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Business, Company

Introduction

Global business environment is placing more and more pressure on the organizational ability to address diversity in the company. The reality shows that cultural, racial and social diversity along with geographical disperse of the companies creates new and, yet, not fully explored field in Human Resource Management (HRM), Leadership and Management studies. Modern considerations on the selection and recruitment processes that call for specific cross-cultural management capabilities outline the direction in which leadership and management practices have been and will continue to evolve in the near future (Sims, 2007). Team work and leadership practices in this field are one of the essential fields that are discussed in view of global management issue. One of the interesting arguments that should precede this discussion is the fact that leadership and management are two parallel, but distinct concepts and, often, effective organizations are built from competent managers and great leaders, which are not necessarily the qualities of one person. The challenge, however, is to be able to comprise both of these concepts to bring a company to sustainable development (Terrel and Lindsey, 2009). Kotter (2001) argues that a lot of companies in modern business environment are over managed and under led, which results in their inefficiency. The case of Chuck MacKinnon to some extend reflects on this issue and the purpose of this document is to analyze the case study in the context of leadership and management issues.

The Case Study on Chuck´s Dilemma question the essence of the leadership style this individual adapted in his role as the Managing Director of Corporate Financing division at the Merchant Bank of Canada (MBC). His immediate

challenge is to implement the new strategy in a very resistant internal environment and conflicting expectation of his direct manager, Eldon Frost and the company´s Executive Vice President Margaret Mattson. Chuck assumes the position as a decision to " run away" from the challenges of his previous role in Saudi Arabia as a Branch Manager. The author illustrates the leadership and management capabilities through a brief overview of the career development and decisions behind it as well as interpersonal relationships with the colleagues that Chuck develops in his latest role. The focus of the case is to analyze the team dynamics and the role of leadership in building on diversity and individual capabilities, while swimming through turbulent waters of conflict management, emotional intelligence and performance strategies. The reality of the case demonstrates that Chuck struggles with building effective and productive team due to his personal failure to manage communication process and address relationship issues in a manner that would be deemed appropriate for a given context. The apogee of the case is the third year performance appraisal, where Chuck´s performance is evaluated as " quality contributor", as opposed to the previous year´s " exceptional performer". The challenges, related to team leadership and management make Chuck consider another career shift as a way to find a solution as his management style is not suitable for the role.

The Essence of Chuck´s Dilemma

The essence of the dilemma, which Chuck MacKinnon faced in his new role, is the relationships and balance between management and leadership capabilities. The reality shows that the team leadership and project management, such as implementation of a new strategy call for

functionality, expected from the management team weighted against leadership. Management style is a static element and individuals dealing with diverse teams should be able to prioritize the needs of his employees against his wish to focus on meeting own objectives through individual silo performance of the team members. The complexity of the situation is explained by two critical issues: absence of open and transparent communication system and strategy that resulted in silo thinking and conflict of interests among the team members. Chuck´s dilemma went through the process of evolution, where he correctly identified the issue and further shifted to internal politics aimed to create required buy-in from his team members and manage the expectations of the direct managers, Eldon and Margaret.

Positive Changes and Strength of Chuck´s Leadership

As it was mentioned before, Chuck has very good long-term vision capability and his experience allow him effectively identifying the issues in the team. Professional decisions and actions taken by him at the beginning of this development in the role of the Managing Director illustrate the following strengths:

- Understanding of the role of communication and importance of diversity in cross cultural and geographically disperse team;

- Strong management capabilities in functional aspects of the role, such as strategic analysis.

- Decisiveness, confidence and commitment along with the belief in the idea, critical for the leaders.

- Good interpersonal relationship skills, evident from a strong reputation and

solid professional relationship, developed horizontally and vertically in the organization.

While it is evident that overall performance of MacKinnon in the position was not satisfactory, the above personality traits helped Chuck make a significant contribution to the company and bring positive change.

Strategic Options

Until the moment, Chuck MacKinnon was trying to revert the situation in the company through engagement management and team building. The situation, however, outlines serious issues in individual performance that is driven by internal conflicts. These conflict were never properly addressed by the Managing Director and, thus, continue to create strong politics and sub-grouping within the team, preventing from effective performance. Email correspondence between Dale and Glen, as an example, illustrates the fact that there is a lack of clarity in regards to team and project hierarchy and the discussion takes place behind Chuck´s back and beyond his knowledge. Nemiro (2001) suggests that there are three approached to team management and dynamics: wheel, modular and iterative. Under wheel approach the group operates with a clear hierarchy, where permanent leader drives final decisions and takes on the responsibilities of task delegation. Chuck should be able to apply this approach at this stage to take better control of internal group dynamics and further shift to the modular approach, where team members have a higher degree of independence and Chuck´s role will be more facilitating, rather than controlling. This would allow developing feeling of responsibility and personal contribution to the new strategy implementation and avoid the resistance, evidenced at this stage.

Root-cause Analysis (Path Goal)

Path Goal Analysis allows a leader select specific behavior that is most appropriate for individual needs of his direct reports. Given the diversity of personalities and cultural background in the group, this approach could be very beneficial for Chuck to increase efficiency and effectiveness of his team.

First step for Chuck would be to determine specific leadership, learning styles and emotional management skills within his team, which, according to the case, Chuck has successfully done over the course of the year. Secondly, it is critical to understand the issues, associated with the external environment, which includes the challenges of virtual working environment and the influence of geographical disperse on the group dynamics. The actions, performed by Chuck in regards to technological awareness and training made a certain contribution to the improvement of the communication process. This element, however, continue to remain the weakest link in the group as there are a clear silo thinking and lack of transparency in the high and low level communication between the team members. Second step is the selection of appropriate leadership style, whereas Chuck finds himself in a difficult situation trying to determine the errors of his management style. The cause of this dilemma is a lack of understanding of the static nature of leadership, where his current management and leadership styles should always be subjects to evolution and adaptation, based on individual employees and situation in the company in general. Chuck is a transitional leader that provides teams with a high degree of freedom and space for independent work. Current situation,

however, calls for paternalistic leadership in the beginning to gain control over the dynamics and relationship aspect in the team and further timely switch to transformational leadership, where all the individuals have buy-in into the new strategy and demonstrate good teamwork alignment. This leadership should include accurate individual goal settings, based on task and environmental landscape as well as employee personality traits. Finally, Path Goal method suggests that a leader should be able to demonstrate a strong focus on motivation, which is one of the gaps in current leadership style of Chuck. He had several discussions with his team members in regards to their expectations, such as salary adjustment for Dietr and promotion for Glenn. None of these discussions was structured in a proper manner and incorporated into the Personal Performance Appraisal, which left both team members in satisfied and demotivated.

With the above considerations in mind, Path Goal method allows identifying two major fallacies of Chuck´s leadership: adaptability and flexibility in his leadership style and lack of focus on motivation and reward for high performance. These elements should be addressed in an emergency manner in order to revert and take the situation back on track.

Missed Opportunities

Chuck jumped into implementation of a new strategy in Corporate Financing division due to high level of his own buy-in and belief that new strategy is critically important for the company. The case illustrates, however, that at no point in time he structurally addressed the issues of conflicting interests that were evident in a vertical hierarchy, between Eldon and Margaret, as well as in his own team. Chuck made an effort to explain the conflicting expectations

to his management, but failed to bring his consideration forward. Moreover, as a Managing Director of the division that must drive the change, he demonstrated silo thinking that resulted in zero commitment and high resistance towards the strategy due to lack of buy-in. This, along with the modular approach to team work, which took control over individual tasks off the horizon of Chuck, brought the team to the point, where none of the individuals was actually involved in building on the new strategy objectives. Second opportunity, which Chuck missed, when assuming his position, is the focus on motivation and re-evaluation of reward and compensation strategy. It is evident from the case that Chuck dedicated a lot of time to training and team building, trying to raise the team spirit and create fraternity among his employees. This proved to be little effective due to motivational issues and lack of clarity in task delegation and Key Performance Indicators (KPIs) that build on employees' performance. There are several elements, evident from the case and the employee's profiles, which could create strong motivational base for each of them, and it was the responsibility of Chuck to reformulate KPIs and build a robust Balanced Scorecard for the department and individuals, which he overlooked. This structural approach to HRM would eliminate uncertainty in regards to the areas for which individuals are responsible and management expectations.

Conclusion and Recommendations

Chuck was always an exceptional performer, and his leadership style seemed to be appropriate for the positions that he occupied previously. It is possible to argue, however, that one of the major downsides of him, as a team leader is lack of focus on self-discovery and understanding of own

strengths and weaknesses. The conviction about the universally accepted management and leadership techniques took his focus from flexibility and learning on demand as a leader. Chuck lacks conflict management and emotional management expertise and this lack of continuity in his self-leadership led him to significant fallacies in his last position.

- Lack of buy-in on all levels for a new strategy, which is ignored by Chuck;

- Absence of focus on internal conflict of interests between the team members, where the group is very polarized with politics involving small sub-teams playing against each other;

- Lack or focus on motivation and reward management, which today is addressed through ineffective training budget and team building and does not resolve employee´s expectations of personal and professional growth.

The strategy that can be considered most appropriate under the pressures of the current issues is the shift of team dynamics and time band transformation of leadership style in the team. Taking paternalistic leadership approach for the coming year, and wheel methodology in group dynamics will enable Chuck with full control in regards to the communication process and task delegation. This will also make the employees more comfortable in regards to the scale and scope of their responsibilities, which include " old" tasks and new " goals", generated by new strategic direction of the division. This first stage should be accompanied by re-formulation of the individual KPIs and Balanced scorecard, including the new strategy and continuous and regular performance appraisal session that aim to motivate and not punish the employees. Second step of the suggested personal strategy is to further " loosen" the control and shift the division to modular

group dynamics and transformational leadership (Goffee and Jones, 2000). This step should be supported by appropriate training schedule and self-discovery that Chuck should go through, eventually with the help of Management Mentorship program.

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