

Reading response critical thinkings example

[Business](#), [Company](#)



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General Motors (GM) is a company with a history of more than one hundred years. The company has witnessed two world wars and experienced the most prosperous period of auto industry in the United States. It once became the world's largest auto corporation accomplished by engaging in numerous mergers, acquisitions and many other ways. Its development is the greatest history of the American automobile industry (Sloan 1990). In 2003, Toyota with its 8.13 billion dollar profits, replaced GM at the lead position (Liker, 2004, p. 4). After that, GM faced a crisis of bankruptcy in the year 2009. However, Toyota also had its own challenges, one of which was the recall incident that affected its business considerably and lessened consumers' confidence in the company globally. This incident at Toyota gave GM a valuable opportunity to make a comeback. GM and Toyota are completely different in terms of corporate culture, management style, production and marketing strategies. Thus, there exists no absolute standard for measuring which of the two companies is better. In reference to the facts presented above, this paper provides a decisive analysis of the books " My Years with <https://assignbuster.com/reading-response-critical-thinkings-example/>

General Motors” and “ The Toyota Way.” The succeeding sections provide a critical insight of the basic arguments raised in the books and reflect on their implication and rationality.

Points of Agreement

In the book “ My Years with General Motors”, the author Sloan points out that the General Motors type of organization includes coordination of policies, and decentralized administration (Sloan 1990). This idea is excellent as evident in the GM’s successful performance. China provides a good example of the applicability of this strategy, as it has utilized this model in governing Hong Kong (HK). China still maintains HK’s original idea of capitalist system and free lifestyle. In consequence, the country has recorded attractive economic growth rate that it currently ranks as one of the fastest growing economies in the world. Its economic status and freedom has presented a positive trend over decades.

Furthermore, HK presently manifests a stable and vibrant economy following the effect of China. It is worthwhile to note that the Asian financial crisis posed serious challenges to the HK economy. Fortunately, China supported them fully in overcoming the situation in terms of capital. Essentially, China purchased the devalued HK dollar, thus rescuing HK from the storm. GM is a corporation that has grown through mergers and acquisitions. In this context, it has multiple brands under one company. The idea of coordinated policy and decentralized administration is highly applicable in the businesses of the GM’s nature. This is because the strategy fosters autonomy of the company’s sub-branches which enhances decision-making. This is a strategic approach that has enabled the company to adopt quickly and respond

accordingly to the changing market demands. In consideration of GM having multiple brands, it is expected that the company would face serious managerial challenges, especially in terms of decision-making, if each of its entities reported to the company's headquarters. This is because a strategy that is effective in one brand or location may fail to be effective when applied to another brand. Furthermore, adopting a decentralized model offers the company a chance to provide tailored services because each brand utilizes the strategy that best suits its business environment and clientele.

In the book "The Toyota Way", Liker argues that short lead times and flexible production lines result to higher quality, better customer responsiveness, better productivity, and better utilization of equipment and space (Liker, 2004, p. 8). This is a rational observation considering the fact that the modern market is highly flexible and dynamic. Initially, quick lead times and flexible production lines ensure that the company maintains fashionable goods and services in the market. In this respect, the model ensures that the company sails along with the prevailing trends. The strategy also enhances the utilization of the equipments and space since it offers the company an opportunity of clearing outdated equipments to adopt the most modern technologies.

Points of Disagreement

The book "My Years with General Motors" Sloan strongly believes that a chief executive must not have friends on the job (Liker, 2004, p, viii). This is wrong. Conversely a chief should have some friends on the job. This kind of attitude is not beneficial for the company. Subordinates are more motivated

to work when they feel that their supervisors have a genuine interest in their well-being. This means acknowledging their presence and exchanging even simple greetings during occasions of contact. Establishing management structures and systems is important to get the job done, but this is not sufficient. A company's human resources need to be given due considerations as well. Dialogues between management and staff are healthy mechanisms for gathering and disseminating important feedback. Therefore, a chief executive should not totally alienate himself from the rest of the company's human resources.

Maintaining friendships on the job does not mean losing one's professional distance. A chief executive can still have friends while performing his job. If friendship meant unlimited favors, access to company facilities, and missing deadlines, then no one should maintain friends because the above scenario translates to a company breakdown. As long as each employee, whether CEO or staff, maintains a professional attitude and performs his/her tasks and functions, then healthy friendships can flourish in the company. The chief executive can still maintain friendships. He just needs to have a clear idea of the distinctions between personal privileges and motivating presence. He still is at the top of the company, thus, if employees get out of line, like request favors or use company resources, it is still within his power and influence to decline such requests. Being let-down in a friendly manner would seem a better alternative to being issued an official memo, in company letterhead enumerating the reasons why certain company facilities are restricted.

Compare and Contrast

A comparison of the GM and Toyota can be understood in the companies' philosophy and management models. In reference to the "My Years with General Motors", it is apparent that GM emphasizes the idea of increasing market share and revenue, instead of establishing positive net cash flow. Focusing in this model is detrimental since the practice is characterized with low degrees of flexibilities. The financial crisis that led to the downfall of the GM was a result of the focus on this philosophy. In contrast, "The Toyota Way" indicates that Toyota assumes a market-focus philosophy (Liker, 2004). This philosophy is highly effective since it fosters flexibility and customer's satisfaction. Market-focus philosophy means a company is in-tuned with what is happening in the market and develops or provides products and services accordingly. Since the company knows what is currently preferred by consumers and how such demand is addressed by existing players, then the company is able to make decisions that can translate into high profits. This means producing units that would be attractive to the consumers, for example. When the focus is on the market, the organization becomes more flexible as there could be a need to carry out immediate changes resulting from new trends or sudden shocks.

Furthermore, "My Years with General Motors" indicates that, the GM's model focuses on strategic leadership and management. In contrast, "The Toyota Way" business model emphasizes the ideas of strategic production and continuous modification of products to ensure that they remain relevant in the market (Liker, 2004). The idea of strategic leadership and management is of great relevance since it is through leadership and management that

business is able to identify innovative strategies that it can employ to outweigh its competitors. Similarly, strategic production ensures that the company is trading in the right products, which can compete successfully in the market.

New Questions Sparked

Reading these books prompts various questions. Initially, these books pose certain questions whether some of theoretical management philosophies are applicable in the practical ground. For example, in chapter eight, GM set up four rules for appropriation, the first of which is “ Is the Project a logical or necessary one considered as a commercial venture?” (Sloan, 1990, p. 320)? In “ My Years with General Motors” Sloan did not mention the details of these rules. It is easy to ask “ what logic should the project have or follow? Is it ethics or profits? Secondly, could GM use the strategies of mergers and acquisitions to beat the competitors in nowadays? Thirdly, are the specific management and operational strategies effective only under specific or defined environments? Does the Toyota way fit in the Wal-Mark?

Conclusion

The books, “ The Toyota Way” and “ My Years with General Motors” are classical pieces for management. The books highlight important concepts that managers can utilize in improving their management skills. More importantly, these books present their ideas in a strategic manner that encourages the reader into thinking. Although these books assume a different approach in presenting their arguments, both authors have explored successfully the ideas of manufacturing and knowledge

management practices. These books are therefore recommended for individuals who need to develop their managerial skills.

References

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