22. Equity Academy

A. Define the term gig work.	2

Short term work performed by independent or contracted workers, typically on an on-demand basis.

B. Explain two roles of human resources management for EA.	4

Answers may include, but are not limited to the following. Though most texts have a similar list, there is no IB-mandated list of HR management roles.

- Workforce planning: This means planning and dealing with workforce needs in terms of the amount of workers, both short and long term. Tutoring employees in particular would be one of the biggest costs and needs for the firm because it's a people-heavy business, so planning for these needs is a huge job.

- Recruitment and retention: Recruiting highly skilled workers is challenging for the average firm in this industry, especially as tutors can earn more through gig work. The ESOP plan, for instance, is a big part of their efforts to retain full time employees.

- Training: We all know that teacher training is important, which is probably why this firm does workshops and other training from time to time.

- Employee appraisal: Whether it's formal or informal, any firm is going to want to have some way of assessing the degree to which workers are effective, and EA. EA's is pretty informal, which is further evidence of their laissez faire culture and leadership.

- Disciplinary action, dismissal, and redundancies (layoffs): Like employee appraisal, all firms need some kind of systems for all of these. EA would need action for any teacher who isn't serving students' needs or other employees who are not helping the firm to thrive, and they would also only want to retain as many workers as they needed based on demand.

- Remuneration: The comparatively good compensation seems to be one reason why EA may have less of a challenge with turnover than other firms in the industry, but knowing that tutors have other options that could pay more would mean that managing remuneration would be an important job for HR.

C. Explain two external factors that may influence human resources planning at EA.	4

Answers may include, but are not limited to:
- Competitive changes/pressures in their industry or that are relevant to the industry. For instance, they seem to feel the need to respond to the growing list of online help that students can access by developing some online unique selling point of their own. This impacts their need for workers in curriculum/lesson development, web and IT support, and so on.

- The state of the economy. For instance, you'd expect that in an economic downturn there'd be less spending on supplemental education services, so they may need to cut workforce, and it may help keep wage increases to a minimum. The opposite is true in periods of economic strength. An important part of the economy as it relates to workforce planning is the general trend of wages. As I write this, for instance, we've gone through a year of significant wage inflation.

- Societal changes like labor mobility and immigration patterns. We don't see any evidence of what may be happening with these factors in the case study, but we do know that a sizable minority of tutoring firms have problems with recruitment, and low levels of labor mobility and/or immigration could cause or add to this problem.

- The rise of the gig economy. There has always been a market for private freelance tutoring, and gig work is paying more per hour according to the case study, so both of these could be better options for most tutors, making it hard to recruit and retain tutors at EA.

D. If EA were to require more lesson documentation from its tutors, explain two reasons why employees may be resistant to that change.	4

Answers may include, but are not limited to:
- Increased workload, quite obviously. There may even be resistance from tutors' superiors too, because someone would have to read through lesson documentation.
- Misinformation about what the lesson documentation requires. It's possible that tutors would push back because they think it's a lot more involved and bureaucratic than it actually may be.
- Concerns over privacy and freedom as an educator.
- Low tolerance for adapting to any change.

E. Define the term decentralization.	2

Power is spread through multiple individuals and/or teams throughout an organization, rather than being concentrated on one or a small number of people.

F. Describe one feature of a flat organization.	2

Features may include:
- Few layers of hierarchy
- Short chains of command and quicker lines of communication
- Need for delegation
- Few or no job titles (this one is *possible*)

G. Describe one external factor that could impact the appropriateness of the organizational structure of EA.	2

The answer to this one would be similar to question C, so I'm condensing the suggested answers here. Many of the points made in C could be made for this question, so I wouldn't ask students both questions on an assessment.

Answers may include, but are not limited to:
- Economic growth would mean the firm needs to get a bit taller as it adds employees and needs more managers or specialists.
- The rise in gig work and temporary contracts could allow them to become more of a shamrock organization to save money on wages and benefits costs, and to have a more flexible workforce.

H. Define the term laissez-faire leadership.	2

A hands off approach to leadership in which subordinates are given a high degree of autonomy and authority over their work, with leaders generally setting guidelines like deadlines but few or no mandates on how to complete work.

I. Explain two roles of a manager at EA.	4

Roles of managers may include, but are not limited to:
- Planning: For example, managers would plan and make strategic decisions like getting into online educational resources.
- Coordinating: For example, a big aspect of coordination for EA is probably making sure that in the 5 cities in which they operate, organizational standards and practices are upheld.
- Commanding and controlling: For example, setting up workshops and other training activities.
- Problem resolution: For example, if EA experiences employee misconduct like the 34% of other tutoring firms do, some kind of manager would need to resolve this.

J. Explain two examples of needs that EA's employees may have that fall under Maslow's category of physiological needs.	4

Answers may include, but are not limited to:

Food, shelter, warmth, rest, sleep, and health are all examples. We would assume that EA workers are getting all of these things, but if they are overworked or not paid enough relative to the work that they are doing, then it's possible that any of these needs may not be fully met. Given what we know about their pay, and the fact that we don't see evidence of complaints about overworked employees, then these are probably not a problem. However, we do see that the majority of tutoring firms say that worker stress is a problem that harms the firm.

K. Explain how laissez-faire leadership at EA may relate to its level of centralization.	4

Because EA is pretty laissez faire in its leadership approach, there would have to be a good amount of decentralization. Laissez-faire leadership by definition gives workers a lot of autonomy

and authority in what they do, and so that tends to decentralize decision making to much lower levels of employees, and you would expect that leadership is rather decentralized among the five cities.

L. Discuss the appropriateness of laissez-faire leadership at EA.	10

Answers may include, but are not limited to the following:

Positives:
- It gives tutors a lot of freedom, which can help with motivation and retention. They have lower turnover rates than similar firms, for instance.
- It can help with creativity. Teaching/tutoring is an inherently creative field in which the expertise and creativity of the teacher is a crucial piece of making the service work.
- The reduced amount of mandates, bureaucratic requirements, etc. that is often true in laissez-faire leadership could lower the amount of stress on workers; we see in the infographic that worker stress is a major problem in this industry, but EA could have less of this.
- It can help EA attract tutors in the first place. Many have the option of gig work or probably independent freelance work, so EA being a place that gives them freedom while also guaranteeing more stable work could be a good draw for tutors.
- They're combining laissez-faire leadership with training and workshops too, so it's not like EA is just leaving workers on their own with no guidance.

Negatives:
- It can obviously be difficult to coordinate and communicate in a laissez-faire organization, and this one is spread across five cities.
- This can contribute to the slowness of decision-making. The VP of operations thinks that the flat structure is slowing down decisions, and laissez-faire oversight could be part of this.
- This style can also mean that there's not much quality control. In the HL version there are several signs that there's not much oversight of what's happening with lessons, for instance, and the appraisal system is informal. Poor performing employees then could be retained for longer than they would be if there were a more controlling type of leadership and communication system in place.

M. With the use of Taylor's theories, evaluate EA's ability to bring about employee motivation.	10

Answers may include, but are not limited to the following:

Positives:
- They're paid more than in nonprofit tutoring businesses
- The text doesn't specify, but you would expect that the more tutoring an employee takes on, the more they are paid. That can motivate them to perform more work.
- The chance to own shares of the company are based on the amount of years of service an employee has, and this is somewhat similar to Taylor's ideas on time rate.
- While appraisal and communication are pretty informal, they do at least track student results and satisfaction, which could be used to assess workers' skills and performance.

The desire to be compensated based on good performance then could motivate employees.

Negatives:
- The laissez-faire leadership style doesn't match with Taylor at all. He didn't just believe in paying people based on output, but that the methods of production should be broken down and managed scientifically. From a Taylor point of view then, you might argue that employees are demotivated at EA because they don't have proper guidance.
- The decentralized structure of the firm would also contribute to the above point. There may not be clear enough division of labor or communication of responsibilities.
- Self-appraisal may not motivate people to do their best work because the system would be very subjective and lack enough formal documentation and justification for assessing workers' performance and thus their appropriate pay.
- While employees with enough service time do get shares, given that this is a social enterprise, the value of those shares may be pretty low. If they're getting some government funding and company donations, then they're probably not tremendously profitable, because those entities wouldn't want to donate if they believe the organization is just lining the pockets of its employees with profits.

N. Discuss the reasons why EA may need to make changes in its organizational structure.	10

Reasons to change may include, but are not limited to:
- Any of the points made above about it slowing down decision making, leading to communication problems, lack of organized appraisals, etc.
- The text specifically mentions the possible need for project teams to develop new online educational materials. In this instance at least a decentralized approach would probably not be appropriate, as there could be lack of standardization, duplication of materials, and so on.
- A flat structure can inhibit growth. If they want to expand to more cities or just serve more clients, then at some point a flat structure starts to present more challenges and you'd often want *some* additional layer in the organization.

Reasons NOT to change may include, but are not limited to:
- This may be an industry in which decentralization can really help, for reasons sort of discussed above relating to the creative nature of teaching, the individual needs of students, etc.
- There may be differing local needs for education based on local populations, differences in income levels, etc. that may mean that decentralization makes employee's work quicker and better suited to local needs.
- Many similar answers to the benefits of laissez-faire leadership would apply here, like giving more autonomy to workers, reducing the stress of mandates/bureaucracy, etc.

BEGIN HL ONLY SECTION

O. Explain two aspects of what a shamrock organizational structure would look like for EA.	4

There are major aspects of a shamrock organization - core workers, contract workers, and contingent/temporary workforce. This might look like the following:
- Core: Anyone who works in management or in non customer-facing roles like office work in HR, finance, or marketing. It says that over half of the tutors work for EA full time, so these are core workers too. Many or all of the part time tutors may also be core workers - they could be full employees of EA but just work part time hours rather than full time.
- Contracted/outsourced workers: Any function that is outsourced to a third party on a contract basis. Like with many businesses, this commonly could include things that EA pays another business to do, like payroll processing, some aspects of accounting or tax preparation, cleaning, etc.
- Temporary workers: These may be tutors brought on temporarily as needed, like around big exam-prep times for students or other seasonal work that may need to be done.

P. Explain a benefit and a drawback of EA's appraisal methods.	2

Benefits may include, but are not limited to:
- Self appraisal gets the worker to think critically about their own performance and perhaps take ownership of it.
- Employees may see/know things that managers would not if they were doing appraisal from someone other than the employee's point of view.
- It could be less intimidating for workers.

Drawbacks may include, but are not limited to:
- The awkwardness of rating yourself. This may also be culturally strange or not really accepted in certain situations. Thus it could actually be *more* intimidating for some people.
- The obvious problem of bias and the worker wanting to present the best version of themselves. You'd probably want to do this with some other outside information too to get a complete picture of the employee's performance.

Q. List two methods of recruitment that may be appropriate to EA if it were to need to hire more tutors.	2

Methods may include, but are not limited to:
- Career fairs
- Ads on the internet, fliers, newspapers and other media
- Websites and/or other businesses that specialize in recruitment, matching up candidates and employers with vacancies.
- Employee referrals
- Headhunters for higher up positions.

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

Internal factors may include, but are not limited to:

- The qualifications and skills of current workers, the extent to which the firm wants a different skill set or expertise
- The extent to which EA would require additional training. For instance, if they do require a lot of training, then that may make it more likely to hire internally because they could probably reduce at least some of this training vs what would be needed for an external recruit.
- The wages that they are willing/able to pay. For instance, it may be harder to attract an external worker if pay is not very competitive vs an internal hire who'd likely be getting a promotion and thus more pay. A new external recruit also wouldn't be starting out on the ESOP, whereas an internal recruit may be.

External factors may include, but are not limited to:
- The state of the economy and availability of workers. In strong economic conditions, for instance, it may be harder to hire someone from the outside.
- Any other factor that impacts the number of possible applicants.
- Regulations that make it easier or harder to hire and fire workers. For instance, in locations where government regulations make it more challenging to fire workers, EA may be more reluctant to hire a new worker for a high level position and would prefer to promote from within, and hire a replacement worker for the lower level position.

S. List two additional financial rewards that EA may use, other than what is directly mentioned in the case study.	2

Answers may include:
- Any fringe benefits like health or life insurance, sick days, etc.
- Performance related pay; if they hit certain targets, they may be paid more.
- Certain workers may get commission if there is a sales element to bringing in more clients

T. Explain two ways in which teamwork may act as a motivator for EA employees.	4

Answers may include, but are not limited to:
- Humans are a social species, and so it may just be more mentally stimulating, interesting, and fulfilling to be able to work with other people, which can motivate workers.
- IT can lead to much better idea generation and problem solving ability, and that sense of success and excitement of creativity can motivate.
- If different teams are rewarded based on their performance, it can motivate teams to work together to perform better than other teams.
- It can give workers flexibility that eases their mental and time burdens because there are other workers who can help them when needed

U. Explain two reasons why EA may have lower labor turnover than average.	4

Answers may include, but are not limited to:
- The ESOP plan
- Higher pay than nonprofits
- More stable working hours
- Laissez-faire leadership

- Self-appraisal rather than a higher stakes summative or 360 version
- Fewer formal communication requirements
- Employees may simply like the work and be relatively loyal to the firm's social mission. There have been few references to its social enterprise status in these answers, so let's not forget this.

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

Answers may include, but are not limited to:
- Drama/politics/rivalries between people within the organization
- Disputes over people's value to the firm and their compensation levels
- Rising labor turnover
- Lack of teamwork
- Poor communication between people and/or groups
- Lessons and other ideas not really being shared between people

W. Explain two drawbacks to EA's communication methods.	4

Answers may include, but are not limited to:
- Lack of record keeping can mean that important information is lost, that there is not enough information to properly determine fair compensation for certain employees, etc.
- Employees having to document all communication with parents can become cumbersome for them and lead to them communicating less with parents because they want to avoid the annoyance of documentation.
- Little formal documentation of lessons may lead to a lot less institutional memory, less teamwork, and more duplication of work.
- Communicating with phone calls and texts individualizes a lot of the communication and can make it harder for managers to keep track of things in an organized way that they might be able to with email, apps like Slack/Teams, etc.

X. With reference to Deci and Ryan's theories, evaluate EA's ability to bring about employee motivation.	10

Positive aspects in terms of motivating employees may include, but are not limited to:
- Workers are given a fairly high amount of autonomy.
- Tutors are generally trusted that they are competent in what they do and that they can use their own expertise and creativity to teach and develop lessons. They're also put through training periodically which can build further competence.
- You would expect that the relatedness part of Deci and Ryan's theory would be met too because teaching by nature is a field in which people have to interact. Given the decentralization and laissez-faire nature of the job we don't know how much relatedness people in non-tutoring roles feel, but there at least wouldn't be much of a hierarchy, and so building relationships may be a bit easier.
- The work that everyone is contributing to in terms of serving lower income clients may also help people feel like they are collectively working towards something that is meaningful.

- I wouldn't expect students to ONLY use Deci and Ryan's theories; if they have thoroughly used them then there are other relevant factors that could be discussed as well, such as employee compensation, and students could use evidence from the case study pointing to them probably having fairly good motivation, such as the lower turnover.

Negative aspects in terms of motivating employees may include, but are not limited to:
- There are some aspects in which tutors may not be given enough autonomy, such as the fact that they have to document parent communications and that student results are tracked. Teachers may feel that if student scores are tracked that teachers are not being given enough autonomy and are in fact being judged for something that's not entirely within their control.
- A laissez-faire approach without a ton of communication may leave a lot of workers feeling like they need more guidance and training to truly develop a higher level of competence.
- Likewise, the laissez-faire approach may lead to fewer interactions with people and thus harm their ability to build relationships. Sometimes meetings can actually help in the sense of bringing people together who wouldn't ordinarily interact.
- Despite the lower than average turnover, they're still experiencing many of the problems that plague the industry such as high levels of stress, recruitment problems, and employee misconduct.