

Case: hewlett- packard

Business



Case: Hewlett-Packard Table of Contents Discuss The Three Most Serious Problems You Have Identified In The Case. Defend Why You Think They Are The Most Serious 3 2. Describe How the Company Should Attempt To Correct Each of the Three Most Important Problems 4 3. Recommend A Leadership Style Or Combination Of Initiating Structure And Consideration The CEO Should Adopt To Address The Problems Of Distrust And Declining Morale. Explain Your Answer 4 4. After having examined all of the issues facing HP, recommend whether the CEO should focus on the approach to the current strategy or on implementation and execution. Defend your decision. 6

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Hewlett-Packard underwent a series of drawbacks in the phase under the guidance of the former CEO Carly Fiorina. Firstly, the company under Fiorina endured as she followed autocratic operational style where by the functioning was very directorial and lacked consultancy with the staff members. There was no feeling of team work or belongingness amongst the employees, i. e. lack of team cooperation. The other significant problem, hindering the company, was that the company's financial stand was deficient. It had also acquired Compaq Computers which itself was a massive company so corporate restructuring was required but the financial competency at the same time was poor. The decision making procedure was apathetic and the reward scheme was inefficient (South-Western, 2008). Autocratic leadership style has a number of inconveniences on part of the employees as it lacks team work which results in high degree of employee turnover and absenteeism retarding the effective working environment (Ucalgary., n. d.). The former CEO used this style of leadership which

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rendered many of the executives feel low on morale and thus, it can be noted as the second problem. Thirdly, a poor reward system that was observed in HP had considerably retarded the employee's enthusiasm result to which they became reluctant in conferring their whole hearted effort for the benefit of the organisation. It was the other major problem as this hampered the organisations working. On the other hand, rewards and appreciations boost up the employee's morale. So, the reward system should be designed in such a way that would draw the employee's attention towards increasing the organisation's profitability (Pratheepkanth. 2011). 2.

Describe How the Company Should Attempt To Correct Each of the Three Most Important Problems The company can undertake democratic leadership style which encourages employee's involvement in decision making process. This style enhances the team spirit and group morale and the employees work with total dedication in attaining the organisational target. This process can result as an effective means for the development of the company (Unpan., n. d.). As the company merged with a large sized company i. e. Compaq Computers, the organisation should focus on financial restructuring through which the company's value can be enhanced (Giddy, n. d.). In context to improvise the reward system, the company can reassess its HR policies. It is significant due to the limitation of complex procedures and inefficient execution of the reward policies followed by HP. 3. Recommend A Leadership Style Or Combination Of Initiating Structure And Consideration The CEO Should Adopt To Address The Problems Of Distrust And Declining Morale. Explain Your Answer Each and every leadership style comprises of both benefits as well as challenges. Any one particular style cannot prove to be effective for every situation. Still, the leadership style recommended for <https://assignbuster.com/case-hewlett-packard/>

this company can be democratic leadership style, also recognized as participative management style which involves the active participation of all the people within the organization premises like the employees, stakeholders, peers and superiors to take part in the decision making process. This process also improvises the quality of work. It generates high team spirit and a feeling of belongingness on part of the employees for the organization. This process strengthens the employer-employee relationship and unlike autocratic system employees are not pressurized with the verdict of the leader. Also, it can generate creativity and a feeling of acceptance in the mind of the employees which may lead to the attainment of the organizational objective (Huang & Et. Al., 2009).

4. After having examined all of the issues facing HP, recommend whether the CEO should focus on the approach to the current strategy or on implementation and execution. Defend your decision. The current strategies presently executed in the company can be affirmed to be in favor of the company. The strategies were not altered rather modified with the inclusion of few significant strategies and the exclusion of few insignificant policies such as eradication of autocratic leadership. One of the strategies adopted by Hurd was to focus on working with the lower cadre workforce with an intention to understand the working environment and to ensure effective functioning of the organization without any impediment. This proved to be beneficial for the organization on the perspective of the employees as they could approach to the CEO freely without much of hierarchical formalities. On the contrary, it may also lead to face certain challenges in case the employees resist communicating their issues to the CEO due to certain fear of insecurity. Furthermore, an improvisation was witnessed in relation to the bonus policies directly linking

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with the performance of the company. The present reward system is stimulating the employees to outperform with a feeling of security regarding their job. References Giddy, I. (No Date). Financial Restructuring. What Is Corporate Restructuring? Retrieved Online on July 20, 2012 from <http://giddy.org/appliedfinance/restructuring.pdf> Huang, X. & Et. Al., (2009). Does Participative Leadership Enhance Work Performance By Inducing Empowerment Or Trust? The Differential Effects on Managerial and Non-Managerial Subordinates. *Journal of Organizational Behaviour*, Vol: 31, pp. 122-143. Pratheepkanth. P., (2011). Global Journal of Management and Business Research. Reward System And Its Impact On Employee Motivation In Commercial Bank Of Sri Lanka Plc, In Jaffna District. Retrieved Online on July 20, 2012 from http://globaljournals.org/GJMBR_Volume11/9-Reward-System-And-Its-Impact-On-Employee.pdf South-Western, (2008). Hewlett-Packard. Hewlett Case. Ucalgary., (No Date). Leadership Styles. Autocratic Leadership. Retrieved Online on July 20, 2012 from <http://www.ucalgary.ca/ssc/files/ssc/Defining%20Leadership%20Handouts.pdf> Unpan., (No Date). Leadership Styles. Presentations. Retrieved Online on July 20, 2012 from <http://unpan1.un.org/intradoc/groups/public/documents/unssc/unpan024704.pdf>