

Principle of management

Business, Management



The purpose of this paper is to discuss Verwaayen decision-making skills in leadership role at Alcatel-Lucent. I will explain in details the manner in which decisions were made, risk factor, and the contribution to business. The decisions managers make at all level in business have a remarkable impact on the growth and wealth of the companies and the interests of employees, customers, and other stakeholders. Verwaayen resigned from Alcatel-Lucent in 2013 due to poor job performance.

Ben Verwaayen is a Dutch businessman. He graduated from Utrecht University with a degree in law and international relation in 1975. He has been the CEO of Alcatel-Lucent since 2008. Verwaayen was under pressure to help (Alcatel-Lucent) a stressed networking-equipment manufacturer to become profitable again. Firstly, I will describe the type of decisions Verwaayen made as CEO. Secondly, I will publicize the risks and uncertainty made. Thirdly, I will explain what decision-making strategy management used.

Lastly, I will expound on the ways I assume Verwaayen contribute organization's learning at Alcatel-Lucent. Firstly, I will describe the type of decisions Verwaayen made as CEO. On Verwaayen first day as CEO, he received an email asking him for approval to hire a new secretary in a Poland office after 16 executives had already agreed. Verwaayen was surprise that executives had agreed to hire someone they never met or talked to. He put in place a directive allowing managers to hire their own personnel. This was the first decision that Verwaayen made at Alcatel-Lucent.

Decision-making is the process by which managers react to opportunities and pressure by analyzing the choices and making decisions about certain organizational aspirations and courses of action according to Jones and George page (149) in our textbook. There are two types of decision-making; programmed or nonprogrammed. Verwaayen used programmed decision-making when he gave the managers authority to hire own staff. Other decisions that Verwaayen made including the company stopped hedging and wage that a 4G wireless LTE technology would materialize instead of rival WiMax.

Secondly, Verwaayen decisions had a dramatic impact on Alcatel-Lucent, as well as opportunity risk. The decisions Verwaayen imposed helped Alcatel-Lucent redevelop their infrastructure, profits, and increased the stock value. Verwaayen gave the managers the responsibility to pursue issues that are important to them. The business goal that executives put forward as the new Alcatel-Lucent norms after the merger in 2008 worked for the executives. Risks and uncertainties in these decisions could have been overwhelming to the structure of the business.

Accountability by managers could have abused to seek personal gain instead of business, and the decision to spend greatly on the 4G LTE technology could have fail if the key carriers in the Unites States chose to use other networking methods for their smart phones. Thirdly, Verwaayen and other top managers choose to pursue major issues in which they found to be critical toward the current culture and infrastructure of the company. Upon changing the culture and structure of the company Verwaayen and his top managers were able to make case by case decisions for the company.

I believe if Verwaayen had used these six steps with the other managers: recognize the need for a decision, generate alternatives, choose among alternatives, implement the chosen alternative, and learn from feedback there would have been a different outcome. Lastly, I believe that Verwaayen could contribute organizational learning at Alcatel-Lucent various ways. Verwaayen has an enormous knowledge of the organization's marketplace as well as the stakeholders at Alcatel-Lucent.

Verwaayen could teach management what it takes to run a successful business from his past experience. Learning from past mistakes within an organization is vital. Verwaayen should motivate managers to engage in entrepreneurial intrapreneur spirit. Entrepreneurs have a high personality trait of openness to experience, meaning they are prone to be original, open minded, daring, and take risks. Also organizations need encourage intrapreneurship because it leads to organizational learning and innovation.

In conclusion, Verwaayen made some great decisions as the CEO of Alcatel-Lucent during his time in power. He also empowered his managers to hire their own staff and gave them some responsibilities to seek out employees that had skills that are valuable to the company and allowed accountability for poor decision making. Verwaayen is instrumental in ending the Alcatel-Lucent hedge and investing heavily on 4G LTE technology. Verwaayen made some poor decisions that were not profitable for the company. I agree with the decision to ask Verwaayen to resign from his post in 2013.