

Costco case study argumentative essay



**ASSIGN
BUSTER**

Abstract

A good leadership style incorporates several aspects. It requires efficiency, innovativeness, reliability and adaptation among other aspects. Good leadership skills take in to account the importance of organisational togetherness towards the realization of objectives and goals. Organisations must have proper leadership styles for them to operate successfully.

This paper analyses flexible theory of leadership and its applications to operations in Costco Company. It also looks at the role of the chief executive officer in flexible leadership theory.

Introduction

Flexible leadership theory is a leadership model that takes into account some leadership aspects and styles. Flexible leadership theory focuses on organisational performance. The organisational performance takes into account long-term competitiveness and success of the organisation. This theory focuses on the ways of leadership that contribute to the success of the organisation. Organisational success depends on certain factors that flexible leadership theory uses. Efficiency and reliability of the whole process becomes remarkably important for people who use flexible leadership theory. Any undertakings that organisation or leaders decide to involve themselves must be efficient in terms of cost effectiveness, quality and safety to the organisation's goals and objectives. The engagements that leaders partake on behalf of the company must be reliable. They should not depend on trial and error basis. It requires that they carry out enough research so that their actions become reliable. This theory aims at achieving

a balance between tradeoffs and competing demands (Yukl and Lepsinger, 2004).

Discussion

The flexible leadership theory considers innovativeness and adaptation to be essential. It requires that leaders become creative and adaptive to challenging situations. They should come up with new strategies and ideas of carrying out organisational operations. They should modify existing frameworks to respond to organisational challenges.

Flexible leadership theory gives importance to human relations and resources. This leadership model requires that leaders consider all people and their relationship with the company as vital. People occupying different positions in the organisation, regardless of the hierarchy, all contribute to the success of the organisation. To add on to this, the resources available in an organisation become as essential as the process and people who aid the success of the organisation (Muczyk and Adler, 2002).

Flexible leadership theory applies to Costco's operation. Costco operates several warehouses internationally. The company provides products to a range of customers at a relatively low cost. This shows that the company makes use of flexible leadership theory. Application of flexible leadership theory in the operations of Costco comes out in the way the company practises efficiency. The company has ensured that it positions a cost effective price on its goods resulting to customer loyalty.

The company also operates in a number of countries. To show that human relations and resources form an important part of the organization, it has employed strong retail personnel and brand image that has helped it become successful in terms of new market entrance. All its retail warehouses operate as one entity with management and guidance from the head office.

Costco Company applies innovativeness and adaptability in its business. The company carries out a market research of new markets. It establishes ways that can help the company penetrate into the market, which includes price positioning. It adapts to new markets by ensuring that its operations that include the products the company sell and the cost of the products fit into the new market.

However, the Costco company has not used flexible theory to its full. For example, the company has a limited product choice. Compared to other shops like supermarkets, which provide about forty thousand products at a time, Costco warehouses provide about four thousand products at a time. This shows that the company has not explored product provision fully.

In the flexible leadership theory, the chief executive officer has a role to play just like in other leadership roles. Leadership proves to be a vital skill for the success of any organisation. A chief executive officer in the flexible leadership theory has the responsibility of providing quality leadership to those under him and to the whole organisation as a whole. The chief executive officer has the responsibility of analyzing the purpose and goals of the organisation and develops a vision, which people can relate and work towards achieving it. The chief executive officer has to help employees see

the organisation's vision as part of a driving force they use when working. This helps to achieve organisational success (Yukl, 2006).

A chief executive officer in flexible leadership has the role of coming up with a supportive working environment. The chief executive officer has to facilitate that environment. The supportive environment can help employees to grow, become successful and attain satisfaction in a personal or professional manner. Therefore, the chief executive officer must explore ways that could help him come up with the supportive environment.

The chief executive officer should explore innovative and adaptive ways that could improve organisational performance. He can do this by carrying out research to know what other companies do. He can then modify the information found from research to fit into his situation. This way, the chief executive officer can help respond to the challenges that face the company, and increase production. It could also help the organisation to expand and reach greater success.

The chief executive officer has the role of working hand in hand with all the employees under him. He must recognise the importance of every employee in the organisation, however, little it could be. He has the role of coming up with strategies that will help employees work as one entity towards the realization of the goals of the organisation. He has to promote the self-esteem of employees and emphasize on the relationship of human factor with resources.

The chief executive officer must establish systems with reciprocal care and responsibility sharing. This system must ensure that everyone gets the

respect and support that people need within the context of the working environment. The chief executive officer must work as an example to the rest of the employees. Lastly, he should ensure that everything that happens in the organisations happens towards the fulfilment of organisational goals and objectives.

Organisations work best when they inculcate this leadership model to their system. Flexible leadership theory can work in my organisation. The organisation needs to put up strategies and measures that promote that leadership. For instance, the organisation can train or recruit leaders who possess flexible leadership qualities. The organisation can make flexible leadership theory work by cultivating a supportive environment that supports this leadership model. This can happen by changing the values of the organisation to accommodate flexible leadership model. This involves changing the will and power present in the work environment (Govindarajan and Gupta, 2001). For this to work, the organisation must ensure that there exists a supportive working environment.

Conclusion

Flexible leadership theory proves to be the best leadership model for organisations. It offers predictive and goal directed approach towards the realisation of the objectives of an organisation. This model ensures that a company works towards set goals while at the same time nurturing the self-esteem and worth of the employees. It takes every employee as a vital element in the organisation. The theory emphasizes on qualities such as

efficiency, innovativeness, reliability and adaptation as essential factors to the realisation of organisational goals.