Type of Exam: Closed Book
Duration: 90 Minutes.
Maximum Marks-40
All questions are compulsory

Case-1—Deloitte Inc.—Finding and Developing Employee Talent at Deloitte

Recruiting and retaining talented employees is a challenge faced by all businesses, and many of them go to extraordinary lengths to recruit the “best and brightest” as well as to retain talented employees. How do companies go about doing this? Are these extraordinary efforts worth it? Do these efforts have a demonstrable pay-off for the businesses that use them?

Consider Deloitte, a “Big Four” accounting firm. “Deloitte’ is the brand under which 165,000 dedicated professionals in independent firms throughout the world collaborate to provide audits, consulting, financial advice, risk management, and tax services. These firms are members of Deloitte Touche Tohmatsu.” Deloitte uses a variety of approaches and techniques to recruit talented people and ensure that their talents are effectively utilized within the company.

In England, for instance, Deloitte is one of many firms that benefits from an educational initiative that is achieving extraordinary results in developing talented young people. The program, known as Teach First, was launched in 2002 and is loosely modeled on the Teach for America program in the United States. “Teach First recruits top (university) graduates by offering them a challenge: intensive training, full teacher certification, and the chance to help turn around a failing school—all within two years.” Each year approximately 1,300 applicants compete for the 200 Teach First positions. Program participants are in the top 3 percent of their graduating classes, and have degrees in finance, math, engineering, and philosophy.

Teach First recruits highly talented young people by promising them the opportunity to make a substantial impact within two years, which CEO Brett Wigdortz, says is “a very powerful message for young people.” Wigdortz also observes that today’s graduates want to make a difference and have real leadership opportunities to prove themselves, and that they value social responsibility. “Teach First graduates demonstrate skills that often take years to learn on the job,” says Jo Owen, a former partner with the business consulting firm Accenture, and current director of strategy for Teach First. Owen notes most graduates learn technical skills early in their business careers, but these are not the skills that people must have in order to succeed in the long term. “Future leaders learn early on the tough lessons of managing people, leadership, initiative and entrepreneurialism. The Teach First program helps graduates gain these lifetime

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3 Ibid.
4 Ibid.
skills," observes Owen. All of these skills are ones that many businesses, including Deloitte, want in their employees. And the Teach First experience is often a stepping-stone to another career, which enables companies like Deloitte to benefit without making a substantial additional investment in training and development.

Deloitte seeks out talented people in other ways as well. As an aid to identifying prospective employees who have the potential to be successful, the accounting firm requires applicants to take a verbal reasoning aptitude test. Sarah De Carteret, national graduate recruitment manager for the U.S. offices of Deloitte, says that "verbal reasoning is hugely important because we are not looking for bean counters." She adds that Deloitte employees perform a lot of advisory work that requires writing reports and analyzing information. Screening prospective employees with testing devices such as the verbal reasoning aptitude test helps to ensure that new hires have the requisite skills for success.

Deloitte's concern about employee talent is not just limited to the recruiting process. In its U.S. locations, the firm has developed internal mechanisms for assessing the skills, interests, knowledge, and career objectives of existing employees who are dissatisfied with their present situation. The Deloitte Career Connections (DCC) program helps "dissatisfied staff to figure out interests and skills that might be a better fit somewhere else in the organization." The DCC program employs a variety of assessment tools, including "an online Myers Briggs personality test, a Strong Interest-type tool, and a values-based exercise to help staff consider strengths and interests that may fit with their personalities." Subsequent to this thorough assessment, Deloitte helps these employees to discover the most feasible way to address the sources of their dissatisfaction and to accomplish their career objectives within the organization.

Has the DCC program benefitted the company? The most obvious impact has been on developing and retaining talented employees, rather than having to recruit new employees. In financial terms, "DCC estimates that the firm has saved about $83.4 million, calculated with a turnover cost of twice the average annual salary of $76,000."10

On balance then, do these various programs really help Deloitte in recruiting and retaining people who are really the "best and brightest"?

Questions

1.1 Using the descriptions of different behaviors, attitudes, and abilities that Deloitte seems to deem desirable in its applicants, describe the key personality characteristics that you think the company is seeking in its employees? Explain the reasoning behind your answer. (Marks 6)

1.2 How can the use of personality and vocational interest testing benefit Deloitte? What risks might be associated with Deloitte's use of these testing devices? (Marks 6)

1.3 How might social perception and attribution processes factor into the operation of the Deloitte Career Connections (DCC) program? (Marks 6)

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5 Ibid., 71
7 Ibid.
9 Ibid.
Case 2: A Virtual Team At T.A. Stearns- Read the given case and answer following questions:

2.1 Why is this group a team? (Marks 3)
2.2 What if any characteristics of group-think are manifested in the work team? (Marks 3)
2.3 Has Dave been an effective team leader? (Marks 3)
2.4 What should Dave do now? (Marks 3)

Case 3: Managing by Knowing What You are Talking About- Read the given case and answer following question.

3.1 How can Hersey & Blanchard Model /Situational Leadership Theory explains Ovideo’s success as a leader at Numi? (Marks 10)
T. A. Stearns is a national tax accounting firm whose main business is tax preparation services for individuals. Stearns’ superior reputation is based on the high quality of its advice and the excellence of its service. Key to the achievement of its reputation is the state-of-the-art computer database and decision-making tools that its people use when counseling clients. These programs were developed by highly trained individuals.

The programs that these individuals produce are highly technical, both in terms of the tax laws they cover and the code in which they are written. Perfecting them requires high levels of programming skill as well as the ability to understand the law. New laws and interpretations of existing laws have to be integrated quickly and flawlessly into the existing regulations and analysis tools.

The creation of these programs is carried out in a virtual environment by four programmers in the greater Boston area. The four work at home and are connected to each other and to the company by e-mail, telephone, and conferencing software. Formal, onsite meetings among all of the programmers take place only a few times a year, although the workers sometimes meet informally outside of these scheduled occasions. Here’s some background on the four:

Tom Andrews, a tax lawyer, a graduate of the University of Maine, and a former hockey player there. At 35, Tom has worked on the program for 6 years and is the longest-standing member of the team. Along with his design responsibilities, Tom is the primary liaison with Stearns. He is also responsible for training new team members. Single, Tom works out of his farm in Southern New Hampshire, where, in his spare time, he enjoys hunting and fishing.

Cy Crane, a tax accountant and computer science graduate of the University of Massachusetts, is 32 years old, married, with two children ages 4 and 6. His wife works full-time in a law firm in downtown Boston. In his spare time, Cy enjoys baking and fishing.

Marge Dector, a tax lawyer, graduated from Penn State University, is 38 years old, married, with two children ages 8 and 10. Her husband works full-time as an electrical engineer at a local defense contractor. Marge’s hobbies include golf and skiing.

Megan Harris, a tax accountant and graduate of Indiana University, is 26 years old and single. She recently relocated to Boston and works out of her apartment in the Back Bay area. These four people exchange e-mail messages many times every day. In fact, it is not unusual for them to step away from guests or family to log on and check in with each other. Often, their e-mails are amusing as well as work-related. Sometimes, for instance, when they were facing a deadline, and one of Marge’s kids was home sick, they helped each other with the work. Tom has occasionally invited the others to visit his farm, and Marge and Cy have gotten their families together several times for dinner. About once a month the whole group gets together for lunch.

All four of these Stearns employees are on salary, which, consistent with company custom, is negotiated separately and secretly with management. Although each is required to check in regularly during every workday, they were told when they were hired they could work wherever they wanted. Clearly, flexibility is one of the plusses of these jobs. When the four get together, they often joke about the managers and workers who are tied to the office, referring to them as “face-timers” and to themselves as “free agents.”

When the programmers were asked to make a major program change, they often developed programming tools that would help them to do their work more efficiently. These macros greatly enhanced the speed at which a change could be written into the programs. Cy, in particular, really enjoyed hacking around with macros. On one recent project, for instance, he became obsessed with the prospect of creating a shortcut that would save him a huge amount of time. One week after he turned in his code and his release notes to the company, Cy bragged to Tom that he created a new macro that had saved him 8 hours of work that week, Tom was skeptical of the shortcut, but after trying it out, he found that it actually saved him many hours too.

Stearns has an employee suggestion program that rewards employees for innovations that save the company money. The program gives an employee 5 percent of the savings generated by their innovation over a period of 3 months. The company also has a profit-sharing plan. Tom and Cy felt that the small amount of money that would be generated by a company reward would not offset the free-time that they gained using their new macro. They wanted the time for leisure or consulting work. They also feared their group might suffer if management learned about the innovation. It would allow three people to do the work of four, which could mean one might lose their job. So they didn’t share their innovative macro with management.

Although Tom and Cy wouldn’t share the innovation with management, they were concerned that they were entering their busy season and knew everyone on the team would be stressed by the heavy work load. They decided to distribute the macro to the other members of their team and move them to secrecy.

Over lunch one day, the team set for itself a level of production that it felt would not arouse management’s suspicion. Several months passed and they used some of their extra time to push the quality of their work even higher. But they also had more time to pursue their own personal interests.

Dave Regan, the in-house manager of the work team, picked up on the innovation several weeks after it was first implemented. He had wondered why production had gone down a bit while quality had shot up, and he got his first inkling of an answer when he saw an e-mail from Marge to Cy thanking him for saving her so much time with his "brilliant mind." Not wanting to embarrass his group of employees, the manager hinted to Tom that he wanted to know what was happening, but he got nowhere. He did not tell his own manager about his suspicions, reasoning that since both quality and productivity were up he did not really need to pursue the matter further.

Dave has just learned that Cy has boasted about his trick to a member of another virtual work team in the company. Suddenly, the situation seems to have gotten out of control. Dave decided to take Cy to lunch. During the meal, Dave asked Cy to explain what was happening. Cy told him about the innovation, but he insisted the team’s actions had been justified to protect itself. Dave knew that his own boss would soon hear of the situation and that he would be looking for answers—from him.
Managing by Knowing What You're Talking About (CASE 2)

"One big misconception is that a manager is someone that oversees activity."
—DANNIELLE OVIEDO, DISTRIBUTION CENTER MANAGER, NUMI ORGANIC TEA

On the day that our video crew arrived at the Numi Organic Tea distribution center in Oakland, California, a crisis was brewing. It all came down to container—those big steel bins used to store and transport products by rail or water. According to Customer Service Manager Cindy Grafford, the problem involved a very important customer—a large distributor of Numi products to retailers in the United Kingdom. This customer, explains Grafford, "has been sitting on a very large order [from retailer customers] that will need to ship via a container, and we don't have a container here yet. Prior to this, I would have to say to the customer, 'No'—as in 'No, we can't get the products to you in the timely fashion that you expect' or 'No, we can't satisfy the business needs that we told you we could satisfy.'

Up to a point, Grafford isn't surprised by the nature of the problem: "We hear[d] loud and clear . . . from our customers," she admits, "that our lead times were not competitive and that they would, without hesitation, go to a competitor." As Grafford also implies, however, Numi has taken steps to improve its performance. In addition to increasing the number of containers available, Numi has also worked on improving the efficiency of its distribution process. One of the things that she did was hire Dannielle Oviendo, a ten-year veteran of distribution management, to take over its distribution center.

Grafford is convinced that the biggest difference between Oviendo and her predecessor is "flexibility"—the ability to make changes that keep up with the changing demands on a growing business. In particular, indicates one shipping clerk, "everything seems to be getting out a lot faster," and Grafford is quick to confirm that everything is in fact getting out a lot faster. Before Dannielle got here," she says, "orders that shipped via containers would take up to fifteen days from the time the customer approved the order before we could actually get it on the water or on the rails. Now, she says, "we're averaging five days."

Unfortunately, that overall improvement in efficiency won't necessarily be of any use to Grafford in solving the current problem with the UK customer. "I was anticipating the worst," she admits, "when I went to [Dannielle] with this challenge." Grafford is pleasantly surprised, however, to learn that Oviendo has initiated a process called "live load." "Live load," explains Grafford, "means that when the container gets here, [Dannielle] has her team set to have it loaded within an hour. Which is," she hastens to add, "amazing. I was surprised to learn that she had implemented that type of drastic change to a very critical part of our business."

In short, Dannielle Oviendo is very good at conceiving and executing "efficiencies"—a skill that, according to Grafford, requires "finding processes and/or introducing technologies. . . . It's constantly reviewing the processes that are in place and improving them. By improving your efficiencies, you open up time, and time is what's needed to be effective." What's more, Oviendo is good at finding efficiencies in times of what Grafford calls "turbulence." Director of Operations Brian Durkee sees a little less surprised by Oviendo's particular complement of competencies. "I really rely on . . . Dannielle," he says, "to be innovative any way she can to make this process efficient. So a big part of her job, and what I look to her for, is the ability to create saneness out of chaos.

The experience is really key," adds Durkee, but Dannielle is "a calm and assertive leader, and that calmness and that assertiveness [are the traits that] people really grabbed on to and followed." Noting that Oviendo has more direct reports than any other manager in the company, Durkee believes that "her leadership is really the primary thing that's changed how the organisation runs in regards to distribution.

And what about Oviendo? How does she go about managing and leading? She says that she hones her own efficiency by "always looking ahead with as much information as possible," and she's convinced that people are more likely to follow a leader who knows what she's talking about than one who's always telling them what to do. "One thing that I try to do," she explains, "is to do what I ask folks to do. So if I assign you something, I've done it before, myself, and I have a good idea as to how long it will take [and] what your challenges will be when you're doing it."

It's an approach that also makes her subordinates look upon her as a team member who's working to discover practical knowledge that everyone needs rather than a superior giving orders to the next available subordinate: "One big misconception," she says, "is that a manager is someone that oversees activity. . . . If you just assign a task and walk away," she explains, "then you don't experience what your team member does, and you don't gain any knowledge. You'll do it the same over and over and over." And so will your staff. Developing solutions collectively, on the other hand, makes efficiency possible, because all processes require the participation of groups of employees. Oviendo goes a step further by getting her staff involved in the process.