

Big shoes to fill



Introduction: Innosat is a Boston based public company that sells surgical equipments.

Innosat started as a small manufacturing company of scalpels and other surgical equipments and gradually progressed to become world's leading maker of prosthetic limbs and surgical implants. Most of its progress was achieved under the leadership of very passionate CEO Jack Donally. Jack Donally joined the team of Innosat as a sales person, and with a very aggressive sales techniques, he quickly managed to drive the company on the path of success. After successfully introducing multiple new innovative products, the company started to struggle.

Since 1990 the company failed to give any new products and as a result of that there has been decrease in profits, loss of market share and rage among the shareholders on the ability of management to turn around the company.

And now, with the death of Jack, Innosat is facing new challenges to sustain the company amidst the problems of poor past leadership, lack of communication, absence of motivation among the employees and unit heads. To add to the list there is an absence of good management structure to link the organization to the management style of new CEO Stephanie.

Stephanie has been hired to replace Jack and with the expectations to do "innovative" work for the company both organically and inorganically. Let's examine each of this issue in detail.

Assumptions for the case: Some assumptions for problem issue formulation are: 1) First, I will evaluate the issue within the organization. That is within the employees and their leaders. I have named these issues as internal issues. 2) Then, I will evaluate the issue that is present from the overall organization view. I will call it external issue.) Main issue for the organization is, how Stephanie will make her plan of action considering the stated consequences of internal and external issues.

Problem Issue Formulation: 1. Internal Issue: These issues are looked upon from a narrower perspective of examining the employees and leaders of Innosat. And their affect on the decision making capacity of Stephanie. The first problem that draws our immediate attention is, why Stephanie, an outsider is hired to take the command of the company. Does the company have no one with enough experience and knowledge to bring in innovative thoughts?

This question has led me to examine the characteristics of the Innosat's current employees.

At present, Innosat is facing problems of financial losses, poor reputation among the shareholders and has lost its competitive advantage. It needs to take actions that can help change its profile in the market and among the competitors. But there is no one from within the company who can take the command, why is it so? There are employees like Frank and Jim Pappas have been with the company for a long time and have worked closely with Jack. The personal records of these employees have not shown any remarkable decision making.

In fact because of Jack's directive and authoritative style of leadership, most of the employees have lost their motivation to contribute for the company. Most of the employees have concentrated their major efforts on the results of their personal departments and have shown no interest in aligning their departmental goals with overall company goals.

This lack of motivation among the employees will be the first and most difficult hurdle for the new leader, Stephanie. Hence, increasing the motivation of the employees seems to be the immediate issue that needs attention.

Assumptions: I am assuming that: 1) Innovation does not necessarily means introducing new products. Main concerns for the company are to increase profits and change their image in the market/industry. 2) Frank, the production engineer and potential candidate for the next CEO position always followed Jack thoughts and hence was not considered of being able to bring anything new for the company. 3) The Board had made it very clear with Stephanie about their expectations when they hired her.

4) Unlike Jack, Stephanie has a more collaborative style of management and leadership.) Rewards given to the employees were not based on performance. 6) Innosat has lost Jack; hence his acts need less discussion. The idea is to focus more on future strategy of the company under Stephanie's leadership. 7) I will be examining the issues internally faced my employees first, and then externally, i.

e issues of the overall organization. To examine the motivation issues among the employees, we look into the methods in which they work. It appears that

sales individuals of different regions are divided into units and each unit has a head.

Sales persons are the people who meet personally with the surgeons and researchers and look into their (surgeons and researchers) requirements. They must work closely with the engineers and R & D in developing innovative products. But ironically, the sales reps at Innosat have no innovative ideas.

In the article, there is absence of any information, where any sales rep puts forward his views on new products. In the past, mostly all the decisions on new product development were initiated by Jack. Issue of motivation is not independent of Jack's poor leadership and his role as the enabler of employees at Innosat.

But, as I have assumed, Jack is no longer with the company and hence, I will not go into much detail on examining his leadership defects.

Poor reward system also responsible for loss of motivation: The other motivational problem is related to the reward system in the company. The article does not mention anywhere, whether the employees were given any performance based rewards. There was very little done to create energy and competition among the employees to perform better. Hence, it seems that their lack of motivation is directly related to the absence of proper reward system in the organization.

Lack of motivation remains the prime issue at Innosat because even if the leaders change, it's going to be a strong team work among the employees to change the bottom-line financial numbers at Innosat.

If my assumptions stated above are incorrect, there will be fewer consequences seen. We do not have much information that can support that Innosat's employees were independent or self motivating. Also to make them responsible for decision making, company would want to see some results based on their leadership style, which unfortunately has been absent so far.