

# Wolfgang keller at konigsbrau-krayina

[Experience](#), [Human Nature](#)



Wolfgang Keller, managing director of Konigsbrau-Krayina, the Ukrainian subsidiary of the German beer company Konigsbrau, faces a complicated managerial dilemma. His subordinate, Bohdan Khmelnytsky, is a talented and experienced commercial director who is not meeting his goals appropriately. Keller is an action-oriented manager who likes to use a hands-on approach when dealing with problems. He has the potential to be a great leader as evidenced by his drive and people skills.

But his lack of experience running a multinational company gives him difficulty in dealing with one of his directors with a different management style. Khmelnytsky's introvert and highly formal personality had major problems to adjust to the desired organizational culture and getting in touch with customers. Keller must decide the best course of action to take with this difficult employee in an environment in which the industry is rapidly changing and growing and the war for talent is strong. He must also consider what comprises an effective performance review and how his own leadership style impacts Khmelnytsky's poor performance.

What is your assessment of Khmelnytsky's performance? Khmelnytsky is rather an administrative, operation-oriented person than a customer-oriented one. His focus is not on sales, he would prefer working in back office and dealing with operational issues where analytical brainstorming is required. He is lacking motivation, which becomes evident when looking at his behavior. He delegates a lot without proper follow-ups. Also, he is focused solely on his area and does not see the whole picture of the company.

Apart from this, he also has a difficult personality, keeping distance to other people. Khmelnytsky also seems to have a higher opinion of himself than of others. Therefore, other people see him as a difficult person to work with. They call him “ MR Problem”. He is not open to his direct reporting line (Keller), so he does not communicate directly with him on every day issues or future plans. Obviously, there is no trust between the two (Keller and Khmelnytsky), especially from Khmelnytsky’s side.

This mistrust is affecting directly Khmelnytsky’s performance considering that he is not empowered. Furthermore, Khmelnytsky is more concentrated in showing off and telling everyone that he is doing well than in planning future steps or finding a way how to improve his performance. Also, he is a very unflexible person. He is used to the existing working culture and doesn’t want to believe that things can change and that he should be more responsive to these changes.

What has Keller done well and not-so-well in managing Khmelnytsky’s performance? (Our observations expressed to Keller) Things you’ve done well in managing Khmelnytsky’s performance is your honest approach and open dialogue between the two of you. You encouraged Khmelnytsky in things he was good at like planning and implementing a sales reorganization. On the other hand, there are things you did not so well and which therefore could be improved. Managing should always be a two way stream. Saying all the time “ don’t do this, don’t do that” is not an efficient way to direct and manage people.

In your letter to Khmelnytsky you used the word NOT very often, like: 'you are not a leader', 'your personality does not fit to maintain personal contacts', 'you do not like personal contacts', 'you are not well-integrated into the team', etc ... Instead of criticizing a person's traits,, your discontent should refer to concrete tasks/work which Khmelnytsky did not handle well. With your coaching you failed to become an exemplary leader and coach to your subordinates, with no or very little ability to motivate Khmelnytsky. Your managerial capabilities are ineffective since you are too focused on operational, day-to-day operations instead of focusing on more strategic issues of the company.

You are not a team player and you intervene too much and too frequently in Khmelnytsky's scope of work – you are not leading but directing. The current performance management system is ineffective since there are no frequent interviews (once a year is not enough) and quantitative goal settings (only qualitative goals, which are too subjective and therefore source of many conflicts). The steps to be taken which were listed in the explanatory letter to Khmelnytsky were in our opinion too wide and too general. The feedback should have rather been concrete, very precise and action-oriented. Furthermore, your social perceptiveness seems to be very low. You should try to be more open in accepting cultural differences.

What actions should Keller take upon returning to Kyiv with regard to Khmelnytsky's performance? (A letter to Keller) Dear Mr. Keller, First of all thank you very much for your trust in our company's professionalism and experience in counselling. It is our honour to provide you impartial and

objective leadership advice for solving your special managerial dilemma. After a comprehensive analysis of the issue please allow us to be very straightforward. Based on our observations we would like to make the following recommendations to you:

Empowerment. Trust the experienced and talented Mr. Khmelnytsky for at least a trial period and let him do his job completely alone. Give him full responsibility and try to get away from getting involved in his daily business.

Communication. Improve your communication with Mr. Khmelnytsky. A much more relational leadership style can work like a miracle in bypassing the communication gap between you and Mr. Khmelnytsky. Please be much more emphatic. Cultural biases and immature, extremely task oriented management style can affect the behavior of subordinates in a very negative way. We noticed also in your annual appraisal the lack of tactfulness.

Expressions like “ you are not a leader” were undiplomatic and also unprofessional. With this kind of communication you only hurt the feelings and the pride of your subordinates and on the other hand their motivation will be lost very easily after such a verbal offense.

Follow your instinct and be a real leader. Don't be scared to alter the daily duties of the commercial director. You need to keep a talented manager like Mr. Khmelnytsky at the company, however, if you communicate well with him and start a new chapter in your relationship a slight re-organization can take place. Let Mr. Khmelnytsky keep his rank as director of the commercial

department but divide the functions and let Mr. Skovoroda allow to lead the sales department as the sales director.

You could offer to Mr. Khmelnytsky that he could be the supervisor and mentor of Mr. Skovoroda in the beginning period – by offering him also a slight salary increase for that responsibility - but he has to focus on marketing and give free hand to Mr. Skovoroda. That way you could bring out the most of Mr. Khmelnytsky's experience and on the other hand you can win the best advisor and mentor for Mr. Skovoroda until he gains enough experience and confidence to work completely alone.

## **Conclusion**

This case demonstrated how differences in management style, communication, personality and culture can result in a conflict that can jeopardize the business results of a company. It also showed that managers without extensive managerial experience have to learn how to trust their subordinates and how to communicate with them in a constructive and emphatic way in order to be effective.