

Educational investment pension case essay sample



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1. There are two sources of conflict presented in this case; the first is Personal differences. Educational Pension Investments is known for being a safe and conservative investment company ever since it started 50 years ago. Knowing that being conservative puts EPI behind other investment companies, Dan wanted to hire fresh and aggressive blood to increase EPI's growth. Thus, Dan hired Mike. Mike accomplished everything Dan was looking for, to add enthusiasm into the organization and to increase the growth of the firm. The conflict is that Mike and the senior partners of the organization cannot see eye to eye.

Ever since the organization started, the senior partners have been doing their investments the same way: low risk and conservative. Mike, coming from a broker firm, uses an aggressive approach to gain impressive results. Obviously, Mike's approach is shockingly new to the firm, which in turn makes the senior partners very uncomfortable. The senior partners have been avoiding this type of high-risk investment style ever since Educational Pension Investments has opened. Mike is also portrayed as younger, which naturally makes him more aggressive compared to older senior partners, who tend to become more conservative as they get older. These personal differences between Mike and the senior partners stir up a large conflict between how to run the organization.

The second source is environmental stress. When Mike was hired to work for Educational Pension Investments, he was promised " the freedom and flexibility to operate a segment of the fund he desired." (406) So Mike did impressive work in his company and produced exceptional results, to the point where many younger associates loved working with him. All this

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freedom Dan gave Mike intrinsically motivated him to do the best work he can accomplish, the problem was that Mike's style differs from the rest of the organizations. The free and flexible environment Mike works in did not match the environment of the rest of the workers at EPI. " This caused jealousy among the other partners, who thought Mike was pushing too hard to change the tried-and-true traditions of the firm." (406)

The environment Mike was used to working in and what the rest of the workers were used to didn't match. Thus it placed Mike as a black sheep that couldn't get along with the organizations traditional environment, and was added as an additional source of the conflict. 2. There are two approaches to conflict management in this situation; the first is forcing. This can be seen between the conversation of Tom and Dan when trying to deal with the conflict, which is Mike. Tom, along with the support of the senior partners, tells Dan, " Mike must either conform to the philosophy and management practices of this organization or else resign."

The objective of Tom and the senior staff is to get it their way, which is going back to the original tradition before Mike. Tom and the senior staff are very determined to see this through due to the organizations concern on non-uniformity due to Mike. Whichever Mike's choice is, the result will be EPI going back to the way it was whether Mike has conformed or left. This approach isn't quite effective due to how stubborn and hardheaded Mike is. Mike is very determined to defy the organizations objectives and reach greater returns his way. If the forcing approach was used directly to Mike between Dan and Mike's conversation, there is a high probability Mike will leave.

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The second approach is collaboration. This can be seen when Dan finally sits Mike down to discuss the organization's internal conflict. Dan is torn between both the Senior Partners and Mike. Dan supports the Senior Partner's concern of non-uniformity due to the turmoil Mike has been causing with many managers, but Dan also supports Mike due to Mike's exceptional results that has been brought to the firm. Dan taking the time to sit Mike down and discuss these issues portrays Dan's commitment to finding an effective solution for the greater good of the organization.

This is certainly collaboration and not compromising due to how persistent Dan is willing to solve this conflict out no matter how long it takes. If it were compromising, Dan would try to quickly come up with a solution and continue with EPI's work. Instead, Dan persists through Mike's agitation and tells Mike to keep discussing this conflict into the night, seeking an optimal solution. This approach is quite effective due to both sides discussing all the issues regarding this conflict, and both sides trying to come up with an optimal solution for the organization. The only problem was that Mike's stubbornness and emotions prevented a solution to be made within that time period, but a conflict like this needs thorough thought and must go into the night if it needs to.

3. Instead of focusing on the conflict and trying to solve it in terms of whether Mike should leave or not due to the non-uniformity of the organization, Dan should have focused on generating different alternatives for Mike's approach. By this, Dan should try to focus Mike's strengths into different alternatives that won't jeopardize the overall organization. Instead of doing high-risk investments for the majority of the firm, Dan should

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propose step-by-step alternatives to slowly gain the Senior Partners approval, instead of it being shockingly fast. Dan should also separate Mike from Mike's problem. Many of the Senior Partners are attacking Mike directly. What Dan should be doing is discussing the conflict in terms of the problems Mike has given to the company rather than blaming the non-uniformity on him. Lastly, Dan should focus on options of mutual gains. Both Dan and Mike are fighting for their sides, instead they should both focus on the organization and what's the best way for Mike to help the organization without hurting it at the same time.