

Leadership case study



1. Fred Hilmer served at many positions during his career. However three of his most important positions included his tenures with McKinsey & Co, the AGSM & Fairfax Holdings Limited was in different capacities and positions. The contingency leadership and Management for his role at the McKinsey & Co may not be considered as leadership role because he was just heading Australian operations. As appearing from the case that McKinsey & Co works on the principle of team work and most of the work in Australia was for corporate strategy and development of vision. Contingency leadership and management demands that there should not be any particular way of doing things as there is no universal principal of doing organizational tasks in certain way therefore his role at McKinsey may not be as per contingency approach. His other two roles i. e. at AGSM and Fairfax Holdings Limited may come under contingency leadership and management. His actions at Fairfax regarding staff lock outs, cost reductions and disinvestments all demanded a contingency approach to the management which he did. At AGSM, his role in developing the competition policy, revamping the whole idea of being a business school within the Australian Perspective. Therefore his approach at the AGSM and Fairfax holding may be termed as the change agent approach. The change agent approach believe that CEOs most critical role is to create an environment of continual reinvention, even if such an emphasis on change creates short-term disturbances such as anxiety, confusion, and poorer financial results

2. There are various situational influences which impact the contingency leadership and management style. The most effective leadership style depends on the readiness level of group members. Readiness is defined as the extent to which a group member has the ability and willingness or

confidence to accomplish a specific task.

Readiness has two components, ability and willingness. Ability is the knowledge, experience, and skill an individual or group brings to a particular task or activity. Willingness is the extent to which an individual or group has the confidence, commitment, and motivation to accomplish a specific task.

At McKinsey & Co, the readiness was high and in the range of R4 with high readiness. At AGSM, the scope of his job was much broader as he was heading the most prestigious business of his country therefore the role in which he was put in was the most important situational influence on Hilmer. However at Fairfax holdings, we can easily assume that his role may be termed as situational leader because there was very little readiness.

Followers were unable, unwilling and were feeling insecure and Hilmer sort of used an autocratic and task oriented approach in the company.

3. The earlier proponent of Situational leadership is Fred Fiedler. Fiedler identified various situational factors which have impact on the leadership style of the management. According to his theory, the degree of trust on the leader by subordinates, the degree to which the work is structured and formal authority possessed by the leader are some of the factors which determine the situational leadership. However later research on the situational leadership suggest that the Multiple-linkage model theory seems to be applying to Hilmer as in almost all cases; the formal authority he possessed determined the outcome of his efforts at these organizations. During his tenure at AGSM, he completely restructured the school to found it on more solid grounds by changing the way business education were being delivered in Australia whereas at Fairfax, it was his formal authority and

degree of structured work which determined his leadership and management.