**Organizational Behavior**

**Problem-Based Learning (PBL) Scenario: Cameron Mechanical & Automation, Inc. (CMA)**

Cameron Mechanical & Automation, Inc. (CMA) is a fictional company that has been in business and operating in the Silicon Valley since 1998. The company began as a successful Internet-based company (dot-com) and experienced great success with the introduction of high technology. The company also experienced decline with other dot-coms in 2001. As a result, CMA restructured and focused on its primary products; that is, computer components. The early changes in the company were done quickly to downsize. Although many other companies failed during this time, CMA managed to move forward.

CMA rebounded and continued to manufacture and sell its components to computer manufacturers worldwide. The company structure was divided into product divisions, with each division focused on specific components. For the company, this structure was meant to streamline sales and delivery worldwide.

In 2008, the economy had an effect on company profits, but the chief executive officer (CEO), Jared Smith, was in a position to focus on several internal strategic areas, including structure, work design, motivation, conflict, and company culture as a whole. To stay profitable, the company had to eliminate several management positions in an effort to flatten the organizational chart. Many of the responsibilities fell to the employees, and many people resisted the change.

As the economy recovers, CMA continues to rebuild. Since 2012, the company has been divided into a functional structure that includes four departments: Research and development (R&D), marketing, production, and finance. Each department is headed by a vice president who has responsibility over each of the functional areas. The company currently sells components to computer manufacturers. As technology continues to advance, the CMA R&D department and its vice president, Kevin Adams, are feeling pressure to keep up with the competition. However, because of the differentiation and separation between the departments, the CEO is concerned that communication is hampered.

In the last employee satisfaction survey, the CEO became aware of growing feelings of mistrust between employees and managers. Hiring practices are also under scrutiny and criticism, because allegations of nepotism have been leveled at the company. For these reasons and others, employee turnover and absenteeism is on the rise in all four divisions. Staffing problems have made it difficult to meet customer expectations as the demand for company products grows.

Because of the current structure and culture, the vice presidents who run each division of the company have autonomy and are able to use different leadership styles. For example, the vice president of marketing, Jim Stevens, uses a more democratic leadership style, while the vice president of production, Melissa Simons, is adamant that her autocratic or transactional style is the only way to get results. Each leadership style has advantages, but the lack of consistency between divisions may be causing problems for the company as a whole. Further, the CEO is concerned that the workforce may not be as diverse as it should be, but he is not sure how to address the issue.

The CEO has hired you as an external organizational development consultant to help him identify problem areas and to understand where changes should be made within the company. Over the next few weeks, you will also be working with the CEO and managers in all four divisions of the company to help establish these changes. Your various responsibilities will also include talking with employees at each level of the company to get a better understanding about underlying problems.

So far, you are seeing inconsistencies in leadership practices in each of the departments, and you are concerned that while the company is trying to improve its communication protocol, the different leadership styles may be creating confusion. For example, when you talked to one of the production employees, Sonja Diaz, she explained that she had many ideas for helping to streamline the production process, but feels she cannot share them because of the transactional leadership. In the marketing department, one sales rep, Jerry McVie, felt that he was not being challenged with his current goals and is even considering leaving the company to join one of the competitors. Lack of communication between the divisional leaders might also be the cause of conflict between the departments because they operate in silos. This separation between divisions may also be having a negative effect on middle management staffing issues.