

Case title: New Airport Project: The Deadline

Track: Management Education and Teaching Cases

Keywords: goal setting, incentives, organizational justice

New Airport Project: The Deadline¹

Abstract

This short illustrate goal setting, motivational tools and incentives in an infrastructure project environment. The case is intended for discussion in a session on motivation dealing with goal setting and organizational justice perceptions. Mostly focus on incentives and introduces in the discussion “time” (in the context of a construction project span) which is usually absent in the discussion of many subjects in organizational behavior and related fields, at least in current textbooks, and the literature in general. Also allows to explore uncertainty/ambiguity as a strategy or motivation tool (ethical issues aside).

Case

As part of her MBA OB class, Martina was working on a short case to reflect on her own experience; as the due date was approaching, she revives the anxiety of the lasts months of the new airport project. Next time I should be more aware of the consequences, she thought.

Walking along the new airport’s runway in Guayaquil, Martina Navas and Francisco Loor, good friends and colleagues, were coordinating the completion of the project under their supervision. They were satisfied with a job well done and happy that they have been awarded a bonus. Both were contractors for EK Construction Co., in charge of building the new airport, belonging to a group 20 experts, among engineers and architects.

A year and a half before the completion of the project, ten of the 20 experts received an envelope from William Taylor, owner of EK Construction Co., with an invitation to the inauguration of a new Shopping mall in Quito (property of Mr. Taylor) and a plane ticket. Those granted with the invitation felt flattered and motivated, while those that did not received it where wondering why, and felt resentment. They asked themselves if maybe they were not worth the invitation because their work had not been done properly, or maybe they were worth receiving the invitation and an involuntary mistake interfered.

A few months before the inauguration of the new airport, William Taylor called all supervisors for a meeting. He started the meeting telling about his recent trip to Germany where he attended the 2006 World Cup and followed the participation of the Ecuadorian football team. William Taylor was moved when recounting the moments when the Ecuadorian football team

¹The author is thankful to former student Francisca Suasnavas for sharing her experience.

was playing with the best teams in the world. He emphasized the fact that the individual efforts of these humble players made it possible to win each game. With the story of these glorious moments, everyone in the room felt that unsurmountable obstacles did not exist.

The deadline for the project approached fast, however – as usual in this type of projects- most of the construction was behind schedule. Taylor requested from each one of his experts a commitment to finish the work on time and offered a significant bonus for those that will comply.

The effect of the promised bonus was evident: an increase in resources demanded by each team, more equipment, more personnel, etc., along with a fierce competition. Francisco Llorca in charge of digging the canals for the installation of piping in the platform area, was lending his equipment to help the work of colleagues from the parking lot area. However, causing a delay in Martina's work, with underground installation of fuel pipelines. Meanwhile, William Taylor was closely supervising the progress of each team, supporting them when extra resources were needed.

The goal was successfully accomplished and William Taylor, as promised, paid a bonus equivalent to a monthly salary. As salaries depended upon the area of work and years of experience, bonuses varied among the team leaders; as a result, some of them were unsatisfied with the reward. Those in disagreement with the bonus, considered that the payment was non commensurate with their effort. For others, the bonus was seen as an extra payment for a task included in their contracts, and already part of their responsibilities, and were thankful for the recognition.

As Martina organized her memories for the case, recognized many lessons from the past project, worth to discuss and make sense with her classmates.

Case: New Airport Project

Teaching Note

Case Summary

This short case is intended for discussion in a session on motivation dealing with goal setting and organizational justice perceptions. Mostly focus on incentives and introduces in the discussion “time” (in the context of a construction project span) which is usually absent in the discussion of many subjects in organizational behavior and related fields, at least in current textbooks, and the literature in general. Also allows to explore uncertainty/ambiguity as a strategy or motivation tool (ethical issues aside). Below several aspects that can be addressed according to the objectives of a course session:

Project team-non-permanent-employees: discussing the time perspective in motivational theories.

Discuss the differential effect of time span: What seems to be an effective incentive in the short term (1month before the group disbands) may lead to a threatening job environment in the long term (with stable employees).

Monetary versus non-monetary rewards

Justice perceptions

Effect of complete versus incomplete information when communicating incentives/ ambiguity (Relation with justice perceptions)

Aggressive competition

Persuasive communication and motivational effects; emotional contagion. (Cultural issues may be tackled here)

Teaching Objectives:

This case has four teaching objectives:

1. Assess / understand the differential impact of short term versus long-term incentives over goals attainment.
2. Assess/understand the differential impact of monetary versus non-monetary incentives.
3. Identify motivational strategies and /or tools that may foster competition versus cooperation.
4. Assess/understand the impact of organizational justice perceptions on individual and team motivation.

Relevant Theory or Academic Literature:

In teaching this case, the following theory and/or literature is relevant for discussion or further reading.

Bluedom, A. C. & Denhardt, R. B.(1988). Time and Organization. *Journal of Management*, 14(2), 299-320.99-320.

Christensen, C. M., Marx, M., & Stevenson, H. H. (2006). The tools of cooperation and change. *Harvard Business Review*, October 2006.

Cropanzano, R., Bowen, D. E., & Gililand, S. W. (2007). The management of Organizational Justice, *Academy of Management Perspectives*, 21, 34-48.

²Fiore, S. M. (2008). Making time for memory and remembering in motivational theory. In Ruth Kanfer, G. Chen, & R. Pritchard (Eds.). *Work Motivation Past, Present and Future*. 541-553. NY: Routledge.

Locke, E.A. (2004). Linking goals to monetary incentives. *Academy of Management Executive*, 18, 130-133.

Pierro, A., Giacomantonio, M., Kruglanski, A. W., & van Knippenberg, D.(2014). Follower need for cognitive closure as moderator of the effectiveness of leader procedural fairness. *European journal of work and organizational Psychology*, 23(4), 582. Retrieved from <http://search.proquest.com/docview/1531098197?accountid=35177>

Discussion Questions: The questions serve as a guide for the students to prepare for the discussion.

1. What motivational strategies or tools do you recognize in the case?
2. What are the similarities and differences among the strategies or tools?
3. Do you believe that W. Taylor strategy to conclude the project on schedule was correct?
4. Do you believe W. Taylor decisions were fair to the teams?
5. What are the positive and negative effects of the motivational strategies or tools applied?

² This is a more advanced piece.