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[Business](#)



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COMM100 June 5th Introduction The goal of every business is to supply the demand of the product while making a profit; when more money is made than spent, the business is considered successful. A number of factors serve a role in achieving a monetary surplus, such as location, time management, strategy, and economy. Some businesses enter the global market- an economy within itself that exchanges products from one country to another- in order to increase profit. Businesses such as Google, Apple, and SEMCO are examples of who have entered this trade. Each of these three specializes in their own product. Some may argue that they used unorthodox methods in order to get to their status. This is because by innovating new ways of management, they succeeded in doing the unthinkable. Google " asked 45 year olds for their GPAs" (Lashinsky, 2008); Apple tied its proprietary software with its proprietary hardware (Kahney, 2008), and SEMCO eliminated time clocks for employees (Semler, 1989). In this essay, we will study the different methods these companies run, and how it has made them successful. We will also suggest how these same systems can become an eventual detriment. We will give a review of each from articles and will make connections between them.

## APPLE

In the article How Apple Got Everything Right by Doing Everything Wrong, a unique and old-fashioned strategy is utilized. This strategy is the main reason Apple is one of the most dominant and successful start-up companies in the market. Steve Jobs is the spokesperson for Apple and is featured as the " evil genius." Furthermore, Steve Jobs is not just a public face, but

instead, he is the brains behind a vast majority of Apple's innovative ideas and operations of the company.

Apple has expressed great entrepreneurial merits by envisioning the gaps in the market. These gaps represent the difference between what the market needs and Apple's current product offerings. The company intends to do this without attempting to copy from the existing companies. This includes creating new categories that have become must-have products. Apple has been operating in a highly challenging market where it is constantly exposed to intense competition and close imitation. For this reason, Apple formulated a strict security of the development of their products. Often the team members of Apple were unaware of the outcome of the product design. The product design of Apple is rapidly changing, which creates product obsolescence and interdependence between hardware, software, and internet applications— these are some of the most challenging factors in the market.

Apple has an excellent way of dealing with the challenges of being in a quickly adapting market. This is continually consistent in Apple's history because when the company struggled with almost going under in 1997, they still managed to pull through (Kahney, 2008). Apple utilizes a secrecy strategy to mislead competitors. Also, they were able to launch products and capture a large market share before their competitors could even blink! Apple always stays one step ahead in order to give them a competitive advantage in product development, prior to the launch, of other competitors.

Unlike many other companies, Apple is considered an old-fashioned

company because they develop the software and hardware functions in-house. This results in the start-up process for Apple being much longer. However, this has paid off because most companies often prefer to specialize on one function and outsource the other one. On the other hand, a consequence is that this specialization gives away some of the secrecy of the product. Apple creates products to be exclusive through carriers and retail networks where their products are sold exclusively through Apple shops or selected retailers. Since products are exclusively sold through Apple's online stores and distribution they avoid using a middleman. This strategy ensures maximum profit by dealing directly with the market.

The management trend of Apple is egalitarian by nature. Egalitarianism occurs when the equality for every worker and majority of the project are driven by the engineers. A further requirement for egalitarianism is managers must have a strong engineer background. The reason for this is because this is a technology company; therefore, it is vitally necessary that the team workers can relate to each other and understand the technology. It also builds an intimate culture of respect between managers and employees and makes the employees work harder. Steve Jobs is also a big contributor for a higher performance among the employees. He will "scrutinize everything down to the pixel level" and can be harsh in his feedback. However, he still can get the most out of people (Kahney, 2008). Giving employees the freedom to own and improve products challenges and develops the employees to grow. This growth gives them the skills that are needed to give the best results for the company.

Steve's leadership is split— he has an empowerment like strategy where he

gives his employees the space to make decisions at their own discretion; meanwhile, he always has control over the decisions being made. His leadership involves utilizing quality control where each product has to meet strict standards to every single detail before approval of the product. Steve Jobs leadership style is autocratic because he can be controlling, bossy and dictatorial in particular instances. This leadership style is appropriate where the leader is the most knowledgeable and skilled person (Lewin, Lippit and White, 1939). It would be superficial to say that Steve led his employees by strictly using the autocratic style. For example, many employees were afraid of losing their jobs. Therefore, although Jobs may be viewed as a villain or dictator, it is this management style that kept Apple ahead, which also kept the people under his leadership employed.

#### SEMCO

Managing without Managers is an article by its CEO Ricardo Semler written in 1989 explaining the management style of SEMCO, a manufacturing company that serves as portfolio supervisor for corporations involved with Brazilian businesses. It operates five factories which produce everything from bubblegum to rocket fuel, with limited partnerships with companies such as Alcoa, General Motors, and Nestle, to name a few (2). This allows SEMCO to have limited liability with its investments. Brazil runs on a market economy, which allowed SEMCO to evolve further and eventually enter the Global Market with joint ventures- when a local firm joins a foreign company to form a new one- with other companies. Its success can be correlated with its unique management model, and because SEMCO accounts for most productions in Brazil (Pure Monopoly), it aims to become part of the

International economic community:

“ Our company lacked an international reputation-and so did our country. By 1982, we signed seven agreements “(3)

What makes SEMCO's management model intriguing is that it does not have a set manager. Decisions are made by vote from all participating employees in all departments (p. 4). This allows a relatively fair way of decision making about wages, work days and work conditions. To help an organization of votes, workers were split into production units of about 150 people each. This division also helped production rate because of the Hawthorne effect (we usually perform better if we know we are being watched). A year into this new system, “ sales doubled; inventories fell from 136 days to 46; [they] unveiled eight new products, and overall quality improved “(4). Semler implies that reducing the size of the company to units is essential for keeping employees from being just another face in the crowd; it promotes socialization, which leads to increased morale overall. The democratic model of SEMCO fulfills the social, esteem and self-actualization needs of employees by giving them a fair voice in decision making; whilst the individual units meets the physiological and safety needs by giving more attention to each employee. I think that each employee works under a different work ethic, and as long as they manufacture the required amount of products per week, it does not matter. Therefore, it is safe to assume that SEMCO coincides with Maslow's hierarchy of needs- a system that ranks the individual requirements of the worker.

There are issues with this type of system. One of which would be its unpredictability: One unit may be extremely efficient whilst another barely

keeping up with quotas. The cause of this would be the employees themselves. Although Semler assumes that the " leader" will naturally rise from each unit (p. 7), the chances of him/her being a competent one is slim. I mention this because I think it is our nature to want to be the " star" of our own show, and if someone would automatically ascend to that position we would feel negatively which, therefore, affects our productivity. And even if the unit accepts this new " leader," it does not guarantee that his/her decisions are for the better

Another issue is that the same information is given to all employees (9). I agree that everyone should make decisions based on as much information as possible, but it would be a waste of time if each miniscule detail is given to everyone. Say, for example, if a piece of information is relevant to one unit A and irrelevant to unit B, the time spent giving the information to unit B could have been spent manufacturing more products.

Overall, SEMCO is a pioneer for employee satisfaction. The way it is structured is very open, which allows every workers voice to be heard. When a worker is allowed to come and go as he pleases as long as the work gets accomplished, it is fair in my view. In many cases, there is no need for a power-hungry " manager" because everyone is of equal power.

## GOOGLE

Prior to the hurdles, that Google faced in the recent period, the company was known to generate gobs of money and considered to be one of the most excellent places to work. The company was well described as an engineer's paradise, where persons with the finest brains worked; for example, Sean Knapp, a young scientist if the field of computer has from time to time

enjoyed working at the company. The tag paradise was real because all the workers enjoyed services such as every week massage, eating all sorts of food, onsite laundry, and entertainments just to mention a few ways on how the company treated its employees (Lashinsky 1). The working conditions motivated the worker to devote their efforts to come up with cool and remarkable ideas; for example, redesigning and restructuring web videos. Further, the employees were given the freedom to work the highest-profile products; for instance, there were broad avenues to promote research on technologies, which form the soul and heart of Google. Again, workers manage their own during the search for knowledge to be input into the Company's operations, which could only be quantified as one day in a week (Lashinsky 2). Consequently, the company realized greater success through the secret of building enthusiasm and freedom amongst its employees. Also, the company had good management style because of hiring highly qualified workers, to create a pool of genius engineers to facilitate designs and innovative proliferations on the global market (Lashinsky 1-2).

However, there has been a consistent trend where the most contributive workers quit the company to start their own, which never used to happen before. Evidently, in April 2007, Sean and other two, who had done remarkable, work in the company in revitalizing the web video system, expelled themselves. They were opposed to the idea of working very hard, but ultimately, the final product was entirely owned by the company. A year later, the trio succeeded in their own company, Oayala, which offer more competition to Google since developed a similar product in a sophisticated model. The first growing competitors accelerated the rate at which workers

were ditching Google. Moreover, more and more employees left to start their own business, worse of all; even some of the managers were dismissed themselves (Lashinsky 3).

As a result of all the events, Google has drastically reduced in the human resource, especially the finest personnel who leave, start their own business, and succeed. Notably, all the quitters had tangible reasons for their actions, for example, they blame Google of its odd hiring practices where 100 persons are hired in a week demoralized them (Lashinsky 3). Again, inadequate allocation of resources, as the top managers consider scarcity yet the company is well resourced. All told; Google torrid growth has drastically deteriorated, and income of the company has reduced.

To revamp changes, the founders Larry Page and Sergey Brin have embarked on writing letters to the shareholders of the company and to keep the thing the way they use to. The modern management system has reorganized the model of allocating resources to decide on which projects to pursue or not, where and when to spend money and when to take an addition. Further, the new system has focused on allocating maximum resources where needed. It has led to the rejuvenation of the company that now earned \$ 12 billion in the first quarter from 1\$ billion during the wobbling periods (Lashinsky 3).

#### Similarities and Differences

All three companies have a result oriented focus. Apple is a company of quality and always reaches toward overcoming the consumers expectations. Their uniqueness is that they believe that the evil is good where other companies were on the opposing side. Steve Jobs leads Apple by inspiring his

workers to deliver the best results at all times; this includes meeting deadlines despite the fact that this could be seen as unfair treatment of employees by the industry standards

Semco is focused on improving their quality and reaching for growth and financial stability. They have a democratic approach for employees and service attitude. Ricardo Semler introduced a concept called participative leadership to the company.

Google aspired to be revolutionary with new products and new revenue streams for their company. They have clear boundaries for what they can and cannot do. In other words, their resources are endless. This is what pushed them to go corporately worldwide. Sergei Brin and Larry Page are leaders that admire their workers, which allow them to become a highly successful software company.

In conclusion, these companies have a few similarities. First, all of these companies are innovative and have clear goals. Another commonality is that they all have charismatic leaders. However, the biggest difference between these three companies is the leadership styles. Apple, as previously mentioned, is not fully a dictatorial leadership style because they also use empowerment. Google, on the other hand, delegates the decision making process to the employees; this is referred to as a laissez-faire leadership style.

## Conclusion

Researching and comparing three distinguished companies, it can be concluded that there is no one style that is superior to another. And yet each one of these three companies has managed to be successful employing

drastically different leadership styles. The question that might be worthy of answering is if the personality of the owner of each company has something to do with how each was able to cope with its leadership style? Without a doubt, the leadership style is permeated throughout the entire company.

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