

# It group at kma case

Psychology, Motivation



## IT group at KMA

### Case

Afternoon January 29th, 2008

On the afternoon of January 29th, 2008, Makoto Fukumi, IT Manager, was sipping a cup of coffee in his cubicle while pondering the decision he needed to make. Makoto wondered whether he should hire the currently contracted John Roberts or Pallavi Gadupudi or search for another, more ideal candidate for the Systems Administrator position in KMA's IT group.

Should Makoto decide to hire John for the position, it would be a smooth transition with little training involved since John has already worked more than three years in the IT group. Makoto also knows John well and enjoys a good personal relationship with him. However, in the past John has exhibited continual adverse work behavior such as placing and receiving private calls from his wife and receiving E-mails from job recruitment sites. John is also not very familiar with newer software such as Windows OS, and , fails to rise to the occasion when given challenging tasks. In addition, and John's professional relationship with the Japanese management team has not been developed to Makoto's standards.

If Makoto were to hire an outside candidate for the Systems Administrator position Pallavi, he may find someone with a more appropriate skill set. exceed the level of John's competence quickly due to her experience and willingness to expand her skills. It seems strange that you would need her to exceed John's competence. Doesn't this mean John isn't a good candidate? If that is the case, why continue with the question? However, bringing in a

new employee would necessitate several months of training and could cause a backlog in the work of the department. will her technical for at least one year In addition, by replacing John with an outside candidate the other employees' morale may be affected and it could decrease their motivation to improve their current performance levels.

### IT Group Background

Kawasaki Microelectronics America, Inc. (KMA), of San Jose, California was founded in October, 1994 as an ASIC manufacture, a subsidiary of Kawasaki Microelectronics, Chiba, Japan. When KMA was founded, Hiroshi Takagawa was responsible for management of the IT group. There were only five employees and five servers at that time. In January of 2004, Keith Kawana was assigned management responsibilities of the IT group; at that time; there were 45 employees and over 50 servers at work for the company.

By October, 2004, due to the increase in number of servers, Keith hired a contractor, John Roberts, to function as the Systems Administrator through TKETEK Systems, the nation's largest single-source provider of information technology and communications staffing and services. Keith had mainly implemented management tasks such as planning or budgeting while John was primarily responsible for technical tasks including troubleshooting servers, creating user accounts, monitoring systems, and making system backups. As part of the agreement, KMA agreed to pay the TKETEK employees the regular hourly rate of \$83 and an overtime hourly rate of \$124. 50. For the year 2006, KMA paid a total of \$202, 000 to the staffing firm in return for its services.

In February, 2005, Keith indicated to his supervisor his willingness to return to his previous position as a CAD design manager, and the request was approved. In July of 2005, Makoto Fukumi joined KMA to replace Keith's position. After Makoto joined KMA as Systems Engineer, Keith returned to the CAD group and was no longer supervising John's daily activities; however, Keith continued to sign John's time card because Makoto was not yet a manager. Since Keith was located on a different floor, he never checked the accuracy of John's time card.

### John's Background

John grew up in Southern California. After receiving his high school diploma, he joined the United States Navy for six years. Upon his discharge from naval service, John received an Associate Degree in Computer Science at Antelope Valley College, in Lancaster, California. He then worked in the capacity of Systems Administrator with several firms for the next 20 years. Since October of 1998 he worked for Sun Microsystems, in Newark, California. He was laid off from Sun Microsystems in July, 2004. He joined TKETEK Systems directly after his discharge from Sun Microsystems, and has worked at KMA, through TKETEK Systems, since October of 2004.

### John's Personality

In order to encourage interaction amongst its employees, KMA instituted a pizza party biweekly on Friday evenings. Most of KMA's management staff, including the CEO, CFO, and General Manager, are Japanese. At one such pizza party, Makoto observed John talking with American, Chinese and Indian employees of KMA; however, Makoto never witnessed John speaking with the

Japanese management team, which included Mamoru. Tsunoda, Director of Engineering, and also Makoto's supervisor.

Makoto also witnessed an interaction between John and his former supervisor, Keith. In this incidence, John visited Keith's cubicle to get approval of his time card. Makoto saw Steve[C1] John yes—who is Steve? speaking with Keith in a friendly manner. Keith, however, responded to him in a sullen manner, which perplexed Makoto, making him wonder if there was some animosity between the two.

John often speaks of his private life with Makoto as well as several American employees at the firm. He sometimes stops by Makoto's cubicle and talks about the vacations he has enjoyed. He particularly seemed to relish sharing with Makoto accounts of previous visits to Disneyland or Lake Tahoe, accompanied by his grandson.

John has helped Makoto in the past with a personal matter. When Makoto was faced with a problem updating his driver's license after his I-94 visa expired in July of 2007, it was John who visited the Department of Motor Vehicles with Makoto. John patiently explained Makoto's I-94 status to the DMV employee in order to fix the issue and for this Makoto was very appreciative.

### John's Behavior

John has exhibited unprofessional behavior at times during his tenure with KMA. Makoto has seen John accessing porn sites online at least 20 times. When Makoto asked him the reason why he would do this at work, John replied, " I do not know why the porn site popped up and my PC may be

infected by a virus.” When Makoto discovered that John had received emails sent from DICE, a careersite for technology professionals, John merely responded by politely explaining what DICE was. His wife calls him at least five times daily. On average, he speaks to her five to ten minutes per call, although sometimes the conversations are over 20 minutes in length.

Makoto has been taking MBA courses on Friday and Saturday every other week since August, therefore, he is not in the office on Friday while he is attending class. Makoto had not approved that John could work online from his home while Makoto is attending school. On Friday, October 19th, 2007 during a break between his classes, Makoto received a call from Mamoru, stating that all the servers were down due to a powerfailurebut John was not in the office. Makoto called John’s cell phone, and he answered. John stated that he was working online from home. When Makoto questioned him about working online, he confessed to Makoto that he had been doing so without permission since August.

In October, Mamoru requested Makoto take over the duty of signing John’s time card, rather than Keith, since Makoto had been promoted to IT Manager and was now John’s direct supervisor. Makoto checked John’s past time cards by accessing TKETEK Systems “ netCenter Time ; Expense” page online, and he found many inaccuracies on past time cards. On September 10th, John came to the office around 11: 30 AM, but he wrote 9: 30 AM on his time card. Makoto remembered this instance clearly because he had dealt with serious network troubles that morning, when John was not in the office to help him.

In November, Makoto discussed John's behavior with Christine Mao, Account Manager at TKETEK Systems. Makoto requested she overview proper business etiquette with John in order to improve his behavior in the office. Christine promised Makoto she would speak with John about this. A short time later, Makoto did see a change in John. He no longer observed John accessing porn sites or submitting incorrect information on his time card, however, within one week, he resumed speaking to his wife over the phone for the same amount of time as he did previously. Makoto also noticed John continued to check emails sent from DICE.

### John's Performance

KMA currently has a total of 66 servers which are installed with two kinds of Operating Systems (OS). One is Solaris OS, developed by Sun Microsystems with text-based user interface. The other is Windows OS, developed by Microsoft with graphical-based user interface. There are 46 Solaris OS servers and 20 Windows OS servers at KMA.

The most important servers at KMA such as NIS, DNS, Proxy, and FTP servers run the Solaris OS software. John has routinely implemented technical tasks, such as creating new user accounts, allocating disk space, and DNS map updating, using Solaris OS servers in a competent manner. In addition, he has demonstrated the ability to quickly troubleshoot problems with the Solaris OS servers.

In December 2006, Flextronics International, in San Jose, California, one of KMA's most important customers, requested KMA enhance security features between Flextronics's and KMA's E-mail servers by encrypting e-mail

messages. To implement this, Makoto asked John to install TLS encryption modules on KMA's E-mail servers. The installation was challenging and complicated since it required modification to the complicated configuration files, installing the module, and then testing the function without the client experiencing any down time during this process. How so? Makoto inquired of the status regarding the installation daily, daily; however, he received no updates from John regarding his progress with the project in the space of two weeks. Finally, Makoto installed the modules on the server himself. This incident gets to the heart of the issue—it seems John is incompetent. Although he's clearly a nice person (to you), why hire someone who isn't reliable and whose skills aren't up to par? Makoto has also assigned John other challenging project tasks in the past, but are these tasks challenging to someone who is qualified and competent?, such as trunking between the network switch and file server. Makoto believes that a Systems Administrator with an average level of competency in his job should be able to implement these tasks;. However, John never completed them.

In current technology trends, Microsoft Windows has become the mainstream server software in most companies. Consequently, Makoto replaced some of the important Solaris OS servers with Windows OS software, such as anti-virus and authentication. Since John is not familiar with Windows OS, Makoto carries out these technical tasks himself. Once, when Makoto was attending class the evening of Friday, December 16th, the E-mail servers shut down due to a problem with insufficient disk space. The E-mail servers could not be recovered until Makoto came back to the office on Saturday night since John could not fix this problem. Mamoru sternly



asked Makoto to consider countermeasures to prevent this situation from happening again.

Keith has also suggested to Makoto several times that he replace John because of his unsatisfactory performance.

#### Company Direction Change

Mamoru attended several periodic management meetings in December which included the CEO and all VPs of the company. The CEO announced that in fiscal year 2008, estimated sales of KMA would decrease 10% to \$92 million from the prior year. The CEO requested the management team restructure or downsize to account for this deficit. In response, Mamoru decided to lay off two employees in the CAD group. In addition, he was asked to cancel the contract with TKETEK Systems since KMA had paid over \$200,000 in the last year for these contracted services while the average base salary for a Systems Administrator position in San Jose was \$85,000. KMA generally pays benefits such as medical insurance and 401(k) plans, which amount to 30% of base salary.

Mamoru visited Makoto's cubicle on December 3rd and asked him to make a decision whether to hire John as a regular employee or find a new person for the Systems Administrator job as soon as possible.

#### John's Employment Requests

On December 4th, Makoto asked John whether he would like to join KMA as a regular employee. John immediately said "yes" citing three reasons. First, TKETEK Systems does not provide him with any benefits. If he would join KMA as a regular employee, the company would provide him benefits.

Second, if KMA should cancel the contract with TKETEK Systems, John would assuredly be transferred to another firm and he preferred not to change positions since he would need to start over and learn a new environment and the technologies being used there. Finally, he stated how he enjoyed the relationships and friendships he has made at KMA, since he has worked more than three years with the company.

Makoto asked John what his expected salary would be if KMA hired him as a regular employee. He answered: " my expected salary base would be \$82,000 plus benefits." John also stated that he had asked Keith to hire him as a regular employee before Makoto joined KMA, but, Shigeyuki Kondo, former CFO, did not approve this request. Makoto confirmed this with Keith, who stated, " Shigeyuki rejected John's request since he did not want to hire him permanently. I guess he does not like John." Makoto realized that were he to hire John anyway, Shigeyuki would be displeased by this decision unless Makoto could make an excellent case for keeping John on as Systems Administrator. Makoto needed to carefully weigh the advantages of hiring John permanently versus the disadvantages to the department should he seek to fill the position with an outside candidate.

Why not?

So if you offered the job to John, why interview another person?

Pallavi 's Interview

On January 4th, 2008, Makoto had lunch with Raghu Malladi, Director of Rational IT. Rational IT is a vendor and staffing service provider and Raghu contacted Makoto to discuss new business opportunities. During lunch,

Makoto asked him if he knew someone who would be a good fit for the Systems Administrator position at KMA. He answered that Pallavi was a good candidate, and she was working at Crest Point Solutions, in Pleasanton, through Rational IT. Since there are some financial issues at Crest Point Solutions, she was looking for a new employment opportunity.

On January 21st, Makoto interviewed Pallavi for 40 minutes. For the first 20 minutes, Makoto asked her background questions, including job and academic experience, and her future career goals. She answered Makoto's question briefly and clearly. Also, Makoto got the impression that she was unpretentious. As described in her resume, she reiterated her vast technical experience, which was a requirement for the position. During the last 20 minutes of the interview, Makoto requested Pallavi answer some basic technical questions of practical application, such as how to perform a system backup or allocate disk space. She could implement answer only three out of the ten questions correctly.

At the end of the interview, Makoto asked her about her current salary and the salary she expected at KMA. She answered, " My current base salary is \$72, 000, and I'm not a greedy person; I do not know what salary to expect."

After the interview, Makoto introduced her to Mamoru. At the end of the day, Mamoru visited Makoto's cubicle, and he said that she seemed to be a good candidate and thought she may well fit KMA's needs.

Ending

On the morning of January 29th, Makoto noticed John setting up a job interview with Robert Half Technology, a leading provider of IT professionals,

by email when he visited John's cubicle. Although Mamoru visited Makoto's cubicle, and asked for his decision regarding the hiring of a Systems Administrator. This was nearly two months since Mamoru had first requested Makoto to permanently fill the position. Makoto was still undecided at this point and he candidly indicated this to his supervisor. almostMamoru then demanded Makoto make the decision as soon as possible, which added furtherstressto Makoto as he wavered between optionstwo months prior, Makoto has yet to make a decision, since he. I'm lost in pronouns here. Who is waiting to make a decision, and who is troubled?

### Analysis

Makoto has twothree options: he can hire John Robert, orPallavi Gadupudi, or he can search for a completely new candidate to permanently fill the position of Systems Administrator..

There are some advantages to hiring John. He is a likeable and friendly person and enjoys conversing with other employees. Makoto also likes him since John helped him with some personal issues in the past. He feels John most likely reciprocates the feeling since he talks to Makoto about his private life. Thus, the relationship between Makoto and John is good. John is also quite familiar with the company and the IT department.

However, there are several disadvantages to hiring John, as well. He does not have a good relationship with the Japanese management personnel, including Mamoru Tsunoda (Makoto's supervisor) and , Keith Kawana (John's previous supervisor), or. In addition, Shigeyuki Kondo (previous CFO) did not approve John's request to become a regular employee. . Consequently, the management team does not think highly of him.

John has had many behavior issues. Makoto had requested Christine Mao discuss the standards of professional behavior with John in order to improve his work performance. John has improved somewhat; however, he has continued to display some of his bad habits, such as checking E-mail messages from job recruiter sites.

John is not familiar with new technologies and he does not respond well to being assigned challenging tasks. John has displayed a good skill set working with the Solaris OS servers, but not with the Windows OS software employed on some of the servers, although currently, the majority of servers at KMA use the Solaris OS system. However, due to technology trends, the number of Windows OS servers will be increased over time while the number of Solaris OS servers will be reduced. Thus, the scope of John's skills may be challenged in the future. In addition, John may not be capable of implementing challenging tasks such as an upcoming security enhancement project with Flextronics International. John's skills are not expected to improve nor will he be expected to exceed his current performance.

Pallavi's current technical skills are much lower than John's. If Makoto were to hire her, he would need to provide technical training before she could begin work. Thus, the overall performance of the IT group would suffer until her technical skills were raised to the same level as John's, currently. However, she seems to be capable of learning quickly, since she answered Makoto's questions quite clearly. She may have the ability to exceed John's technical ability in a small amount of time. Although Makoto does not know her personality well since he talked with her for only 40 minutes during the interview, Makoto feels he may enjoy a personable relationship with her

since she is not arrogant. In addition, Mamoru likes her. Pallavi may have an issue of integrity, however. She described much technical experience on her resume, however, during the interview she could not properly answer many basic technical questions.

### Opinion/Theory

Based on this analysis, it is clear that the disadvantages of hiring John far outweigh the advantages of keeping him on. Makoto should not hire John since he does not have a good relationship with the Japanese management team nor does he exhibit a strong incentive to take on challenges or learn the specifics of a new operating system which is integral to the department.

Since John does not interact well with the Japanese management team, he is now at Stage Two. Since KMA is a subsidiary of a Japanese firm, it is important to encourage a good relationship with these managers. The management style of this team is directive, and the organizational structure is centralized, consequently Makoto needs to give them, and their opinions, proper respect in deference to their positions in the company. An antagonistic relationship between John and the Japanese management team would be extremely detrimental to John and his future with the company.

In addition, John seems to lack motivation and a sense of pride in his work since he continues to behave unprofessionally and refuses to undertake or complete challenging tasks. John has not shown any interest in updating his technical skills as needed to be able to properly administer the Windows OS software.

This leaves Makoto with only one choice: to not hire John, and instead search for another candidate for the position of Systems Administrator.

### Conclusion

Making the decision not to hire John and offering the position to an outside candidate may affect the morale of other employees in the department for a short time, however in the end Makoto will be proven correct in his decision as well as exhibit to his staff that there is no room in the organization for those who do not perform their work up to standard. It should become clear to both his supervisor and staff that Makoto's motivation is to organize a highly effective and motivated IT group by moving his staff to the upper stages, and this will positively contribute to the expansion of KMA and its continued success, even though the department may experience some down time during the training process. John may have complaints against the management team and they, as well, will most likely express dissatisfaction with him. The risk is that John will continue his unprofessional behavior, not learn new technologies, and not undertake challenging tasks since he has lost his motivation through disappointment with the management team.

First, Makoto should try to improve the relationship from Stage Two to Stage Three by instituting better communication between John and the management team. Makoto must determine the complaints, dissatisfaction, and expectations of both John and the managers.

If John is able to improve his performance by moving to Stage Three, Makoto should consider hiring him. Otherwise, Makoto will need to hire Pallavi. Makoto's motivation should be to organize a highly effective and motivated

IT group by moving to the upper stages, which will positively contribute to the expansion of KMA and its continued success.

[C1]Who is Steve?