

# Management and leadershipexample essay



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Management and Leadership Paper “ Leadership and management must go hand in hand. They are not the same thing. But they are necessarily linked, and complementary. Any effort to separate the two is likely to cause more problems than it solves” (Murray, 2010). This paper will differentiate between leadership power and management. At Frito Lay leaders and managers play an important role in maintaining healthy organizational culture. This paper will also evaluate the affect of globalization and management at Frito Lay. The roles of both managers and leaders are vital for an organization.

The unique processes and qualities of a leader set him or her apart from being just a manager. A manager works with the structure, organization, staffing, and monitoring of daily activities. On the other hand, a leader sets the direction or helps create the vision of an organization. A leader also keeps people focused by inspiring them to achieve the vision of the organization (Bateman & Snell, 2009). Managers are concerned with short-term profit and loss whereas leaders promote innovation and the attainment of long-term goals.

Managers supervise subordinates and leaders motivate and inspire o focus toward the vision of the organization and overcome obstacles in reaching goals. “ Central to effective leadership is power” the ability to influence other people” (Bateman & Snell, 2009, p. 439). Power is defined as the ability to influence others. There are five sources of power essential to effective leadership. Legitimate power is the authority to tell others what to do. Supervisors exercise more legitimate power over their subordinates rather than their peers.

For example, at Frito Lay, a shift resource or supervisor in the production department has authority to give orders to packers and machine operators. This same shift resource will not have effective legitimate power over his peers or his boss. A leader who has reward power is one who controls the valued rewards and can gain compliance by those wishing to receive the reward or recognition. Rewards are usually monetary in forms of raises or bonuses based on performance reviews. At Frito Lay, reward power is divisional.

The leaders in the manufacturing division at plant have less reward power as most employees in this division receive the same salary increase annually. However, on the administrative division at the same plant, salary increases are solely based on performance. Leaders in these departments have more reward power over their subordinates that are working throughout the year to improve their personnel development reports (PDR's). This report is reviewed annually by management for salary increases for the individual employee. Another potential source of power in an organization is coercive power.

This source of power is defined as leaders possessing control over punishment and in which people comply by avoiding the actions that lead to punishments (Bateman ; Snell, 2009). An example of coercive power exercised is by Frito Lays human resources department. This department tracks an employees' attendance through a point system and disciplinary action or punishment is initiated at three points and possible termination of employment can occur at seven points. This type of deterrent behavior

control helps leaders to influence offending employees to abide by the policies of the organization.

Referent like the leader. This type of leader has admirable characteristics, is charismatic, and his or her followers have a desire to be just like the leader. People comply with referent power because of the appealing personal characteristics of this type of leader. The current CEO of PepsiCo, a subsidiary of Frito Lay Indra Nooyi has been leading the conglomerate for over a decade. She has restructured the company's global strategies and since taking over increased the company's annual revenues and profit margin. Indra Nooyi was ranked number one as Fortune magazine's most powerful woman in business in 2009.

Indra Nooyi has brought change to the organization by her charming characteristics and has led and swayed the decision-makers of the organization toward the vision of the mother company. "The leader who has expert power has certain expertise or knowledge; people comply because they believe in, can learn from, or can otherwise gain from that expertise" (Bateman ; Snell, 2009, pg 440). A leader with expert power may only have power over the specific subject matter that he is knowledgeable of rather than over other areas in the organization.

Frito Lays president and chairman, A1 Carey believes that the future of his company lies in adopting the servant-leadership minded culture. In Frito Lays servant-leadership culture, the role of the leader is to serve the needs of the employees by supporting and empowering them in their tasks and to help remove any obstacles in the way of reaching their goals. One of the programs

as a result of this culture is 'Team 4ward'. Plant employees are encouraged to volunteer to lead a team focusing on a subject that they are passionate about. Manager's role is to make sure that the employee has access to the resources necessary to deliver results.

Each of the teams that support Team 4ward aligns with Frito Lay's overall corporate strategy – the commitment to our people, the planet, our partners and our products and focuses on specific areas for execution, like safety, water and electricity conservation, and diversity and inclusion (Frito Lay, 2009). At Frito Lays Modesto Plant, the commitment to the planet is strong. Innovation to harness solar power to produce Sun Chips is another leadership strategy maintained by the organization to protect the environmental while conserving energy.

Globalization and operating in international markets brings new challenges for leaders and managers. Companies enter the overseas market by exporting, licensing, franchising, engaging in Joint ventures, and setting up wholly owned subsidiaries (Bateman ; Snell, 2009). When setting up their global operations, organizations use a combination of the following: send employees from the parent company; use natives from host country; or use natives from a third country other than the home of the parent company or the host country.

Some disadvantages of sending an employee from the home country are the cost related to setting up and safety concerns for the employee. Technology is playing an important role in linking the home-based organization with the company overseas. Communication is conducted via Internet,

teleconferencing, and other available electronic means. Cultural sensitivity education is imperative for managers in building relationships in the international market. Failure to learn the local customs can be detrimental to a managers' success in a global market. China is on its way to becoming the largest producer and consumer of many of market with its Cheetos brand products. Frito Lay could not introduce its potato product snacks to the Chinese consumers because of China's ban on potato products. To compete with products in the Chinese market, Frito Lay setup its own potato farms to manufacture potato chips in China. The marketing strategies were adapted to the environment. Keeping culture in mind, new flavors, smaller packets and lower prices were integrated into the planning process.

Frito Lay has been creative and according to Frito Lays sales director of the China plant, Jackson Chiu, marketing is geared toward young women as the social trend in China is for young men to follow the women. True leaders and effective managers are always working on developing their skills to create and maintain a healthy organizational culture. Even great musicians and athletes don't become great on natural gifts alone (Bateman & Snell, 2009). Practice, sacrifice, and learning help develop skills, be it in music, sports, or leadership.