

Comparing leadership styles | effect of leadership styles of business



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Any organization can not survive without a sound management system. The management and how to manage the company from an overall aspect is mainly established by a core person in this company and he/she is called the leader of this company. It is wide accepted that no company can be successfully without effective management and without a competent leader. Therefore, the leader of the company plays a vital role for the organization. Different leaders with different natures and characteristics may bring up completely different management theory to the company, which will also decide the developing model of the company and determine the success or failure of the company. The leadership style will greatly decide the company's development for the future. It is a careful decision who to be hired or selected to be in charge of the company and guide the strategy of the company. Therefore, in order to analyze how the role of leader plays in an organization, two different leaders have been selected in this report. The objective of this report is to analyze leadership styles by selecting two leaders from two companies. One is Carly Fiorina with HP Company, and the other one is Michael T. Duke with Wal-Mart Company. These two different leaders are different in their leadership in many ways and the differences between their leadership approaches are demonstrated in the critical analysis section. In the end the conclusion of the effective leadership is made based on the findings of the two cases.

2.0 Introduction

As to the development of a company, the importance of the leader is obvious to the whole company. With reference to each successful enterprise, it is obvious that there is an outstanding leader guiding an excellent team, such

as Jack Welch with GM Corporation America and Chinese Zhang Ruimin, leader of Haier Company and so on. Therefore, whether a company will be successful or not is greatly connected with who is leading the company. As the leadership topic is mentioned, this report is going to focus on the leadership in an organization. In this report, two famous leaders have been chosen and discussed from HP and Wal-Mart Companies in terms of their ways of leading the company and the major characteristics they have which may affect their ways regarding managing the team and the company. Based on the findings of the case study, comparison and contrast of both leaders with respect to their managing styles and leader style will be analyzed. At last, reasonable and information-based conclusion related to leader management will be drawn.

3.0 Leader 1– Carly Fiorina with HP Company

Hewlett-Packard Development Company, L. P. which is HP company for short and established in United States in 1939, is a company specialized in developing and manufacturing computers, printers, software and other digital fields. HP's Corporate Objectives which was written by co-founders Bill Hewlett and Dave Packard have guided the company for decades. The objective is "It is necessary that people work together in unison toward common objectives and avoid working at cross purposes at all levels if the ultimate in efficiency and achievement is to be obtained." HP Company has been developed very fast in technology areas and expanded to the worldwide. In anywhere you can see HP logo and its products in everywhere. HP's development and success can not be real without excellent leaders. Here Carly Fiorina as one of the excellent and competent CEOs is selected to

analyze for the purpose of explaining the relation between a leader and company success.

Carly Fiorina was born in 1954 and graduated from Stanford University. In 1999, she was presented as the CEO of HP company and ended as the CEO role in 2005. Carly Fiorina is a very competent leader. Before she took the CEO position, HP Company was encountering years of depressing time, especially in the years of 1997 and 1998, the company faced the unprecedented difficulties and the sales income was far behind its expectations. Fiorina started her career in business as a receptionist, but later she jumped very fast to the positions of management and leadership. Fiorina is also a very excellent communicator and her speech is convincing the same as the Ex-president Bill Clinton.

Carly Fiorina was the first female CEO in HP's history (Carly's biography, 2010). During her stay with role of CEO in HP, she has developed comprehensive skills in leadership which include planning, delegating, decision making, coordinating and communication. She brought a lot of changes to HP and turned the " HP ways" into the " Carly way" (Forsyth, 2006). Carly Fiorina is characterized with board decision making and brave in taking actions. When made the merger with Compaq Company with a 25 billion USD in 2001, it was a broad step for taking.

In terms of leadership style, Carly Fiorina could be determined as authoritarian in controlling and regulating policy, procedures within the company. Besides this leadership feature, she should also be concluded to be equipped with democratic leadership style (Sprenger, 2010). Carly

Fiorina's leadership styles are most cultivated by her personalities. She is very diligent and hard working at the same time she is also good at selling. She stands very calm in any situation and is good at calculating and thinking. She is very dedicated to the pursuit of goals that she thinks that it is well-intentioned. She is very persistent with things. In Fiorina's view, every person is capable of far more than they realize. Fiorina holds this view in her life and applies it into her management. She is capable of digging and encouraging her team's ability. Some of her team workers feel very thankful to her, because she gave the chance to them to realize who they were and what they could do and where they could reach in the future. With this characteristic, it is good to gather people and make them work hard to achieve the goal.

Fiorina likes to engage activities personally which is another factor contributing to her successful leadership (Sadler, 2003). After she took the position as CEO, she started her trips to anywhere the HP covers and to investigate the problems and potentials there. She is very responsible for her position. She is persistent in doing the right things, for the right reasons and the right way, most of the time; it will turn out all right. When she was with HP Company, she will never give up what she thinks is a right choice or decision and she will lead her team to go for it.

Thanks to Carly Fiorina's effective leading approach, HP Company has grown and developed very fast and achieved with the most important merger in HP history. During the period she took the leadership in HP Company, HP expanded very quickly to the world and its market share has grown.

Compared with the developing and expanding and profit making situation
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before Fiorina as CEO, HP has made great success in terms of both self-development and its fast expansion to overseas markets. However, although Carly Fiorina's leadership has brought HP benefits in a range of areas, she was still not welcomed by all people within the company. Her leading behavior was not always appreciated by HP board (House and Price, 2009). Carly Fiorina holds her direction was right for HP's development for long term; however, other HP board worried about the direction of HP under Fiorina's leading. And also because Fiorina is a female leader, to some extent, most males are not really accepted the fact of being managed or controlled by a female. Plus Fiorina is a relatively authorized person with respect to management. Therefore, in 2005, Carly Fiorina finished her CEO life within HP Company.

4.0 Leader 2— Michael T. Duke with Wal-Mart Company

Wal-Mart as one of the world's largest retailers has developed and expanded very fast. It has now expanded to many other countries and has occupied a relatively large retail market share there. Wal-Mart has thousands of products where consumers can find their various needs. The company now is continuing to broaden and accelerate its global efforts on sustainable development and responsible sourcing and opportunities. Until April this year, Wal-Mart has established businesses in 14 countries besides its businesses in United States. There are more than 4000 stores running around the world. Compared with the finance statement in 2009, the sales incomes in overseas markets have broken through 100 billion US dollars (Charles, 2009).

Mike Duke is the president and CEO of Wal-Mart Stores, Inc. As CEO, Mike leads a strong management team that is focused on keeping Walmart's mission of " saving people money so they can live better" relevant to every customer, every day. Mike Duke joined Walmart in 1995. Mike has taken various positions in Wal-Mart before he reached his current position as the leader of Wal-Mart. He has led the divisions of logistics, distribution and administration. He was capable and active in developing and executing corporate strategy.

Duke is a low-key person which is very consistent with Wal-Mart style. He does not like to flaunt. The only leisure hobby of Duke is to play Golf. Duke is the fifth CEO of Wal-Mart. He is appointed by the previous CEO, Scot Lee. Lee appreciates Duke very much. Some people comment that Lee and Duke are very similar in their personalities and management. The most distinguished difference is Duke is better at social relations with people. From Duke's colleague's view, he is a considerate person as loyal to friendship and helpful to others.

As a senior manager of Wal-Mart, Duke is very clear when to start a fight for Wal-Mart business growth. One retail analyst has commented that Duke is very ambitious. The development strategy held by Duke is that Wal-Mart must occupy the leading position in the retail industry. Therefore, Duke made decision to withdraw Wal-Mart from Germany and South Korea where the sales are not desirable. And also he decided to hold 95. 1% of stake from the previous 50. 9% of its subsidiary Japanese company Seiyu Department Store. At that time, every one warned that it might be a very high-risk

decision, but Duke believed that as long as Wal-Mart gets more control stake, it will make things different.

As a successful leader, you must be competent in the areas you exert in. The competence areas such as envision, involving and goal-oriented. Duke is experienced in the management field. Before he joined Wal-Mart, he was an executive at Federated and May Department Stores for 23 years. And before he took CEO role, he was engaged in various sectors in Wal-Mart, which enabled him the wide knowledge about the whole operation in the Wal-Mart. And also from the change perspective speaking, leaders should have the ability of responding to and managing the external changes. When Duke saw Wal-Mart's poor sales in Germany, he made the broad step to withdraw from the Germany market.

Personal characteristics and behaviors also contribute to be a successful leader or not. Duke gives his colleagues an impression of friendly and kind and easy-going, which does not mean he is not strict or decisive. On the contrary, Duke has the talent of gathering his employees and also has a clear direction where the company shall develop into. Duke made commitment that in order to make up the bad sales in American local market; Wal-Mart would fasten its pace in expanding to other potential overseas markets. He said to his employees that the anticipation is to attract more consumers and set up more stores world widely and accelerate Wal-Mart global expansion.

For Wal-Mart, Duke's presence as the CEO is like change blood to Wal-Mart.

Firstly, it was the very right time for Duke to take the position after the

depressing year in 2008. Secondly, due the change of the political leader in United States, Wal-Mart had to choose a different CEO the represent a different Wal-Mart to the whole America Society. Because the political environment sounds not advantageous to Wal-Mart since Democratic Party won the election. In the previous years , Wal-Mart was supporting the Republic Party with its 85% amount of political capital went to Republican and just 15% left to Democratic Party. Duke may have to transfer its political policy within the organization for seeking a better development in its local market. Therefore, Despite Duke's leadership style will probably bring a bright future to Wal-Mart; Duke will definitely meet new challenges in this position.

Under Duke's leading, because Duke is paying highly attention to his employee staff, it will be easy to gather and establish competent team. Also due to Duke's rich experience working the stores Company and his working experience in various sector of Wal-Mart for years, Duke has a very comprehensive view over the overall company developing. However, everything has its two sides. Although Wal-Mart may have the potential of grasping a good chance to develop and expand under Duke's leading approach, there are also potential challenges or disadvantages posed to its development.

5. 0 Critical analysis-comparison and contrast between the two leaders with respect to their leadership styles

5. 1 Differences in personal characteristics

Carly Fiorina's characteristics:

Somebody was born to a competitive, such as Carly. She has extraordinary passion, confidence, courage and endurance. In order to achieve goals that can endure hard to imagine the enormous pressures and challenges, even troubled, still self-improvement and never give up. Carly is an insightful strategist, led by her customers and makes the management of excited and kind, but also to carry out different tactics to ensure the smooth realization of goals. Carly's distinct personality made her very difficult to achieve harmonious, peaceful way to deal with things, so she makes many people feel hurt. While she was taking the reforms of HP Company, she also encountered difficulties in the realization of the merger plan. Carly's extraordinary will and unyielding personalities support her to become successful in her career. But at the same time, most of her colleagues do not agree with her in terms of the direction of the development etc. Thus in 2005, company board has fired her as CEO of HP.

Michael T. Duke's personal characteristics

Duke is a Georgia man, in his spare time; he and his wife did a lot of charity work. For example, they have been taken care of an orphan until finally found the orphan with an adoptive family. He is a low-key person. This moderate character is very easy to integrate into the Wal-Mart's way of treating its employees and Wal-Mart's humane enterprise culture. Although Duke has been regarded as a good and kind person in the industry, this does not mean his is not a strict man. Actually his work style of being slightly conservative but strategic is very good and helpful for promoting the smooth development of Wal-Mart.

The difference in character between these two leaders is obvious, Carly's positive attitude is very positive in work. Her enthusiasm for work is the key to her success in her career. However, being sometimes too tough and persistent and anxious to be successful often cause great resistance to the development. Carly belongs to the authoritarian leadership style. For HP Company during its depressing time before Carly took the CEO position, this passionate characteristic was very helpful for the company. Duke is moderate and communicative; Duke more belongs to the emotional intelligence leader type. He is easy-going and listening to others. He is the type of leader who affects his employees by emotionally.

5. 2 Different in their reforming pace as leaders of the companies.

Carly's reform of the HP, focused on control of the company, focused on adjusting strategy and simplifying the company's structures. Company just needs to keep useful functional departments. She made HP into four groups, which improved work efficiency a lot. Employees felt the sense of urgency in doing their jobs. Carly emphasizes on efficiency. She firmly believed that if she could correct the mistakes of HP made in the past few years, the company will become strong and competitive again. She led HP to the pursuit of speed and passion, and meanwhile to distinguish HP from other competitors in the characters. During her remodeling process for Hewlett-Packard, other senior managers and ordinary employees did not show their disputes openly, but actually some disagreement was originated.

Besides continuing implementing the past successful business strategies, Duke made several marketing strategies aiming to survive from the global
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financial crisis. These strategies, such as improving consumers shopping experiences, more special products included, are attracting more and more consumers. But compared to HP Company, Wal-Mart reforming is relatively conservative.

5.3 Team organization capability

Carly has a remarkable ability to communicate. She is good at communicating with her employee personally. She always travels to visit HP worker in different places. And this communication is very essential for the establishing an effective team. However due to Carly's strict and sometimes tough personalities, it is not very easy for her to establish a loyal team. Especially in the reforming period, most of people do not like changes at the same time, gender is another unfavorable factor contributing to her difficulties in managing an effective team. Many people, especially for male workers, it is very uncomfortable to work under a female manager.

In the Duke's eyes, the future of employees is Wal-Mart's future. He emphasizes this point to his staff that Wal-Mart will continue to work to build a "better life". Duke is very popular and respected by his employees. His attitude towards life and relationship with workers gains support from his employees. So for Duke, he is more capable of organizing an effective team.

6.0 Conclusion

In conclusion, leader is the most important figure in an organization. When a person is hired as the leader of a company, he/she becomes the core part of the whole company. The way he/she adopts for leading the company will greatly affect the company's development. The leader's leadership approach

is greatly influenced by his/her personal characteristics, her/his competencies and his/her culture values as well. Different leaders to manage a company may turn the company into a completely different one in terms of its developing direction, its company values or culture and so on. In this report, two different leaders with different companies have been introduced and analyzed regarding to their personalities, leadership styles. Through their respective contribution made to their companies, we can conclude that effective leader is very crucial for the development and direction of the company. In the comparing and contrasting part, the two leaders' differences with respect to their leadership have been addressed and proper reasons have been investigated regarding the differences. The leadership styles can also be affected from the organization variables. The leadership style will be affected by the external environmental changes, such as in the case of leader 2. The change of the leadership is to some extent forced by the economic times and political environment changes.