

CTD Direct

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ABSTRACT

Shelly Marsh was in her fourth year working for CTD Direct, an automobile lease remarketing company, and could not decide if she should stay or accept a pending job offer from another firm. The problems at CTD seemed larger than anyone could handle: managerial incompetence, insubordination, layoff rumors, and more. If Marsh stays, she will be promoted to team leader and must lead her team through the surfeit of problems, an opportunity that could catapult her career. If Marsh leaves, all CTD's problems will be behind her, and she'll have prospects of a more supportive, enriching work environment.

Keywords: Systems thinking, motivation, decision making, concept mapping

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INTRODUCTION

There were many aspects of her job that Shelly Marsh enjoyed at CTD Direct, but the non-stop cacophony of ringing phones were to her like fingernails on a chalkboard.. She was approaching her fourth year at this lease remarketing company and knew that the seemingly unmanageable volume of calls was more likely a result of rampant, unchecked disorganization than a customer base outgrowing the service capacity of the three-dozen staffers on the lease-end floor. Given that she wanted to proactively manager her career, she had begun exploring other opportunities outside of CTD. Earlier that day, she had received a job offer from another firm.

Marsh sat in her cubicle, and considered starting a new job as the ringing phones were becoming an ever-increasing distraction. She was quite good at her job and her promising future at CTD was on management's radar. However, on her worst days, sometimes it seemed her fellow team members, along with the entire lease-end division, were hopelessly averse to efficiency and mired in self-interest. She couldn't help but wonder: was the lease remarketing business not for her, or was CTD Direct not for her? Marsh had the experience, but lacked the authority to lead a sweeping change in company culture although she was completing her MBA degree at a top ranked university. On her darkest days at CTD it sometimes seemed to Marsh that "This place will never be fixed."

The lease remarketing business

Leasing an automobile was a complex process as shown in Exhibit A (Appendix). Financial service companies and banks backed the financing for customers to lease vehicles from dealerships. At lease termination—typically three years after the lease was initiated—the lessee (customer) had the option to either purchase or return the leased vehicle. The dealership no longer owned the vehicle; instead, the company that provided financing for the lease held the car's title. Such companies were thus faced with two problems. First, many lending companies did not have the resources to ensure that terminated leases were processed in a timely manner. Second, they did not want vehicles on their books.

Thus a new business was born. Lease remarketing services offered lenders a solution to both of these issues. A lease remarketer acted as an intermediary between lenders and lessees, ensuring lessees make payments on time and return the vehicle at the end of the lease. More importantly, lease remarketers aggressively encouraged lessees to purchase leased vehicles before or at lease termination so lenders could recoup the full value of the financing provided for the car. When successful, lenders made a profit and lease remarketers earned a fee. Lenders realized the highest return in this scenario.

However, customers did not always decide to buy the car they leased. When lessees passed on purchase, it was crucial for lenders to sell the vehicle to a dealership or at an auto auction immediately; the longer the car went unsold, the more its value depreciated, leaving lenders exposed to financial losses. Lenders relied on lease remarketers to make this final sale on their behalf. Successful lease remarketing services had deep understanding of the market and wasted no time liquidating lease-end vehicles at the highest possible price point.

The role of the lease consultant

A lease consultant's day-to-day operations were accomplished by working the phones. Lease consultants were assigned an active account in the last year of a vehicle lease contract. The consultant made an initial call to the lessee roughly nine months before the lease maturity date to remind the lessee of when the lease will be terminated and asked if the lessee planned to purchase or return the vehicle. This far out, lessees were typically undecided.

Five months from the maturity date, the lease consultant made a second call to determine the lessee's intentions. The question was short and to the point: will you buy the vehicle, yes or no? Some cajoling was used if the lessee was still on the fence. Lease consultants asked for vehicle mileage and reminded lessees that there was a 10 cent charge for every mile over the lease allotment, along with excess wear and tear charges. In general, lessees opted to purchase their leased vehicle once they exceeded the mileage allotment.

Three months from the maturity date, lease consultants made frequent calls to lessees for a variety of reasons. If the lessee had expressed plans to return the vehicle, the lease consultant called to explain everything related to the process for returning the vehicle. If the lessee was still undecided, the lease consultant went into salesman mode. Leased vehicles could be bought out by lessees at any point in the final three months before termination.

A lessee who wanted to purchase the current leased vehicle obtained financing information from lease consultants, who also processed financing paperwork. Lessees with favorable payment histories could secure financing from the same bank that originally financed the vehicle lease; chronic late payers had to secure financing from other sources. Accounts for all turned-in (unpurchased) vehicles were transferred by lease consultants to remarketing agents to facilitate post-lease sale.

About CTD Direct

CTD Direct was a national automotive lease-end services and vehicle remarketing company headquartered in the Mid-Atlantic. CTD provided lease consulting services to leasing agents to determine whether a lessee will return or purchase a leased vehicle at the end of lease term. In addition, CTD was connected to the direct remarketing channels necessary for disposing of returned vehicles through sales to dealerships and at auto auctions. These channels included resources for transporting and reconditioning vehicles, and systems that expedite transfer of sale proceeds to leasing agents.

CTD served banks in the south, Midwest, and northeast United States. CTD's mission was to provide excellent customer service to leasing agents and lessee through its lease consultants and remarketing agents. Lease consultants communicate purchasing and additional financing options to lessees and strive to convince lessees to purchase the vehicle nearing lease termination. Remarketing agents ensure lenders receive the fair market value of vehicles sold to dealerships and auto auctions.

Shelly Marsh's tenure at CTD Direct

Marsh was offered her first full-time job as a receptionist at CTD Direct during its first year of operation. She worked at the front desk in the main office and was responsible for routing calls to the main phone line, sorting and distributing mail, and other common administrative

duties as assigned. Marsh became bored quickly and after six months was ready for a new challenge within the company. Moving into a lease consultant role was the logical next step.

Marsh arranged a meeting with Karen McCormick, the assistant vice president in charge of the lease-end division, and was able to persuade her to promote Marsh to lease consultant because Marsh excelled in her role as the receptionist. It was an opportunity Marsh was thrilled to accept and an effortless transition.

Within two years her exceptional level of productivity and knowledge of the business and its clients helped her carve out a new 'floater' position. She developed expertise in the different procedures each bank had for purchasing and returning vehicles, and then floated among bank service teams—filling in wherever needed. She then took on the responsibility of training new lease consultants hired by CTD. She also offered refresher training for current employees.

CTD Direct lease-end structure and operations

Lease consultants, including Marsh worked in the lease-end division at CTD Direct. The division consisted of five teams of seven or eight lease consultants and a team leader, who reported directly to the assistant vice president, who in turn reported to one of CTD's vice presidents, as shown in Exhibit B (Appendix). Each team managed accounts from three or four banks, and each lease consultant was assigned accounts from those banks. There was no bank overlap among teams. Team leaders were responsible for a handful of their team's accounts and monitored the call queues of team members to ensure inbound calls were answered without significant delay. Team leaders also addressed special issues and were available to serve as lease consultants during times of escalated call volume.

Lease-end had a daily call queue of individually assigned accounts that consultants were required to complete. For example, if there were 100 accounts on the call queue and 10 of those accounts were assigned to lease consultant X, he or she was required to call those 10 people that day. A lease consultant who completed his or her outbound call queue (an average of 25-35 calls) before the end of the day was asked to help team members who were behind on their outbound calls.

While making outbound calls in accordance with the daily queue, lease consultants were required to receive incoming calls to their team and work those accounts even if they were assigned to another member of the team. Lease consultants had to be logged into CTD's inbound call system for this to happen.

Problems in lease-end

This was the blueprint for how lease-end at CTD Direct was supposed to operate, but the division was so mired in problems it was spectacularly inefficient and a miserable place to work for Marsh and her colleagues.

While Marsh worked at CTD, every team had at least one lease consultant who either neglected his or her own accounts or refused to take inbound calls (and sometimes both). Ripple effects from the outright laziness negatively impacted other team members by increasing their workload to the point where it was too overwhelming to handle timely or accurately. The ignored phones rang non-stop. By-the-book lease consultants couldn't work their outbound call queue because they spent too much time answering the lion's share of inbound calls. As a result, lease accounts went past their maturity date. Opportunities to convince lessees to purchase vehicles

were lost. Vehicles that were unreturned depreciated, which caused the banks that provided financing for the vehicles to lose money. On top of money lost on depreciation, banks had to pay to repossess unreturned vehicles.

A half-dozen lease consultants always answered inbound calls—inbound calls to their private extension. Rather than contribute to the team by helping field other team members' calls, the rogue lease consultants gave out their private extension to lessees assigned to them. They only answered the phone when called directly. It was as if all other inbound calls to the main lease-end line didn't exist.

Almost all of the lease consultants had perfected the art of pretending-to-work-while-doing-something-else. In her time as a floater, Marsh observed some of her coworkers asleep in front of their computer, hand resting strategically on their mouse. Ms. Ellen, one of Marsh's team members, was well past retirement age and worked her outbound queue at a glacial pace. She rarely took inbound calls and often fell asleep at her desk. Marsh and her other team members regularly had to make some of Ms. Ellen's calls for her. When they did, they would find accounts assigned to her that were past maturity date and had never been contacted.

Numerous additional accounts assigned to other lease consultants went past their maturity date without a single contact. Sometimes lessees who were not contacted would be diligent enough to return their vehicle before the termination date, but this responsible subset wasn't substantial enough to offset everyone else. Team leaders were aware of the issue but failed to address it, so it went unchecked and continued to happen.

The team assigned accounts from Compass Bank was the only CTD lease-end team to meet its goals for lessees purchasing or returning their vehicle before the lease maturity date. Unbeknownst to Marsh and the rest of the team members not managing Compass Bank accounts, Compass had implemented an incentive program that paid lease consultants a bonus for every lessee who bought the vehicle he or she was leasing. The incentives were permitted under CTD policy. Tammy Warner managed the Compass Bank team in CTD lease-end and ran by far the best-oiled machine in the division. She personally earned the most money from incentives of anyone on her team. CTD management, also unaware of the incentive program, regularly highlighted Warner's team for their incredible conversion rate and lack of accounts past due.

Management's failures

Marsh's team leader, Trent Boyett, was one of the few team leaders who actively tried to right the lease-end ship. For his team members who fell behind on their call queue, he would either make outbound calls for them or allow them to "log out" of inbound calls temporarily so they could catch up. He told team members who weren't answering calls by choice to be a team player and "log in." Unfortunately, his pleas went largely ignored, no match for the culture of employee recalcitrance in CTD's lease-end division. His helpfulness gained him zero respect from his team members.

The lack of respect for Boyett's authority was most evident in his relationship with Bebe Stevens, one of Marsh's fellow team members. Stevens openly expressed her disrespect for Boyett and made it very clear she would not listen to any of his orders and instead do whatever she wanted. Boyett didn't have a temper, but his public arguments with Stevens escalated because she was so insubordinate. Stevens' generally poor performance and contempt for office norms didn't help matters. She was always late, took frequent smoke breaks, and would disappear for hours in the middle of the workday. Worst of all, Stevens carried the torch for the

group of lease consultants who ignored inbound calls. Marsh and Boyett suspected that the primary reason Stevens behaved this way was a sense of privilege; her father was friends with CTD VP Scott Malkinson, and Malkinson got her the lease consultant job.

On one occasion after Stevens ignored two of Boyett's requests for her to log in and take inbound calls, Boyett walked over to Stevens's desk and pushed the "log in" button for inbound calls on Stevens' phone while she was on a call with a lessee. She became irate, threw her headset to the ground, called Boyett names, and stomped out of the office. Marsh and three other team members witnessed the incident and vowed to support Boyett if he reported the incident to lease-end AVP McCormick. He needed others to corroborate any complaint involving Stevens because of her perceived protection from the corporate office. McCormick promised she'd bring up the issue with Malkinson and something would be done.

Later that day Malkinson called Boyett and Marsh into his office and proceeded to berate them, blaming the entire incident on Boyett because he "was a terrible team leader" and "needed to manage [his] team better." Malkinson ordered Boyett and Marsh never to speak of the situation again, especially not with Stevens. The team didn't see her for a week. When she returned to work, she slipped right back into her old ways.

Malkinson's handling of the Stevens/Boyett confrontation surprised no one. In fact, Marsh's two team members who witnessed the incident reneged on their promise to vouch for Boyett once they learned they would have to make their case to the VP. Malkinson frequently admonished and reprimanded lease-end employees out in the open and ruled through what Marsh called a "culture of fear." At weekly Friday morning division meetings Malkinson yelled and cursed at his staff about operational inefficiencies that needed to be improved, but he never offered solutions or a clear plan for how to execute change. Malkinson's abusive management style was a significant contributor to CTD's unusually high turnover.

McCormick's actions in the Stevens situation were indicative of her management shortcomings, too. She was the exact opposite of Malkinson: she was kind, didn't raise her voice, and would do anything she could to help lease-end employees who needed support or had a problem. But she would go-along to get-along to a fault. McCormick flatly refused to fight for change and did everything in her power to avoid confronting Malkinson. CTD's lease consultants who needed an ally in times of trouble had to look elsewhere.

Above Malkinson and McCormick was Mitch Connor, CTD's president. He was a ghost—Marsh and the other lease consultants never saw him or interacted with him. His lack of involvement trickled down to every area of the company. Marsh knew of no one who was fired during her time in lease-end; Warner and her team were praised for hitting their goals, but lease consultants and team leaders were not reprimanded for falling short. Plus, long-term goals were vague and not discussed in yearly reviews.

Marsh's dilemma

For Marsh, leaving CTD Direct for greener pastures was an obvious choice. Her pending lateral move to a consultant position at another lease remarketing firm came with a pay increase and far less stress. But a few hours after she submitted her resignation letter, McCormick and Malkinson called her back into Malkinson's office to present a surprising counter-offer.

"Name your price," said Malkinson.

That negotiated price was a promotion to team leader. It meant Marsh would receive a bump in salary and, more importantly, have the power to do something about CTD's most

significant problems in the lease-end division. She had hoped for a leadership opportunity ever since she settled into her floater role. However, the last four years did little to ameliorate Marsh's lingering concerns. Any changes she implemented would still have to go through Malkinson, with McCormick's authority vanishing when Marsh needed it most. Her lease consultant colleagues were unlikely to gain respect for team leaders overnight. And recently she'd learned of a new wrinkle: CTD Direct would soon be bought out by a company headquartered in the Deep South.

The phones continued to incessantly ring. Now she had so much more to consider, because a leadership position in familiar settings was quite enticing and she was confident she would excel at the job. Success would require an arduous, uphill climb. But was it even worth the effort when she had an out—an escape from CTD's renegade culture, disastrous management, and prospects of doom?

TEACHING NOTE

Case Synopsis

Shelly Marsh was in her fourth year working for CTD Direct, a lease remarketing company, and could not decide if she should stay or accept a pending job offer from another firm. The problems at CTD seemed larger than anyone could handle: managerial incompetence, insubordination, layoff rumors, and more. If Marsh stays, she will be promoted to team leader and must lead her team through the surfeit of problems, an opportunity that could catapult her career. If Marsh leaves, all CTD's problems will be behind her, and she'll have prospects of a more supportive, enriching work environment.

LEARNING OBJECTIVES (LOs)

The objectives for this case are:

1. Examine organizational problems through a systems thinking approach.
2. Apply motivational theory to employee problems presented in the case.
3. Apply at least four decision-making mechanisms to help determine whether or not to accept the job offer at a different firm.
4. Suggest a 90-day plan if Marsh gets promoted to team leader.

RESEARCH METHODS

The case is based on the experience of one of the authors. Employee names and the name of the now defunct company have been obscured.

TEACHING THE CASE

This case has been effectively used in undergraduate management and OB courses as well as MBA OB courses.

Reading assignments that would be useful when assigned with this case include: Kanter (2011) who writes about the importance of looking at both the forest and the trees; Latham (2004), who reviews the practical applications of goal setting theory; Judge (2011) who discusses

systems thinking in the organizational change context; and Connolly and Schiller (2017) who discuss the application of concept mapping in a first year management course.

DISCUSSION QUESTIONS

1. How does a systems thinking approach explain the problems at CTD Direct? (LO1)
2. What motivational problems appear evident among employees at CTD? (LO2)
3. Identify and explain different approaches/tools that Marsh might use to help in her decision whether she should either stay at CTD Direct or accept her job offer at a different firm. (LO3)
4. If Marsh stays at CTD Direct and gets promoted to team leader, what should she do in her first 90 days? (LO4)

ANSWERS TO DISCUSSION QUESTIONS

1. How does a systems thinking approach explain the problems at CTD Direct?

Judge (2011) suggests an eight-pronged approach to solving problems through systems thinking.

Approach 1: “The Delusion of Mental Models” (Judge, 2011, p. 68)

The various experiences we have throughout life help shape our perceptions of the world. These perceptions are apparent in what we do and how we do it. We often are unaware how these perceptions impact our decisions and how to change them. According to Judge (2011),

Mental models are hard to change because we have deeply ingrained assumptions of how things should work, but we are not consciously aware of how these mental models affect our thoughts and behaviors. Organizations that are aware of mental models have the ability to adapt and make changes to those models. (p. 68)

At CTD Direct, lease consultants were supposed to assume the shared responsibility of working lease-end accounts as a team. This system was flawed because individual team members still continued to concentrate on their own accounts. By assigning accounts to individuals, instead of the team as a whole, the organization continued to reinforce a mental model of individualism.

Approach 2: “The Delusion of Individual Initiative within a System” (Judge, 2011, p. 69)

In some situations, working harder still does not yield the required results. When this happens it is important to realize that we as individuals may not be the problem. We should take a deeper look at how approaches to the system are flawed. CTD Direct was not meeting organizational goals of selling leased term vehicles in a timely manner and accounts were exceeding maturity dates. This was because not all team members were available to take inbound calls, while making outbound calls from their queues. Management continued to demand hard work and results from lease consultants. This request is unobtainable; the system doesn't support teamwork. Individual efforts are lost because the team is not working together to meet goals. For example, some lease consultants went above and beyond to work their call queues, helped team members who are behind on work, and supported other teams when needed, while others continued to only work their own accounts or not work at all.

Approach 3: “Try to Anticipate ‘Ripple Effects’ of Change Initiatives” (Judge, 2011, p. 70)

Management made one attempt at changing implementation through the establishment of a “floater” position. This role was created to help support other teams field inbound calls and keep up with daily outbound call queues. Management failed to anticipate that this change was only dealing with symptoms (calls not being made on lease accounts) of the problems and not the root cause (lease consultants that are lacking skills and not working as a team). With teams receiving extra help from floaters, they should have been able to meet the organizations goals. However, this implementation has the opposite effect. Laziness and self-serving behavior became cultural norms for the lease consultants.

Approach 4: “Small Changes Can Produce Big Results: Search for Optimal Levers” (Judge, 2011, p. 71)

The ripple effects created waves throughout the entire organization. Perceptions that each lease consultant should only look out for themselves became the mental model subconsciously adopted by the organization. Management failed to see that this small change would create such a negative impact. Implementing change is a process that should be reevaluated and adjusted accordingly. This will ensure that management will achieve the desired outcome from changes implemented. Assigning accounts to the team as a whole instead of individual lease consultants is one small change that might have yielded better results for management. This would force the focus away from working as individuals and move it towards working as a team to complete work.

Approach 5: “Align Change Initiatives around an Inspiring Vision of the Future” (Judge, 2011, p. 72)

Change is a challenging process for many organizations. Employees have difficulties accepting change initiatives without a shared vision for the future. CTD Direct had a very clear mission statement: “To provide excellent customer service to leasing agents and lessees through its lease consultants and remarketing agents.” However, there was no vision communicated on what the organization was attempting to achieve once the mission was completed. Lease consultants were unable to grasp new mental models due to the lack of vision at CTD Direct.

Approach 6: “Seek to Change Associates’ Mental Models” (Judge, 2011, p. 73)

The system teams used to work lease-end accounts also played a role in the organization’s inability to change lease consultants’ mental models. The focus needed to move away from who was assigned a particular account, or which lease consultant was responsible. Management continued to apply the same approach to the issues, without really examining the system as a whole. Without changing the system so accounts would be the responsibility of the team (assign the accounts to the team not to specific lease consultants), mental models stayed the same.

Approach 7: Engaging in “Vigorous Dialogue around the Welfare of the System” (Judge, 2011, p. 74)

Discussion and understanding of how systems thinking concepts can improve an organizational system is critical. This involves input from employees at every level within the company. CTD Direct lease consultants, team leaders, and upper management never took the time to discuss important issues that surrounded the organizational system.

Approach 8: “Work to Maintain Openness to the System to Avoid Entropy” (Judge, 2011, p.74)

Individuals can generate new ideas by collaborating with others. Allowing employees to collaborate with different sectors of an organization can open new lines of communication.

Maintaining an open system at CTD Direct would allow opportunities for lease consultants to shadow remarketing agents, visit dealerships, and observe vehicle processing at the auto auctions. Marsh had the opportunity to work with other teams and provide training and advice to other consultants, but her efforts were limited to this part of the organization. This contributed to further deterioration of the system within CTD Direct.

2. What motivational problems appear evident among employees as CTD?

The motivational issues can be addressed through concept mapping. Concept mapping is a very powerful tool with which to attack a problem both visually and conceptually. Concept mapping is a learning strategy that was developed first as a research tool to represent a learner's prior, relevant knowledge, and later as a tool to enhance meaningful learning (Heinze-Frye and Novak, 1990). Maps consist of "concepts" and "linking words." Concepts are defined as perceived regularities of relationships within a group of objects or events and are designated by some sign or symbol (Novak and Gowin, 1984). Concepts are generally isolated by rectangles and connected by lines. Lines are labeled with "linking words" which describe how the connected concepts are related to each other. Linking words tend to be the most important and beneficial part of concept maps in that they reveal how and what the mapper feels about the concepts (Ditson, Kessler, Anderson-Inman and Mafit, 1998). Two connected concepts constitute a "propositional linkage," or a statement about how some piece of the world looks or works. Stated another way, concept maps are drawings or diagrams showing the mental connections and patterns of association a learner makes on a major concept or between a major concept and other concepts they have learned (Angelo and Cross, 1993). In its simplest form, a concept map could be just two concepts connected by a linking word to form a proposition (Novak & Gowin, 1984). For example, "Deming's 14 points requires systems thinking" would represent a valid proposition about the concept "Deming's 14 points" and "Systems thinking." Concept mapping is a technique for externalizing knowledge, through drawings or diagrams, a learner's perceived representation of concepts and their interrelationships in a knowledge domain. It is a tool developed specifically to tap into a learner's mental map or cognitive structure and to make explicit, for both the learner and teacher to see, what the learner already knows (Novak and Gowin, 1984). Concept maps were developed by Novak in 1972 as a result of his research with others on concept learning in science courses.

By using a concept map, you have a visual tool to depict a set of ideas by linking them and explaining the connections. Concept maps provide a powerful way to help students organize, represent, and understand knowledge. First coined by Novak and Gowin in 1984, concept maps now have many updated uses in classrooms to help students grasp the connections between key points.

Concept mapping may be applied in any academic discipline to make better sense of a reading, a case analysis, document learning or thinking, or brainstorm a project. Used expertly, they can substantially increase student understanding of difficult topics.

There is growing recognition of the value of using a variety of formats and styles in teaching and facilitating. With concept maps, faculty members can broaden their teaching repertoire while showing students how to learn in authentic and active ways.

Concept mapping is an extraordinarily powerful way to make visual connections between concepts. A very useful approach to using concept maps for case analysis in the classroom was identified by Kubitz (2012, personal communication).

Exercise A (Appendix) is the guide distributed to students based on Kubitz (2012) as they practice making their first concept map in a case analysis context. Concept mapping is a tool for organizing the many factors that could be contributing to CTD's suboptimal performance. It also provides opportunity for students to recommend solutions based on what the applied theory or concept says. Students might map relevant concepts in a map similar to that in the figures below. The first author has used concept maps for years in different courses and found them to be very well suited for integrative assignments requiring students to draw on conceptual material from large parts of the course. He has used concept maps as a part of mid-term exams as well as final exams and found it to be a unique tool for focusing like a laser student attention on an applied problem situation.

The concept map in Exhibit C (Appendix) is a useful tool that illustrates key concepts from the following readings: Level Three Leadership (Clawson, 2012, p. 198,199), Individual and Organizational Motivation (Osland, Kolb, Rubin & Turner, 2006, p. 102,109), and Motivating Employee Performance through Goal Setting (Latham, 2011, p.163, 168). Each one of these key concepts provides insight into which aspects cause/will improve the lack of motivation within CTD Direct. We will look at each one of these readings in detail to gain a full understanding of the motivational problems at CTD Direct.

Management at CTD Direct lacked ability to motivate employees. There are many different ways leaders can use power to influence others. Clawson (2012) outlines these sources of power as legitimate authority, coercion, reward, expertise, and personal reference. Leaders will use a combination of these powers as motivational tools; however some are more effective than others (p. 198).

VP Malkinson used coercion as his main source of influence over the lease consultants. Fear of losing their jobs and/or being berated in front of their peers was the motivating factor. This type of influence will only motivate employees for a short period of time. According to Clawson (2012) using coercion to motivate others is a level-one source of influence and will only yield mediocre performance (p.199). According to Clawson (2012), there are three levels of leadership: level one focuses on visible behavior, what we say and how we act. Attempting to motivate employees at this level is not effective. Malkinson did not take the lease consultants underlying values, assumptions, beliefs, and expectations (VABEs) into consideration. These VABEs are part of our subconscious; they are at the core of what motivates us as individuals (Clawson, 2012, p. 26).

Effective leaders and managers take the time to truly understand what factors motivate their employees. At CTD Direct, management took very little time to understand the sources that motivated the lease consultants. Instead Malkinson demanded optimal performance, but team members lacked motivation and ability. This was evident in the case when Marsh had to retrain existing employees. There were also instances when employees pretended to work while sleeping and refused to take inbound calls. According to Osland et al (2006) without both ability and motivation, optimal performance cannot be achieved. Once managers and team leaders understand what factors motivate the lease consultants at CTD Direct – e.g., awards for good performance – they can align goals to meet the needs of employees, so job satisfaction and productivity will increase (Osland et al.2006, p. 102).

Goal setting was not used by management at CTD Direct

Another important aspect of this case is the lack of goal setting from CTD Direct management and team leaders. The goal setting theory by Latham and Locke discussed in Latham (2004) presents a framework organization can use to increase employee motivation (as cited in Latham, 2011). The basic four steps of this theory are outlined below:

1. Set challenging specific goals: Individuals will adjust their level of effort to obtain goals, and the higher the goal, the more effort is displayed. The challenge of meeting and exceeding higher goals helps employees feel a sense of accomplishment and satisfaction. Setting specific goals will hone in on what factors are essential for achieving the goal (Latham, 2011). Team leaders could have motivated lease consultants by setting specific goals and putting numbers to their tasks. For example, team leaders may say, the goal is to sell twenty five lease-end vehicles a month and no more than five lease accounts will go past maturity. Team members at CTD Direct would have a target to work towards. Once this goal is set, team members can determine what they need to do to meet the goal and develop a plan of action as a team.

2. Provide feedback in relation to goals: Feedback is essential to the effectiveness of goal setting. The process of goal setting, along with guidelines used to measure progress, should be aligned. Employees will gain a better understanding of what should be sustained, what needs to be adjusted, and what should not be continued. This step will be necessary to lead employees down the path to attaining goals (Latham, 2011). Management and team leaders should provide feedback, which is directly related to the team achieving specific goals. For example, Marsh may be very good at taking inbound calls and simultaneously working her outbound call queue. However, she is rushing through calls and not developing a rapport with lessees that will lead to more lease-end vehicle sales. Marsh's team leader Boyett can instruct her to slow down while speaking with lessees, to listen, and ask more questions. This feedback will help Marsh understand what to adjust so she can help the team meet the goal of selling twenty-five lease-end vehicles.

3. Maintain goal commitment: This is a two-part step: first, one must focus on outcome expectancies. In the process of working towards a goal, situations may arise that make the goal seem unattainable. It's important to stay committed to the goal and adjust your path accordingly. This is where management can step in to provide necessary coaching. Also, this will keep employees from getting off track and losing sight of obtaining goals (Latham, 2011). Team leader Boyett should periodically discuss with Marsh and her team members what their expectations are for meeting the goals (selling twenty-five lease-end vehicles/no more than five lease accounts past maturity in a month). Through these conversations, Boyett can gauge how committed each team member is to meeting these goals. He can identify any issues that are interfering with a lease consultant staying committed to the goals and help them get back on track.

4. Provide resources needed to attain the goal: Without support and resources, it is highly unlikely employees will be able to succeed at meeting goals. Management should strive to implement training, consistent evaluation of progression to goals, and feedback that will improve the process (Latham, 2011). Boyett can make sure that accounts are being equally distributed among team members. This provides a level playing field for each team member to meet goals. Boyett can also implement new ways to provide feedback with a team evaluation tool. This provides a way for the team to discuss how Boyett can help them attain goals. Boyett should always be looking for ways to ensure team members have the support and resources needed to work lease-end accounts effectively and sell lease-end vehicles.

These steps could have helped management at CTD Direct motivate employees to meet specific organizational goals. Implementing this framework on the team level would have inspired more cooperation and encouraged higher team commitment.

3. Identify and explain different approaches/tools that Marsh might use to help in her decision whether she should either stay at CTD Direct or accept her job offer at a different firm.

In order to decide whether Marsh should stay or leave CTD Direct, she must analyze her situation to determine the best course of action. Following are various thinking tools Marsh can use to make this decision and ways to implement them:

Reflection: Reflection is a powerful tool of analysis. It involves proactively setting aside time to think about a situation in order to better understand one's actions and environmental influences (Gosling & Mintzberg, 2004). Action without reflection significantly reduces effectiveness. As Gosling and Mintzberg (2004) state, "All effective managing has to be sandwiched between action on the ground and reflecting in the abstract. Acting alone is thoughtless...just as reflecting alone is passive. Both are critical" (pp. 151-152). Marsh must essentially stop and think to get a better perspective as to how she should proceed forward.

For example, Marsh can ask Malkinson for the next day off to think through her decision and simultaneously ask the prospective firm for a day to think things through. Marsh can then set aside chunks of time, say 15-30 minutes, for individual reflection, paired reflection, and group reflection. Questions, which Daudelin and Hall (1997) call "reflection prompts," can be used to stimulate thinking. A few questions Marsh can ask herself are: "Are any general themes emerging," "How do these ideas relate to each other," and "What actions can I take based on what I learned." Specific thoughts, insights, and action implications can be kept in a learning log (Daudelin & Hall, 1997).

Paired reflection, also called a "learning-oriented conversation," could be beneficial as well. Marsh can seek counsel from a family member or from people she trusts, and can mention to them the insights she wrote in her learning log. They can then offer Marsh advice or simply be a good listener, which also prompts helpful reflection. Group reflection, also called a "Group Dialogue Session," is similar to paired reflection but is done on a larger scale. Marsh can state her dilemma (to her parents, for example) and then, going around the room, each person can take turns reporting their insights.

Zooming Out: According to Kanter (2009), "The lens through which leaders view the world can help or hinder their ability to make good strategic decisions, especially during crises" (p. 112) In Marsh's case, the chaotic daily rhythm made it difficult to grasp actual reality. Zooming out provides an appropriate solution. For example, the incessantly ringing phones were distracting, for sure, but there was also a bigger picture to what was actually happening. Mainly, Marsh was experiencing the symptoms of a root problem left unattended. Inbound calls should be answered but no one was being held firmly accountable and team norms gravitated towards rebellion.

Furthermore, after zooming out it is very clear to Marsh it will take more than just her efforts to help the issues within CTD Direct. She will need an immense support system, which is clearly lacking in the current management structure. Marsh will need to leverage her relationships at CTD in order to get anything done. Zooming out also gives Marsh the advantage of making connections between different big-picture ideas. For example, Marsh can now see that being promoted to team leader will require her to address root problems but not without the

support of upper management. In result, Marsh realizes that she must focus on getting this support first and only then can she focus on team inadequacies. Without this top-management support, no effective change can happen.

Want-Got-Gap Model: The Want-Got-Gap Problem Identification Model (Clawson, 1982) is designed to get a handle on complex situations by identifying the gap between what each stakeholder actually wants versus what each actually has (gots). For example, all of the employees at CTD Direct viewed some of the VP's actions as hostile and inappropriate whereas the VP really wanted the company to excel and his actions, although adversely applied, were aimed to foster employee motivation. After the wants and gots are listed, then creatively addressing the gaps could lead to a clear resolution to Marsh's dilemma as shown in Table 1 (Appendix).

Six Thinking Hats: As De Bono (1985) indicates, "The Six Thinking Hats Method helps individuals and groups make better decisions by simplifying their approach." Each of the hats has its own color and each color symbolizes a different mode of thinking. Following are descriptions of each hat and example ideas that Marsh can mention, which may help to simplify her complex dilemma:

White Hat Thinking (Indicates neutrality, and attention to facts and figures) (De Bono, 1985)

Marsh had the experience but lacked the authority to lead a sweeping change in company culture.

- Marsh was promoted to a lease-consultant and then to a 'floater' lease consultant because of her excellent work and knowledge of the business and its clients.
- Almost all of the lease consultants had perfected the art of pretending-to-work-while-doing -something-else.
- Top-level executives at CTD Direct did not provide sufficient direction or support, which created a work culture of rebellion against authority.
- Marsh could not decide if she should stay at CTD Direct or accept a pending job offer from another firm.

Red Hat Thinking (Allows for expression of feelings and intuition) (De Bono, 1985)

- The absence of leadership at CTD made Marsh frustrated and hopeless that things will get better.
- Marsh is fearful of stepping out into the unknown and accepting the job offer at the other firm.
- Marsh's team leader, Boyett, felt disrespected and all of his efforts to help the team seemed to be non-effective; his team seemed to not want any help or direction. Marsh is concerned that this will be her experience as well if she stays and is promoted.

Black Hat Thinking (Implies caution and looking for possible dangers or obstacles) (De Bono, 1985)

- Malkinson was malicious with words and could verbally assault Marsh if he believes she is overstepping his authority and performing incompetently.
- If Marsh stays, her motivation to implement change could burn out due to the built-up frustration she already has. Most certainly, it will be an uphill climb regardless.
- There are existing rumors that CTD Direct will be bought out by another company and Marsh's job could be jeopardized.

Yellow Hat Thinking (Focuses on optimistic thoughts) (De Bono, 1985)

- Being promoted to team leader may give Marsh enough authority to make significant changes to her team that will positively impact organizational productivity.

- Senior leadership at CTD could see Marsh's change initiatives as worthwhile and be motivated to change themselves.
- Accepting the job offer at the other firm may be exactly what Marsh needs – a fresh start.

Green Hat Thinking (Encourages creative thinking, interesting points, and brainstorming)
(De Bono (1985))

- It would be interesting to see what would happen if Mitch Connor, the President, decides to take a more hands-on approach at CTD, especially with a better communication of the company's vision for the future and the implementation of effectual performance management protocols.
- To Marsh's knowledge, no one was ever fired while she was an employee at CTD. It would be interesting to see what would happen if employees at CTD were held accountable to a certain performance standard.
- If Marsh was supported by top-management and was given the freedom to implement most (if not all) of her desired changes, it would be interesting to see the ripple effect within the organization.

Blue Hat Thinking (Signifies authority, organization, and decision making – so what, now what?) (De Bono, 1985)

- Marsh must decide if she is going to stay at CTD Direct or accept her job offer at a different firm.
- If Marsh stays, she will be promoted to team leader and must lead her team through the surfeit of problems, an opportunity that could catapult her career.
- If Marsh leaves, all CTD's problems will be behind her, and she'll have prospects of a more supportive, enriching work environment.

After wearing each of the hats, Marsh can review the information she gathered and analyze the situation from different angles. For example, she may come to the realization that she has a lot of built-up frustration with CTD and may not be emotionally able to lead a change initiative and maybe a fresh start is needed. Or, Marsh may notice how much opportunity exists for her to lead a change initiative and – with the support of top-management and a worthwhile vision statement to follow – she is willing to try and take advantage of the growth opportunities available to her.

4. If Marsh stays at CTD Direct and gets promoted to team leader, what should she do in her first 90 days?

Wageman (1997) describes seven critical factors that team leaders can influence in order to get the most out of their teams. Any troubled organization or team is surely missing at least one, if not all, of the factors. The following are the seven factors and ways that Marsh can take action on each to effectively manage the first 90 days in her new role:

Factor 1: Clear, Engaging Direction

A critical component that was missing at CTD Direct was a clear and engaging direction, which leaves Marsh in the difficult position of leading her team 'in the dark' towards an understanding of why the team exists and what it is trying to accomplish. One way to establish this understanding is to develop a mission statement for her team that would provide a guiding direction that every team member can follow. As Kotter (1990) explains, "Unless many

individuals line up and move together in the same direction, people will tend to fall all over one another” (p. 105). An example mission statement can say something like: “This team exists to provide excellent customer service to the lessee and other stakeholders through quality lease-remarketing services and help each other to move towards that end.”

Factor 2: A Real Team Task

A value-producing team requires work that is designed to be accomplished as a team (Wageman, 1997). In other words, teamwork involves working together on significant tasks to accomplish a common goal. As mentioned earlier in the response to case question one, the floater role undermined team dynamics by encouraging the team to act more as individuals rather than as a cohesive unit. One-way Marsh can address this is to get rid of the floater position and proactively hold each team member accountable to help field inbound calls and to keep up with daily outbound call queues.

Factor 3: Rewards for Team Excellence

Another method to encourage teamwork is to provide team rewards for successful collaborative behavior. Within her first 90 days, for example, Marsh can establish a team-based reward structure designed to reward the team (not individuals) for meeting certain call-centered goals. These rewards can be financial, material, and/or celebratory; nevertheless, any reward that incentivizes team solidarity is fair game.

Factor 4: Basic Material Resources

The team needs basic material resources to do their job well - whether that involves having a space to hold team meetings or a need to add an extra phone line to keep up with inbound calls. Marsh needs access to these resources and should seek them out as necessary in order to have the means to assist the team to work in a timely and effective method.

Factor 5: Authority to Manage the Work

In order for Marsh to take any change-oriented action, she will need support from top-level managers, especially with Malkinson (the VP) who is the key operational decision maker. A certain level of autonomy should be sought out that would allow her to implement change among her team without much, if any, pushback. If permitted by top-management, Marsh would have more flexibility to make decisions for the betterment of her team and ultimately the company itself.

Factor 6: Team Goals

Leading change requires Marsh to be intentional in the way she sets team goals and celebrates success. And more importantly, Marsh must align team goals with company goals and of course make the goals “S.M.A.R.T.” (specific, measurable, attainable, realistic, and time-bound) (Latham, 2011). If Marsh wants to be ambitious, for example, she can say to her team,

“This year our goal is to answer every inbound call we receive,” and then she will need to measure the team’s performance on this goal as the year progresses.

Factor 7: Team Norms that Promote Strategic Thinking

Wageman (1997) states, “Norms emerge naturally in teams, regardless of whether a leader attempts to guide their development. However, norms that are left to emerge on their own often do not support strategic planning. Leaders can - and should - help appropriate norms develop.” Despite the efforts of Boyett (Marsh’s team leader), the team was accustomed to disrespecting his authority. Avoiding this type of disparaging norm requires a consistent tenacity by Marsh to recognize and reinforce any group norm that promotes strategic thinking and quality teamwork.

Epilogue

Instead of staying in her role and receiving the team leader promotion at CTD Direct, Marsh decided to leave and accept the job offer at the other lease remarketing firm. Six months into her new position, Marsh received an email from Maura, a former team member at CTD. Maura was interested in learning if Marsh’s new employer had any positions open. Maura explained in her email to Marsh that not long after she left her position, the company that bought out CTD Direct laid off all the employees and moved the operation to its headquarters in Mobile, AL.

Key Takeaways

After a thorough discussion of the case, students might be expected to develop a set of key takeaways something like these.

- The opportunity to be a leader gives you a different perspective on the scope/extent of a firm’s problems.
- When no clear values exist for a firm, employees are more likely to act in their own self-interest—especially if they can do so without violating company policy.
- Ineffective leaders ignore VABEs they’ve identified in their coworkers (from direct reports to peers to top management).
- Unmanageable workloads are much more taxing on employees in a hopelessly toxic office culture.
- Feedback that exists only at two extremes (overly kind, pure anger) leaves employees confused and unmotivated to achieve measurable goals.

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APPENDIX

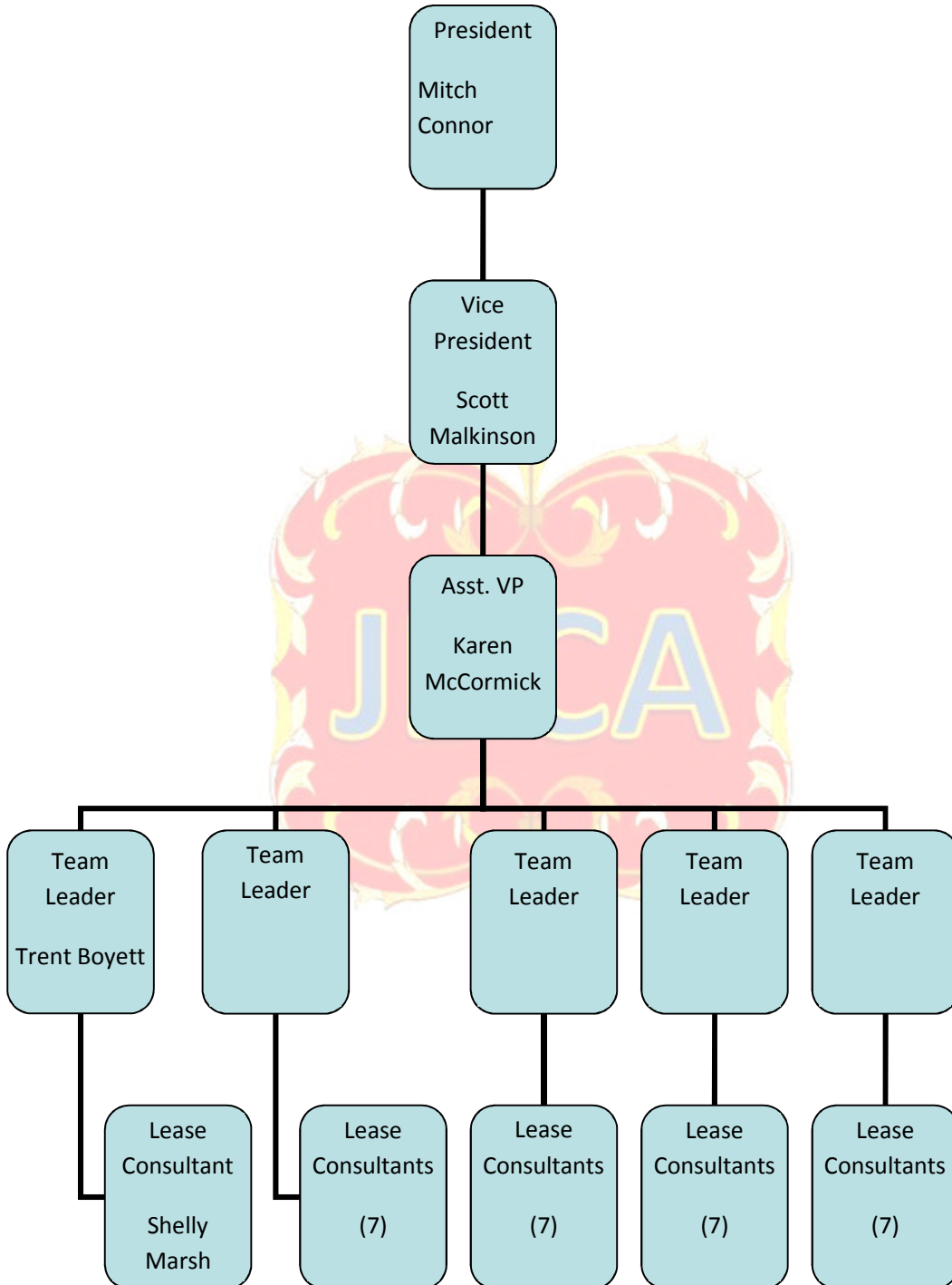
Exhibit A

How Does a Car Lease Work? Adapted from Auto Editors of Consumer Guide (n.d.), with examples.

36 mo. Lease VS. Loan on a Honda Pilot EX AWD (Based on 6.75%)	Lease	Loan
Purchase Price	\$33,595	\$33,595
Down Payment	\$2,000	\$6,719 (20% to qualify for best interest rate)
Monthly Payment	\$395	\$825 (Normal loan term 48 mos. or 60 mos.)
Total Spent after 36 mos.	\$14,565	\$36,419
Residual Value of Vehicle	\$0	\$23,701
Real Cost	\$14,565	\$12,817

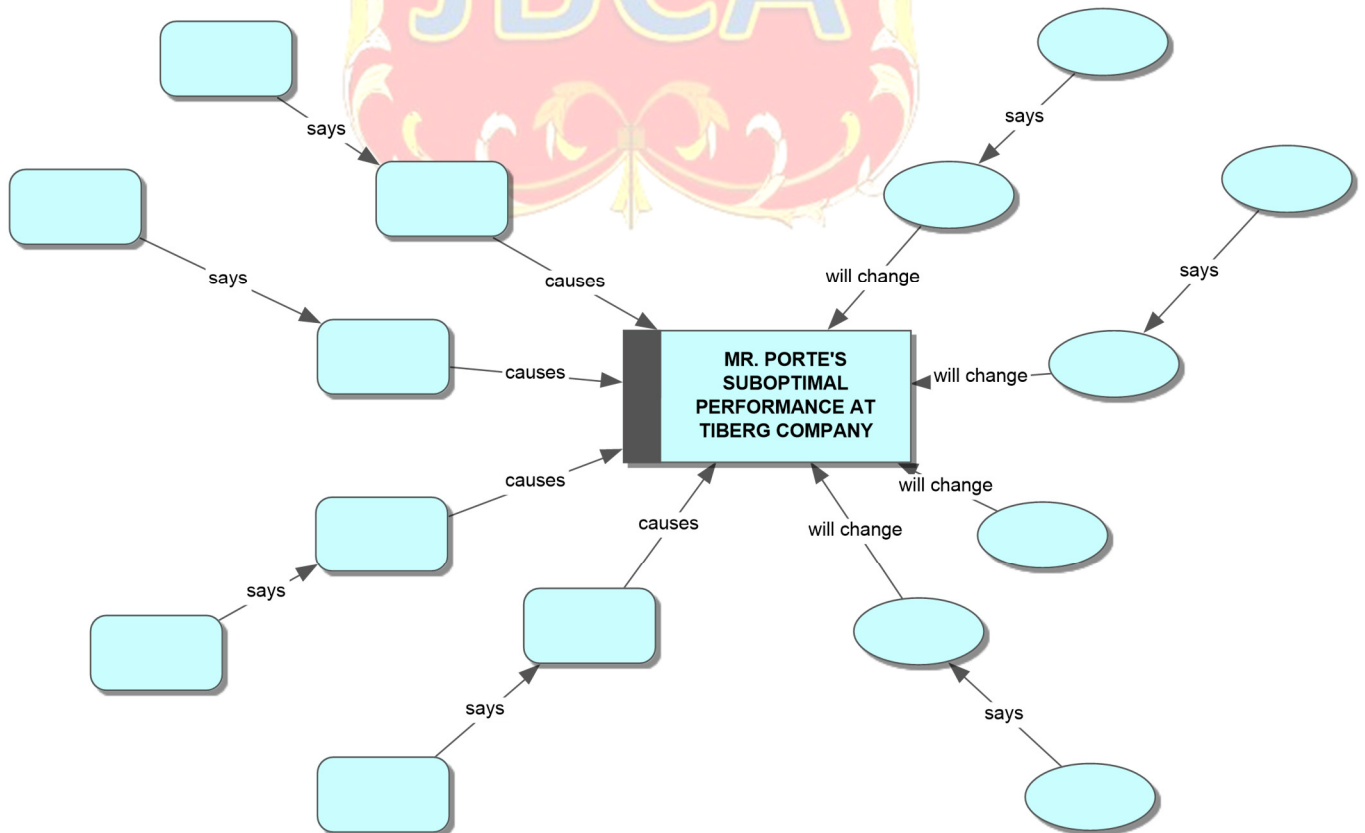
- Banks back the financing for dealerships to lease vehicles. The concept is you are renting the vehicle for a set period of time; a typical lease is for a 36-month term.
- The monthly payments are based on the difference between the purchase price and the estimated value of the vehicle at the end of the lease term.
- Interest rates associated with lease financing are called a lease charges or lease fees.
- Once the lease term is completed, a lessee has the option to purchase the vehicle for buyout option (estimated value at lease end) or return the vehicle for a new lease.
- The bank owns the vehicle, so the lessee will need to secure financing for the buyout price.
- If they choose to return it to the dealership, the bank can sell the leased car back to the dealer or at the local auto auction.

Exhibit B
CTD Direct lease-end organizational structure



Exercise 1
 GB793 – Leading Change – Summer 13
 Concept Map Instructions for the Tiberg Company Case

1. Remember your reading of the Tiberg Company case. In the case, Mr. Porte has a serious problem in not producing the desired change. We might say, he is not performing optimally.
2. Using what you’ve learned thus far this semester, identify as many ‘causes of’ and ‘solutions for’ Mr. Porte’s suboptimal performance as you can. You may use your book and/ or your notes as you work and you should try to apply the course material (i.e., the theories, models, concepts/frameworks to Mr. Porte’s problem.
3. Create a team concept map illustrating your thoughts about Mr. Porte’s problem, its causes, and potential solutions. Organize your map so that the ‘problem (Mr. Porte’s suboptimal performance) is in the middle, the causes are on the left side of the page and the solutions are on the right side of the page. The map below illustrates this organization. The names of the theories, concepts, and models go in the outermost boxes or Authors (e.g., Attribution Theory). You may abbreviate the names of the theories or models (e.g., AT). Your application of the concept or model to Mr. Porte’s situation goes in the innermost boxes. Keep in mind that you’re trying to show me what that particular concept/theory says causes suboptimal performance and what that particular theory/concept would say to change suboptimal performance. Causes and solutions should ‘match’ across the two sides of the map. For example, you might use a systems thinking issue to suggest a ‘cause’ (you name it) on the left side of the map and also to suggest a ‘solution’ pertaining to an aspect of systems thinking (again you name it) for suboptimal performance on the right side of the map.



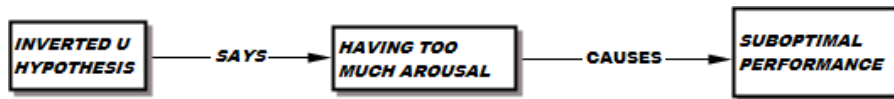
4. Write as neatly as possible and large enough that someone standing in front of your map looking at it on a wall will be able to read it. When you're finished, write your team name on the top of your map and essay and post when all teams do at the same time. Your team will have a specific amount of time to complete this application exercise.

5. During this activity, try to make optimal use of your resources (i.e., your teammates). That is, get everyone involved and work together.

Be sure that you use make your links 'read like sentences'. This set of links does NOT read like a sentence.



This set of links reads like a sentence.



Be sure that you make 'true' statements with your links.

This set of links is NOT true. Inverted U hypothesis does not deal with confidence.

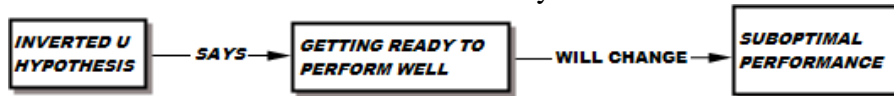


This set of links is true. The Inverted U hypothesis deals with arousal.



Be sure that your statements speak in the 'language' of the theory or model.

This set of links does NOT show me that you know how to use the Inverted U hypothesis.



This set of links shows me that you know how to use the Inverted U hypothesis.

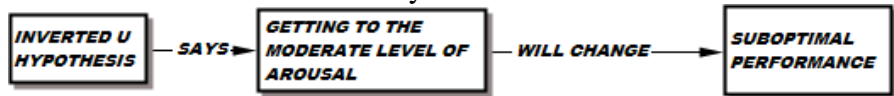
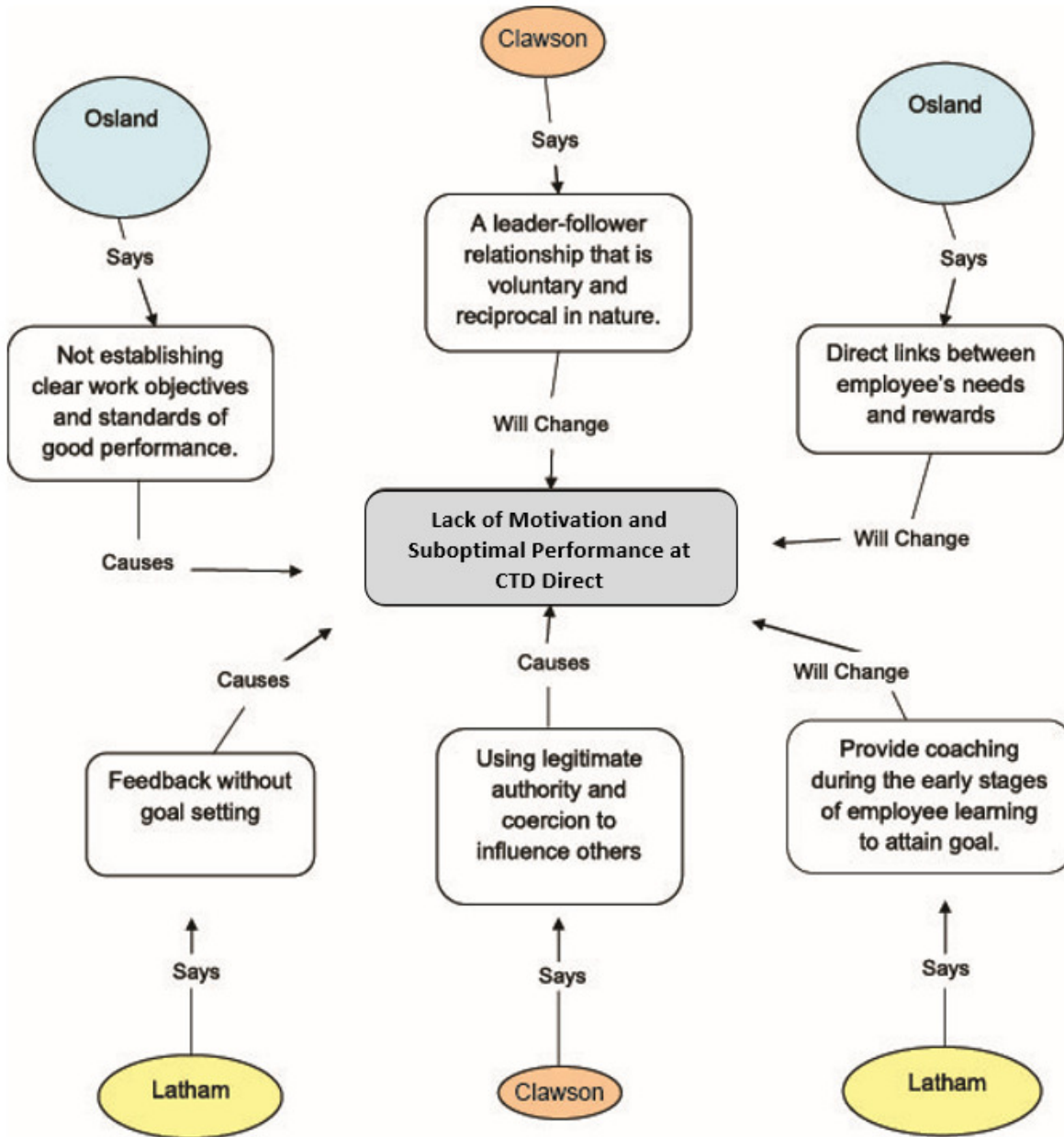


Exhibit C – Concept map of potential causes and solution to suboptimal performance at CTD Direct



Concept map applying motivational theories presented in Osland et al. (2006) Latham (2011) and Clawson (2012) to the case.

Table 1

Applying Clawson's (1982) Want-Got-Gap Problem Identification Model to Marsh's Dilemma

Stakeholder	Wants	Gots	Way(s) for Marsh to Address Gap?
Shelly Marsh (case protagonist)	Is it best to stay or leave CTD Direct?	Confusion as to what she should do.	Thinking tools, such as: reflection, zooming in/out, want/got/gap model, and six thinking hats.
Karen McCormick (AVP)	Why can't everyone just get along?	Bossy supervisor (VP) and unfriendly work environment.	Marsh can meet with McCormick to discuss possible ways they can partner together to create a more friendly work environment.
Scott Malkinson (VP)	Why aren't people doing their job?	Demotivated and rebellious staff.	Marsh can report Malkinson's disruptive behavior to the President. A one-on-one conversation with Malkinson regarding his behavior could also be effective.
Mitch Connor (President)	What can be done to make CTD Direct more successful?	Constant interruptions, unforeseen problems, and not enough time to address them.	Marsh can meet with Connor to determine the vision he has for the company and then, based on this information, she can decide if she's willing to partner with CTD Direct to move this vision forward.