

Leadership research paper managing across the organization



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Introduction The business climate in today's global economy is ever-changing and more competitive than perhaps any time in the world's history. Companies now face a myriad of challenges that constantly are changing. The key to dealing with such change has remained constant, however; the most successful companies feature strong leadership and a driven, educated workforce. In this day and age, keeping strong leadership in place can be a tricky situation. Companies such as 3M and Chrysler have endured significant leadership changes and in the process encountered an entirely new set of challenges in the process.

The business simulation Managing Across the Organization focused on many of these situational struggles as well. Good Sport was a company that was on the cutting edge of their niche in sports equipment, yet they too endured leadership change as well as departmental resistance to new ideas and overcame these issues to remain a success. The user of the simulation, based on their decisions, moved up through the company rapidly, which in itself presented another challenge. The following analysis was conducted to examine the key concepts the simulation focused on that are shared by companies in today's landscape.

The companies reviewed range from Chrysler and Ben & Jerry's to Apple and Wal-Mart. The analysis will examine the challenges each company had, how leadership was affected or handled the situation, and the subsequent factors that were involved. The report will also compare and contrast the companies' situations to each other as well as identify the key concepts used for this analysis. Chrysler " Involvement only occurs en masse when employees identify with the overall culture of the company" (Goldsmith & Clutterbuck, <https://assignbuster.com/leadership-research-paper-managing-across-the-organization/>)

1985). Organizational culture is the shared assumptions, beliefs, and norms of a group.

A strong organizational culture often leads to a strong company with a closely knit employee base. Although today's business world dictates that management should strive toward developing a strong culture, an organizational culture that is too strong can create its own problems. Hence, there must be balance between an organization and its culture. "...failing to understand how culture works is just as dangerous in the organizational world as failing to understand gravity and the atmosphere is in the physical / biological world" (Schein, 1987). Mission and vision are the key components to creating a strong unified culture within an organization.

By implementing a new organizational strategy and creating a customer and team based culture, Bob Lutz, the president of Chrysler during the early 1990s, was able to keep Chrysler from imminent bankruptcy. Bob Lutz created a culture that revolved around innovation and customer satisfaction. During the final four years of Bob's cultural reformation, 4,600 new ideas were solicited from suppliers. Of the 4,600 suggested ideas, 60% were used, saving Chrysler over \$235 million (Zatz, 1994). He formed teams for every aspect of the company's projects. Each step in development was strategically planned prior to construction.

Each team communicated and understood its direction and goals. This focus saved the company from the high costs of unpredicted problems. Every employee was involved in every step or goal, which caused each person to take responsibility for the success or failure of these goals. Additionally,

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customers were brought to the company in order to provide input at every stage of each new design. Chrysler was determined to gain the satisfaction of its customers, which it succeeded in accomplishing. As a result of Bob Lutz's innovative overhaul, Chrysler's overhead was cut by \$4.

billion in less than four years, and its stock price quadrupled (Zatz, 1994). A strong organizational culture did not form overnight for Chrysler. It took many years and extensive planning coupled by a clear vision. Sadly, organizational culture can be destroyed more quickly than it can be built. After the Daimler-Benz acquisition of Chrysler, many of the company's cultural leaders either left the company voluntarily or were asked to leave. New management with clearly a different vision caused chaos for the company leading to low employee morale and company-wide financial problems.

The strength of the organizational culture of Chrysler today can not be compared to the strength it once had under the reign of Bob Lutz. Ben and Jerry's " Culture change is difficult and time consuming because " culture" is rooted in the collective history of an organization," (Symphony Orchestra Institute, 2005). Ben and Jerry's ice cream developers were inflicted with an understandable fear during the Unilever acquisition of the company. The employees of Ben and Jerry's were used to a relaxed and creative working environment and feared that being bought by a powerful and rigid corporation would put a damper on their comfort zone. Ben and Jerry's was established by Ben Cohen and Jerry Greenfield.

Both Ben and Jerry held a firm belief that organizational culture was an important factor in the success of their business. In fact, they held this belief so dear that they developed a three part mission statement. This three-part mission included a product mission, an economic mission, and a social mission. The previous owners build the company based on employee comfort and social responsibilities primarily. Ben and Jerry's did go through a cultural change under new ownership, but the CEO of Unilever maintained the mission values of the company.

At Ben & Jerry's, employees haven't lost the company's values of social consciousness and iconoclastic ways they worked so hard to build. Unilever valued not just Ben & Jerry's share of the gourmet ice cream market, but also its eccentric ambiance. As a result, Unilever allowed its acquisition to retain its distinctive identity, while the Vermont company worked to improve its focus on the bottom line (Kiger, 2005). Ben and Jerry's corporate culture is not as elastic as it once was but it still operates under a unique working structure. Unilever, also a unique corporation recognized the importance of a strong organizational culture. Unilever incorporated the much needed structural organization with the existent employee creativity.

As a result, Ben and Jerry's Ice Cream increased its global sales by 37%, tripled its operating margins, and expanded into 13 new countries within three years (Kiger, 2005). Another existing practice that Unilever enhanced is the charitable donations provided by Ben and Jerry's. Ben and Jerry built their company guided by the philosophy stating their need to " show a deep respect for human beings inside and outside our company and for the communities in which they live" (Ben & Jerry's, Inc. , 2008).

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The company gave 7.5% of its pre-taxed revenue to various causes, used green packaging and provided jobs in low income areas (Kiger, 2005).

Unilever continued supporting Ben and Jerry's social mission by donating \$1.1 million a year to charities selected by the employees (Kiger, 2005).

As a result of their acute business sense, Unilever's corporate chiefs were able to maintain the organizational culture of Ben and Jerry's and improve its organizational structure thus expanding the already thriving business while maintaining employee happiness. 3M- Paul Dhaliwal 3M is a company that has long prided itself on innovation and ingenuity. That innovation also for over 100 years came from within, as every CEO had started at another position in the company (www. businessweek. com).

Enter James McNerney, a leader that came from a different philosophy at GE and vowed to control 3M's volatile spending habits. At the time of McNerney's hiring, 3M's stock price was suffering due to several factors, among them a lack of efficiency and process evaluation that resulted in overspending and inflated budgets. Seeing a need for a change in process, McNerney instituted the Six Sigma processes cultivated at his time at GE and subsequently revitalized 3M's stock price (raising it 20% on his hiring alone) as well as the brand itself (www. businessweek.

com). In typical Six Sigma fashion, greater emphasis was also put on process improvements and tighter standards on these processes. This new management style also included the cutting of 11,000 jobs (www. businessweek. com). When he left approximately 4 years later to pursue another venture, the company realized a new problem; did the Company

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lose their ability to innovate and their culture at the expense of profit and process control? Prior to McNerney's arrival, 3M was a company where ideas and inspiration were the key factors to success.

Creators such as Art Fry, the inventor of the Post-It note, were encouraged to take time to develop pet projects (www.businessweek.com). Employees could go to the company to get funding for such projects, and the company culture celebrated the innovation while understanding that failure would happen on the way to these eventual victories. The respective production teams, advice teams, and project teams worked together to achieve results.

This team based structure was very healthy and offered a positive subculture as well. While McNerney's DMAIC philosophy (define measure, analyze, improve, control) improved some things the effect on innovation was negative, as with the process review came an emphasis on getting it right the first time (www.businessweek.com). This kind of thinking didn't allow for the continual refinement and revision of ideas like before, and the new ideas that once poured out of 3M (25% of business coming from a products introduced in the last 5 years) now were stagnant. When new CEO George Buckley arrived, he sought to reopen those channels that had been closed by his predecessor.

Spending was increased 20% in R&D (businessweek.com), and the employee culture was again encouraged to focus on problem solving team resolution techniques versus the stiffer Six Sigma policies that hurt 3M's creativity. As one employee stated, " We are allowed to dream again" (www.businessweek.com). The company has still retained some of the Six Sigma

philosophies they used during McNerney's reign, but have adjusted those to their own core values.

This situation reflected the struggle in conflict management that was prevalent in the simulation as well. The leadership changes at 3M could have destroyed them, but with a renewed strength at leadership, the future of the company looks bright. Indianapolis Colts The Indianapolis Colts have been a professional football franchise that has endured many bumps on the way to reaching the pinnacle of their respective profession. They did reach that goal last year, winning the Super Bowl over the Chicago Bears. The statement from fans and analysts around the league was that this team has finally won the big game. What no one really thought about was what it took in regards to the business structure of the Colts management team to get them to this place in history.

Team Owner Robert Irsay and President Bill Polian used effective management tactics to revive a once morbid franchise, leading them to their greatest glories as a franchise. The tactics included focusing on superordinate goals as well as management of emotional intelligence. It all focuses, however, on a head coaching change. In 2000 the Colts had a head coach by the name of Jim Mora. Mora was a coach that was widely respected in his profession yet was showing signs of lacking the emotional control that was needed to effectively lead his team that season.

The team went from back to back 10 win seasons to only 6 wins that year. Mora showed an inability to handle criticism from outside sources as well as from his own players. This boiled over when Mora exploded after a loss

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where the team played poorly and ripped the team in front of newspaper reporters. weeks after that, Mora broke down and sobbed during another conference following another loss, begging to keep his job. He was let go soon thereafter due to his lack of emotional control and the team replaced him with a mild mannered coach, Tony Dungy.

Dungy strayed away from the up-and-down Mora's emotionally based teaching methods and instead focused on a systematic, direct process that avoided the unclear direction Mora seemed to thrive on. His people-oriented approach to problem solving included constantly asking his other coaches about ideas and including players in on his decision processes. The culture was one in that the superordinate goals of winning their division, making the playoffs, and eventually winning the Super Bowl were the only goal for the team. The culture was reinforced to breed a positive work environment, where employees (players, coaches, and management) were able to balance the demands of the NFL with their personal priorities as well. While Dungy emphasized winning, he also emphasized winning ethically and playing the right way.

This situation has several ideas that mirror the simulation. Dungy went to a focus on emotional stability to better the team. In the simulation, Good Sport was in danger of losing founding members of their company to emotional instability. The emphasis on superordinate goals and a focus on only those affected the Colts, and also affected the members of Good Sport. They wanted to focus on their research and development of ideas, while the company goals demanded growth and fundraising.

In the end, Dungy's leadership became transformational as it changed the entire atmosphere of the team. The Goldman Sachs GroupThe Goldman Sachs Group saw a need to develop the skills and capabilities of their staff as well as emphasize life-long learning and continual improvement. Mark Tercek is a Goldman Sachs' employee and co-heads the Pine Street Initiative to help meet this need. He describes this initiative as, " the firm's leadership development effort focused on our managing directors" (Goldsmith 2007. P. 1). He goes on to discuss that this ensures that Goldman's will have quality leadership. The Pine Street initiative is the part of this company that strives to foster leadership within their employees. According to the Goldman Sachs website, the four criteria that define this initiative's focus are, " leaders teaching leaders, bias to action, strengthening client relationships, and aspirational" (The Goldman Sachs Group 2008.). Leaders Teaching Leaders focuses upon cooperative mentoring.

Senior members work with this initiative to meet goals within the organization. Bias to Action concerns itself with teaching through doing tasks or carrying responsibility. Strengthening Client Relationships seeks to allow clients access to Goldman's training model by inviting their management to join in Pine Street. Finally, Aspirational looks to the future needs of Goldman Sachs' by guiding those who will lead this company in the future. Tercek summarizes these features as ensuring that they " are doing everything we can to keep producing great leaders at our firm" (Goldsmith 2007.

P. 1.). Pine Street's emphasis on personal growth and development fits in with the idea of stretch goals presented by Steven Kerr and Steffen

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Landauer. A stretch goal presents a task without a readily understandable course of action.

This requires a person to approach an issue creatively. For Goldman Sachs, this manifests itself in the process by which leaders understand their own development. The two ways that Goldman Sachs focuses on this is by encouraging their leaders to make goals within their specific job description, and also to hold responsibility for tasks that broaden beyond departmental lines (Kerr, S. , & Landauer, S. 2004.).

In the simulation Managing the Organization, there is a point where the fitness company promotes the role-player to the vice President of the Production Department. In this position, he or she must address a senior manager that did not receive the promotion. The senior manager needs more experience. The Goldman Sachs Group exemplifies grooming future managers.

The senior manager could benefit from a program like the one Pine Street offers. The Ritz-Carlton Hotel Company In the simulation, the final task that it sets forth is a position of CEO and the accompanying struggles that come with it. There are quite a few problems that were left behind by the previous CEO. The previous CEO was very autocratic in his approach to managing Good Sport. Morale is low and quality has also suffered. The Ritz-Carlton hotel chain was in a similar position in the early 1990's.

The quality of the hotel during the later part of the 1980's and early part of the 1990's had fallen to a level where some of the individual hotels faced foreclosure. Howard Schulze was appointed to the position of Chief
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Operations Officer to help correct this situation (The Ritz-Carlton Company, 2001). He sought ways to turn Ritz-Carlton into a quality hotel chain. Schulze began by benchmarking other organizations that were awarded the Malcolm Baldrige National Quality Award.

The Malcolm Baldrige National Quality Award is a federal award bestowed yearly upon outstanding companies that display a high level of quality in their organizations and products. Schulze began to visit the prestigious companies and developed a means by which he could apply quality assurance principles at Ritz-Carlton. He worked with his upper management to come up with a credo and standard that would apply to every employee in the company (The Ritz Carlton Company, 2001). This became the cornerstone of the company and led to major improvements in service and customer satisfaction.

In 1992 and again in 1999, the Ritz-Carlton Hotel Company received Malcolm Baldrige National Quality Awards (National Institute of Standards Technology, 2008). They remain the only service oriented company to receive the award twice. The Ritz-Carlton Hotel Company's success with quality and customer service led them, in 2000, to establish The Ritz-Carlton Leadership Center. This is a facet of their organization that offers training and consulting to other companies that would like to learn from their business model. According to their website, " the services of The Ritz-Carlton Leadership Center are ideal if your organization is looking to create sustainable change, out-perform the competition and increase employee and customer loyalty" (The Ritz-Carlton Leadership Center, 2008).

Many companies have benefited from the advice and training they received from the classes and courses taught at this leadership center. Apple Steve Jobs has been inextricably linked with Apple Computers since he and his friend Steve Wozniak built the first personal computer in their garage in Cupertino, California in 1976. Jobs' personality, his competitive spirit and his innovative approach has defined Apple at several key points in its rise to power. Although Jobs was forced out of Apple in 1987, he is given much of the credit for bringing the once-failing company back to life when he took over as interim CEO in the fall of 1997 (Apple Inc. , 2008). I didn't see it then, but it turned out that getting fired from Apple was the best thing that could have ever happened to me.

The heaviness of being successful was replaced by the lightness of being a beginner again, less sure about everything. It freed me to enter one of the most creative periods of my life, Jobs said at Stanford University in 2005 (Kahney, 2006). Jobs was welcomed back in 1997 after his company NeXT and its NeXTSTEP operating system was purchased by Apple. Jobs took over as interim CEO after Gil Amelio was ousted by the Apple board of directors after overseeing a three year record low stock price and crippling financial losses (Apple Inc. , 2008). To this day Apple's corporate culture is characterized by an intense work ethic and casual dress code.

When Steve Jobs took over as interim CEO in the fall of 1997, he was known for walking around the Apple campus barefoot in cutoff shorts and a black shirt (Apple Inc. , 2008). Apple has always been seen as a rebel company in stark contrast to the IBMs of the world. With Jobs' return, the company reinvigorated its reputation for fostering individuality and excellence which <https://assignbuster.com/leadership-research-paper-managing-across-the-organization/>

draws and retains talented employees. One way Apple recognizes their best employees is through the Apple Fellows Program. The program recognizes extraordinary technical or leadership contributions to personal computing (Apple Inc.

2008). This is a management tool similar to the Good Sport simulation. In that simulation, the manager needed to choose ways to recognize employee accomplishments. The Apple Fellows program is a way to recognize leaders which in turn breeds healthy competition. By competing for this prize, Apple invigorates the innovative spirit. The Apple corporate culture breeds extraordinary brand loyalty.

According to surveys by J. D. Power, Apple has the highest brand and repurchase loyalty of any computer manufacturer (Apple Inc. , 2008). A bit like Willy Wonka and his beloved chocolate factory, Jobs and Apple take the secrecy of their new products very seriously. When the iPhone was introduced in January of 2007, it was rumored that Apple managers in attendance were also seeing the iPhone for the first time.

Apple employees and business partners know that they will be dismissed and possibly prosecuted for leaking company secrets (Lewis, 2007) (Markoff, 2007) A corporate culture modeled after a charismatic CEO has been a long-term recipe for success at Apple Inc. As Jobs said when he introduced the iPhone in January of 2007, “ Every once in a while a revolutionary product comes along that changes everything. It’s very fortunate if you can work on just one of these in your career. Apple’s been very fortunate in that it’s introduced a few of these” (Steve Jobs, 2008).

Walmart - In February of last year, a San Francisco panel of three federal judges upheld a 2004 lower court decision in favor of allowing a class action lawsuit against Wal-Mart, the nation's largest retailer. The suit could include as many as 1. million current and former Wal-Mart employees in a massive gender discrimination suit (NUPGE, 2007). Wal-Mart denies the allegations and is taking steps to have the decision overturned. The complaint names seven current and former employees of Wal-Mart and its Sam's Club stores in California.

The class action is looking beyond the specific cases and asking any female Wal-Mart employee who feels they have been discriminated against since 1998 to come forward and be included in the suit. The suit alleges Wal-Mart created a system that frequently pays its female workers less than their male counterparts for comparable jobs and bypasses women for key promotions (Freedman, 2003). According to statistics commissioned by the plaintiffs in 2001, Wal-Mart paid men more than women on average in every job category and the higher the job, the greater the difference (Solman, 2004). Wal-Mart spokeswoman Mona Williams says the company's expert ran the same payroll data and came up with different results. Arguing against the class action lawsuit, Williams states Wal-Mart is a decentralized company and that store managers have discretion in hiring and promotions. With 3,000 stores across the U.

S. there may be occasional errors in judgment. " We still have some work to do there," said Williams, referring to the percentage of women in

management. " But we're putting our money where our mouth is. For

example, we're ensuring that we promote women at the same rate that they
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apply for jobs, or even better” (Solman, 2004). Internally, Wal-Mart is going to great lengths to change the negative corporate culture that contributed to this lawsuit being filed.

“ We’ve got to make sure that Wal-Mart is a great place to work for everyone,” said Wal-Mart president and CEO Lee Scott in 2003. We have to make sure that everyone is treated fairly and that everyone is given equal access to pay and promotion” (Troy, 2003). Again this year at the annual kick-off meeting, Wal-Mart CEO Scott focused on the positive societal impact his company continues to demonstrate. Scott pledged that the company would take action on energy efficiency, ethical sourcing and affordable health care (Anonymous, 2008). If the case is allowed to go forward, the sexual discrimination class action lawsuit against Wal-Mart would be the largest private civil rights case in history. If Wal-Mart were to lose, the penalty could be in the billions of dollars in compensatory and punitive damages (Freedman, 2003) Starbucks Starbucks has been suffering from decreasing sales and the stock price dropping significantly.

“ Starbucks reported a decline in transactions per store for the quarter ending Sept. 30. By January, Starbucks’ share price was in the \$18 range, its lowest level in more than three years. ” (York, 35) Because of the decline in sales and the drop in share prices, the board of Starbucks asked former CEO, Howard Schultz, to take over again as CEO. To help increase sales and stock prices, Schultz has been making changes to the senior management team.

Harry Roberts is returning from retirement as senior VP-chief creative officer. Terry Davenport was promoted to senior VP-marketing. And Michelle Gass

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was promoted to senior VP-global strategy. (York, pg 35) Schultz plans “ to new store openings in the U.

S. while investing overseas and focusing on ‘ reigniting’ the connection with consumers through new products and better store design. (Helm, McGregor & Hindo, pg 28) He is also planning on closing locations that are struggling and streamline bureaucracy. One thing that has affected the decline in customers is the quality of customer service.

“ With nearly seven new Starbucks opening every day worldwide, there’s been a serious strain on employee training, and the customer service that allowed the coffee house to charge premium prices for its drinks suffered noticeably. ” (Kirby, pg 56) Another thing that has affected the decline in customers is the competition from other stores. Cheaper prices at places like Dunkin’ Donuts and McDonald’s has driven customers towards them and away from the higher priced coffee of Starbucks. In order to gain an increase in customers and sales, “ Mr. Shultz will need to make Starbucks special again.

” (Starbucks runs into trouble) Schultz’s plan to help make Starbucks special again is by slowing down the expansion in America, close unproductive stores, expand overseas, improve the customers’ experience and streamline management. Southwest Airlines Southwest Airlines has been focusing on retaining employees and promoting from within. We have a modest 4. 6 percent turnover rate. However, we recently recognized that we were losing a majority of our employees in their first year of employment.

” (Bryant, pg 36) To help retain my first year employees, Southwest Airlines reorganized how they orientated their new employees. New employees were able to do an online orientation that showed them what Southwest Airlines is all about including a message from leaders, information about benefits and an interactive history lesson. Employee volunteers were there to welcome the new employees and offer assistance. And “ A senior leader attends every class to welcome our new employees and to discuss the importance of living the Southwest Way. ” (Bryant, pg 36) Scarce resources often tend to deplete the working force. “ With the changing demographics of the American work force, the scarce resources today are knowledge, entrepreneurship (an element of risk), and more generally human capital.

(Nowicki & Summers, pg 118) The decline in first year employees, the scarce resource of human capital, and the revamping of the orientation of new employees leads to the leadership Southwest Airlines currently has. At Southwest, it is our responsibility to ensure that our leaders have the tools and skills to lead effectively. ” (Bryant, pg 36) Aviation and the customer service industries are forever changing. In order for Southwest Airlines to be at the top of their game, the airline company must change with the change. “ A persistent focus on developing strong leadership is critical to our continued success. Because of our unique culture, we want to make sure that learning is as enjoyable as every other aspect of working at Southwest.

(Bryant, pg 38) Southwest has a University for People which offers university-style curriculum to the ongoing and progressive learning of its employees.

This falls into the priorities set by Southwest Airlines when it first started. “

From the beginning, Southwest Airlines set these priorities: employees first, <https://assignbuster.com/leadership-research-paper-managing-across-the-organization/>

customers second, and shareholders third. ” (Nowicki & Summers, pg120) By putting their employees first, they can achieve excellent customer service which ties into the second priority, customers.

Team Analysis The key to successful leadership today is influence, not authority” (Blanchard, n. d.). In the past, corporations were run by managers exercising their authority; however, management trends in the corporate environment have changed dramatically.

Leadership is the key to a successful business today. Leadership is defined as “ the art of motivating a group of people to act towards achieving a common goal” (Ward, 2008, para 1). Although there are too many styles of leadership to discuss, experts have narrowed the styles down to ten defined styles. These styles are autocratic leadership, bureaucratic leadership, charismatic leadership, democratic leadership or participative leadership, laissez-faire leadership, people-oriented leadership or relations-oriented leadership, servant leadership, task-oriented leadership, transactional leadership, and transformational leadership (n.

a. , 2008, para 3). Autocratic leadership is an extreme form of leadership. This style of leadership allows no room for employee suggestions.

The manager has the only say in jobs operations, and employees follow without question. Although Autocratic leadership may be a necessity in certain situations, it has a tendency to affect individual employees negatively. This type of leadership leads to high employee turnover and absenteeism. Another type of leadership that provides a low level of employee input is bureaucratic leadership.

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Bureaucratic leaders follow the rules to the letter. Ethical behavior is high when there are no grey areas, and employee safety is most often the primary focus. Charismatic leadership requires a strong, long term leader. The charismatic leader is highly motivating, and employees are energetic followers. A charismatic leader is not entirely team focused since he has more belief in himself than others, but the job will get done. Individuals follow this leader enthusiastically, but the project may fail in the absence of the leader.

On a more individually participatory level, the democratic leader retains the license to make the final decision, but the final decision is formed by contributions from her team. Team members are encouraged to participate in the decision-making process. Democratic leadership empowers individuals and motivates them to perform to their best ability. Opposing the other forms of previously mentioned leadership styles, individuals privy to functioning under a democratic leadership strive for success driven by personal gratification rather than for monetary reasons.

Similar to democratic leadership, laissez-faire leadership allows individuals to function by themselves. There is no micromanagement in this style of leadership. Managers communicate thoroughly and often with employees, and employees are left alone to complete their tasks. Occasionally, this style of leadership can lead to problems with the project, but under normal conditions, employees gain a sense of pride in completing a successful project. Managers often use people-oriented and task oriented leadership styles congruently.

People oriented leadership involves a high level of participation from managers organizing, supporting, and covering the people, while task orientation involves managements organization, involvement, and monitoring of tasks. People oriented leadership and task oriented leadership are often used together in order to be more effective. Using one of these styles of leadership without the other can lead to project failure similarly to autocratic leadership. People orientated leadership focuses too much effort on the people and neglects the task, while task oriented leaders become engulfed by the project and fail to recognize the efforts of employees. Under these conditions as separate styles, individuals respond negatively and feel either neglected or incompetent.

Together, people oriented and task oriented leadership provide a fluent working environment where employees are organized and assigned appropriate tasks leading to a successfully completed project. Servant leadership is often formed by proxy. The leader is basically followed because his team members believe in him or because he has the skills necessary to complete the tasks. Individuals often follow the servant leader based on his values and ideals as well.

Although the servant leader is often appointed by the team, this style of leadership can be overlooked in a more competitive leadership setting. Transactional leadership is just as its name implies. The leader is appointed through a transaction with the company. The leader is paid to complete a specific task and is generally rewarded for a timely completion of the project. The employees have very little say in transactional leadership.

Like autocratic leadership, transactional leadership consists of a leader who is responsible for organizing and leading the project and employees with the authority to punish employees. Individuals react poorly to this style of leadership as well. Finally, a “ transformational leader is a true leader who inspires his or her team constantly with a shared vision of the future” (Ward, 2008, para 13). A transformational leader leads amongst the team. Communication and enthusiasm is essential. Delegation gives individuals a feeling of empowerment.

Like the coupling of task oriented and people oriented leadership, transformational leadership is often coupled by transactional leadership. Transactional leaders focus on the project while transformational leaders focus on project value adding. Individuals respond to transformational leadership highly. Employees appreciate empowerment and enthusiasm and will perform at exceptional levels under this style of leadership. Comparison of management styles Each company has a specific leadership style.

In some companies, change in leadership is needed in order for the company to progress and grow. At Apple Inc. , Steve Jobs replaced the CEO due to the recent decline in Apple’s stock price and financial losses. Jobs helped reinvigorate the individuality and excellence of Apple’s current and new talented employees. Ben & Jerry’s was bought by another company, Unilever.

The employees of Ben & Jerry’s were nervous about this new acquisition. Fortunately for them, Unilever allowed Ben & Jerry’s to retain its distinctive identity and still operate pretty much the way it operated before the

acquisition happened. Strong leadership in Bob Lutz, president of Chrysler during the early 1990s, is what saved Chrysler from going bankrupt. He formed teams that covered every aspect of the projects that were being worked on at Chrysler. The members of the teams worked together as well as with customers to reach company goals and save the company money.

Reaching the goals set by Lutz, Chrysler was able to cut overhead and the stock prices rose significantly. At 3M, James McNerney was hired to take over as CEO. He wanted to control spending habits. Stock prices were down due to the lack of efficiency and process evaluation. McNerney introduced 3M to Six Sigma, which revitalized 3M's stock price. This led to the loss of 11,000 jobs and innovation declined.

With the introduction to a new CEO, George Buckley, channels reopened and creativity was reestablished for 3M and its employees. The Indianapolis Colts also went through leadership changes to win the Super Bowl in 2007. The Colts team owner, Robert Isray, and president, Bill Polian, wanted a change for their team. In 2000, they hire a new head coach, Jim Mora.

Mora lacked emotional control, which led the Colts from back to back 10 win seasons to a 6 win season. Due to his unstable emotional control, Mora was replaced with a more mild mannered head coach, Tony Dungy. Under Dungy, the Colts improved to winning their division, making the playoffs, and eventually winning the Super Bowl. The leadership of the Goldman Sachs Group decided they needed to focus on developing the skills and capabilities of their staff. One way the Goldman Sachs Group went about this was an initiative known as the Pine Street Initiative.

This initiative is supposed to improve and develop the leadership of their managing directors. The leaders of the Goldman Sachs Group were also encouraged to set goals specific to their positions and to hold responsibility for tasks that broaden beyond departmental lines. The Ritz-Carlton Hotel Company also went through changes in leadership. Howard Schulze was appointed to the position of Chief Operations Officer. He helped upper management create a credo that applied to all employees that would help improve service and customer satisfaction.

Southwest Airlines had seen a decrease in first year employees. Because of the outstanding leadership already in place, the leaders revamped the new employee orientation to retain those employees. Classes were also offered to improve leadership qualities in current employees so that the employees can progress within the company. Starbucks was facing a decline in customer transactions and decreasing stock prices.

Howard Schultz was brought back as CEO to help the struggling company. He decided that it was wise to slow to the construction of new stores, close struggling stores, and regain customers through new products and store designs. In order to do this he rearranged his upper management by bringing back a retired employee and promoting other employees. Wal-Mart is in trouble due to a class action lawsuit against them based on gender discrimination.

Female current and former employees in California said that they were discriminated against by being passed up for promotions and lower salaries versus male employees who were getting the promotions and the higher

salaries. Wal-Mart is decentralizing and trying to eliminate gender discriminations for promotions and salary. Contrasting Responses to Conflict There are six major causes of conflict in an organization. They are ambiguous rules, communication problems, incompatible goals, different values and beliefs, task interdependence, and scarce resources (McShane, 2005). Many companies have experienced conflicts due to these causes of conflict.

When approaching an issue, it is helpful to examine how two reactions are similar, but there is also valuable information in differing reactions. An examination of how companies approach communication problems, incompatible goals, different values and beliefs, and scarce resources can lead to important information. The Goldman Sachs Group, the Indianapolis Colts, and The Ritz-Carlton Hotel Company are all very large organizations with different organizational structures. Their differences enable them to respond to difficulties in communication differently. The football team experienced difficulties when the head coach was no longer able to handle managing the team. The response for the Colts was to replace the head coach in order to redirect the entire organization.

Replacing the executive management at Ritz-Carlton would not solve the same problem. Ritz-Carlton's customer service suffered for many years. In order to fix this problem, the company adopted a credo and set of standards that every employee in the organization used on a daily basis. The Goldman Sachs Group has many influential clients and manages billions of dollars in assets. In order to avoid communication problems and to strengthen their relationship with clients, Goldman Sachs instituted a leadership-training <https://assignbuster.com/leadership-research-paper-managing-across-the-organization/>

program. The company sends their own management and also invites their clients to send people to be trained.

This creates a setting where those trained carry a consistent understanding about the entire company. The 3m Company and Chrysler faced times in their companies where company goals did not align with operations. At 3m, the company placed a high emphasis on innovation. This allowed employees the ability to focus on projects. Then, a new CEO instilled a goal to reduce expenses. This resulted in innovation receiving a secondary importance to cost savings and standards.

Innovation was not reintroduced in a prime position until 3m appointed a new CEO, George Buckley. Chrysler became a new company under the leadership of Bob Lutz in the early 1990's. He placed a focus on customers and on project teams. This new change rethought the entire organization. Chrysler returned to a successful corporation under his leadership. Currently, the new management has left Lutz's priorities behind.

They have other goals and the change is noticeable. The company must now face low employee morale and financial problems. Ben and Jerry's, Apple and Wal-Mart have all had to deal with the tension resulting from different values and beliefs. Ben and Jerry's highly valued social responsibility and respect for human beings. Unilever, a larger company, bought the ice cream company and this presented both companies with a conflict. The two had different values.

In order to meld, each company had to compromise. Today, Ben and Jerry's has a more structured management and Unilever has expressed feelings of <https://assignbuster.com/leadership-research-paper-managing-across-the-organization/>

social responsibility and respect. Wal-Mart's management had different intentions from the workforce. The company is named in a class-action lawsuit for gender discrimination. The suit alleges that Wal-Mart promoted men over equally qualified women and paid men more in every position in the company.

The company is working on improving its corporate image, but this case will be difficult for Wal-Mart to distance itself from. Apple removed their CEO, Steve Jobs, in 1987. The company went a different way than he planned it to go. One decade later, the company needed a new CEO.

The company had posted three years of low stock price. When Jobs returned to the company, he began to reshape the values. He pushed Apple to be different from the typical computer company. This began the first day that he returned as CEO.

This change can be seen today by comparing Apple to competitors like Microsoft, Dell, and Gateway. Southwest Airlines and Starbucks are currently both experiencing problems with scarce resources. They are both struggling with the resources their employees bring to work daily. Southwest is experiencing employee turnover in the first year of employment. Starbucks has expanded rapidly, but their customer service and employee training are not at the levels they used to be.

Employee resources are as important as a financial surplus or desirable product. Southwest responded to this by offering ongoing and progressive learning opportunities in an online university setting. They are also stressing the role of senior leaders. Starbucks has not addressed their employee

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problems yet, because the company is restructuring and reshaping their understanding of how they are operating as a business.

Endgame review for Team A There were many opportunities for the aforementioned companies and their efforts had various results, but most were positive. Goldman Sachs identified a need to develop the skills and capabilities of their staff. By introducing the Pine Street Initiative, Goldman created a tool to foster and ensure quality leadership into the future. The Initiative's training focuses on four criteria that are in step with Goldman Sachs' overall goals. Facing declining business, low morale and possible foreclosures, the Ritz Carlton looked to newly appointed COO Howard Schulze to turn things around. Schulze focused on companies who won the prestigious Malcolm Baldrige National Quality Award.

By focusing on the practices of these companies, Schulze felt he could make drastic improvements in Ritz Carlton's customer service and satisfaction. Ritz Carlton won this -award in 1992 and 1999, the only service-oriented company to win the award twice. Ben and Jerry's Ice Cream had a strong and unique corporate culture that equated to the company's success. Many feared this culture would be squashed after the acquisition by Unilever.

Taking its cue from the employees, Unilever wisely kept the main components of B corporate culture - social consciousness and iconoclastic ways. While admittedly, not exactly the same as when Ben Cohen and Jerry Greenfield ran the place, the essential components remained. Ultimately, the company posted impressive increases after the acquisition. The ice cream giant's global sales increased by 37%, operating margins tripled, and

products were offered in 13 new countries. At the same time, the social awareness of the company continued with donations, green packaging and charitable giving to organizations chosen by the work force.

By creating a customer and team-based organizational culture, Chrysler president Bob Lutz was not only able to stave off bankruptcy for the troubled corporation in the 1990s, but also develop some of the more innovative ideas in the automotive industry. The corporate culture that was created made the employees feel empowered. This also provided customers a chance to weigh in on the design of new vehicles. Lutz's innovative overhaul cut Chrysler's overhead by \$4. billion in less than four years and quadrupled their stock price. Unfortunately, after the Daimler-Benz acquisition of Chrysler, these positive indicators quickly dissolved.

Many of the company's cultural leaders either left or were forced out. The result was low employee morale and continuing financial problems. 3M has a long history of innovation and ingenuity in their product lines. CEO James McNerney was hired to control the company's volatile spending habits.

McNerney implemented the Six Sigma processes that were cultivated in his time with GE. This effort had several significant results. 3M's stock price rose and 11, 000 jobs were cut. When McNerney left 3M four years later, the company was worried that their ability to innovate may have been cut along with positions and budgets. When new CEO George Buckley arrived, he sought to reinvigorate the innovative spirit that 3M was famous for.

Spending was increased 20% in R and the employee culture was again

encouraged to focus on problem solving team resolution techniques. The <https://assignbuster.com/leadership-research-paper-managing-across-the-organization/>

owner and team president of the Indianapolis Colts knew they have to make some major changes in the management of the team to turn the franchise around. In 2000, Colts coach Jim Mora was replaced with Tony Dungy.

Though Mora was a respected coach, the performance of the team and Mora's actions in front of the media became intolerable. Dungy brought a more even-tempered management style which was a welcome relief. Dungy brought a systematic, direct process of coaching that avoided the unclear direction Mora maintained.

Dungy was people-oriented in his problem solving techniques. He would include fellow coaches and even players in his decision making process. In the end, his team focused on the prize like a laser beam - winning the Superbowl title in 2006. Steve Jobs' was forced out of Apple Computers Inc. in 1987 as the company just burst onto the national scene.

Jobs' vision for Apple didn't mesh with the executive management at that time. In his absence, the company foundered under increasing pressure from Microsoft. When Jobs returned in 1997, Apple realized the corporate culture that led to its initial successes was defined by Jobs. His power of persuasion eventually leads to success.

His example of innovation and creativity is the winning formula that has propelled Apple Inc. to the successful corporation that it is today. Wal-Mart could pay out billions of dollars in the largest class-action gender discrimination case in history. While this case makes its way through the court system, Wal-Mart's Chief Executive Lee Scott is taking a "top-down" approach to diversity in its workforce. He is changing the corporate culture

by openly discussing the importance of equality in hiring and promotion issues. By taking a proactive stance, Wal-Mart is positioning itself as a leader in gender equality issues and hopefully changing the corporate culture where discrimination existed in the past.

Although not being said openly, these efforts may go a long way toward limiting the amount of money paid out to the litigants in the case. The coffee giant Starbucks was in some hot water. Stock prices were at an all time low and sales were seriously slumping. Starbucks initiated a shuffling of the deck of their executive management. Former Starbucks CEO Howard Schulz has agreed to return and is turning up the heat on the specialty coffee conglomerate. He has made significant changes in upper management and is focusing on making Starbucks the special place it once was with its core audience.

Schulz says he will close under-performing stores, continue opening new ones in foreign countries and redesign existing ones. Schulz says Starbucks is feeling the pressure from McDonald's and Dunkin Donuts who sell specialty coffee at significantly lower prices. Schulz needs to make Starbucks worth the extra money by streamlining processes, improving customer services and introducing new products. Southwest Airlines noticed that although they have a modest employee turnover rate, most of those leaving do so in their first year of employment. Southwest Airlines decided to create a new employee orientation program that helped bring new hires up to speed faster and enhance the experience as they enter the work force.

Southwest feels programs like this also help employees grow into leadership positions. It has been said that, "Involvement only occurs en masse when employees identify with the overall culture of the company" (Goldsmith & Clutterbuck, 1985). This has been a theme constant through most of the companies researched. In several situations when companies deemphasized transformational leadership and instead implemented transactional leadership policies, which further hurt those employees. The importance of understanding and executing positive conflict management techniques such as problem solving and team solution concepts cannot be understated in relation to their importance to the long term health of a corporation.

The future for these companies as well as many others will depend on their continued ability to adapt and achieve in these turbulent business conditions. References Anonymous, (2008, January 23). Wal-Mart expands leadership on energy efficiency, ethical sourcing and health care. Retrieved February 16, 2008, from <http://www.walmartfacts.com/articles/5623.aspx>

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