

Instructions

Environmental

The objective of this exercise is to understand the environmental impact on businesses. Please follow the below guideline to complete this activity. In this exercise we will create groups. Each group will have maximum 3 students (depends to the number of students in class). The instructor will assign each group a topic from the following list.

- Metropolis Police Department, p. 421 in the text. (Group A, C, and D)
- American Tool and Die, p. 485 in the text. (Group B, E, G)
- Riverside Pediatric Associates, p. 486 in the text. (Group F, H, and I)

All of these cases include a situation in which an organizational response to an internal challenge will have a significant impact on the external environment, or in which the opposite is true, and change in the external environment will have a significant impact on the organization.

Cases will be presented in which an organizational response to an internal challenge will have a significant impact on the external environment, or in which the opposite is true, and change in the external environment will have a significant impact on the organization. You will select one of the cases and present a series of potential responses focusing on advantages and disadvantages. Please follow below steps to provide appropriate respond to the question. Your answer should include the relevant concepts, such as stakeholders, ethical decision making, and challenges to people, processes, and performance. you must show that you understand and can apply course material.

3. Do not forget your responses must be in APA format with citation and references.

Your citations and bibliography should be presented using APA style; there is a requirement of at least four high-quality references. Students are expected to paraphrase and not use quotes. Deductions will be taken when quotes are used and found to be unnecessary.

Your next task is to prepare a *vision speech* to employees for the changes you are about to implement. In this speech, explain your dream for Harpeth Gardens and the urgency of this change. Explain exactly what you believe the changes will involve and why the employees should agree to the changes and help implement them. Sketch out the points you will include in your speech:

In Class: The instructor can divide the class into small groups to discuss the answers to questions 1 to 3 and to brainstorm the key points to cover in the vision speech to employees. After student groups have decided what the director will say, the instructor can ask for volunteers from a few groups to actually give the speech to employees that will start the Harpeth Gardens transition toward a learning organization. The key questions are: Did the speech touch on the key points that inspire employees to help implement changes? Did the speech convey a high purpose and a sense of urgency? Did the speech connect with employees in a personal way, and did it lay out the reality facing Harpeth Gardens?

Leadership Development: Cases for Analysis

AMERICAN TOOL & DIE

As the sun rose on a crisp fall morning, Kelly Mueller's Learjet touched down onto a small airstrip outside Tupelo, Mississippi, and taxied toward the hangar, where a festive crowd gathered to await the arrival of Toyota's CEO. This morning, the governor of Mississippi, along with local politicians and business leaders from the automobile industry, would celebrate the construction of a new Toyota plant on a 1,700-acre site in Blue Springs. The new plant would produce 150,000 Highlander sport utility vehicles each year. The energy and enthusiasm of the crowd was palpable. The new plant would give hope to a local community that had been hit hard by the recession.

The purpose of Mueller's visit was to assess new business opportunities for the company she ran for her father, Vince Brofft, CEO of American Tool & Die (AT&D). Mueller had joined the company in 1998 after working for 15 years as an engineer at two U.S. automakers. Then, after seven successful years as chief operations officer at AT&D, this scrappy dynamo convinced her father she was ready to be president. Energetic and tireless, Mueller took over the helm of AT&D, an auto parts manufacturer that sold braking and ignition systems directly to the top three U.S. automakers. With 195 employees, AT&D was located in Farmington Hills, Michigan, among dozens of other automobile parts suppliers in the Upper Midwest. AT&D, established in 1912 by Mueller's great uncle, had a long history in Farmington Hills. Mueller had often talked with employees who would recount stories about their fathers or grandfathers working in the same Farmington Hills plant—the last of the original manufacturing operations in town.

Mueller was in Mississippi to research moving AT&D's plant close to a foreign automaker. The foreign automakers, particularly Honda and Toyota, had been quickly grabbing market share away from the big three automakers, who had severely cut production as the economy worsened. As inventory started stacking up on dealer lots, U.S. automakers curtailed production in order to cope with the sudden drop in demand. Next, they put the squeeze on parts suppliers to lower prices. That's when AT&D leaders started feeling the crunch and watching their financial picture turn grim.

Mueller faced an unprecedented challenge to survive this economic downturn and save her family's company. She pleaded with her father to think creatively and shake up the status quo at AT&D to avoid bankruptcy. Her plan was to forge into new markets

and court foreign automakers. This plan would require closing the plant in Michigan and opening one near the new Toyota facilities in Mississippi. Her father adamantly resisted this plan even though he knew she was right. "Dad," a recent text message explained, "we have opportunities here in Mississippi. There's no future in Michigan. We can't sit around waiting for the big three to come back! It's adapt or die!"

Back at the Farmington Hills plant, Brofft pondered his daughter's "adapt or die" theory and considered an alternative to moving the plant to Mississippi—a move that would cause 195 employees to lose their livelihood in a small, close-knit community. Brofft agonized over choices that could dismantle a company that his family had built. He was sickened by the prospect of laying off employees who were like family. As an alternative to moving the plant, Brofft considered ways to stay in Michigan. The only feasible option was to drastically cut payroll costs. To do so, he needed support from the local union.

Brofft called a meeting with the plant manager and union leaders to explain AT&D's dire financial situation. He urged them to make concessions in the employee compensation agreement and explained that these plans would save the company from certain bankruptcy. Assuming he could win their support, Brofft proposed three strategies to the local union reps to keep the company financially afloat: (1) reduce worker wages by 10 percent for one year; (2) mandate a two-week, unpaid furlough at the end of December; and (3) downsize the number of employees by 30 percent. Exasperated, the local union leaders could barely restrain their anger. They were adamantly opposed to all three ideas. Yet probing beyond the fray, Brofft sensed the fear that lurked under the union reps' gruff exterior. He sensed their vulnerability, but could not break through the reactionary bark that protected it. If union leaders would not cooperate, the plant would have to move and everyone in Farmington Hills would suffer.

In the meantime, Mueller held several successful presentations with local Toyota executives while in Mississippi. "I've made progress, Dad," she said in a voice mail. "I can tell it's going to be a long and drawn-out process, but they are very impressed with our product and historical strength. They've agreed to another meeting next month."

Sources: Karen E. Klein, "Survival Advice for Auto Parts Suppliers," *BusinessWeek* (June 16, 2009), http://www.businessweek.com/pri.t/magazine/content/09_62/s0902015954839.htm (accessed November 12, 2009); Amy Barrett, "Auto-Parts Suppliers Brace for Downturn," *BusinessWeek* (February 13, 2009); http://www.businessweek.com/smallbiz/content/jun2009/sb20090616_816915.htm (accessed November 12, 2009); and Toyota, <http://www.toyota.com> (accessed November 12, 2009).

QUESTIONS

1. Assume you are Vince Brofft and want to lead the change to save the plant. Describe how you would enact the first three stages outlined in Exhibit 15.2.
2. Describe three tactics you would use to overcome union leader resistance.
3. If you were Kelly Mueller, how would you encourage innovative thinking at AT&D? What strategies would you use to encourage others to be more receptive to bold changes?

RIVERSIDE PEDIATRIC ASSOCIATES

Five years ago, doctors Alvero Sanchez and Josh Hudson opened a small pediatrics office in Riverside, California. These longtime friends, who had graduated from medical school together, had finally achieved the dream of starting a pediatrics practice with the vision of providing excellent care to children in their local community. The five doctors, six nurses, and accountant who staffed the office quickly developed a reputation for being caring and conscientious. The staff also partnered with local organizations to serve the underprivileged in the community, providing free flu shots and health clinics at the local YMCA. Sanchez and Hudson were energized and ecstatic that they were living out their dream, managing their small practice in the midst of a community that respected them.

Their dream started to unravel, however, as the practice began growing at an unwieldy pace. The population of nearby Hispanic communities was burgeoning, and so was the