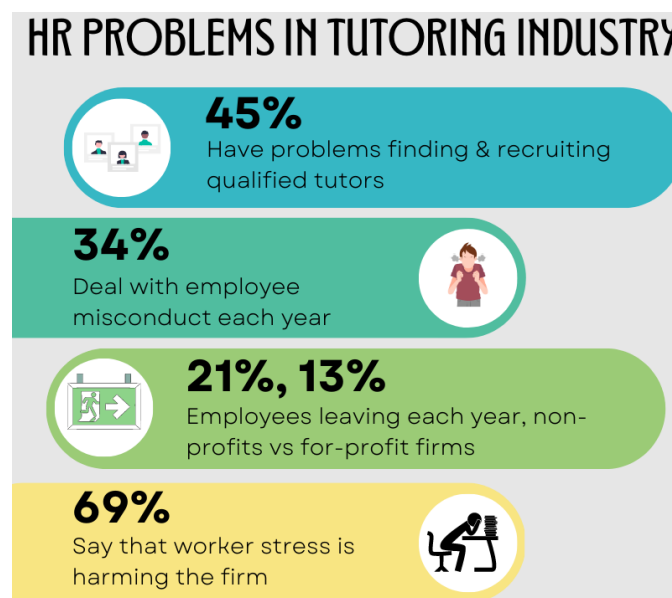


22. Equity Academy (EA) (HL Version)

Equity Academy is a for profit social enterprise that offers tutoring for low income students, with fees based on their families' needs and incomes. The business earns most of its revenue from the fees it charges for private one on one tutoring, though due to its EA's social mission, these fees are much lower than typical tutoring fees elsewhere and are sometimes free. EA also receives some funding from the government and corporate donations, and the leadership is preparing the firm to start selling educational products online within 18 months.

A little more than half of EA's tutoring employees work for the firm part part time. Hourly wages for tutors are higher than they are in the average non-profit tutoring organization, though many tutors could earn more per hour through gig work. About 25% of the firm is employee owned, and full time employees with at least three years of experience receive shares; the founder believes this and the autonomy that employees are given has improved their job satisfaction. EA guarantees its employees that they will have stable working hours, but the firm still experiences many of the same issues seen below in the graphic for the tutoring industry as a whole.



EA's leadership team runs the organization in a very laissez faire manner, particularly with tutors. Though some lesson materials are standardized in each subject, tutors are expected to use their best judgment when helping students. EA sometimes requires tutors to attend workshops and other training sessions, but leaders exercise little direct oversight. Employees go through self-appraisals that are relatively informal, though results of student assessment and satisfaction are tracked. Much of the communication between tutors in each city is through phone texts and calls, with few requirements for formal documentation of lessons; tutors are, however, required to keep records of all communication with parents. The vice president of operations is starting to believe that the firm's relatively flat organizational structure spread across its 5 cities of operation is slowing down high level decision making. In a recent meeting including leaders from each city, a few people argued that EA's decentralization is actually strength, but that they need to be creating project teams from time to time that include tutors in decision making, particularly for efforts like the development of online educational products.

| Question | Marks |
|---|-------|
| O. Explain two aspects of what a shamrock organizational structure would look like for EA. | 4 |
| P. Explain a benefit and a drawback of EA's appraisal methods. | 2 |
| Q. List two methods of recruitment that may be appropriate to EA if it were to need to hire more tutors. | 2 |
| R. If EA needed to hire a new manager of its operations in one of its 5 cities, explain one internal and one external factor that may impact the decision to hire internally vs externally. | 4 |
| S. List two additional financial rewards that EA may use, other than what is directly mentioned in the case study. | 2 |
| T. Explain two ways in which teamwork may act as a motivator for EA employees. | 4 |
| U. Explain two reasons why EA may have lower labor turnover than average. | 4 |
| V. Explain two signs that may indicate whether or not EA had a "person culture" within the context of Handy's "Gods of management." | 4 |
| W. Explain two drawbacks to EA's communication methods. | 4 |
| X. With reference to Deci and Ryan's theories, evaluate EA's ability to bring about employee motivation. | 10 |