

Rudi gassner and the executive committee essay



**ASSIGN
BUSTER**

Pros-Rudi used to do this time to time and his strategy was successful, he was sure “ that he knows the best what’s good for us (the company)” (pg. 2).

-Timing of the events is important- if in March Managing Directors

Convention all RD and MB have agreed on targets to be reached and therefore bonuses gained in the end period but soon after that In May cost cutting event took place. Would Rudi push re-budgeting Issue up for reconsideration If production prices would be redacted later in the year? My guess is - No.

But when new budget discussions took place took place this important aspect of possible cost cutting was kept silent therefore the budget approved was inappropriate.

As Rudi Joked that “ I am also naive; you must be overballing your plans every time, because you have never missed them”. -After In year 1993 receiving huge bonuses for even not over performing targets but just because of cost reduction next year would be more difficult to accomplish targets and satisfaction of even achieving them in financial aspect would seem insufficient therefore lowering motivation for high performance.

Rudi wanted to guard company becoming a victim of its own success. Cons- As It might look that situation is exceptional, but the fact is that no changes took place in budget when other also might be significant changes took place, such as loss of a project or client therefore turning circumstances negative towards RD and MD, that’s why situation might seem unfair to ECM. -Budget was agreed when RD and MD participated while now just RD takes

part in meeting where Rudi try to push through his decision. It is easier for him to dictate 9 people than all Managing Directors Convention.

y changing rules according to what's gainful. He himself even wondered if he should drop the issue for now or provoke them (RD) (pg 2). Therefore he has his doubts should he do it or not. If Rudi would drop the issue because financial gains for the company might not ounterbalance the damage in trust, respect toward its leader Gassner and decreased morale of company due to incomprehension. While Rudi is a talent on influencing people this time he could Just go on his right to make people do what he said.

If he would insist on changing budget it would seem that he is counting the money is their pockets. Another option for Rudi is this time to agree with the ECM consisting of 9 successful executives on not changing the budget because of CE RD Arnold Bahlmann personal success in negation process of production price reduction, because other times no hanges took place when circumstances worked against, such as lost project, lost client, fluctuations in exchange rates and transfer pricing.

Even though the issue really concerns only European division also Spanish/ Latin America RM agreed that it doesn't seem fair (pgl 40)Pros-Rudi should consider that he might be wrong or overreacting and this time ECM was right. Admitting his mistake he would turn more Into human than perfect one. Even when circumstances turned unexpectedly Rudi Gassner keeps the word that he has agreed to. That's the good reputation he could gain.

He could gain additional feeling of being fair towards his employees and change some of his subordinates mind about him being too authoritative.

<https://assignbuster.com/rudi-gassner-and-the-executive-committee-essay/>

Rudi needs to consider that he leads already successful people. Management team and not a bunch of just start ups and part of their success was also team job. Cons-RG management a style was successful and led BMG towards success; therefore he has the rights to practice the same management style in the future and this case also.

-Situation took place because not all the information was shared during planning process and to cut this practice in its cores Rudi should insist of changing budget in order not to allow situations like that in the future. Company is losing a fair amount of money what will be paid in bonuses; even they are not for performance but just conjuncture. 2. How effective is the executive committee and how does Gassner's influence style affect the committee? Rudi Gassner is a dual leader. On the one hand he declares made.

This blend could have happened because of Rudi's previous employment's management strategies at PolyGram International for 17 years where employees

are expected to "stand by your beds when the senior management comes in" (3) and ECM committee is performing less productive as it could and should, because its main purpose seems to be affirmation to what Rudi already had decided even he insisted on discussion and opposition or just passing the information to RM. Rudi declared that he always wanted to run a business on the basis of European board system that the committee decides the business issues together and he was disappointed of results of

committee. According to Gassner " I thought that there would be more influence on strategic issues.

I had hoped that they would contribute to problems which went beyond their ultimate responsibility" (pg12) and Rudi accepts strong dissenting opinions (pg9), while on the other hand one of RD noted that " Rudi usually does not allow influence people who are not speaking directly about the areas for which they are responsible" (pg1).

While some of RD say that Rudi is always open-minded and they can discuss things with him being like in partnership (pg 10) a marketing director Henn says that he is not a tyrant, no, he is a dictator (pg1); and Jameson: " debates in the ECM are very rare.

I have never had an informal brainstorming session, agenda less discussion with him. " The atmosphere and results in ECM due to Rudi's authoritative management style was less productive as it could and should be taking into account that 9 brilliant executives were its members. No fresh ideas are allowed if they do not fall with Rudi ' s.

It is like Henry Ford said: all colors are good for cars as long as they are black,- all ideas are good and welcomed as far they are Rudi's. He had an ability to influence people and make them think Rudi ' s ideas has his/hers, but in reality he was just playing roles pretending to be democratic leader.

ECM was quite formal and useful resources (ideas, opinions, knowledge) was wasted due to Rudi ' s authoritative management style. 3. Should the business targets be adjusted and why or why not? Rudi Gassner's main task is

to increase shareholders value as he was doing it for years and even more because of market saturation and mature industry money should be counted in more precise manner; therefore he should discuss the issue till core, but not “ Just because said so” and gain an agreement on changing the business targets and therefore bonus basis.

is situation is equipollent, from one side great profits for company and therefore great bonuses for employees will be earned, but form other the circumstances was unclear why this information about possible production price reduction was not shared during annual budgeting negotiation process. As he explained “ it seemed fair to me. Therese was windfall profits coming to the MD and they didn't even have to lift finger to get them. I didn't want them to become complacent during the year”. case the bonus Just falls from heaven.