

Good case study about ikea

[Business](#), [Company](#)



Abstract

Leadership can be considered as an important quality for someone who has been given the task to manage a business organization. IKEA is a business organization that has been raised from the ground into success by its founder Ingvar Kamprad. Ingvar Kamprad started as a simple small-time businessman in their small town. Now, he owns one of the biggest multinational for-profit organizations in the planet. The objective of this paper is to discuss the different qualities of Ingvar Kamprad as an organizational leader and how such qualities influenced the growth of IKEA into one of the world's most prominent business organizations. By the end of this paper, it would be established that Ingvar Kamprad possesses a combination of qualities of the different types of leaders there are based on the leadership grid theory, and on the concepts of transactional, transformational, charismatic, and authentic leaders. These leadership qualities unique to Kamprad are what made his company prosperous in its various fields.

- In what ways is Ingvar Kamprad a manager? In what ways is he a leader? In general, a manager thinks of ways how he can improve the processes and outcomes of the business or organization simply because he is being hired by someone higher than him to do so or because it is part of his job description. A leader on the other hand is someone who knows how to effectively handle and direct people. Ingvar Kamprad has two sides: a side wherein he is a manager and a side wherein he is a leader. Kamprad's manager side can be observed by his frugality when it comes to spending, sending his managers to business trips—managers at IKEA share rooms

whenever they are on a business trip, using IKEA employees as models instead of paying expensive talent fees of celebrities for marketing and advertising. He knows that the company would benefit from saving huge amounts from such small things. One of the best manifestations of his being a leader is the fact that he knows how to admit when he is or was wrong. Employees would be more encouraged to follow a leader who knows that he himself is not perfect than someone who automatically assumes invulnerability from mistakes—something which is practically impossible because as humans, we are bound, at some point, to make mistakes.

- Describe the nature of followership that Kamprad seems to have encouraged at IKEA?

Ingvar Kamprad believes in the importance and the effect of setting a good example when it comes to organizational leadership. Whenever he wants to teach something new or enforce an old forgotten company policy to his subordinates, he always makes it a point to start the change he wanted to see from himself. The effects of setting a good example can be huge because not only it increases the employees' morale; it also makes them more compliant to the company's rules and policies. Any employee would normally feel ashamed of himself for violating a company policy especially if he knows that the bosses never fail to adhere to such policies.

Ingvar Kamprad has also raised his business from the ground using the family business model. Basically, the family business model is an approach to managing human resources like they are members of the owners' family. Usually in companies that employ this business model, the employees play a significant role in every decision making process. Employees, when treated

that way, would more or less feel like they are an important part of the organization. It would also be normal for them to see the business, which in this case is IKEA as a family which they are already a part of . The effect would be a higher level of productivity as a result of a tighter and more effective human resource management.

- Using the leadership grid and its underlying leader behaviors of concern for results and concern for people, explain the leadership orientation of Ingvar Kamprad.

According to the leadership grid, Ingvar Kamprad's leadership orientation should be located somewhere around the coordinates 9, 9, which describe a sound leader. Being a sound leader means that he has a high level of concern for people and results or production. He encourages teamwork and commitment among the employees because he is known as a frugal spender but at the same time, he does not fail to make his employees and colleagues feel that he cares for them. This leadership orientation also relies heavily on making the employees feel that they are constructive and important parts of the organization , which is what Kamprad actually does in his company. This high concern for people is actually one of the factors that drive the company towards growth and prosperity.

- Use the concepts of transactional, transformational, charismatic, and authentic leaders to describe the leadership of Ingvar Kamprad.

Kamprad's style of being a leader is not confined to one leadership theory but rather a mix or a combination of them. This means that his overall leadership characteristic is the product of all transactional, transformational, charismatic, and authentic leadership theories combined. As the head

manager of IKEA, there are situations wherein Kamprad has to be a transactional leader so that the employees would still know how to respect him as the head of the organization. Basically, a transactional leader is someone who does something to either punish a poor performance or reward a good one . There are also times when he has to be a transformational leader to improve the morale of the employees and make them work because they care about the outcomes of the company and not just because they are getting paid to do so. A transformational leader is someone who leads to enhance the motivation, morale, and performance of his subordinates regardless of the means . Most of the time, Kamprad is an authentic leader. An authentic leader is someone who emphasizes on the building of his legitimacy as a leader by building honest and firm relationships with his followers and colleagues; it is a leadership style based on ethical foundations and morals, and openness . Kamprad's preference of the family business model is the best manifestation of his being an authentic leader.

- What are the key leadership lessons provided by Kamprad's experiences?

The most prominent leadership lesson that has been provided by Kamprad's experiences is his perseverance. He started his life in a small town that is not particularly friendly to small businesses—largely because of the poor exposure to different markets. Kamprad overcame this by diversifying his products and services. He did not only focus on selling one thing as a normal startup businessman living in their place would do. He sold various commodities and went to places just to make sure he earns a profit every day that passes. His experiences show that he did not become the head of

the company just because he is the found who founded it but because he started from scratch and that nobody else knows how to run the company and make it perform positively better than he does.

- What skills would you personally need to develop or refine to become a leader like Kamprad? What could you do to develop or refine those skills? I think I would need to develop my perseverance so that I can at least say that I have some resemblance with the great leader that is Ingvar Kamprad. Aside from perseverance, I think I would also need to develop my leadership skills. I am planning to develop my perseverance by focusing first on one thing, despite the hardships and the challenges, before proceeding on doing another one. This way, I can teach myself how to actually finish things and not just start them and then pass them to someone else the moment things get problematic. When it comes to developing my leadership skills, I am planning to improve them by knowing how to set a good example just like what Kamprad did to lead the employees in his company.

References

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