

# Julie

Business, Leadership



“ BP is a multinational energy business that has 92, 000 employees and operates in 175 countries. When a new chief executive was recruited internally at BP (Tony Hayward), he promised to improve the company’s disappointing performance by quickly changing its culture to become more innovative and responsive to its customers. ” Q: How easy do you think it is for a new chief executive to change the culture of an organization quickly?

Justify your answer with reference to BP &/or other businesses that you know. The BP Company has experienced a huge explosion at its Texas City Refinery in 2005, the oil spillage in Alaska in 2006 and also the Gulf of Mexico explosion in the BP oilfield in 2010, and these occurrences have had effects on the BP’s reputation and the business performance. As a new chief executive officer, Tony Hayward was recruited in June 2007 and he took over for BP's highly-respected former CEO Lord Browne.

The new CEO of BP may be able to use his own leadership or management style to change the culture of the organization and also try to help the business to grow and improve better. However, the extent to which the effectiveness of his way of leading the business and how quickly it can be for change to the business culture are depends upon different factors. Firstly, Tony Hayward uses the democratic and paternalistic leadership style to manage the business.

Hayward was describing as a typical command and control organization that is overly focused on cost-cutting and consumed with firefighting. According to the website, Hayward had shared his opinion of the culture of the business and three major points with other members of senior management. He stated that the BP is having the leadership style that probably is too directive

and doesn't listen sufficiently well. The top of the organization doesn't listen hard enough to what the bottom of the organization is saying.

BP has a management style that has made a virtue out of doing more for less which in some cases is okay and might work, but it needs to be managed and deployed with great judgment and wisdom, and when it isn't, the BP may run into troubles. Another thing that Hayward is trying to say is that he thinks the BP should think more about the maintenance of a piece of equipment for a longer time period but not the short term benefit like cutting the cost, for example, it is not responsible to cut budgets related to safety and maintenance without thoroughly examining the impact on the risk of a catastrophic accident.

At the same time, Hayward is well known and has experiences in the organization. If the workers can get involved more to the business so that this might lead to better decision making and he also want workers to feel more secure and happy in their jobs, since he hope to make the business to become more innovative. For example, in changing situations that demand a new way of thinking or a fresh solution, staff input can be very helpful and valuable.

These management strategies may lead the business to perform better, and if the whole business is having more motivation to work which on the other words means to become more responsive to its customers and furthermore, it may enable BP to raise its reputation and gain its public's trust again. However, on the other hand, changing the corporate culture of the business can be very difficult and in reality, it takes time for the business to get used to the changes before it moves on to the other stage of better

business performance. There are also some other factors that can influence the leadership style.

For example, if the employees of BP are more used to the leadership style of the previous CEO, although it is believed that management strategies can significantly influence the whole business, but it might still lead to a bad or worse business performance or the resistance from the employees from accepting the changes in the culture of the business. The CEO of BP may not be able to change the business culture quickly or expecting a sudden change in the innovative ability of the business, most of the strategies take time to result in the good way and become effective for the whole business.

Another factor is that because for the nature of the business, like its reputation has been influenced by the serious occurrences that happened before and BP had also lost some public trusts, rather than trying to change negative aspects, it might be better and easier for them to concentrate on the positive aspects of the business and how it currently operates. Some of the external factors that will influence the leader's ability may be the economic issue like recession, for example, the rapid decisions taken at a senior level may be needed to secure the survival of the business during the recession.

There are also some problems associated with the change in organizational culture. Firstly, if the establishment of the new objectives and a mission statement is not clear or is not accurately reflecting the new values and attitudes that are to be adopted, these new aspects of the business all needed to be communicated to all the employees of BP, otherwise it might lead to a demotivation of the workforce of the whole business.

Secondly, if the CEO of BP is unable to change the culture of the business in the quick way because of lack of training, so they may need to train staff in new procedures and new ways of working. If the people believe in the change and understand the benefits of it, then it will become more acceptable to them. In conclusion, it is possible for a new chief executive to change the culture of an organization and have positive influences if the CEO implement the right strategies and has set the objects clear and communicate well to the whole business.

However, it takes time for the BP Company to accept or get used to the changes of the business culture in a short period of time. Therefore, if the CEO is able to avoid the possible negative influences that might affect the change in organizational culture and the factors that might have an impact on the BP's performance, then the new CEO may be able to help BP to improve the company's disappointing performance and achieve its main corporate objectives in the future.