

# Answers for Case Studies

## Unit 3 – Foundation Skills

### 1. What You Decide

The Chrysler managers under Lynn Townshend refused to innovate or strike out on their own. They wanted to keep control of their company without having to deal with the changes that were influencing the automobile industry—the Japanese.

Townshend and Iacocca were both authoritative; if anything, the reports indicate that Iacocca was even more authoritative than Townshend. But Iacocca was a fresh, dynamic spirit who wanted to try new things, innovate, and, most of all, identify Chrysler's market problems and deal with them. The car buying public wanted cars that were better made, cheaper, and lasted longer. Chrysler began doing that. After 20 years of turnaround, Chrysler is now a competitive operator that has recently merged with one of the great powerhouses of the auto industry and is now Daimler-Chrysler.

In short, the old Chrysler leadership had already locked out the possibility of using anything new or creative. Their management style didn't deal with the market reality so they lost customers. Identifying and accepting the reality of a situation is always key to good decision making.

### 2. Cooperative Decisions by Competitors

In this case, the potential payoff for the companies outweighs the insignificant investment each is making. A technology improvement that makes food taste better, look better, and keep longer is worth investigating. The companies will share the risk of development. In addition, many developing countries do not have access to refrigeration, which could also benefit from this research.

Some factors that the companies may consider include: licensing agreements to use the ultrahigh-pressure technology, advantages/disadvantages in disclosing production secrets to competitors, projected market share for future sales, and the difficulties of working together with scientists from different company cultures.

### 3. Friendly Colleagues

There are a number of ways of handling this problem. As a manager, you could

- address them with the complaint;
- ignore the situation;
- ask another individual to address them;
- organize a group meeting to address the problem as a global issue.

No matter what method is used (except the second option, which is avoidance), courtesy and respect for their feelings is essential. In this way, the situation could turn into a learning experience for increased sensitivity to others. They could learn to be aware of what they are doing and how it influences the rest of the group. The key to this type of growth is to make the situation as non-threatening as possible. People get defensive in threatening situations; they don't grow easily because they are protecting themselves.

This decision must be an intuitive one, not a rational one. You are dealing with the feelings of your fellow employees. Cooperation with fellow employees is crucial to a productive and positive workplace.

#### **4. Three Brains Are Better Than One**

Jose, Valerie, and Taric can collect specific examples of employee attitude problems in their own section and share these at the meeting. The brainstorming session will be most successful if the supervisors agree that during the first round, they won't praise or judge. They'll simply collect as many suggestions as possible for each specific problem. Then they'll prioritize the problems, decide what to tackle first, and choose which selections to implement.