Pondicherry University
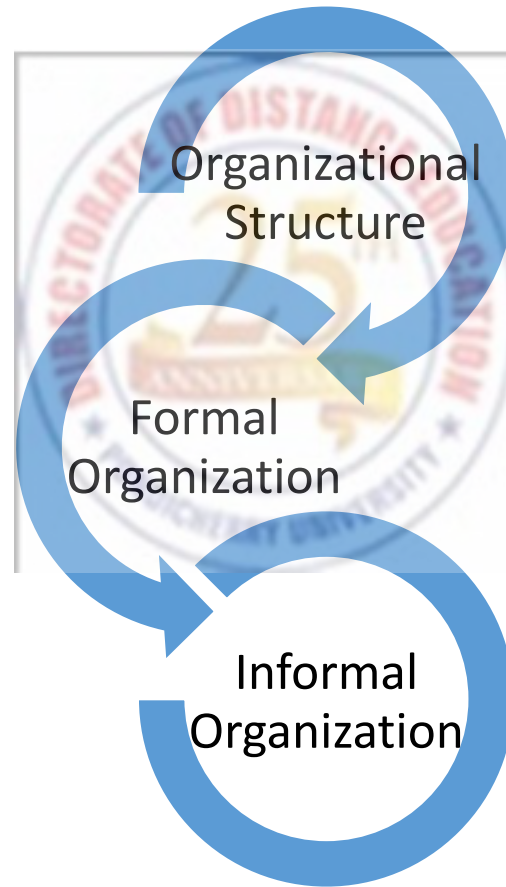**Directorate of Distance Education**

MBA – 1st Semester
Management Concepts and Organisational Behaviour

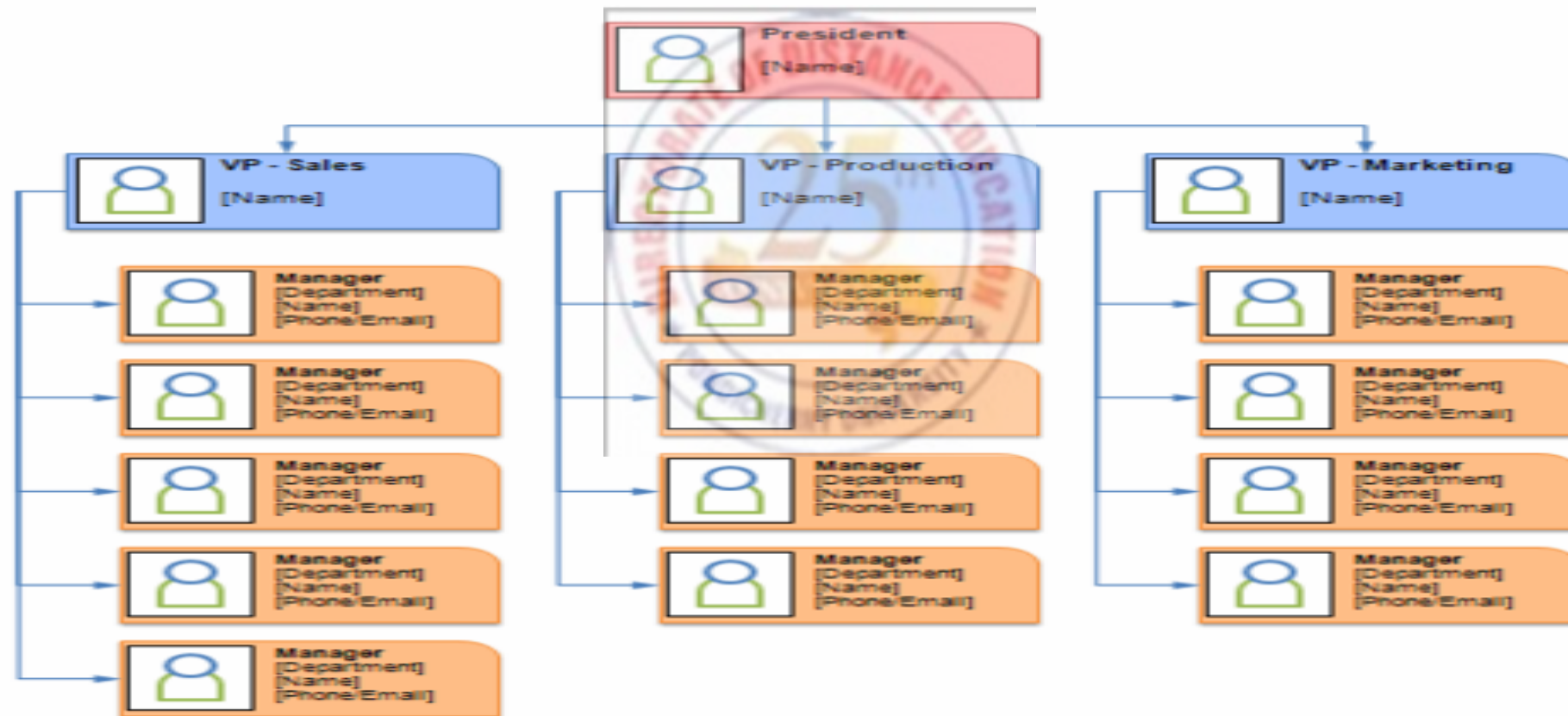Presentation – 7 & 8 -26th & 27th March, 2022
Group and Group Dynamics

Dr. P. G. Arul
Professor
Dept. of International Business
Pondicherry University
Pondicherry - 605014

Introduction

- Organizational Structure
- Formal Organization
- Informal Organization

Formal Organization Structure:

Company Organizational Chart

Informal organizational structure

Informal Organization:

Group Dynamics:

- Social needs are among the most powerful and compelling on the job motivating sources

- In order to fulfil their social needs, workers form small group on the job itself

- Hawthorne Experiment: "People behave as members of a group and their membership of group helps shape their work Behaviour and attitudes towards the organization"
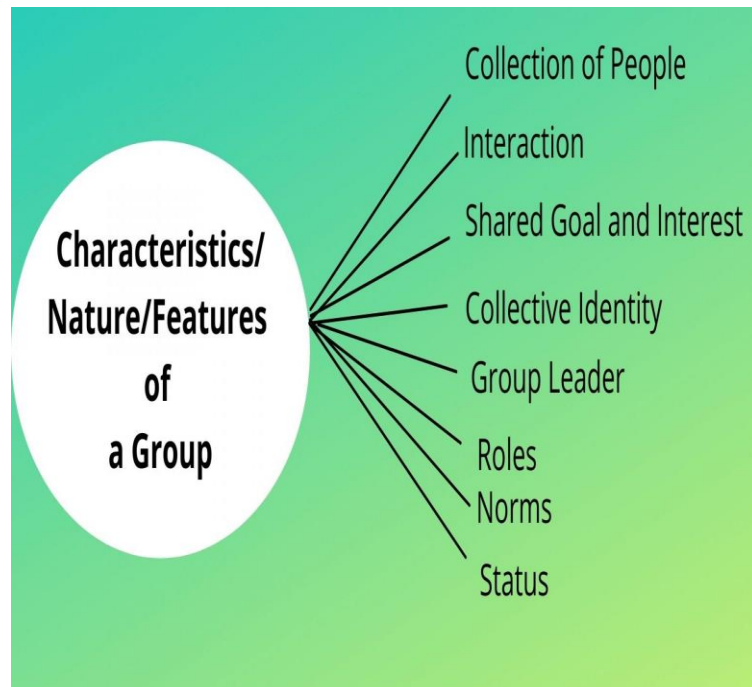
- Likert: "Organization will function best when its personnel function not as individuals but as members of highly effective work groups with high performance goal".

- Group dynamics is the social process by which people interact face to face in small groups is called group dynamics.

- Group dynamics – "teamwork where in small group are constantly in contact with each other and share common ideas to accomplish the given tasks"

- The group develops its goal clearly and furnishes suggestions to its members for the accomplishment of goal

- Every group choose its leader (whom may be called informal leader as he is not recognized in the formal structure) who may effectively coordinate the group to achieve objectives.

Nature of Groups:

Characteristics/Nature/Features of a Group
- Collection of People
- Interaction
- Shared Goal and Interest
- Collective Identity
- Group Leader
- Roles
- Norms
- Status

- A group consists of two or more persons who interact with each other consciously for the achievement of certain common objectives"

- Group:

    -People interact with one another

    -People must be psychologically   aware of one another

    -people should perceive themselves to be a group

    -People should make impact through behaviour /attitude/relationship/ easy work/objective etc.,

- Family Members (As Group)
- MBA – DDE Students

People sitting and Cinema Hall or Waiting for Staff Bus cannot be called as Group

Types of Groups:

- **Formal Group**

- They are in part of Organizational structure – created deliberately by the management- to perform duties

- Example: Work Group, Task Force, Committees, Quality Team etc.,

- Group have clear cut authority – responsibility – rules and regulations – integral part of organization.

- Informal Group:

Informal Group

- It arise spontaneously in the organization – because of social interaction between people.

- Created by individual rather than management – natural grouping of people – based on common interest: language, taste, caste, religion background etc.,

- Not officially planned – informal groups collectively referred as informal organization.

- It focuses on person rather than position – every group regulate norms for its functions – they represent human side of the organization (formal group technical side of the organization)

Styles: Classification of Groups

| Classification of Group	Special Features
Apathetic Group	Low paid, Low skilled, Low in unity, cannot pressurize, non acceptable by leader
Erratic Group	Semi workers, considerable unity, lack of consistently in Behaviour
Strategic Group	Prepare strategy – skilled- leader – create problem - key in their plan
Conservative Group	Professionals – highly skilled – display considerable confidence – strong and stable among informal groups – exercise restrained pressure for highly specified objectives

Reasons for formation of Groups:
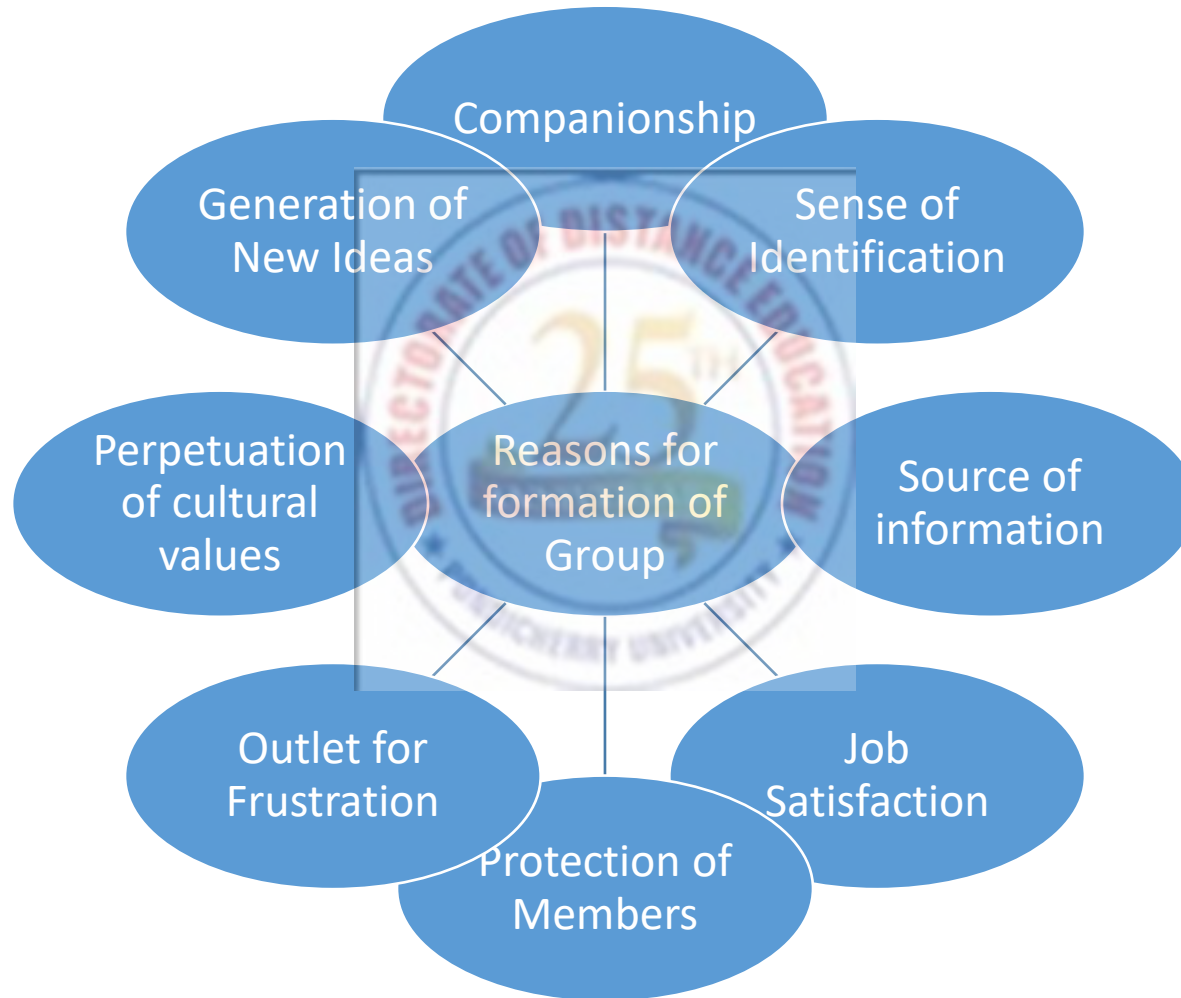
Importance of Groups to the Organization:

- Filling in Gaps in Manager abilities
- Solving Work Problems
- Better Coordination
- Channel of Communication
- Restraint of Managers
- Better Relation
- Norms of Behaviour (Certain norms create good or bad)
- Satisfied Workforce
- Developing future executives

Problems created by Informal Groups:

- Negative Attitude of informal leader

- Conformity (Strong pressure on its group members)

- Resistance to Change (maintain status ego)

- Rumor (raise rumor)

- Role Conflict (formal vs. informal group)
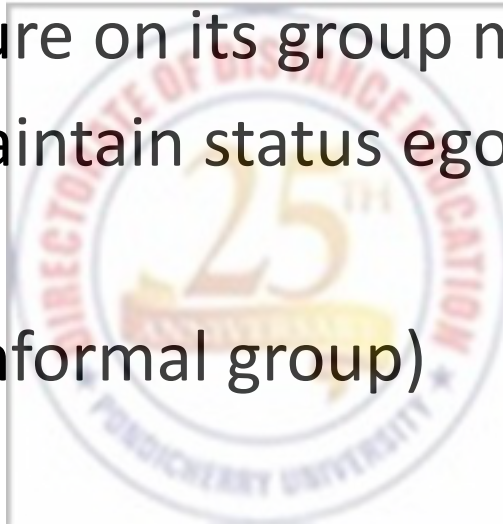
Dealing with Informal Groups

- Functional/ Dysfunctional

- Support and Create problems to the organization

- Management cannot remove their existence/unavoidable

- Identify the informal groups direct them towards objectives

- Group is small – difficulty to find out leaders – each individual act as leaders

- Leadership is based on seniority, job, dominant, personality, special capability, physical strength etc.,

- Recognize – use for management consolation – build management communication etc.,

Determinants of Group Behaviour:
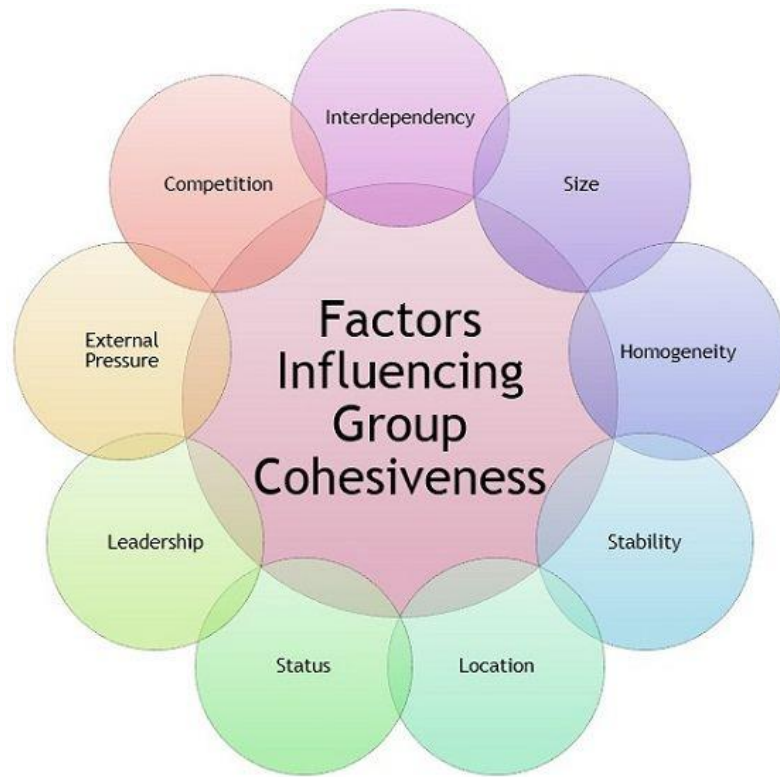
Group Cohesiveness

- Croup cohesiveness means "the degree of attachment of the members to their group"

- Members of the cohesive group strongly share the goal of the group and are attached to one another

- Greater the attachment – the greater is the likelihood following group standards

- Cohesiveness is powerful – the members act unitedly - face threat from external source

Cohesive Group Possesses the following Attributes / Characters:

Factors Influencing Group Cohesiveness

- Interdependency
- Size
- Competition
- Homogeneity
- External Pressure
- Stability
- Leadership
- Location
- Status

- Members share the group goal and have common interest and background
- The number of members relatively small
- Members have constant touch with each other through communication
- Group loyalty among the members is high – because high status enjoyed by the group
- Members stand united – to face threats
- The cohesive group has a success in the past – they feel their social and economic needs will be satisfied by the group
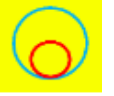
Factors influencing Group Cohesiveness:

Management of Innovation

Definitions of Innovation

The Oslo Manual
(OECD, 2005)

"An innovation is the implementation of a new or significantly improved product (goods or service), or process, a new marketing method, or a new organisational method in business practices, workplace organisation or external relations"

European Commission Green Paper on Innovation
Crossan and Apaydin (2010)

"Innovation is: production or adoption, assimilation, and exploitation of a value-added novelty in economic and social spheres; renewal and enlargement of products, services, and markets; development of new methods of production; and establishment of new management systems. It is both a process and an outcome."

1 Customer-based Innovation

- Total customer experience
- Design-in emotional aspects
- Flexible customer interaction
- Employee engagement

2 Proactive Business Model Innovation

- 'Thick value'
- Modular approaches
- More market adaptation

5 Integrated Innovation

- Integrated within strategy
- Systematic non-NPD innovation
- Embedded ownership
- Radical/disruptive innovation

3 Frugal Innovation

- New segments, new needs
- Radically new low cost
- Back applications in more affluent segments
- Frugality and Affordability innovation mindset

4 High Speed/Low Risk Innovation

- Trial and experiment
- 24/7 development
- Gradual rollout

Advantages of Innovation

Innovation Characteristics	Strategic Advantages
Novelty	Offering something no one has done before
Complexity	Keeping entry barriers high
Robustness	Improving the basic model by extending its life and reducing overall cost
Radical Nature	Carrying competitiveness into a new dimension
Continuous Incremental Innovation	Continuous improvement in performance

Tidd et al. (1997)

However, the effect of innovation on competitiveness is dependent on the "*nature of the market*" and "*client characteristics*"

First-Mover

- Advantages
    - Create the standard
    - Low-cost position
    - Intellectual property
    - Tie up resources
    - Increase switching costs for producer
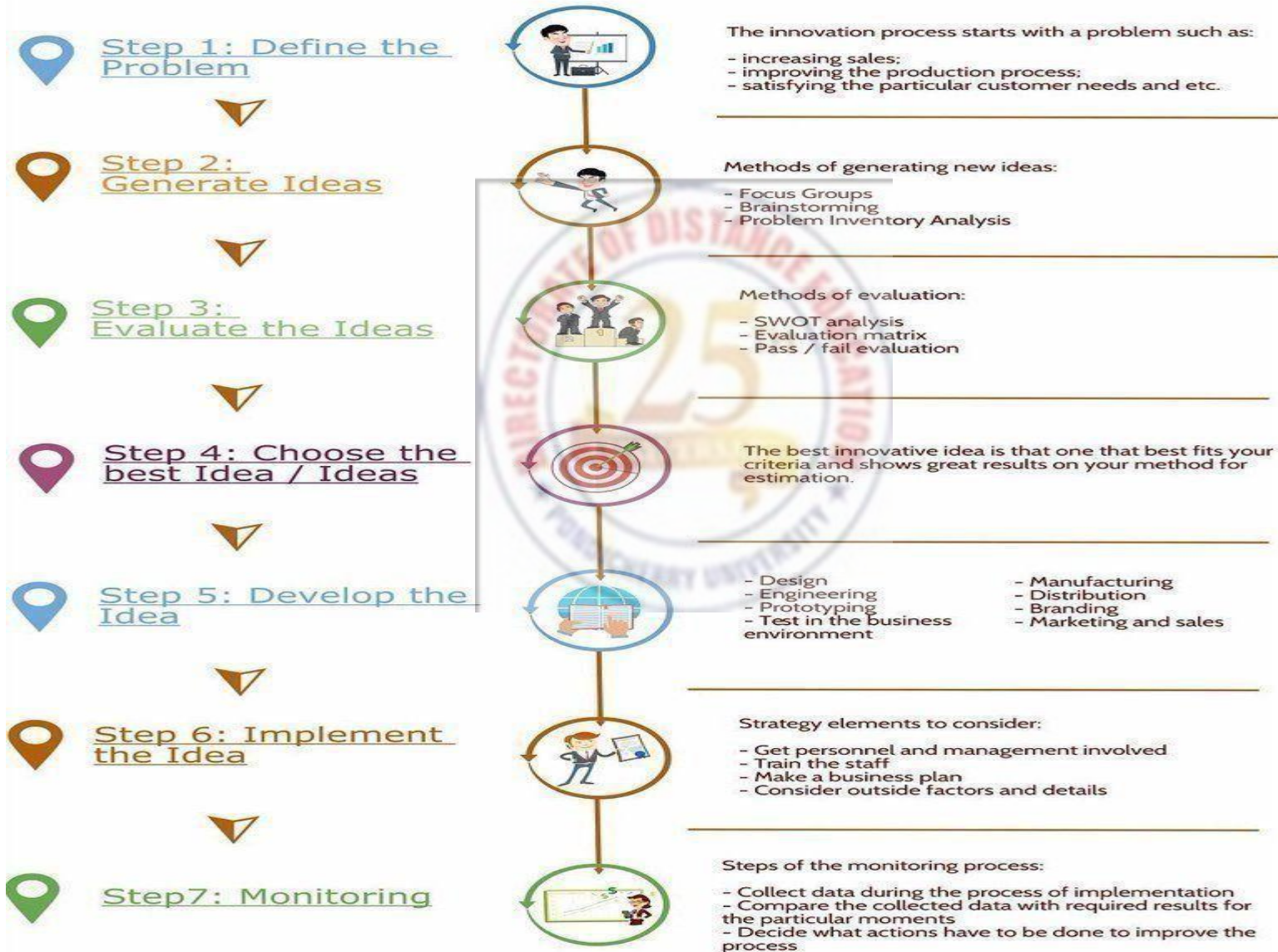   - Increase switching costs for customer

- Disadvantages
    - Advantages can be short-lived
    - Higher development costs
    - Competitors violate intellectual property
    - Greater uncertainty
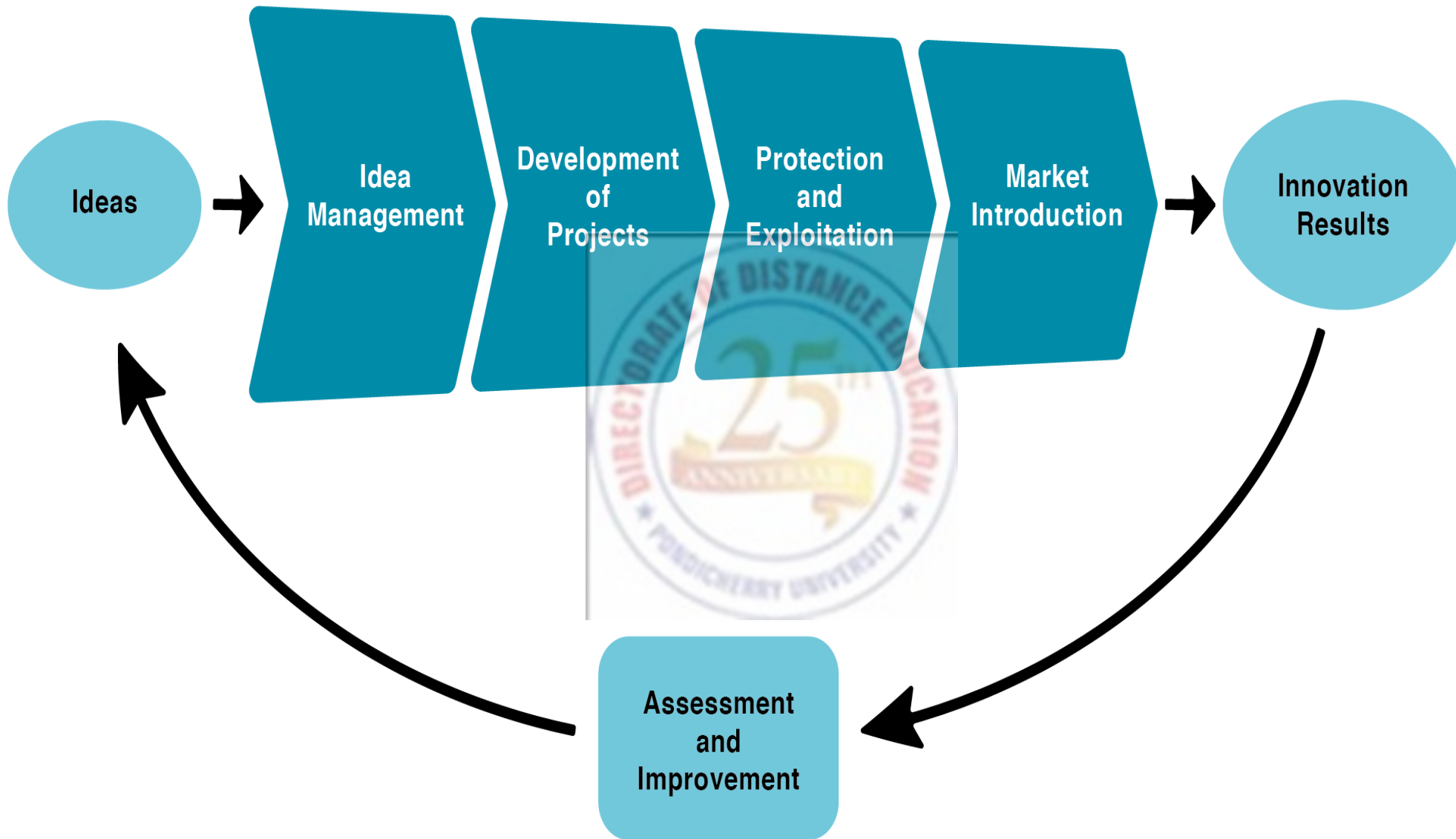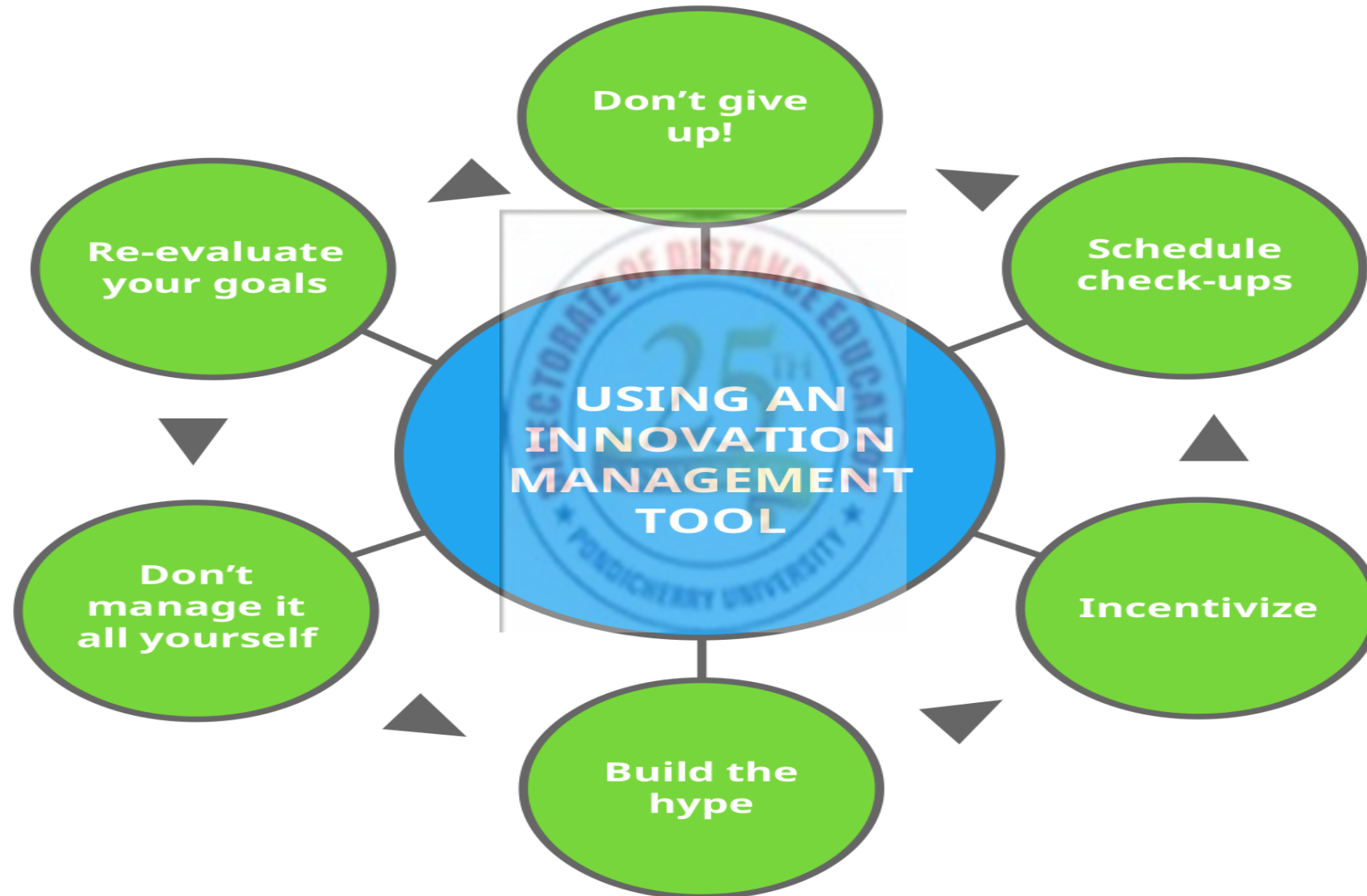   - Consumer reluctance

Inovation Process Steps

Step 1: Define the Problem

The innovation process starts with a problem such as:

- increasing sales;
- improving the production process;
- satisfying the particular customer needs and etc.

Step 2: Generate Ideas

Methods of generating new ideas:

- Focus Groups
- Brainstorming
- Problem Inventory Analysis

Step 3: Evaluate the Ideas

Methods of evaluation:

- SWOT analysis
- Evaluation matrix
- Pass / fail evaluation

Step 4: Choose the best Idea / Ideas

The best innovative idea is that one that best fits your criteria and shows great results on your method for estimation.

Step 5: Develop the Idea

- Design
- Engineering
- Prototyping
- Test in the business environment
- Manufacturing
- Distribution
- Branding
- Marketing and sales

Step 6: Implement the Idea

Strategy elements to consider:

- Get personnel and management involved
- Train the staff
- Make a business plan
- Consider outside factors and details

Step7: Monitoring

Steps of the monitoring process:

- Collect data during the process of implementation
- Compare the collected data with required results for the particular moments
- Decide what actions have to be done to improve the process

Ideas → Idea Management → Development of Projects → Protection and Exploitation → Market Introduction → Innovation Results → Assessment and Improvement → (back to Ideas)

Innovation Management Principles

1 Realization of value

2 Future-focused leaders

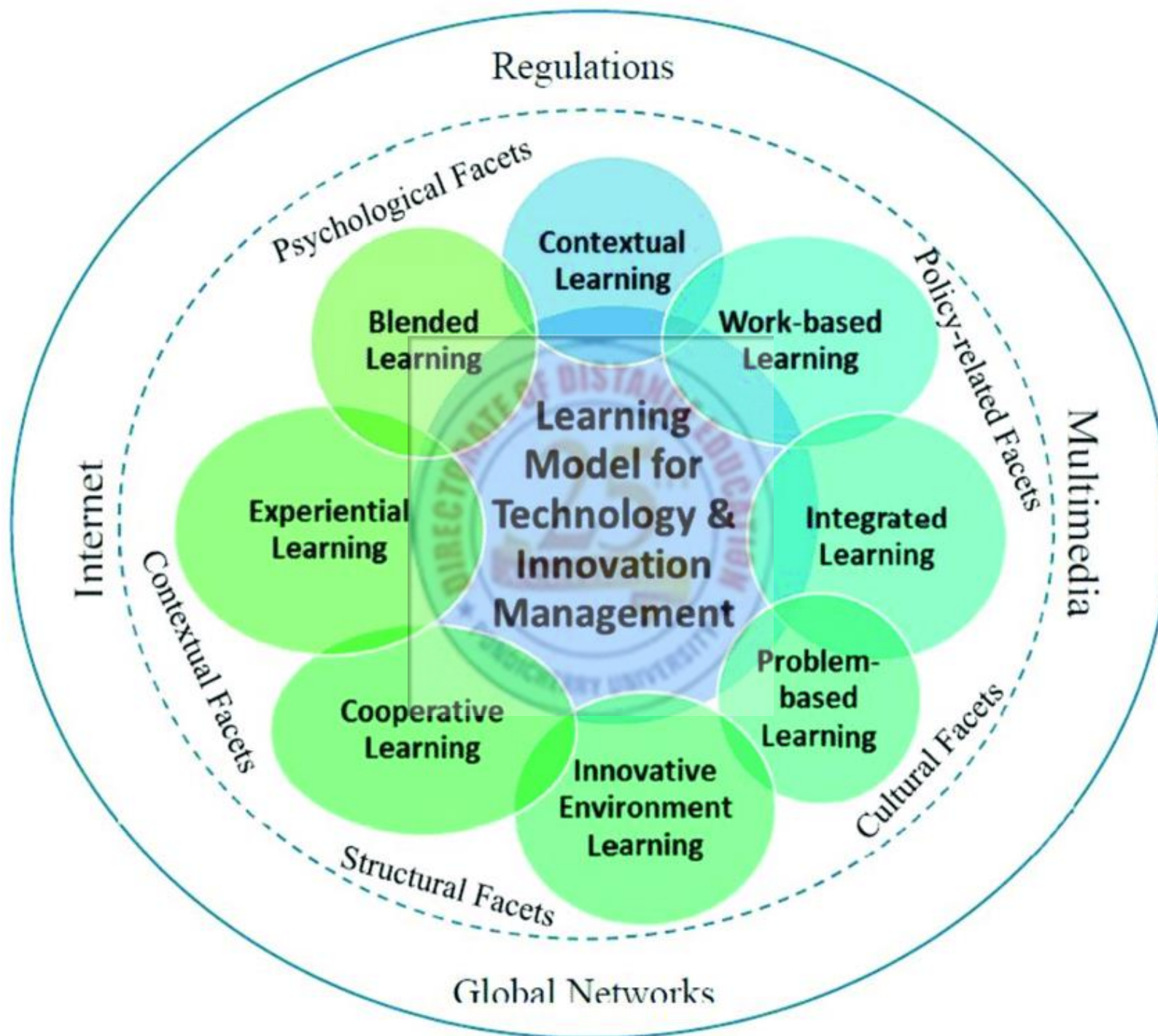3 Strategic direction

4 Culture

5 Exploiting insights

6 Managing uncertainty

7 Adaptable structures

8 Systems approach

Organizational Process for Innovation Management

MANAGING DIVERSITY (MULTI-CULTURALISM)-Shared Corporate Culture

Introduction

- Every organisation has its own culture

- How people interact in an organisation and the basic assumption they make are part of the organisation culture

- Norms, values, attitudes and beliefs shared by the members of organisation constitute its culture.

- Organisation culture –guides day to day behaviour and decision making

- If the culture is not align with managerial function – the organisation suffer

- Culture has a strong influence on the performance of organisation

# Cultural Diversity/Multiculturalism

- Multiculturalism refers to cultural factors such as ethnicity, race, gender, physical ability and sexual orientation

- Multiculturalism refers to presence of many different cultural background within an organisation.

- Cultural diversity means co-existence of people from different cultural backgrounds

- As labour force is becoming more global, cultural diversity and its management is acquired greater significance

- An international enterprise has to be sensitive to and adjust to multiple cultures.

Key cultural aspects to business management are:

- Attitude towards work and achievement
- Attitude towards the future
- Pattern of decision making
- Attitudes towards minority
- Responsibility towards family
- Expression of disagreement
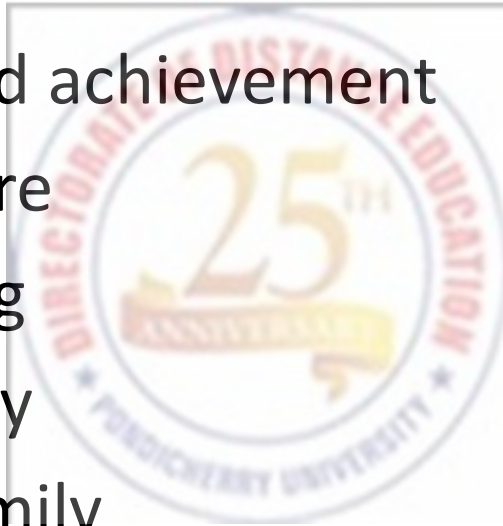
Dimension of Culture:

- Power Distance: High Vs Low

- Uncertainty Avoidance: Workers avoid or accept feelings of uncertainty

- Individualism and Collectivism: own interest vs. interest of groups

- Masculinity: Extent to which dominant values in a culture are success, money and things - workers is aggressive, assertive and materialistic

- Feminity: (the opposite of masculinity) refers to nurturing, caring and others and concern for the quality of life.
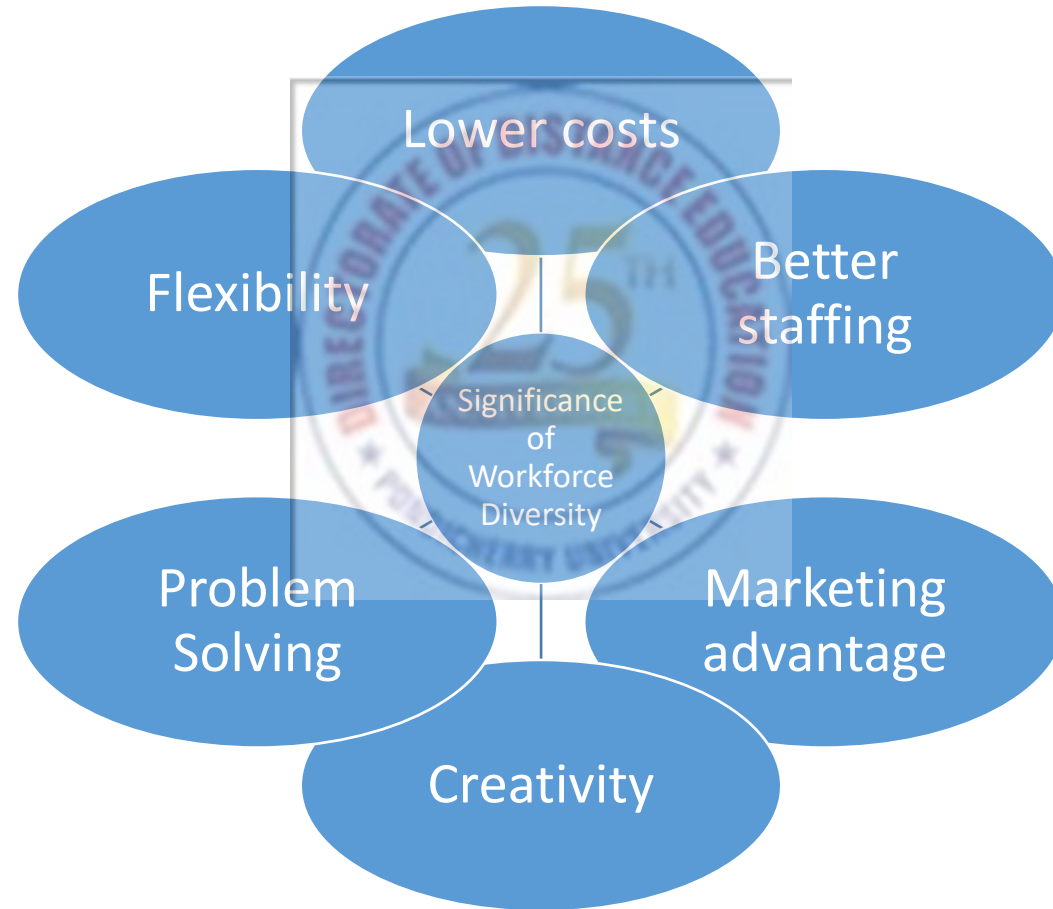
?

Workforce Diversity:
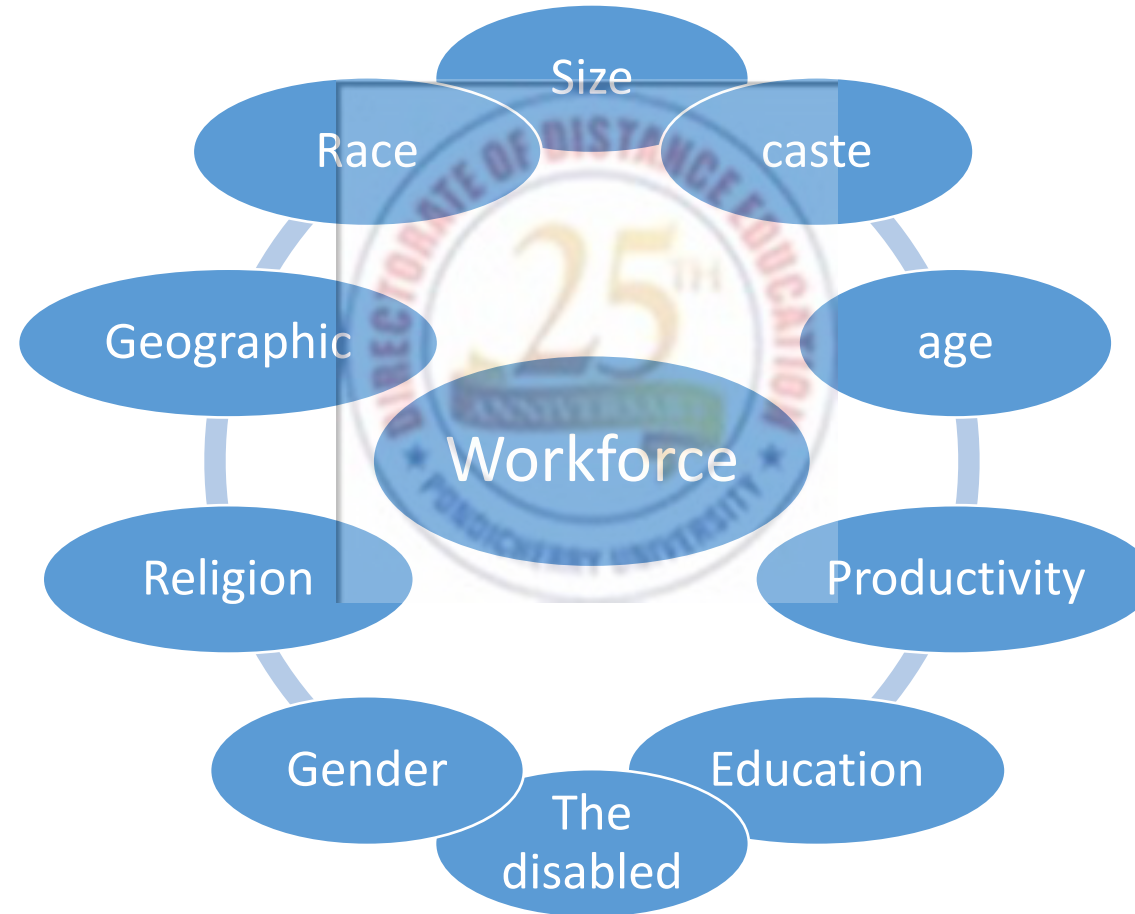
Significance of Workforce Diversity:

Framework for Managing Diversity
(Taylor.H.Cox Jr. and Stacy Blake (1991)

Organisation culture:

Mind-sets about Diversity: Problem or Opportunity

HR Management System:

Framework for Managing Diversity

Cultural Differences:

Higher Career Involvement of Women

Educational Problems

Heterogeneity in Race/ Ethnicity /Nationality

Management of Diversity:

- Management of Cultural Diversity – Managing Individual Diversity- Managing Workforce Diversity
- Management of Diversity Programme Should consist the following:
  - Support from Management
  - Continuous efforts to assess the diversity mgt. programme
  - Flexibility programme – HR Functions
  - Programme should accommodate family needs
  - Alternative work schedule
  - Diversity and language programme
  - Mentoring
  - Support groups
  - Career development and promotion to maximise the upward mobility of employees

MULTICULTURALISM

INTRODUCTION

❑ People from many cultures

❑ Regular interaction

❑ Global Firms / MNC

❑ Cultural Integration
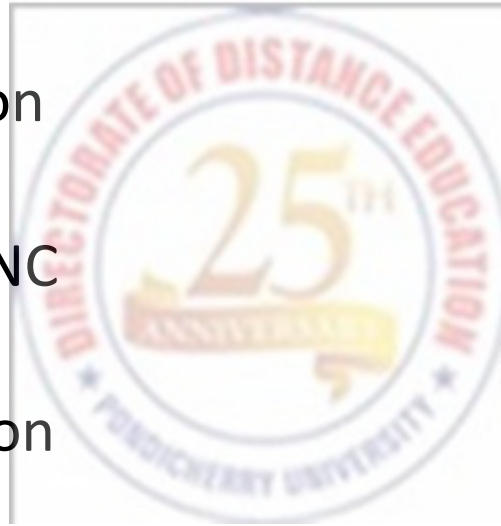
OBJECTIVES

❏ To manage across cultures

❏ To understand communication challenges

❏ To understand how countries can be compared

❏ To describe the impact of an individual's work
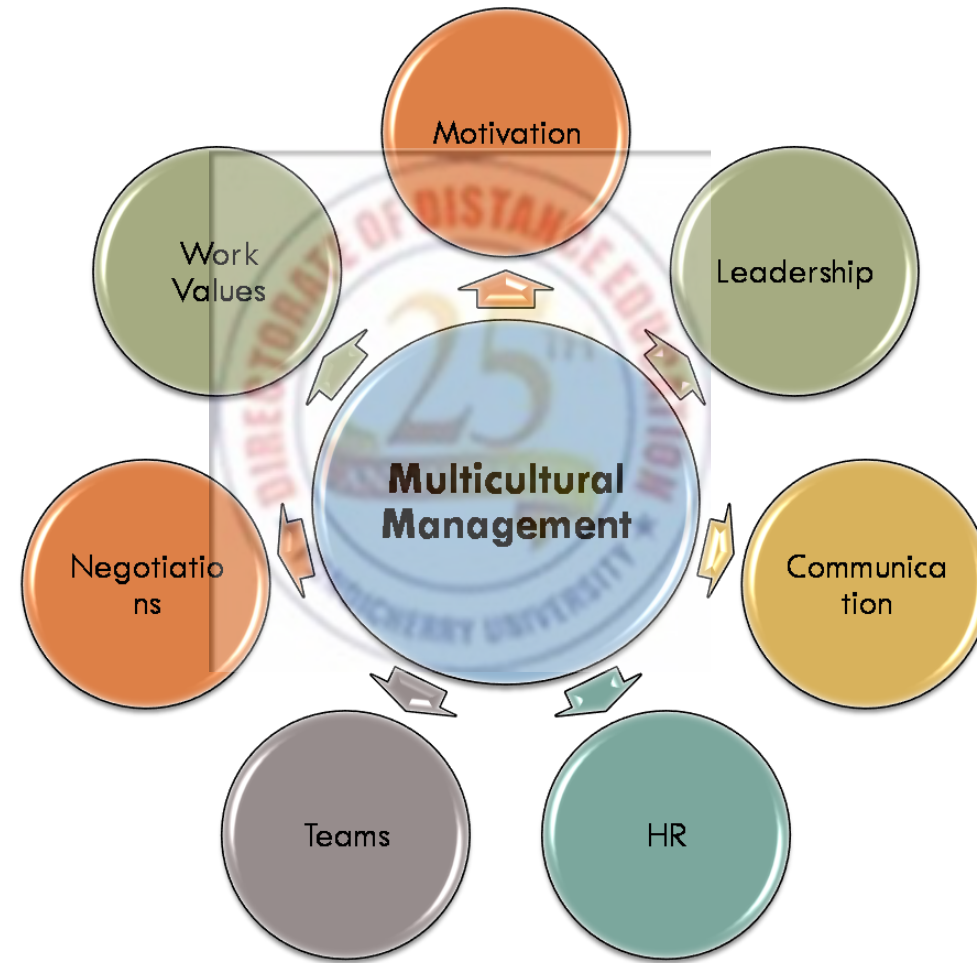
MANAGING ACROSS CULTURES

- Creativity and Innovation

- Dealing with foreign customers

- Best Talent

- Super organizational Culture

- Flexibility

- Universal HR Policies and Practices

INDIVIDUAL CULTURAL COMPETENCY

- Strong Personal identity

- Beliefs and Values

- Effective Processes

- Communication Ability

- Active Social Relation
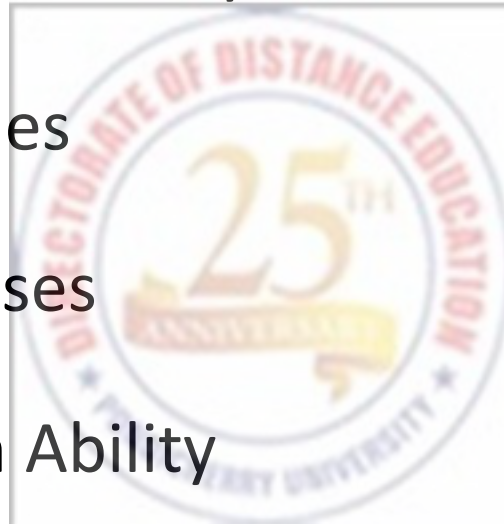
MOTIVATION ACROSS CULTURES

- Management Styles

- Control

- Emotional Appeal

- Recognition

- Material Reward

- Threats

- Cultural Values

	American	Japanese	Arab
MANAGEMENT STYLES	Leadership; Friendliness	Persuasion; Functional group activities	Coaching; Personal attention; Parenthood
CONTROL	Independence; Decision-making; Space, Time, Money	Group harmony	Of others/ parenthood
EMOTIONAL APPEAL	Opportunity	Group participation; Belonging to group	Individual status; Class/ Society; Promotion
MATERIAL AWARDS	Salary; Commission; Profit sharing	Annual bonus; Social services; Fringe benefits	Gift for self/ family; Family affair; Salary increase
THREATS	Loss of job	Out of group	Demotion
CULTURAL VALUES	Competition; Risk-taking; Material possession; Freedom	Group harmony; Achievement; Belonging	Reputation; Family security; Religion; Social status
RECOGNITION	Individual Contribution	Group identity; Belonging to group	Individual status; Class/ Society; Promotion

LEADERSHIP ACROSS CULTURES

- Cosmopolitan
- International Communication
- Culturally Sensitive
- Rapid Acculturation
- A mentor
- Cultural Synergy
- Growing World Culture
- Self – awareness and Renewal
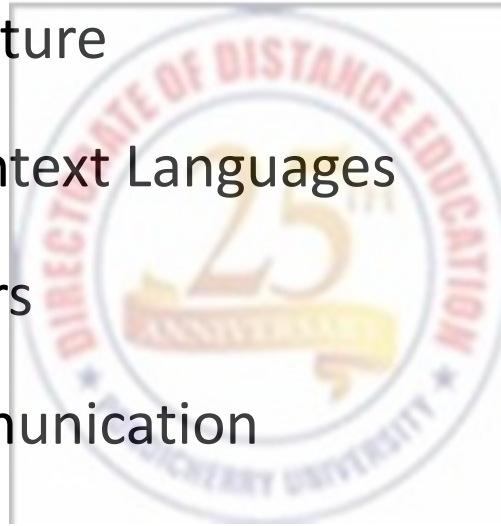- Cultural and Institutional Influences

BUILDING A MULTICULTURAL ORGANISATION

COMMNICATING ACROSS CULTURES

- Communication Dimensions

    - Language and Culture

    - High and Low Context Languages

    - Use of Interpreters

    - Non Verbal Communication

TIPS FOR EFFECTIVE COMMUNICATION ACROSS CULTURE

- Language of the Host Country

- Language Accents

- Cross Cultural Barriers

- Speak Clearly

- Cultural Sensitivity

- Non Verbal Communication

WORK VALUES

- Independent Vs Conformity

- Authority Vs Equality

- Individualism Vs Collectivism

- Compliance Vs Empowerment

WORK VALUES

Independence

> Flexible work hours

> Alternate career paths

Conformity

> Clearly defined work schedules

> Well identified career paths

WORK VALUES

Individualism

➤Individual accountability

➤More focus on self

Collectivism

➤Interdependencies at work

➤Tendency to form groups

WORK VALUES

Authority   **Equality**

➤Assert authority   ➤Lack of relevance

➤Position, title and status are   ➤Similar benefits and privileges
important   across the organization

WORK VALUES

Compliance

Empowerment

➤Acceptance of policies and rules

➤Scope to propose changes to policies and processes

➤Non- adherence merits reprimand and corrective plan

➤Participatory approach to decision making

20 Classic Case Studies Every Business Student Should Know

MANAGEMENT CASE STUDIES

Introduction:

- Although almost every [business](#) is unique in its own way, there are some universal lessons that apply to just about any kind of business. In these case studies, we'll take a look at employee performance and retention, supply chain management, growth, ad spending, and more. Although the following are focused on specific businesses, all business students can learn lessons from their triumphs and mistakes. Read on, and you'll find 20 classic case studies you'd do well to know as a business student.

1. Workplace Drug Abuse

Managers hope they'll never have to deal with employee drug abuse, but the fact is that it does happen. In this case, Amber, an administrative assistant started out well, but began to adopt strange and inconsistent behavior. Her work was maintained pretty well, but she began arriving late and calling in sick often, especially right around the time she got paid. She began borrowing and failing to repay money, and then started showing a short temper on the phone with customers. After being found in the ladies room sniffing white powder, she was confronted about a cocaine problem, and reacted by quitting immediately, leaving a hole in the organization for months before a replacement could be found and replaced. Experts believe the employer's actions were wrong, waiting too long to confront Amber, and focusing on accusations instead of criticizing behaviour directly related to work, such as lateness and rudeness to clients. They also point out that Amber should have been sent in for a drug test before being outright accused of using cocaine, opening up the opportunity for rehabilitation instead of a severed tie.

2. Malden Mills

Sometimes, doing the right thing is more important than profits, a lesson that Malden Mills learned firsthand. When the factory burned down in 1995 just two weeks before Christmas, production halted and employees assumed they'd be out of work until the factory was rebuilt. But CEO Aaron Feuerstein extended the employees 90 days at full pay, as well as 180 days with benefits at a cost of $25 million to Malden Mills. After the factory was rebuilt and all of the displaced workers were rehired, cooperation and productivity reached a new high, with 40% more business, 95% customer and employee retention, and a production increase from 130,000 to 200,000 yards per week. However, since then, Malden Mills has been to bankruptcy court three times, with much of the debt tied to the rebuild of the factory. Feuerstein made employees happy, to be sure, but business students should study this case to consider whether bold philanthropic actions will pay off in the end.

3. A Starbucks on Every Corner

In 2008, Starbucks announced that they would be closing 600 US stores. Up to that point, Starbucks stores had added new offerings, including wi-fi and music for sale, but started to lose its warm "neighborhood store" feeling in favor of a chain store persona. Harvard Business Review points out that in this situation, "Starbucks is a mass brand attempting to command a premium price for an experience that is no longer special." Meaning, in order to keep up, Starbucks would either have to cut prices, or cut down on stores to restore its brand exclusivity. HBR's case study shares three problems with the growth of Starbucks: alienating early adopters, too broad of an appeal, and superficial growth through new stores and products. Harvard recommends that Starbucks should have stayed private, growing at a controlled pace to maintain its status as a premium brand.

4. Small Customers, Big Profits

Big business is attractive, with huge profits for some. But there's something to be said about small business as well, with lower risk and the potential for creativity. Darren Robbins of Big D Custom Screen Printing in Austin, TX found success in his business by pursuing customers with orders both large and small. Although Big D started out catering only to large orders, the shop sat idle in between orders, and through effective scheduling and transparent pricing, was able to fill in dead times with smaller orders. Big D found a profit in a market segment that other local screen printers weren't clamoring to fill. Experts believe this was a smart strategy, allowing Big D to spread out risk in their business and offer customized products. But at least one person is critical of the offering, pointing out that the niche has little upside potential, and may hurt the company's efficiency.

5. Succession Planning

Family businesses typically have the luxury of passing the torch down to children after parents retire, but in some cases, there are no candidates, or the candidates may not be right for the role. This presents a challenge when it's time to find a successor, especially if existing employees have assumed that top level promotions would come from within the family. So the Carlson companies had to put in great effort to find a replacement, looking both internally and outside of the company, ultimately finding an internal candidate who would work well with the family but also offered plenty of experience as an executive in different industries. According to Beverly Behan of Hay's Group, Carlson should be commended for not only making the right decision in not hiring the heir apparent, but for handling the job search in a calm, effective way.

6. Retiring Employees, Lost Knowledge

Another important retirement issue is one of lost knowledge. What happens when retirees leave the office, taking years of experience and know-how right along with them? Businesses lose all of that knowledge, but according to American Express, it doesn't have to be that way. Through a pilot program, AMEX created a workforce transformation group that would allow retiring participants to gradually give up some of their day to day responsibilities. In return, the employees would spend some of this time mentoring and teaching classes to successors. This resulted in a phased retirement, allowing employees to leave gradually and enjoy more time while still enjoying a portion of their previous salary, and regular benefits. This also meant that some employees stayed a year or more past traditional retirement age. AMEX believes this program is a success, allowing senior employees to enjoy their last years of work in a reduced capacity, as well as educating the existing workforce for future success. Consultant David DeLong agrees, citing this program as an example of how job handoffs should really work.

7.   Strategic Ad Spending

Advertising costs money, which many businesses find themselves short of these days. But forgoing ad spending in favor of better profits can be a mistake. Experts say that in a slump, one of the best things you can do is adopt or increase your advertising strategy to attract customers. During a recession, this is especially true, as other businesses may be cutting back on their ad spending, making your voice even more prominent to customers. After seven years of growth, building from 30 to 300 locations, Firehouse Subs' growth fizzled, and company leaders realized they had to do something about it. So they returned local advertising fees collected from franchisees, not to put in their pockets, but to take hold of their own local marketing. Sales fell even more, revealing that this was not a good strategy at the time. Instead, Firehouse reclaimed their local marketing fee, and then gave franchisees the option to take part in a new marketing campaign, requiring them to pay double for local marketing, but in return, becoming part of an $8 million advertising campaign poised for success. Experts commend Firehouse for having the courage to ask franchisees for more money where it was needed, even when times were tough.

8.   Tylenol's 1982 Scandal

In 1982, seven people in Chicago died after taking Tylenol due to an unknown suspect lacing the capsules with cyanide after the products reached the shelves. In the immediate aftermath, Tylenol's commanding 37% market share dropped to just 7% nationwide, despite the problem being contained to the Chicago area. Tylenol was not responsible for the tampering of the product, but to maintain the product's reputation, Johnson & Johnson pulled all of the Tylenol from the shelves, absorbing a loss of more than $100 million dollars. Tylenol was successfully reintroduced with tamper resistant packaging, discounts, and sales presentations to the medical community. The brand survived due to swift action and effective public relations from Johnson & Johnson.

9. David vs. Goliath

It's tough to be the little guy, especially when one of the big guys becomes your direct competition. But at Hangers Cleaners, an offbeat image and good customer service helped them pull through when P&G opened an eco-friendly dry cleaners in the same town. Hangers differentiated itself through van delivery service, funny t-shirts and hangers, as well as social networking. The company also spent time connecting with the community by partnering with local businesses and charities. Instead of out-pricing or out-spending P&G, Hangers embraced its personality and adopted a culture of excellent service that customers found value in. As a result, Hangers has experienced growth while other local dry cleaners have reported flat or declining revenues.

10. Market Expansion Through Partnership

To support new growth, businesses have to expand past their initial customer base, an often daunting task for small businesses. However, partnering with another successful company can help businesses reach a new level. Diagnostic Hybrids, specializing in medical diagnostics, did just that, partnering with Quidel, a market leader in rapid diagnostic tests. This partnership allowed Diagnostic Hybrids to enjoy a larger market presence, as well as take advantage of better research and development resources. Although Diagnostic Hybrids was acquired by Quidel, key elements of the organization remain, with the same company president, and operation as a separate subsidiary.

11. Tesco's International Expansion

- Tesco's move into Korea offers a classic case study of building market share internationally. The company made some smart moves in their Korean expansion, most notably partnering with Samsung, the leading Korean conglomerate, and embracing the Korean way of life by operating stores as local businesses and community centers. Tesco also made a smart move by employing nearly 100% Koreans on staff, with only 4 British employees out of 23,000. Reports indicate that Tesco's intelligent strategy has won over shoppers in Seoul, with 25% of Koreans signed up for loyalty cards and sales in the billions, finding success in "crack[ing] the Asian tiger," where competitors such as Carrefour and Wal-Mart have failed.

12. Triumph in Niche Exports

Another excellent international case study comes from bike manufacturer Triumph, which lost steam in its British home base three decades ago, but found new life by heading overseas. In 2010, Triumph sold just 7,562 bikes in the UK, but 50,000 worldwide, indicating that an international interest paid off for the company. Triumph's famous factory in Warwickshire closed up shop in 1983, but the Indian factory remained, and these days, the motorcycles have become the country's Harley Davidson. The company struggles to meet demand in India, with a six month waiting list and a new factory being built. India's middle class has embraced the vehicle as an affordable commodity, even giving them as dowries in weddings.

13. Background Checks for Job Candidates

Background checks are an issue faced by many companies, as sensitive information is now more public than ever. OfficeDrop is no exception, as the company scans paper into digital files, including patient records and minister sermons, most of which require trustworthy employees who can handle documents discreetly. Many companies offer quick, superficial checks, but for OfficeDrop owner Prasad Thammineni, more information was required. He found a company that would allow research to delve into a number of different sources and perform a more comprehensive search. Other business owners offered somewhat critical opinions of Thammineni's choice, pointing out that instead of Googling to find a background check company, he should have asked his business network who they were using. They also recommended that he take advantage of free resources, including online searches and checking out social media sites to learn more about job candidates.

14. Employee Engagement in Tough Times

When Gamal Aziz stepped in as president of the MGM Grand Hotel & Casino, he didn't just take on a $400 million spruce up of the hotel, he worked on the employees as well. He asked rank and file employees to share their insight through a hotel, discovering that there was a disconnect between what was going on at the hotel and the knowledge of staff. He implemented an easy fix, creating short meetings at the start of every shift to inform employees of daily happenings so that staff could offer more to guests, improving customer loyalty, return visits, and spending. Experts laud Aziz for differentiating the MGM grand with top quality service from the employees.

15. Social Media Serves Up Creme Brulee

Marketing is key, whether you're a multibillion dollar company, or just a guy with a cart full of creme brulee. But just doing it isn't enough: you have to market effectively. Curtis Kimball, the man behind the Creme Brulee Cart, put Twitter to work for him amassing thousands of followers and growing his business by allowing people to follow the cart through the online service. Kimball engages with customers and develops a personal relationship with followers online, asking for suggestions on flavors and cart locations. Perhaps the most impressive part of this story is the fact that Kimball has no marketing budget (Twitter is a free service), yet enjoys an incredibly popular status and high ratings on Yelp.

16. Overreaching Products, Suffering Sales

You can't be everything to everyone, as Hickory Farms found out. A company that started out with holiday gift baskets including sausage, ham, and cheese at one point had an offering of 2,500 different products, sprawling the company and resulting in a loss of favor with customers. Recognizing this issue, Hickory Farms streamlined itself, slashing their number of products from 2,500 to 300 with more modern visuals, descriptions, and other features, including less packaging and more recycled content. The company also overhauled their website, making it easier to shop online. All of this streamlining resulted in a price reduction of 13% that Hickory Farms was able to pass on to their customers. Brand strategist Jennifer Woodbery believes that this was a smart move, making the most of Hickory Farms' trusted name and image with an effective rebranding of offerings.

17. Maintaining Consistently Good Employees

It happens all the time: good employees get a promotion, and suddenly, they're not so good anymore. Such is the case for cat shelter Paws Need Families, as Della, a cleaner turned assistant manager, then manager started arriving late, letting applications sit, and slipped on inoculations, all serious offenses. Instead of confronting Della directly, general meetings were held, and an assistant manager was hired to compensate for Della's shortcomings. Ultimately, Della never cleaned up her act, and was fired. Ken Blanchard, co-author of The One Minute Manager believes this situation could have been avoided with frequent meetings and support with a system of review, both of which can identify issues before they become real problems.

18. Recall Crisis Management

- In 2009, Maclaren issued a recall for every stroller it had sold in the US for a decade, which came to 1 million units. The strollers were recalled so that a cover could be installed to prevent amputation of a baby's fingers, which could happen if the baby were to be in the stroller in the wrong spot. As a luxury brand, this incident was damaging even though it was a misuse of the product and not a defect. Experts believe that Maclaren did the right thing in the aftermath of the recall, asking for a fast track recall from the Consumer Product Safety Commission, and got out in front of the recall as it started spreading through the press, saving face and further embracing a mission of child safety.

19. Dealing with Late Paying Clients

- We all hope that clients will pay on time, but the fact is that most businesses have to deal with lateness at some point or another. How you deal with it can make all the difference, and this case study reveals a smart strategy. When a client wrote to check in on the progress of work, a web developer replied that she was hesitant to work quickly for that client because she was still waiting on payments for month-old work. This immediately got the attention of the clients, who contacted her and discovered that their checks were not going to the right address. The problem was solved almost instantaneously, enforcing both leverage and rewarding positive behavior. However, it was risky, and the client criticized her for not sharing a warning before coming to a difficult point.

20. Supply chain disruption

- In 2000, a fire at the Philips microchip plant affected phone manufacturers Nokia And Ericsson. The companies reacted in different ways, and ultimately, Ericsson did not do well, quitting the mobile phone business and allowing Nokia to win over the European market. While Ericsson had tied up all of its key components in a single source and planned to wait out the problem with the fire, Nokia worked to snatch up spare chips from other plants and suppliers, as well as re-engineered some of their phones to adapt to different chips from new suppliers. It's not hard to imagine what happened after that. Nokia kept trucking along, while Ericsson suffered from months of lost production and sales, allowing the market to be dominated by Nokia. This incident and fallout is a classic lesson in supply chain risk management.