that leadership is dependent on the followers and the way to lead followers is dependent on situations and levels of maturity. Instead of *telling* the employees, Sally could use the method of *selling* and *participating* in implementing the change of work hours (Robbins *et al.*, 2000, p.604).

The *path-goal theory* developed by Robert House is another contingency theory model that Sally could employ in improving her leadership style. The theory suggests that an effective leader is one who can influence employee satisfaction and performance by making their need satisfaction contingent with the overall objectives of the group or organisation (McShane and Travaglione 2003, p.472; Robbins *et al.*, 2000, p.606;

Schermerhorn 1996, pp.105-107). Four styles of effective leadership are identified in this model: *directive*, *supportive*, *participative*, and *achievement-oriented* (McShane and Travagolione 2003, pp.472-474). A *directive* leader lets subordinates know what is expected, giving directions on what to do and how, while a *supportive* leader shows concern for the needs of subordinates (Robbins *et al.*, 2000, p.606; Schermerhorn 1996, pp.106-107). A *participative* leader consults with subordinates and involve them in decision making, while an *achievement-oriented* leader sets the goals and expects subordinates to perform at their highest level (Robbins *et al.*, 2000, p.606; Schermerhorn 1996, pp.106-107).

Using the *path-goal theory*, Sally could effectively change the perception of her subordinates by building a people oriented behavioural approach through the use of a more *supportive* and *participative* leadership style instead of an *achievement-oriented* leadership (Robbins *et al.*, 2000, p.606; Schermerhorn 1996, pp.106-107).

The third model of contingency theory that could be used by Sally is the Vroom-Jago *leader participation theory*. This theory developed by Victor Vroom and Alfred Jago takes a contingency approach to determine the optimal level of employee involvement depending on the situation (McShane and Travaglione 2003, pp.314-316). It proposes choosing the best decision making method for any problem situation through alternatives such as individual or authority decision, consultative decision, group or consensus decision (Schermerhorn 1996, pp.107-109; Robbins 1997,

pp.149-150). The model considers five levels of employee participation based on a decision tree ranging from autocratic at the top to team consensus at the bottom (McShane and Travaglione 2003, p.314).

Following the *leader-participation theory* model, Sally could evaluate the level of participation required by her in choosing the optimal level of employee involvement (McShane and Travaglione 2003, p.314). Instead of using the top two levels of the decision tree that propose autocratic decision making, Sally could use the bottom three levels of consultative and group decision in her approach (Schermerhorn 1996, pp.107-109).

As can be seen in the theories discussed above, one of the traits required of an effective leader is adaptability of leadership styles in varied situations. Adapting styles to situations however is not an easy task especially in organisations today where employees are made up of people from different cultures across national and regional boundaries (McShane and Travaglione 2003, pp.7-11). In the case of SilkQueen, it is apparent that Sally's leadership is seen as questionable in Australia, but appropriate in Asia because of cross-cultural perspectives (McShane and Travaglione 2003, pp.488-489). This underlying cultural values may be translated as *power distance, uncertainty avoidance, individualism versus collectivism, achievement versus nurturing orientation, and long-term versus short-term orientation* according to Hofstede's dimensions of national culture (Wood 2001, p.59; Blunt and Jones 1997, p.12; McShane and Travaglione 2003, pp.113-114). Using Hofstede's framework as the guideline to cross-cultural

comparison in SilkQueen's case study, employees in Australia may be seen as high in individualism, high on social obligations and traditions, but moderately low in power distance (McShane and Travaglione 2003, p.114). This rating vastly differs from countries in Asia such as Indonesia, Malaysia, and China. In Indonesia, individual goals are seen as less important than collective goals (McShane and Travaglione 2003, p.114). In Malaysia, power distance ranks high (McShane and Travaglione 2003, p.114) while in China the future is emphasised more than tradition or social obligations (McShane and Travaglione 2003, p.114).

Based on the rankings described above, it is easy to understand why Sally's task oriented leadership style is questioned in Australia but accepted in Asia (McShane and Travaglione 2003, pp.488-489). According to Hofstede's framework, Australia is more inclined to meeting individual goals than group goals and expects relatively equal power sharing (McShane and Travaglione 2003, pp.113-114). In Asia, power distance is generally high, which means that receiving commands from superiors are commonly accepted (McShane and Travaglione 2003, p.114).

Throughout the discussion in this paper, the studies of organisational behaviour have been primarily focused in four areas: perception, leadership styles, leadership assessment, and cross-cultural behaviours. The perception of leadership based on stereotype and primacy effect can present inaccuracies and incorrect information of a situation or a person (McShane and Travaglione 2003, p.86; Hill *et al.*, 1989, pp.373-387). A manager who

wants to be effective must cultivate emotional intelligence and be flexible to adapt different leadership styles depending on the situation (McShane and Travaglione 2003, p.472). A good organisation must first assess its leaders to understand past behaviours to predict future behaviours (Hughes et al., 2002, p.86) and bridge the gap of its leaders through leadership grid training (McShane and Travaglione 2003, p.472). To manage a global organisation, the leader must understand the differences in cross-cultural values across different parts of the world (McShane and Travaglione 2003, pp.112-114).

(2,178 words)

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Managing like a man at SilkQueen?

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Sally Dawson works for SilkQueen, an Australian company that imports and manufactures high-quality fabrics for retail sale. The company manufactures fabric at a plant in Sydney as well as in several locations throughout Asia. SilkQueen began as a family-owned company in 1910 and became a publicly listed company when it started international operations in 1979. It has always had a female-dominated workforce yet management has been largely male.

Sally has just returned to Australia to work as a line manager in the Sydney manufacturing operations after spending 10 years working in the company's operations in Asia. While overseas, she completed several posts, including stints in Malaysia, Indonesia and China. In Asia, Sally worked as senior human resource manager and had responsibility for all the human resource functions of the subsidiary operations in addition to managing the cross-cultural training programs for expatriates posted to the region. She undertook considerable travel across the six Asian nations in which the company has operations. As well as being highly skilled in cross-cultural management, Sally is fluent in Mandarin and Bahasa. Despite holding three degrees in human resource management (HRM), working for 15 years in the HRM field and being internationally experienced, in the three months in which she has served as a line manager in the Sydney operations, she has experienced some considerable indifference, and even hostility, from her subordinates.

Although the move back to the Australian operations has meant that Sally has had to change the focus of her work, she has worked very hard to put in place strategies aimed at improving productivity in her section. The most notable of these initiatives has been re-organising the work hours of the section for which she has responsibility. She has implemented a system of working around the clock instead of the 10-hour days under which the factory previously operated. This system was implemented without consultation with the employees, and without discussion with shareholders and other interested parties. The factory is not unionised, although a group of employees meets on an ad hoc basis to discuss issues of concern.

Under the old system, employees were required to work five 10-hour days per week (i.e. 50 hours per week), but the new structure only requires them to work 8-hour shifts up to a total of 40 hours within a five-day period, for the same pay as before. Although the employees work fewer hours for the same pay, they are very dissatisfied with the new structure as it means that they have to work less regular hours with earlier and later starting times. The employees were given the option of choosing the shift that they wished to work (6 a.m.–2 p.m., 2 p.m.–10 p.m. or 10 p.m.–6 a.m.), but many felt that they really did not have much choice in the matter if they wanted to keep their job. Since implementing this new structure two months ago, production output has increased by almost 20 per cent. At the ad hoc employees, meeting last week, employees discussed the notion of taking a no-confidence vote against Sally.

This week, Michael Ribero, the general manager of SilkQueen, made his routine three-monthly visit to the plant. While walking around the shopfloor inspecting the premises, he heard some workers discussing their concerns with the new system. 'That Ms Dawson really has no idea what it is like to be an average worker with a big mortgage to worry about, kids to collect from school and other commitments—I'm really unhappy about having to work this shift where I start in the afternoon and don't finish until nearly midnight. I can't afford babysitters and I think I'm just going to have to look for work elsewhere', said one worker. 'I agree', said a second worker. 'When Mr Wong was our manager, he would never have brought in these terrible work hours. I can't believe that a woman manager is so inconsiderate to us. I thought a woman manager would be better than a man. I thought they were supposed to be nurturing and all that ... and care about their workers.' The first worker nodded in agreement. 'Yes, that's right', she said. 'Mr Wong at least looked like he cared about us. He used to walk around the factory floor and ask us how we were going. He always had a smile or joke for everyone.' 'Mr Wong was great', said another. 'He always asked us what we thought before he did anything.'

Michael approached the employees. 'I didn't mean to overhear your conversation, but I am very concerned about the comments you made. I was under the impression that most of you here were happy with the changing shifts because it meant fewer hours a week for the same pay.' At

that point several other employees joined in the conversation with remarks on Sally's leadership. The general manager listened with grave concern to their comments, which suggested that Sally was regarded as a poor manager who didn't care about their work conditions, who never came near the factory floor and buried herself behind a high desk with her back to the door in an office two levels above the factory floor. Michael thanked the employees for their comments and assured them that he would take up their issues.

The next morning, Michael phoned Sally, asking her to visit him at headquarters. Sally didn't know why Michael wanted to see her, but she assumed he wanted to congratulate her on the improvements she had made to production output in such a short period of time. When they met, Michael told Sally about the views aired to him the previous day by some of her employees. 'Sally, I'm rather concerned that the employees see you as being out of touch and only focused on the bottom line. I think it would be preferable for you to adopt a more participative style of leadership or I think we might have to consider moving you elsewhere in the organisation.'

Sally was, naturally, fairly defensive. 'Well, I'm sorry that they don't think that I've been leading like they think a woman should lead. I wasn't conscious that I am working like a man, as they think I am. I thought they would be happy with the shorter work hours. No one has said anything to me. I am highly qualified and experienced and in Asia no one had a problem with my so-called non-participative management style. Why isn't my authority being respected? Haven't I increased productivity greatly?'

After a day of not being able to concentrate very effectively on her work, Sally returned home. Sitting in her apartment, she began to fume over the employees' attitude and senior management not valuing her. Sally thought about the long hours she had put in, often late into the night, and the meetings with executives at headquarters. Even though she was single and did not have the responsibility of children, she was beginning to resent the hours she spent at work, with so little time for a social life. In Asia it had been okay—at least she felt valued and had a diverse work life and lots of opportunities to travel. But, back in Sydney, with the pressure from her subordinates and judgment that she was a poor manager, the stress was starting to take its toll. Sally knew she was not very happy with the job in Sydney and had for some time been aware that she did not have the support of her subordinates that she had enjoyed while in Asia. Following her discussion with the general manager, she seriously began to consider leaving the organisation to start her own consulting business in cross-cultural management. She would take with her many years invested in the company and considerable knowledge and experience that would be hard to replace.

Discussion questions

1. What problems are being encountered from the perspective of the employees?
2. What problems are being encountered by Sally, and what could the organisation have done to address her problems?
3. What could Sally do to improve her leadership style?
4. Does being male or female make a difference to the way a person manages employees?