

# Case study on british petroleum



BRITISH PETROLEUM Name Professor Institution Course Date Introduction

According to the case, study the British Petroleum (BP) is said to be one of the largest oil companies in the world. It is known to have bigger market share with its oil products selling in over six continents of the world, which include North America, South America, Asia, Europe, Africa, and Australia. However, the headquarters of the oil corporation are in London. Millions of users consume most of its finished products across the globe, particularly the automobile industry. The company imports its raw materials mainly crude oil from different countries that are large-scale producers of this valuable commodity. The primary objective of the case study is to understand and analyze the leadership practices at BP that has seen this company dominate the oil market for many decades.

In addition, the case study will highlight challenges that would hamper growth of this valuable British company (BP Company, 1996). BP has proven a great asset especially in the provision of essential services to people of United Kingdom as well as the entire world. Many people have been beneficiaries to the services that have been provided for by the company in its various years within which it has served the whole continent as already emphasized on.

In an attempt to ensure that it stays on top of the current oil industry it has gone ahead to diversify its business and the profits experienced through the years has been commendable at this instance (BP Company, 1996). The competencies used by managers, BP BP is conveyed to have its own standards of competency that has seen it progress in its management system. Firstly, the skills and abilities as showcased by the managers. The

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management of BP has put in place adequate measures to ensure the company recruits people with relevant skills. This would facilitate rapid service delivery and avoidable errors easily avoided especially those that results from lack of specialized skills and abilities. Secondly, the company considers the knowledge, experience and understanding in its managerial duties. This trait has enormous impact on decision-making. Emphasis has been laid upon those managers with relevant knowledge as well as understanding.

Thirdly is the personal quality, values and attitude. The company was in a position to identify personal qualities of its managers. In addition, the company upholds values such as honesty, and positive attitude towards individual's area of specialization. BP has also put into consideration democracy and proper governance in the management system.

Furthermore, adequate measures have been put in place to ensure transparency, accountability and integrity for all employees.

This would minimize blame game that has characterized several multinationals in the recent past. What the Leaders really lacked Strong leaders have been associated in the case study to have the ability to make sound decisions as well as scaling their companies to greater heights of achievement. However, it was clear that BP managers had their weaknesses that affected service delivery and accomplishment of set goals and objectives.

First is the disaster management strategy. This was evident in the BP oil spill of the year 2010, resulting into huge losses to the company. Oil worth

millions of US dollars went into waste during the unfortunate incident.

Secondly, the managers lack tension management strategies. This has seen several employees down their tools under unclear circumstances as well as increasing cases of industrial action over poor working conditions and low pay among other issues. Managers were expected to be in a position to solve such dilemmas that arise directly rather than have to be hoodwinked by different people who might not share the same view (Changing Minds, 2011).

**Characteristics of the Management** The management style can be said to be task oriented which in return would compromise views and opinions of employees and analysts. This is evident from the fact that it a cost consciousness organization that changes its strategies at any possible chance to increase profit without much consideration to employees.

Furthermore, this has led to communication breakdown between the top management and its employees. A typical example is the fact that there was a clear-cut road map as management was expected to follow in terms of duties, tasks, and obligations. The authorities were pretty much controlled and delineated to ensure that efficiency came before any other aspect of their work to ensure desirable results. It was the managers' highly anticipated intention to introduce a new culture into the firm's system of management. Shifting the strategy of BP by the Managers Judging from the study, it was a rude shock when the management faced reshuffling allegedly to satisfy interest of the minority.

The move proved futile, as it did not attain fruition, as there was almost immediate decline in the profits of the company thereafter. For example, having to outsource could mean the other competitors were looked down

upon there would have been nothing good that would have come out of them. The main issue was competition and this was a fact that was guaranteed regardless of the actions surrounding the same.

This was primarily to ensure that there was good success since the bigger the empire, the bigger the name (in terms of success) is. The action primarily did not impress the employees who felt that this mode of management and leadership would in the long term lead to some serious crisis and therefore relaxed in the way they operated within the company. As already stated, the company was once riding on great success due to huge turn around that many rivals envied. Owing to management failures, the oil marketer has thus experienced unprecedented losses that could have been avoided in the first place. Four Path Goal Theory of Leadership The four Path Goal Theory Style of leadership in the case study entails Directive, Participative, Supportive and Achievement oriented. Several issues emerge separately under each of the methods. Looking at the directive method, the management undertakes to provide for the methods within duration when they expect the company or firm to be run (Blazek, 2010). There is no specific hands-on commitment to the work that goes on within the firm but rather one of the better ways of conducting the day-to-day running of the company is to give directives on how the work would be done.

For instance, the directors would only give their views on specific issues but leave the actions to the staffs. Looking at the supportive method of management, there is some change that is witnessed in the way which business is conducted in general. Here the management is upbeat on providing some if not all of the necessary support to the workers in

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dispatching their duties. The management is keen on supporting the staff but not in the work within they perform (Krutza, 2009). The support may come in form of ideas and maybe provide a proper environment within which the workers would provide optimum results.

The management there ensures that all of the requirements needed are subsequently available including the machinery and the provision of motivation in form of timely payment of their salaries just to mention a few. BP was able to provide more than enough machinery to ensure that the work is done and to some extent, though the company had been accused of several things, it had gone ahead to ensure that some of their employees are provided with permanent employment to ensure that they are well comfortable and supported within their work place. Looking at the participative method, the management is actively involved in the day to day running of the firm and takes an active role when it comes to ensuring that the business is running smoothly and without any particular faults.

There is a hands-on initiative by the management done in order to ensure that there are no mistakes done or that there are specific methods of going about the business. The management may for example go into the specifics of the day to day running of the firm and ensure that all of the expected standards are met. This may even entail working with the staff to ensure that the optimum results are realized conclusively (Gupta, 2009). This ensures that there are no mishaps that are warranted within the day to day working of the firm. The BP managers were accused of not being involved in the day to day running of the company and thus the main reason the incident at the

Gulf of Mexico occurred. They were accused of giving directions and not being participative.

In achievement oriented management, the main aim of having the management is to ensure nothing but success is achieved. This therefore means that there would not be any much concern on the other activities that do not result in success. The management would most likely ensure that the environment is conducive for the achievement of success. This may entail staff cuttings to ensure that there is a reduction in the expenses of a company and the maximization of subsequent profits. There might also be outsourcing that is done so as to ensure that experts are included in the production of goods and also services to ensure that success is at the top of the realm of the business or the activities that result in the establishment of a successful firm. The Firm BP was seen to at some point engage in outsourcing whereby they turned their the n competitors to be their partners so as to ensure that they were successful as they would only concentrate on better provision of services rather than in competition. Shifting the Strategy and Culture of BP The managers went ahead to transform the company while shifting the culture and strategy of BP by instilling several actions. One of the major actions was to have what was then considered to be a league of competitors to be sources whereby they would outsource.

They were no longer considered as competitors but rather business partners (Cinzia De Santis, 2007). The management method was also changed and at the same time, pushed down to the lowest possible point. Services went on to be shared between regions and different companies rather than having BP to work on its own to ensure that there are better methods of attain the full

potential of success. Individuals therefore had to be acquainted with the new methods of working and had to achieve the prerequisite understanding of the career development. They had to achieve higher performance and the pressure that came with it was not in any way easy to cope with.

**Motivation through intrinsic and extrinsic rewards** In order to manage motivation internally as indicated by the case study, the company ensured that those who worked with them maintained their jobs. This method would be assumed that it ensures that those who already existed got the opportunity to work for the company for life without any form of disturbances that would at some point distort the very nature of the work that is done by the employees. In managing motivation externally, the company ensured that there were sufficient incentives that were provided for the staffs out of their working conditions. This was done to ensure that the employees felt a sense of appreciation thus would be in a position to perform their duties with vigor and motivation (Hotten, 2007). Motivation ensures that staffs have the ability to perform well beyond what is at times required of them for example giving bonuses to the staff who contribute towards the new strategies as stated in the case study.

The BP staff would therefore be able to overlook their problems and work as they at the end of the day will be appreciated for the work that they do.

Ability mores so ensures that they are well endowed and properly prepared to go about their work without any form of fear. This would be evident in the many changes taking place in PB whereby the staffs have to quickly and efficiently adapt to the changes and work towards the betterment of the company. Role Perceptions gives them the ability to properly do their job



without much interference in that they are comfortable in what they do and know exactly what is required of them(Gupta, 2009).

For example if one is given a specific task to do, they are able to concern themselves with that rather than any other particular job, hence perfection. This is the same situation as the BP workers. If ones work is clearly defined, one is able to focus and concentrate on what he or she is required to do in the shortest time possible while offering best results. Situational factors such as family demands when taken to consideration would go ahead to ensure that the staffs are comfortable enough to go about their work without interferences (Gupta, 2009). This was what happened to the BP staffs as they were given an opportunity to be able to have time with their families considering the fact that there were some workers who were from overseas. The ability to see and be with their families worked to ensure that they are given motivation to continue with their work and without any complaints.

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