Proposed sample answers. There is only one good way… YOUR WAY!

CASE 1

06 August 2021

Steve Jobs and the Rise of the Celebrity CEO

URL Link: https://hbswk.hbs.edu/item/steve-jobs-and-the-rise-of-the-celebrity-ceo

Please read the above article published in Harvard Business School's Working Knowledge website - along with the additional material proposed at the bottom of the article - and answer Questions 1.1 and 1.2.

Question 1.1 (25%)

Having in mind the commonly known leadership models and theories available in the academic literature you are asked to identify the one that best represents Steve Jobs.

Sample Answer

Leaders influence organizational environments across their entire spectrum, by the standards, the values, the strategies, the goals, the business concepts they establish and the people they choose to do business with (Mihiotis, 2005). Different leaders behave in different ways depending on their individual differences as well as their followers' needs and the organizational situation (Daft, 2010). Management and leadership reflect two different sets of qualities and skills that frequently overlap within a single individual. A person might have more of one set of qualities than the other, but ideally a manager develops a balance of both manager and leader qualities.

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Steve Jobs' leadership style was autocratic; he had a meticulous eye for detail, and surrounded himself with like-minded people to follow his lead (Kassim, 2020).

Autocratic leaders tend to tells subordinates what to do and expect them to do it. The subordinates of an autocratic leader are not involved in decision making and have little if any autonomy. Democratic leaders seek input from subordinates and do what the majority of subordinates want. Some argue that a democratic leader is more of a facilitator than a leader. Participative leaders tend to involve subordinates in leadership activities and decision making, but ultimately they retain final authority. A laissez-faire leader takes a hands-off approach to leadership, allowing subordinates to make decisions. The mantra of a laissez- faire leader is "Hire good people and get out of their way."

Autocratic leadership is an extreme form of transactional leadership, where leaders have absolute power over their workers or team. Staff and team members have little opportunity to make suggestions, even if these would be in the team's or the organization's best interest.

Internally Steve Jobs tends to be very authoritative. His decisions were made with minimal consultation, and his decisions were made quicker allowing him to respond to changes in the business environment more quickly. The Environmental changes which includes facing their competitors, such as Microsoft. On the other hand, because of his "manipulative" behavior he is considered by some of his employees as authoritative. His behavior and Autocratic style in meetings for instance is described as being rude, and obnoxious. Because of his quest for perfection he has domineering presence which makes some of the employees fear him (Gilmanov, 2020).

He had a meticulous attention to detail and an insistence on perfection, which often resulted in him exercising a "my way or the highway"-style approach — He was even

known to surround himself with like-minded, agreeable individuals who would allow him to continue to execute his visions his way, no matter if they ended up being successful or not. Job was unabashedly demanding, and he behaved as an autocratic leader because he wanted to be the best. Still, this led to him being simultaneously criticized and praised by people both inside and outside of Apple for creating what's known as a reality distortion field: Jobs' winning charisma and infectious passion for his products led to an almost inescapable feeling that Apple and its products could do the impossible.

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Question 1.2 (25%)

Influenced by case information and the relevant management theory, what type of skills would you identify as most important to a manager like Steve Jobs?

Sample Answer

Management skills can be defined as certain attributes or abilities that an executive should possess in order to fulfill specific tasks in an organization. A manager like Steve Jobs needs a range of managerial skills like planning, communication, decision making, delegation, motivating and problem solving.

The planning process includes identifying and setting achievable goals, developing necessary strategies, and outlining the tasks and schedules on how to achieve the set goals. Without a good plan, little can be achieved. Possessing great communication skills is crucial for a manager. It can determine how well information is shared throughout a team, ensuring that the group acts as a unified workforce. How well a manager communicates with the rest of his/her team also determines how well outlined procedures can be followed, how well the tasks and activities can be completed, and thus, how successful an organization will be.

Another vital management skill is decision-making. Managers make numerous decisions, whether knowingly or not, and making decisions is a key component in a manager's success. Making proper and right decisions results in the success of the organization, while poor or bad decisions may lead to failure or poor performance. Delegation is the act of passing on work-related tasks and/or authorities to other employees or subordinates. It involves the process of allowing your tasks or those of your employees to be reassigned or reallocated to other employees depending on current workloads. A manager with good delegation skills is able to effectively and

efficiently reassign tasks and give authority to the right employees. When delegation is carried out effectively, it helps facilitate efficient task completion.

The ability to motivate is another important skill in an organization. Motivation helps bring forth a desired behavior or response from the employees or certain stakeholders. There are numerous motivation tactics that managers can use, and choosing the right ones can depend on characteristics such as company and team culture, team personalities, and more.

Finally, a good manager must have the ability to tackle and solve the frequent problems that can arise in a typical workday. Problem-solving in management involves identifying a certain problem or situation and then finding the best way to handle the problem and get the best solution. It is the ability to sort things out even when the prevailing conditions are not right. When it is clear that a manager has great problem-solving skills, it differentiates him/her from the rest of the team and gives subordinates confidence in his/her managerial skills.

Despite being an autocratic leader, Steve Jobs was great at what he did because he was a forward-thinker. Job was not known as a coder, nor a designer. What he could do was lead those key collaborators who could do those jobs according to his vision. He led, they followed, and together, Apple changed the world under his leadership. Steve Jobs credited his success to two key factors: passion and people. This sums up his leadership approach: Not only did Jobs have passion for what he did, but he was able to make people passionate about it, too. Steve Jobs never stopped breaking through barriers, defying boundaries, and pushing for innovation.

Steve Jobs was unique as a CEO in the decisions he made; everything had to go through him from design to launch of a product. Steve Jobs' micromanagement style

in which he dictated everything at Apple only worked due to his knack for innovation and Apple's relatively small amount of products (Charley, 2011).

CASE 2

03 December 2020

TMC Announces Changes to Executive Structure, Senior Professional/Senior Management Employees, and Organizational Structure

URL Link: https://global.toyota/en/newsroom/corporate/34423815.html

Please read the News Release of Toyota Motor Corporation (TMC) and answer Questions 2.1 and 2.2

Question 2.1 (25%)

What are the different departmentation approaches that TMC implemented from April 2011 to July 2020? Which are the main characteristics of each approach?

Sample Answer

The organizational culture of a company develops around its organizational structure, and a culture change will be required to change the firm's structure. The organizational structure can remain, but the organizational culture can change if management changes how workers are assigned to roles in the same structure. Changing the organizational structure at every level of the organization can lead to culture change. Another way to change the culture of an organization is to reassign technical specialists in existing departments.

TMCs structure underwent significant changes in 2013. This was seen as a response to the safety issues and corresponding product recalls that started in 2009 (Evans, 2010). In the old organizational structure, Toyota had a strong centralized global hierarchy

that was more like a spoke-and-wheel structure. The company's headquarters in Japan made all the major decisions. Individual business units did not communicate with each other, and all communications had to go through the headquarters. However, this organizational structure was widely criticized for slow response times to address safety issues. After the reorganization that was implemented in 2013, Toyota's new organizational structure had the following main characteristics (Lawrence, 2018):

- Global hierarchy

- Geographic divisions

- Product-based divisions

TMC has already implemented major structural changes in its efforts to make ever-better cars, enhancing the strength and autonomy of regional operations. A major structural change was in April 2016 with the establishment of in-house companies—shifting from a function-based structure to a product-based structure (TMC, 2020). The adoption of the new organizational structure will accelerate decision-making, strengthen management oversight, and boost business innovation. Toyota decentralizes decision-making, giving more powers to the presidents of each in-house company, in order to better streamline operations across business processes. The number of top positions are also reduced in order to speed up decision-making and to better compete in an industry undergoing rapid change. This way everyone in the organization will be challenged to use their creativity and flexibility will be in the centre of organizational culture (TMC, 2016).

Functional departmentation organizes employees based on function or skill set. Salespeople and marketers work together in the marketing department, employees involved in making the company's products work in the manufacturing department and employees involved in designing new products work in the research and

development department. This type of organizational structure works best in smaller organizations without too many distinct product lines. (Mihiotis, 2005) Functional departmentation has the potential disadvantage of inflexibility, because any issues that involve more than one skill set require communication and cooperation between departments.

Product departmentation organizes employees based on which product line or set of services they work with. (Mihiotis, 2005) Each product line has a department of its own, and each department has specialists in all of the functions needed to produce and sell that product, such as marketing, manufacturing, accounting and human resources. The departments in the product departmentation operate autonomously from each other and are often better at responding to changing circumstances in a flexible way.

Toyota's new organizational structure provides a greater degree of flexibility compared to the old centralized hierarchical organizational structure. With this new structure, the company is now more capable of responding to regional market conditions. This flexibility empowers Toyota to speedily respond to issues and to provide higher quality products. However, the increased decision-making power of regional heads has reduced headquarters' control over the global organization. Still, this organizational structure facilitates business resilience and continued growth.

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Question 2.2 (25%)

Many of the changes that TMC implemented seem to be related to its aim to optimize the span of control. Identify two examples of changes in TMC that aimed at optimizing the span of control and explain the reasons for your selection.

Sample Answer

The span of management is the number of employees reporting to a supervisor. Sometimes called the span of control, this characteristic of structure determines how closely a supervisor can monitor subordinates. Traditional views of organization design recommended a span of management of about seven subordinates per manager. However, many large organizations today have spans of management as high as 30, 40, and even higher (Daft, 2010).

Since 2011, Toyota reduced the number of directors from 27 to 9 and brought back front line supervisors, adding a layer of management to staff positions that has been missing. This move is in quite stark contrast to the "de-layering" going on at many global companies in an effort mainly to cut costs. While it may not seem lean to add layers of supervision, it is in fact very lean when done to reduce span of control. Form follows function and in this case the supervisors function as team leaders, coaches and first responders to andon cord pulls (calls for help). This in turn helps expose, catch and correct problems while they are still small, rather than letting them grow into bigger problems. These problems have apparently been escaping in recent years, based on the recalls and quality problems we are seeing at Toyota.

A common and easy solution to reduce the workload of supervisors is to make smaller groups. Toyota uses this approach on the shop floor, and their lowest-level-hierarchy span of control is much smaller than what Western industry uses. This

seems to correlate with a much better performance in terms of speed, quality, and even cost on the shop floor.

Another option is to remove (or add) tasks from the workload of the supervisor. Are there certain repetitive tasks, possibly repetitive across multiple supervisors? Maybe you can get a person who specializes in this topic and subsequently can do the job better and faster than a supervisor? Toyota, for example, has a mind-boggling number of people on the shop floor who solve problems. Western companies would be amazed to see how many people at Toyota exist solely to support the shop floor. In the Western world these people were often cut, with drastic results on quality and speed.

Toyota understands well about the fact that people possess different abilities and skills and these skills are their strengths, thus its exploits as many possible talents of its employees in one area and able to create great opportunity for growth within the corporation. A culture of team work and cooperation is supported and practiced at Toyota, to achieve objectives and tasks effectively and efficiently and strive to enhance the capabilities of individuals and organization. All individuals at superior positions such as managers, supervisors etc. will encourage the team work and guide their subordinates to perform their duties efficiently.

The Nikkei reports that the new team structure will be implemented first in the technology development sections. About 1,000 employees who have been with the company for about 10 years will move into supervisory positions. The span of control is a conservative five engineers per leader. Toyota has not given this position an official title yet, and plans to do so after a one-year pilot, according to Toyota.

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