

Introduction
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Introduction

In very business activity there is always an act of succession that is initiated by the business owners, organization's board of directors or the organization's management (Carver & Oliver, 2002).

The succession may take several forms or be triggered by quite number of reasons. For instance there might arise a need to change the existing staff to get more efficient ones or the desire to change the operations of a business entity. Whatever the reason or nature of succession the outcome is always a success or failure.

It becomes so disappointing when a business entity initiates plans to make adjustments for the company and the ultimate outcome turns out to be a dilemma for the organization. More disappointing is when the most reliable employees of an organization leave an organization due to the reasons that could be controlled by the management of the company or measures that could have been taken in advance were not taken. Successful business organizations look into employees' welfare more importantly and determine what they want from the organization for them to perform better.

In addition, the appropriate strategies are formulated and implemented that can increase the firm's competitive advantage in the market as well meeting the employees' needs to retain them in their organization (Handy, 1985).

Our case study here is the Tiverton media company that has spent substantial amounts of money in management, development and succession process. However, what it has received is a shock since after all these huge expenditures the heirs have left the company.

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Situation analysis of Tiverton Media Company

Tiverton Company has had reputable image and excellent progress since it was formed under its competent Chief Executive Officer, Norman Windom. Operating in the media industry, a very challenging environment and characterized by stiff competition due to emerging technology and changing consumer needs, the company has successfully maintained its competitive position and secured itself a large share in the market (Ashforth & Humphrey, 1995). As a matter of fact the company's progress or success cannot be compared with its failures.

It has achieved a lot since it was founded and increased its marketing outlets through the expertise of its marketing personnel. The sudden misfortune befalling the company came as a surprise since no body expected such a successful company like Tiverton to receive such a huge dilemma. The company was making huge profits since even after investing \$7 billion in a certain show that was linked to one of the Tiverton's client, the company admits that the profits it were likely to make were so negligible compared to the company's profitability.

The company's success is primarily attributed to its highly skilled, experienced and knowledgeable staff. The leading and most famous artists are associated with Tiverton and this is one of the reasons that the company has been able to meet customer expectations over the years. Better understanding of the field an employee is working in is good for the betterment of the organization he/she serves.

This makes him/her understand the products that should be offered to the target customers and how they should be offered (Carver & Oliver, 2002). This is very clear in the situation of Liverton Company that besides its CEO not having much knowledge about the changing consumer needs that is the popular music, he relies on the judge of managerial talent Sean Kinnane, to handle the task.

Some of the successful strategies adopted by Liverton to maintain its success

No business entity can survive in the industry without proper and workable strategies. This is due to the competition that is posed by the organization's business rivals. The strategies are also aimed at revenue maximization and cost minimization (Handy, 1985). One characteristic feature of Liverton is its ability to determine what it requires to do to remain in the industry. Having in place the executives with the right credentials can save an organization greatly.

Aleph Records' manager, Derek Solomon is said to have supervised every client's career aspects right from the beginning until the final stage of the client's exit from the stage. This shows how committed the company's staff is towards offering high quality services to the clients. Many performers confessed that it was Derek who made them maintain their regular visits to the Aleph Records. Even after becoming the CEO, his relationship is said to have remained as good as before with artists. Matters related to cost cutting and financial matters were handled by Sean who was too smart in that particular area. The company's investment decisions and expansionary plans lied in this particular area.

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This is attributed to specialization and proper delegation of duties in the organization. The other strategy applied by the Liverton was customer outsourcing (Avery, 2004). For instance after the acquiring of Aleph Records in the year 1995, there was a kind of restructuring in marketing that saw the offering of repackaged recordings to one of the largest Compact-disc (CD) club. This would enable the club sell the CDs to the late-night TV viewers.

The other area where the company paid much attention was development of its personnel. It is quite challenging for an organization to achieve without paying attention to its working staff. Efficiency personnel lead to high quality services and higher level of customer satisfaction (Ashforth & Humphrey, 1995). The improvement of the personnel efficiency is enhanced through training and development. This can be confirmed from the way the succession exercise was carried out in Aleph. The eight successors for the Aleph's top eight positions were supposed to undergo thorough assessment test after which they would be exposed to executive education program in a leading business college in a fortnight every year. In addition, they would each be assigned a mentor and a coach for one year plus other extra training. This is an indication of how the company is willing to spend on its staff to improve its operational performance.

The implications in the Liverton Company and reasons for its dilemma

Despite successful operations and performance in Liverton Company, the company is implicated with a number of issues. The leadership structure of the company seems to be threatening the smooth operations of the company. Any company that has some wrangles on the part of its leadership

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arm is likely to become extinct in the industry (Carver & Oliver, 2002). The troubles in the Liverton company stems from the top arm of the organization. The CEO is not playing his duties and responsibilities as expected of him.

He does not recognize the opinions or listens to other associates of the company. His focus is dictating what ought to be done in the company and the manner in which it should be done. When the managerial talent judge, Sean Kinnane brings proposal for Broadway show, the top man disregards him and does seem to appreciate the efforts of Sean. Considering the Sean's credentials and the contribution he has made for the company, this was the worst expected reaction from his senior. Mr. Norman did not even want to discuss the idea with the judge. In his view, as it has been observed that Sean was unreliable and his ideas could not be trusted. Building trust and respect amongst the leaders or members of a particular organization is very essential for the survival of that organization (Handy, 1985).

The CEO's reaction shows lack of respect towards other associates of the company whether junior or senior. Running an organization or doing business means carrying out things collectively and facilitating the discussion of key issues and opinions that are likely to affect the future of the business. Mr. Norman's organization neglects the employees and he can be identified as the main cause for this. One of the employees' expectations is the motivation that may come in many forms (Ashforth & Humphrey, 1995). An employee may be motivated through rewards, for instance promotion.

This is not the case in Liverton Company and if it is happening, it is carried out through unfair means. It is reported that Sean Kinnane should have

become the heir for Aleph Records long time ago but even at the moment he does seem to be near to the position. From the information that has been availed, Sean possesses all the required experience and qualification yet he is not considered for the position.

Besides, the contribution he has made for the company is sufficient enough to earn him a promotion. According to human resource management, promotions are based on performance. In addition, Sean attends one of the most important section of the department, finance and investment that determines the future and the growth of the firm.

In contrary the section is headed by an old man, though having made some achievements his credentials is questionable. The dissatisfaction is not being felt by the Sean alone since there are other colleagues in his camp who are being oppressed the same way. Despite becoming aware that Seane could do well than Derek since his talents had become more advanced than those of Derek, Norman recognized that Sean needed some more exposure and polishing before attaining Derek's standards. The only reward that Seane got was to be assigned duties outside his routine.

It is always advisable to adhere to specialization rules when assigning or delegating duties to employees. People do well in their areas of specialization and disorganized delegation of duties may bring out undesired results to the organization (Avery, 2004). Norman's actions can bring out several queries as to whether he understands the rules of management. For instance on a day before Sean and his colleagues showed Liverton their backs, they had been ferried in a stretch town alongside other colleagues

where they had been instructed by the CEO to go and check out a band from Wolverhampton, England by the name Skivvies. This is like abuse of somebody's profession as well as his rights bearing in mind that the roles played by Sean in the organization. This was one of the final actions that triggered the Sean's exit from the company after they declared that enough was enough and they could not bear any more oppression in the company.

Outcome of the Sean's exit and his colleagues

Sean had been known as an important machine for the company. This is something that the CEO who was the root cause for their exit could not deny. The story of the heirs' walkout spread all over. With the departure of the Sean and his associates, the future of Aleph and Liverton as a whole was at stake. Yes the succession took place but was followed by absolute failure. That is why the company is said to be in dilemma. It is quite interesting that the overall cause of the trouble is the person who should be providing solutions to the problems facing the company.

Norman was so touched that he had to introduce the topic to the board meeting the following month. The corporate image of the company took a drastic change immediately after the departure of five associates and as one of the directors admits during the meeting, the company's stock price had dropped significantly. Some directors are very bitter with the action to an extent of admitting they are not sure of the fate of the next associates they would appoint.

Recommendation

Every problem has a solution. However, the problem facing Liverton is so severe and it needs an immediate action. Since the problem is well known, appropriate recommendations are advisable.

The damage to the company has already occurred and the information spread to the public domain. The board of directors and shareholders can provide a lasting solution to save the company from collapsing through changing the management structure of the company (Carver & Oliver, 2002). This will mean taking rid of Norman and Derek completely and make replacements for the same. This is because as pointed out by one of the directors the replacement of the five associates might just follow the same route like the one followed by Sean and his fellow associates. The manager's weaknesses have been observed in several occasions and it is not clear whether he can be entrusted with the over all responsibilities of running the company again. Even if the company will experience some loopholes after the dismissal of the key management that is the CEO and Derek, it will only be in the short-run and the company can peak again. Alternatively, the board might get rid of the two associates and reinstate the five associates who have left the company since the person who had for along time been oppressing them is no longer there. This is due to the fact it is well known to the public that Sean was the key to success for Liverton and once reinstated he can restore their confidence.

The other solution to the problem at hand is amendment of company's constitution to change its policies especially the ones concerning the

relationship between the employees themselves. This will prevent such a problem from occurring in future.

Conclusion

The corporate relationship between the employees, management staff and the manager of an organization is so crucial for the survival of the organization (Avery, 2004).

There comes a major problem when there are wrangles between the key management staff. The severity of the problem becomes worse when an influencing or well performing member of the staff leaves the organization as it happened in the case of Liverton. The company is left suspending not knowing the next step to take to restore its corporate image. The management should always learn to instill better management and personnel practices amongst itself to improve the performance of the company (Handy, 1985).

However, the organization's board of directors should not hesitate in taking action against one of the key management staff that might be a problem in the management of the organization regardless of his/her leadership position.

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