

Alan mulally, ceo ford motor company – essay 2



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Running head: Alan Mulally, CEO, Ford Motor Company Alan Mulally, CEO, Ford Motor Company Dysheka Johnson Strayer University Dr. Joseph Pionke Organizational Behavior July 7, 2011 Abstract This paper presents a discussion about Alan Roger Mulally who is an American businessman who was hired as CEO of Ford in September 2006(Hellriegl and Slocum, Jr. 2011 p . 543) This paper examines Mulally's role of Leadership and the goals that he has set forth for Ford to avoid bankruptcy, overcome struggle and to become a successful and profitable company during and after the recession that has occurred in the late 2000's.

Alan Mulally, CEO, Ford Motor Company Discuss the role of leadership and how it can impact organizational performance. Leadership is an art, and like other arts, it requires discipline, good techniques and self expression. Leadership ability is always the lid on personal and organizational effectiveness. If the leadership is strong, the lid is high. But if it's not, then the organization is limited (Maxwell, p. 8). Leadership actions must be developed which fits the individual and group personalities and bring effective results when it is used by an individual in a particular manner.

Drucker (1996) found that, " Every knowledge worker in modern organization is a " leader" if, by virtue of his position of knowledge, he is responsible for a contribution that materially affects the capacity of the organization to perform and to obtain results. " This is not intended to indicate that knowledge of leadership pattern is not important. But on the contrary, the greater the knowledge of the leader, the more probable are the chances of selecting and developing a pattern which means success to the individual leader. If a leader is not effective then the organization will suffer greatly.

The organization will have a record of poor performance to include, lack of morale, poor performance, not profitable, consequences such as failure and eventually failure. Discuss Mulally's leadership style at Ford Motor Company and provide examples of how his actions fit this style. Mulally's being the way he is, relentless has resulted in Ford making some strategic moves. Mulally has kept Ford ahead of GM and Chrysler in the fight of survival. " He says, " If this is the reality, what are we going to do about it? not " We're going to work our way through it. "(Hellriegel and Slocum, Jr. p. 543)

Mulally persuaded Bill Ford to sell off Jaguar and Land Rover and focus its resources on the Ford brand. He sold Jaguar, Aston Martin and Land Rover to India's Tata in 2007 when there was still a market for makers of luxury vehicles (Hellriegel and Slocum, Jr. pg. 543). Mulally leadership style has helped Ford separate themselves from its major competitor, GM and Chrysler/Fiat. " As we come through this recession of 2008-2009, we're going to be a turbo machine when the economy turns around (Hellriegel and Slocum, Jr.) Mulally believes in communication among everyone that is involved at Ford. Communicate, communicate, communicate says," Mulally. Everyone has to know the plan, its status and areas that need special attention. " (Hellriegel and Slocum, Jr.) Mulally's having openness and bluntness has gained support throughout Ford. That's what many companies and organizations need in order to run smoothly, honesty. Being reserved and not speaking one's mind are characteristics that could hurt a company or the individual leader. Mulally wrote a one-page summary of his managerial abilities. Titled " Alan's Leadership, " it includes " proven successful leader..... business acumen and judgment.....steady.....true

North. (Hellriegel and Slocum, Jr.) Discuss how goal setting helped Ford improve its performance. Hellriegel and Slocum, Jr. 2001 found that Mulally was CEO of Ford after being hired in 2006. He had not engineered, designed, or built any cars. Mulally was able to devise a plan that identified specific goals for the company, created a process that moved it toward the goals and put a system in place to make sure that Ford got there. Mulally decided to borrow \$23.6 billion against Ford assets. Piling on more debt was not an easy call, but in doing so the extra cash meant that Ford could say no to government loans when sales fell apart. Hellriegel and Slocum, Jr.) In 2010, Ford was selling small cars like Ford Fusion, Focus and Fiesta in the United States that were developed in Europe to meet stricter government fuel-economy standards (Hellriegel and Slocum, Jr.) This also made it cost sufficient for car buyers in the United States. Mulally was able to persuade Bill Ford to sell Jaguar and Land Rover so that they focus on Ford and helping Ford become a successful company. He had promised that Ford's core North American operations, as well as the entire company, will turn profitable by 2011.

Feature Article – Ford Motor Financial Ratio Analysis

Ford could not afford to continue to lose money. Ford had a recorded loss of \$1.4 billion in 2009's first quarter (Hellriegel and Slocum, Jr.) By Mulally setting goals for Ford, this made the company see the advancements that they as a company could make and the success that Ford could have. Having goals put in place is an excellent idea for any organization or individual. Seeing the goals that one has established for themselves or for an organization displays leadership skills and a plan for success. Assess Mulally on each

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element in communication openness including message transmission, trust, agendas and goals. For Alan Mulally, everyone has to know the plan, its status and areas that need special attention for Ford to succeed as an organization. Mulally's bluntness has allowed him to get his point across to the organization and to let them know that he was there for the long haul and is passionate about having Ford one of the leading automotive companies in the United States. For example, he is determined that Ford should reduce its dependence on the light trucks as gas prices become more expensive and he let the entire company know in its bluntest possible language.

Maxwell (2008) found that effective leaders are always good communicators, but that means much more than just being a good talker. Mulally's openness seems to have won over his colleagues and employees and they have supported him throughout the organization. After arriving at Ford he took on the personality of a college student when it came to Ford cramming for an exam, interviewing dozens of employees, analysts and consultants and filling those five binders with his typed notes (Hellriegel and Slocum, Jr. Mulally work ethic and being an effective leader and putting goals in place and showing his determination have made him a trust worthy man. By doing the research on Ford, this allowed him to develop a point of view about the business and make decisions that regarded Ford in being a profitable and successful company. Evaluate the effectiveness of Mulally's leadership style and recommend whether he should continue with this style, or use a different style. Mulally uses the " Selling Style" of leadership.

Hellriegel and Slocum (2011) define selling style as, the leader provides direction, encourages two-way communication, and helps build confidence and motivation on the part of the leader. I believe that so far, Mulally has been effective with managing the hand that has been dealt to him at Ford. He has reinvented and restyled the 2010 Taurus which was discontinued. Ford has been successful with the making of the smaller compact, fuel-efficient cars like the Ford Fiesta and the Focus. Mulally leadership style should be continued just because it works for Ford.

Mulally holds an early morning meeting every Thursday. His leadership has evolved into something great. “ When I arrived there were six or seven people reporting to Bill Ford, and the IT person wasn’t there, the human resource person wasn’t there,” says Mulally. “ Today every functional discipline on my team is indeed because everybody in this place had to be involved and had to know everything. ”(Hellriegel and Slocum, Jr.) I would recommend that Alan Mulally continue with the style of leadership in which he is currently using because its been successful.

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