

# Introduction and cultural styles of murdoch management essay



**ASSIGN  
BUSTER**

Murdoch was born on March, 11, 1931, in Melbourne, Victoria, Australia. Murdoch's love for the newspaper business was evident from his childhood. During his school holidays he used to work in newspaper offices. In 1950, Murdoch went to Oxford University's Worcester College, from where he graduated in economics in May early 1952. After graduation he worked as a sub editor in the 'Daily Express'. He was inspired and influenced by Lord Northcliffe's with the 'Daily Mail' and like Lord Northcliffe, he also believed that the success of a newspaper depends on the news content and coverage, editorial and advertising.

Adelaide News was a small newspaper and Murdoch infused his youthful vigour to it. He created a sensation among readers through headlines and content. News headlines such as, Queen Eats rat caused a stir among readers and his dramatic touch to the news resulted in increased paper circulation. He was good at cashing in on opportunities. For instance, when his competitor offered to buy Adelaide News, Murdoch published the opponent's offer letter with the headlines 'Bid for Press Monopoly.'

In 1953, Murdoch bought a newspaper News Ltd. Followed by the purchase of the Sunday Times, Perth and new ideas magazine in Melbourne in 1954-56 and Southern television Corporation Ltd, owned by News Ltd, in 1958-59. In 1960, he acquired the Sydney Daily Mirror. His acquisitions were funded through heavy borrowings from banks. In 1964, he launched Australia's first national newspaper.-the Australian. According to analysts, the Australian provided him political clout through it was not successfully financially.

From initial years, Murdoch wanted to expand his media business. In the late 1960s, Murdoch decided to venture out of Australia and build a global media house. For international expansions also, Murdoch took the acquisitions route. Murdoch acquired News of the world, a British Sunday newspaper in 1969 followed by the sun in the same year. By 1976, Murdoch had expanded his business to the US, by acquiring New York post.

In 1980, Murdoch formed a holding company, News Corp, to have better control over his assets. During the 1980s, Murdoch's business expanded rapidly through a series of acquisitions. In 1981, Murdoch acquired The Times and the Sunday times in London. He gave a populist image to all the newspapers he owned and his newspapers propagated free market philosophy. In the mid 1980s, Murdoch entered the electronic media business. He launched his first UK satellite TV channel, Sky, by using a European telecommunications satellite, Eutelsat. In order to buy American TV stations, he became a US citizen in 1985. He acquired Fox studios for \$575 million in 1988. All these acquisitions resulted in \$7billion debt for News Corp. In 1990, Murdoch merged Sky TV with its rival, British Satellite Broadcasting to form BskyB.

In 1993, Murdoch purchased a 63.3% stake in Star network, the Hong Kong based satellite network that spanned areas from Japan to the Middle East and Southeast Asia. This gave Murdoch access to two thirds of the world's population. Though initially, start network was not profitable in Southeast Asia by late 1990s, it emerged as one of the most powerful networks. Most of the channels acquired by Murdoch were successful across the world. For example, SKY in UK, fox television in US and star network in Asia were the

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most successful television networks in their respective markets. Murdoch's vision was to make and own every form of television content news, sports, films and entertainment. By 2003 News Corp television channels had a reach of 859 million households across the globe. In 1999, Asia Week magazine ranked Murdoch as the fourth most powerful person in Asia. He drew a salary of 2.3 million pounds and his personal wealth was worth \$7 billion in 2001.

### **Cultural Style of Murdoch**

Murdoch has the ability to integrate different cultures of the acquired companies easily into News Corp's culture. His strategy was to buy new companies and employ his own managers from the News Corp group. This strategy provided a new challenge to the old employees. Internal divisions were not seen in the company because he was fast at blending different cultures well. The key to the success of his company was that he constantly brought about changes in the organization which were a source of motivation to his employees. Change added value at the individual and organization level.

Murdoch did not displease the governments of certain countries, anticipating that it might adversely affect his business. Murdoch even accepted short term losses for long term gains. For example, in order to safeguard his business interest in China, he scrapped his agreement with BBC and stopped its broadcast from his Asian Star Satellite system as BBC had broadcast some programs, which were critical of the Chinese government. In the same way,

Murdoch focused on adopting new technologies. For instance, in 1986, when Murdoch realized that printing practices in England were outdated he established a printing press with new technology. He introduced computers to transfer data to newspaper in Wapping, a place in East London. This outraged labour unions and they tried to stop the printing press at Wapping. However, Murdoch was adamant about using computers for transferring data to newspapers. The workers took out protests against Murdoch, but they failed to change his mind.

There are different types of organization culture. According to Tharp, there are four major culture types.

## **COMPETE (MARKET)**

While most major American companies throughout the 19th and much of the 20th centuries believed a hierarchical organization was most effective, the late 1960s gave rise to another popular approach-Compete (market) organizations. These companies are similar to the Control (hierarchy) in that they value stability and control; however, instead of an inward focus they have an external orientation and they value differentiation over integration. This began largely because of the competitive challenges from overseas that forced American companies to search for a more effective business approach. With their outward focus, Compete (market) organizations are focused on relationships-more specifically, transactions-with suppliers, customers, contractors, unions, legislators, consultants, regulators, etc. Through effective external relations they feel that they can best achieve success. While Control (hierarchy) optimize stability and control through rules, standard operating procedures, and specialized job functions, Compete <https://assignbuster.com/introduction-and-cultural-styles-of-murdoch-management-essay/>

(market) organizations are concerned with competitiveness and productivity through emphasis on partnerships and positioning.

## **CONTROL (HIERARCHY)**

Hierarchical organizations share similarities with the stereotypical large, bureaucratic corporation. As in the values matrix, they are defined by stability and control as well as internal focus and integration. They value standardization, control, and a well-defined structure for authority and decision making. Effective leaders in hierarchical cultures are those that can organize, coordinate, and monitor people and processes.

## **CREATE**

With the advent of the Information Age, a new approach developed to deal with the fast-paced and volatile business environment. Social, economic, and technological changes made older corporate attitudes and tactics less efficient. Success now was envisioned in terms of innovation and creativity with a future-forward posture. An entrepreneurial spirit reigns where profit lies in finding new opportunities to develop new products, new services, and new relationships-with little expectation that these will endure.

Create culture organizations feature dynamic, creative places to work and attention to innovation and risk-taking. Create organizations look to grow in the future and strive to be expanding the corporation as a whole. Many tech companies can be used as examples of organizations with create culture. Google challenges its workers to innovate and try new things in order to gain competitive advantage.

## **COLLABORATE (CLAN)**

With the success of many Japanese firms in the late 1970s and 1980s, American corporations began to take note of the different way they approached business. Unlike American national culture, which is founded upon individualism, Japanese firms had a more team-centered approach. This basic understanding affected the way that Japanese companies structured their companies and approached problems. Their Collaborate (clan) organizations operated more like families-hence the name-and they valued cohesion, a humane working environment, group not best support their different cultures. A Collaborate (clan) organization, with its emphasis on teamwork and sociality, needs spaces that foster and reflect this. Rows of high paneled cubes, that might be appropriate in certain Compete (market) companies, would be incompatible with the way a Collaborate (clan) organization works and how it wants to present itself. The diagrams on the following page outline specific work space implications relative to the four organizational culture type.

## **HRM style of Murdoch**

According to some analysts Murdoch was successful because of his good management skills. He got his hands on new things and adapted to changing situations. He constantly updated and developed his network of contacts and was never scared of taking decisions. He always competed to win and devoted a lot of time on strategizing about his future moves.

Murdoch was accepted as the most successful media baron across the world, may considered him to be a poor people's manager. According to analysts,

Murdoch was a ruthless, bully when it came to managing people. His critics <https://assignbuster.com/introduction-and-cultural-styles-of-murdoch-management-essay/>

pointed out that he was a lousy manager who terrorized his employees during his flying visits and created tensions among his executives.

According to analysts, Murdoch's employees treated him as a King and not as a CEO and they were paid as long as they obeyed him. His actions ruthless or mild were based on his mood or the requirements of the business. It was alleged that he got work from his employees by creating a fear psychosis. He stressed on performance and people who did not perform well were sacked.

Murdoch employed people with originality and free spirit and chose editors who thought like him. However, it was reported that he was a control freak who laid down the parameters within which his employees were expected to operate. It was also alleged that he had an abusive tongue and his terrorizing nature resulted in nervous breakdowns and resignations of employees vulnerable.

Analysts attributed the success of Murdoch/s newspapers to the populist nature of their content when compared to other newspapers. However, the populist nature of the content attracted severe criticisms from some analysts especially, the content in his British tabloid-The Sun, which printed topless models.

Murdoch was alleged to be authoritative by nature. It was reported that in News Corp, power was not delegated to subordinates. Though News Corp, had traditional management structures such as line of authority, it was Murdoch who called the shots.



Analysts also pointed out that News Corp's HR systems were poor. They pointed out that News Corp, had very poor performance appraisal system with no annual reviews of staff performance and no process by which talented people could be promoted or moved within the organization. One of the senior associates at News Corp described Murdoch's management style as calculated terror.

### **Management style of Murdoch**

While some people viewed Murdoch with suspicion, fear and hatred, others praised him for Murdoch was good at identifying markets where were financially profitable. For instance, while News corps's competitors such as Walt Disney, Time Warner and Viacom were paying 27-32% tax rates, News Corp, paid only 5.7% tax rate in the 1990s as it had around 800 business units across 52 countries which include Bermuda, the British Virgin Islands, the Caymans and the Netherlands Antilles, which had low or no corporate tax.

his business acumen. Though he was a successful businessman, limited research was done on his management style because people regarded him as a snob who exercised all his power and influence. Some of the accusations against him were that he promoted down market news and created monopoly in media.

Analysts attributed Murdoch's success to his ability to learn from mistakes. They also pointed out that his knowledge about the interests of newspaper business helped him to achieve success. His logical mind and gut instincts enabled him to take risks in business.

Some analysts felt that Murdoch built his business empire by driving out competition. Murdoch called himself a catalyst for change and treated business like a war, which he wanted to win at any cost. His ever changing tactics frustrated and bewildered his competitors. He exercised control, which was subtle and according to his competitors he was a very smart person with a restless and buzzing mind. He acted fast unlike his competitors and had the ability to think creatively. His business strategy was to never let his friends or enemies know what he was doing. He was known as the Teflon man in the US.

According to Dr prince Eferé, there are different type of management styles.

According to Dr Prince, It is said that managers display one or more of the management styles. Below is an examination of some of the most commonly exhibited management styles.

### **Authoritarian Style**

Also referred to as coercive style of management, authoritarian managers would normally demand immediate compliance. Basically such managers are saying “ just do as a say”. In modern business organisations, this style of management cannot succeed, as it will ultimately cause staff de-motivation or possible rebellion and legal action for bullying. However, authoritarian management style may be suitable in crisis situations and in the military

### **Democratic Style**

As the name implies democratic managers seek to achieve their objectives by consensus and staff participation. These are managers who would seek

the opinion of their staff on serious issues. This creates the feeling of joint participation and responsibility among the staff.

It is said that such management style is likely to reduce staff rebellion. However, there may be problem areas if, for instance, the staff is against an important plan that management wants implemented. Nevertheless, this style of management is likely to facilitate effective

communication within the organisation, which in turn is likely to reduce rebellion.

### **Affiliative Style**

Closely related to the democratic style, affiliative style of management is intended to create unity and harmony in the organisation by seeking to build an emotional bond among staff. Such bonding is expected to create an atmosphere of friendliness, unity and love in the organisation, which in turn is seen as a motivator. It can also breed staff feeling that

they are all tied to the same destiny. While there is no doubt that it is a positive style, some may worry that being too close and friendly with the staff could cause problems relating

too much familiarity.

### **Authoritative Style**

Full of authority and influence, managers who display this type of management style can very easily mobilise people with a great deal of

enthusiasm and with clear objectives. These are very confident and charismatic managers who are basically saying “ come with me, trust me”. Some cynics might feel that such managers are too over confident and arrogant.

## **Coaching Style**

This is a management style where a manager focuses on training, guiding, counselling and staff personal development for the future growth of the organisation. This will be extremely useful for the improvement of staff performance and the future strength of both staff and the organisation. Properly trained staff will be much more confident and efficient on the job

## **Defensive Style**

This is a management style that is practiced by managers who always seek to find fault from the staff and gives the impression that he/she is correcting the fault. For example, such managers may always say words like:

“ That is wrong, you shouldn't be doing that”.

The problem is that such managers are always negative in their attitude towards the staff, finding faults and errors, but not their positive contributions. This sort of management style can be very de-motivating and demoralising. If such behaviour persists, the staff may also become defensive towards the manager.

## **Recommendations and conclusions**

No doubt Rupert Murdoch was a successful businessman but still he is known for harshness with employees. This attitude towards employees is harmful for organization. Employees need to be pampered all the time. Rupert Murdoch needs to change this attitude. Rupert Murdoch need encourage employees and their work should be appreciated. Employee's recognition surely lacking in Rupert Murdoch attitude.

Rupert Murdoch was an autocratic leader. This type of leadership is always bending to one sided conversation and no communication between the leader and the employees at all. Rupert Murdoch was a strict leader for employees which are a bad style of management for organization like News Corp where employees need to be exploited and with this style of management there is no chance to exploit employee's performance.

The idea that leaders encourages leadership and those who perceive opportunities that change would bring to the New Corp and at the same time their ability to win minds and the hearts of employees who are not aware still need to change. It is necessary for Rupert Murdoch to understand employees and talented employees in particular.

I agree with Crawford et al, organizational culture can influence how people ser personal and professional goals, perform tasks and administer resources to achieve them. Organizational culture affects the way in which people consciously and subconsciously thinks, make decisions and ultimately the way in which they perceive, feel and act.

Since individuals bring their personal values, attitudes and beliefs to the workplace, their levels of commitment to the organization may differ. Values, attitudes and beliefs are reflected in different national cultures. How personal values fit in with the existing organizational culture and the influence of national culture on personal values could be a major difference in the difference in how News Corp will manage that.

Organizational culture and better management style are important organizational antecedents of job satisfaction and commitment. If both of them managed effectively and efficiently , the organizational goals will be achieved