

### CASE ANALYSIS FORM

Name: \_\_\_\_\_

I. Problems

A. Macro

1. \_\_\_\_\_
2. \_\_\_\_\_

B. Micro

1. \_\_\_\_\_
2. \_\_\_\_\_

II. Causes

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

III. Systems affected

1. Structural \_\_\_\_\_
2. Psychosocial \_\_\_\_\_
3. Technical \_\_\_\_\_
4. Managerial \_\_\_\_\_
5. Goals \_\_\_\_\_

IV. Alternatives

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

V. Recommendations

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

## CASE: THE HEXADECIMAL COMPANY

The Hexadecimal Company is a medium-sized manufacturing firm supplying computer components to many international computer manufacturers. Initially the company produced traditional computer keyboards, but competition from cheaper labor markets in other countries forced it to change its products. It now licenses OLED (organic light-emitting diodes) technology from Kodak and designs and produces high-tech products such as thin film keyboards for hand-held computers and flexible electronic pages (less than 1/100 inch thick) used in e-books. With John Zoltan as president, the company has experienced rapid growth since its beginning and is now moving into advanced electronics from the electromechanical assembly of the past.

John Zoltan recently attended a university executive seminar, and was so impressed that he brought in the professor as an OD practitioner. At one of their meetings, they decided that Zoltan should start an internal OD group to help achieve the organizational excellence he desired for his company. Zoltan ran an ad in the *Wall Street Journal*, and he and the practitioner selected four young M.B.A.s. These four, and one young internal prospect from human resources, were formed into what was called the OD Group. (See Figure 6.4.)

### THE OD GROUP

The OD group was housed in an old conference room and began with a high level of enthusiasm and energy. The members of the group ranged in age from 23 to 34. The members were Pete Loomis, 25, M.B.A., a behavioral specialist who had done training in industry; Kay Hughes, 27, M.B.A., who had been a sales representative prior to graduate school; Bill Heller, 26, M.B.A., specializing in group dynamics, with no in-

dustry experience; Indar Kripalani, 34, M.B.A., with OD experience in the military; and George Kessler, 23, with three years of experience in the human resources department.

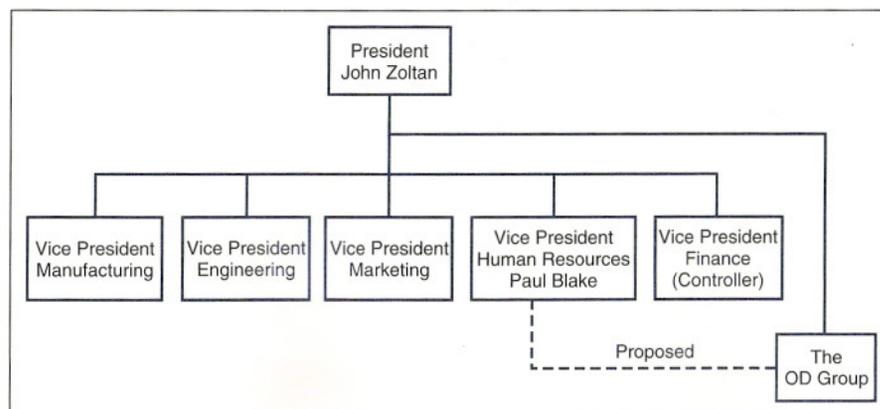
The group spent their first month getting to know the members of the organization. They held weekly conferences with John Zoltan, who was very interested and active in the planning stages of the OD program.

At that point the group (the “hot-shots,” as they were known in the plant) started a companywide training program focusing on managerial style. The program involved three-day training sessions at an off-site location, a resort motel with good meals and other attractive features. This was called the “country club” by disapproving employees.

The group itself was a highly cohesive work team. Because of their open office, they spent long hours tossing ideas around and providing support and enthusiasm for one another’s ideas. They were all involved in the design of the program (as was Zoltan) and worked hard to make it a success. Often the group would sit around until nine or ten o’clock or even midnight, critiquing the sessions and planning new approaches for change.

The group was characterized by diversity of dress, individuality, and openness. Pete, George, and Bill usually dressed informally in Levi’s and sport shirts, while Indar and Kay dressed in more of an executive style, wearing sport jackets and the like. The difference in dress reflected a division of thought within the group. Pete, George, and Bill were more confrontational and aggressive in approach. They wanted innovative changes and an overhaul of the firm’s production operations. The others felt that they needed to be accepted first and favored more gradual changes. They felt that the group needed to start “where the system was” if it was to be effective. About

FIGURE 6.4 Partial Organization of Hexadecimal Company



this time, Zoltan left for a visit to Asia to look into new marketing opportunities.

## THE ACTIVITIES

As the training continued through all levels of the organization, the group was also collecting organization survey data to be used in planning the next phase of the OD program. Here the controversy began to emerge. Some wanted to hold feedback sessions and confront the members with the data, then begin a job-design program leading to total quality management. The second group, including Indar and Kay, suggested a slower and more gradual approach. They thought that given their low level of acceptance in the organization, they should start with something less threatening, such as data gathering and feedback.

A second rift occurred when the group began to see less of Zoltan as the training progressed. However, Kay could call the president's office and get an appointment anytime, which she often did. Indar also held a weekly briefing session with Zoltan when he was in town.

The other members, particularly Pete, made a lot of jokes about this fact, but there was often an edge of seriousness under the humor. For example, Pete and Bill had been trying for two weeks to see Zoltan to explain their ideas, but he was unavailable. Yet his secretary called Kay Hughes to join him for coffee. When the group discussed this, Indar and Kay simply stated that they were trying to maintain and develop the group's relationship with the client. Peter replied, "I thought the whole organization was our client."

Unfortunately, the evaluation of the training program was mixed. Some managers and departments were full of praise for it, whereas others were highly negative, dismissing it as "a waste of time and money."

In a meeting with John Zoltan, the controller said that in view of the disappointing results, it would be a good idea to move the OD group to the human resources section for budgeting purposes. The group was currently charging more than \$700,000 per year to overhead, and this was very unpopular among the line managers because overhead costs were allocated. Zoltan said he would give the matter some thought and discuss this possibility with the executive committee.

## THE MEETING

Shortly after this (and approximately a year after the group was formed), the members of the group were invited to an executive committee meeting where the performance of the OD program was discussed and evaluated. John Zoltan and others expressed high praise for the work of the group, but the executive committee had suggestions for improving the group in the future.

Because Zoltan suggested that there was a need for more coordination and integration of training activities and for improved budgetary control, the committee recommended that the group be placed in the human resources department for budgeting purposes, reporting to Paul Blake. The committee insisted that this would not affect the way the group operated. The committee also suggested that the group designate a central contact person. It recommended Indar Kripalani for the role, claiming that he was the only member acceptable to a majority of the company's managers, but left the decision up to the group.

As the members of the group walked back to their office, several angry comments were made to the effect that Zoltan "could take this job and shove it!" Kay and Pete said they were considering resigning from the company.

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