**Organisational Behaviour Question**

**The TollyGroupBuy.com Case Study**

The date on his iPhone showed 17 Oct 2011. David Cook, CEO of *TollyGroupBuy*, shuffled through some white papers on his desk as he got ready for a morning meeting with his senior managers in his spartan office at NY city, New York. The last six months had gone past swiftly in the twinkle of an eye. He was a technology person, but had been thrust into the role of management because of his singular vision to brave new frontiers in cyberspace. Inspiring and managing people’s expectations and feelings were very different skills that he needed to master and hone. He thought deep and hard as he wondered how he should deal with issues of staff retention and job satisfaction that had become pressing.

**Background**

David Cook may be called a digital native. He eats, sleeps, talks, dreams and plays with all things digital, or that exist in cyberspace. He mutters words like IMHO, PM, IM, LOL, IP, FTP, SMTP, B2C, UGC as smoothly as ABCs. Little wonder. By the time he was ten and could type on the keyboard, he had become totally immersed in a surreal world constructed of electronic gadgetry, high speed telecommunications, social gaming and Internet services. Cyberspace was literally his second home. Whatever the buzzword of the day, David would lap it up with ease. He would gladly volunteer his services for any form of information technology (IT) work, including his school portal, software development and network management. Naturally, he chose to read Computer Science in the local university and graduated with a direct honours degree in just three years!

**In Pursuit of Passion**

It was not just studies for him in the university. Over the same period of time, David Cook had dabbled in various micro businesses ranging from online auctioning, blogshops, virtual shopping portals and search marketing. He was driven more by the challenges and excitement of the technologies than the monetary rewards. Even before he graduated, he had received multiple job offers from renowned IT companies and banks. Whilst these jobs were attractive, none of them moved him. He wanted to work on something greater.

Hence, he got together with a group of close friends to start a new IT venture. They had noticed that businesses were better organised on the Net than individual surfers. For example, while online shopping might be convenient, shoppers usually were price-takers. It was not easy to find a good bargain unless they were Net savvy. Here was an opportunity that David sought to exploit: organizing individuals into a collective buying bloc to leverage volume discounts from sellers and suppliers. In short, it was about purchasing economies of scale facilitated by IT. David and his collaborators gave their company a catchy name called ‘TollyGroupBuy’ and built a friendly online portal with the same name to market products from participating vendors offering steep discounts in exchange for guaranteed minimum volumes.

**Promising Start**

Much to his astonishment, the business took off in a big way. Traffic to the *TollyGroupBuy*.com website grew at a compound rate of some 30% every month. Great bargains exceeding 60% discount were too good to ignore and news of this new portal had spread virally on social media like Twitter and Facebook. Soon the press and media were covering the site and this gave them even more publicity and attracted more members and vendors.

Encouraged by these developments, the T*ollyGroupBuy* founders decided to expand their business further into South East Asian region, beyond the shores of New York. To do so, they needed to set up branch offices overseas, expand their server and IT infrastructure, and develop more sophisticated software that could span the full continuum of personal computers, laptops, handheld tablets and smartphones. They also needed to hire creative staff and invest more aggressively in marketing and the supply chain. These required significantly more financial resources than any of them could afford.

**Partnering with Venture Capitalists**

David and his co-founders managed to convince an established venture capitalist to invest several millions of dollars into their business in exchange for some agreed amount of equity or business ownership. The venture capitalist company would also have its senior representative Mr John Lemark join the top management team of *TollyGroupBuy* to provide necessary stewardship. And so, with strong financial support, a plethora of promising ideas and great personal fortitude and conviction, David took on the role of the Chief Executive Officer (CEO) to grow his company. He was just 22 years old then.

**Building the Business**

With the venture capitalist’s impatience for quick returns, David and his team had their work cut out for them. In just six months, they had expanded into new offices in the city and hired more than 30 creative developers and marketeers with skills in web design, graphics and content creation and supply-chain management. These were equally young and unconventional folks who work fast and furious and who disdain traditional authority and rules. Creativity and innovation were highly valued in the work place and the staffs were given broad spaces and latitude to express their energy and creativity. As part of the same generation, David understood these values well and continuously sought to create a supportive and motivating work environment.

In the meantime, John had been helming the Finance and Administration department. He had oversight of all financial, administrative and real estate functions. Already in his fifties, John had had many years of experience in running and controlling established and matured businesses. He valued efficiency, structure and processes and was a firm believer that a business could only thrive if it was managed in a systematic, orderly and stable manner. He also believed that there should be minimal waste and all expenditures and investments must be carefully justified. He had provided good leadership in designing the new offices, watching over expenses and installing work processes, both within and across functions.

**Growing Up Pains**

As the months passed, John became increasingly uncomfortable. The administration (admin) and the finance department had many experienced employees in their forties and fifties. They were a disciplined lot who reported for work early and stayed back late to complete their duties. On the other hand, many of the creative and technical staff was seen to be laissez faire in their work attitudes: coming to work late and leaving earlier, chatting away along corridors, putting on attires more suitable for sports than for work. More, they did not seem to follow routine procedures in filing their paperwork, claims, and leave requests. For instance, their submissions were often late or incorrectly recorded or poorly justified, and the admin staff had to re-work or reject their submissions. To make matters worse, the admin. office manager had noticed that these employees were leaving sensitive documents in open, not turning off lights, computers and air conditioning when they left their offices.

For the technical creative staff, they were just as miffed by what they perceived it to be bureaucratic hurdles and inflexible facility management. "It is terrible!" cried Madeline, a webmaster, "I cannot think creatively anymore. This office is like a prison! Why can't we go back to what it used to be like before?" Grumbles and acerbic exchanges were increasingly common between the admin and creative staff members.

John empathised with his people. He had raised these issues to David on numerous occasions. But David could only shake his head and speak in favour of a more tolerant and forgiving work environment.

C**ompetitive Threats**

Despite their misgivings, the creative staff carried out their duties professionally. They helped the company meet the deadlines, milestones and stretched goals one after another as they expanded market share and built up a credible online presence backed by powerful online infrastructures. Other global IT companies were starting to notice the passionate talents behind T*ollyGroupBuy* and making overtures to poach the creative staff members. Just a month ago, David had to coax his senior web designer to stay with the company by promising the latter more stock options. He knew material rewards itself could not always be used to retain his staff. Moreover, the company had yet to break-even and business expansion had consumed a large part of the investment funds. For every such web designer, he had two other talents who might be equally attractive to his competitors. Already, the grapevine had it that water cooler talk revolved around life after T*ollyGroupBuy*.

**Moment of Reckoning**

David had been thinking hard. He had been personally involved in many of the earlier technical and creative challenges and had invested much of his time in mapping business strategies and crafting boundary-spanning and people-management activities. Too much was at stake and there was really no looking back. He needed to figure out how best to keep his people together and to recreate the excitement of the earlier days. Time was running out.

Using appropriate motivation theories, compare the managerial styles of David Cook and John Lemark. Whose style is more appropriate for *TollyGroup*Buy? If they were your boss in your own organisation, who would you rather work for and why?

(About 700 *Words*)