

# The organizational structure does not provide enough support – case study

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The main problems facing Jamie Turner and MLI, Inc. as a whole are a lack of leadership, poor organization, poor planning and decision-making, and a lack of communication. The top executive of the organization did not display any of the managerial skills, except technical skills, needed to create a productive work environment. The organizational structure does not provide enough support for the diverse needs of MLI and created a power vacuum at the executive level of MLI. Different organizational cultures at MLI and Specialty Support Services (Triple S) created tension that made problem resolution difficult.

The different cultures lead to ethically questionable decisions by MLI executives and staff. MLI, Inc. is an international lighting manufacturing organization that has suffered several financial setbacks after the death of the founder. MLI was acquired by a larger conglomerate, Specialty Support Services (Triple S) to provide alternative distributions channels for some of the Triple S lighting products. The only Triple S executive to champion the MLI acquisition was Pat Cardullo. Cardullo, the president of The Triple S Mobile Systems/Support division would also serve as the MLI president.

Jamie Turner was hired as the VP of sales and Marketing with the promise of future advancement in the organization. The nature of the MLI acquisition is the foundation of the issues confronting Jamie Turner. Pat Cardullo is the president of another successful Triple S division, and is in consideration of a major promotion. This fact left the organization without a workable plan to accomplish the unsustainable goals created by Cardullo. Cardullo was involved in details of the organization that would have been better handled by middle managers.

Top managers focusing on implementation will leave an organization without the strategic planning needed to remain competitive. Cardullo also had an abrasive manner that was disruptive in the organization. Cardullo lacked the interpersonal skills needed to communicate, understand, or motivate the Sales and Marketing group at MLI. The personal views that Cardullo held about how employees should work left a team that was ambivalent about working with the organization's top executive. The focus on finding his replacement as quickly as possible, Cardullo did not exhibit the values of ethical leadership.

Cardullo also failed to create proper chain of command and proper career paths for top managers at MLI. The power structure of the organization should not be left to a person sitting in a particular office. Cardullo's and Jamie's lack of management skill was apparent when Jamie changed prices to move old inventory. The fact that Jamie did not manage up created the space for real disagreement between the top managers. Without direction from Cardullo, Jamie was working under the assumption that margins could be lowered.

Jamie also failed to communicate with the controller that has worked with Cardullo for many years. Jamie demonstrated a lack of understanding as it relates to the controller when he presented negative information that would impact Cardullo. In another clear failure of leadership, Cardullo emphasized that Jamie was wrong in front of the rest of the management team. As the conflict between Cardullo and Jamie continued, more decisions were being consolidated in one office. Cardullo did not see the need to invite differing opinions on multiple issues that will negatively impact the organization.

The decision to redesign a warehouse that creates inefficiency was a poor one. Cardullo made the decision over the objections of the managers that were assigned to make such decisions in the best interest of the organization. The ethical challenges around financial forecasting are very disturbing. Cardullo's future with Triple S was at stake, so the need to be financially successful was paramount. The fact that the controller came over to MLI with Cardullo made the task of presenting alternate forecasts unwelcome.

The controller, who supported Cardullo without exception, allowed personal bias to affect her judgment. The dismissal of negative forecasts without investigation does not allow the organization the ability to correct potential problems. The consequence of an action that appears to be a cover-up, is other organizational members may also feel covering up decisions is acceptable. Jamie was rather upset that his decision to change pricing was not kept away from Cardullo. The issue created when Cardullo made the executive decision to change all pricing with the help of the controller was a serious misstep.

Even in the face of serious disagreement by the senior staff, Cardullo made a unilateral decision that proved to be disastrous for the organization. Cardullo failed to account for the diversity in the market. Cardullo was dismissive of other's ideas on creating additional revenue for MLI and would not communicate a strategy for the organization to follow. As Cardullo made more decisions about implementation, the other organizational leaders began to question their futures. The lack of leadership, organization,

planning, and communication created a dysfunctional organization that continues to lose revenue.

The seemingly unethical nature of how financials were being calculated erodes the organizational culture at MLI. The lack of strategic planning left the organization with goals other than hit a particular margin, but there was no leadership on how to reach the goal. Jamie tried to fill the vacuum left by Cardullo, but did not have a clear definition of what Cardullo wanted. The issues that MLI have exist at many different organizations but there are tools that can be utilized to minimize and/or eliminate the managerial missteps. The first tool is education.

I would create a policy at MLI that requires all managers to take leadership training. It is vital that managers understand what is required when it comes to managing the human resources of the organization. Bad leadership can lead to resource shortages, loss of intellectual capital and well as institutional knowledge. I would include diversity training to help managers build the skills needed to understand the nuances that diverse employees and colleagues. Ethics policies would go into place to eliminate any misunderstanding about how the organization operates.

Looking at the decisions made at MLI, I would remove Cardullo as president and hire a person that can be focused on MLI. Cardullo was a micro-manager that did not clearly communicate a strategy to the MLI team. The new president's first task would be to create a formal reporting structure that defines how information should roll up within MLI. It is crucial that the organization have a clear picture of where it is at in order to make any shifts necessary to realize any potential opportunity.

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The formality of the reporting structure coupled with regular scheduled meetings with each senior manager and the entire senior management team will eliminate the rudderless feeling at MLI. In light of the acquisition, I would bring the senior management from MLI to Triple S and coordinate strategy sessions around the current and future goals for MLI. I would have the controller at MLI report through Triple S corporate finance. I believe this will help with corporate governance and eliminate the potential for mischief.

The hiring and firing of employees would be done based on strict guidelines that is managed through HR. These changes will help MLI stabilize the current situation and plan a path to success for the organization. Cardullo did not gain the trust or loyalty of the management team of the staff at MLI. Jamie was working to accomplish different goals for the organization, but he failed to communicate his ideas and changes up the chain. In the absence of any defined direction and a boss that does not communicate effectively, Jamie was headed for trouble from the first day on the job.

I would have Triple S create an ethics hotline to allow employees to communicate troubling issues within the organization and provide employee a mechanism to address issues they have unsuccessfully tried to communicate with their supervisor. Jamie needed a way to address difficult issues with Cardullo and has no idea what has been communicated to Triple S. The problems can be fixed, but it will require that Triple S and MLI assess the real issues presented in this case and put policies in place that remove as much ambiguity as possible.