

BERJAYA BUSINESS SCHOOL

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) : _____

Subject Code & Name : **MBA 5301 LEADING IN A GLOBAL ENVIRONMENT**
 Semester & Year : January-May 2016
 Lecturer/Examiner : Dr L J Fredericks
 Duration : 3 Hours

INSTRUCTIONS TO CANDIDATES

1. This question paper consists of **TWO (2)** parts:

PART A: CASE STUDY : This section consists of **ONE (1)** Case Study
(60 marks) : Answer all questions below. Write your answers in the Answer Booklet(s) provided.

PART B: SHORT ANSWER QUESTIONS : This section consists of **THREE (3)** questions
(40 marks) Answer any **TWO (2)** questions. Write your answers in the Answer Booklet (s) provided

2. Candidates are not allowed to bring any unauthorized materials except writing equipment into the Examination Hall. Electronic dictionaries are strictly prohibited.

3. This question paper must be submitted along with all used and/or unused rough papers and/or graph paper (if any). Candidates are **NOT** allowed to take any examination materials out of the examination hall.

WARNING: The University Examination Board (UEB) of BERJAYA University College of Hospitality regards cheating as a most serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in accordance with the clauses stipulated in the Students' Handbook, up to and including expulsion from BERJAYA University College of Hospitality.

Total Number of pages = 3 (Including the cover page)

PART A : CASE STUDY (60 MARKS)
INSTRUCTION(S) : This section consists of ONE (1) Case Study
Write your answer in the answer booklet (s) provided

CONVERSATIONS WITH LEADERS ABOUT THRIVING AMID UNCERTAINTY
THE BOSTON CONSULTING GROUP October 2014

Globalization, technology and rapid change are creating a more complex world. Corporate leaders are operating in more markets than ever before. Their companies are generating and dealing with more data than ever. Social media are amplifying the effects of customer complaints and internal discussions, creating a greater need for open, honest, and multi-channel communications. Executives are interacting with a widening array of stakeholders and addressing an expanding set of business, political and social issues. Public leaders are facing analogous pressures.

Many organizations thrive amid this complexity. They sort signals from noise and focus on the opportunities that matter most. Others stumble and struggle. They create an overabundance of committees, layers, key performance indicators, processes and other internal mechanisms. This organizational mishmash fails to address the complexity they face in the outside world.

Despite the differences in the backgrounds and organizations, the leaders studied describe several common characteristics that are effective in conquering complexity. Their organizations are operating at full strength. Their employees possess a deep and intuitive understanding of the strategy, common objectives and vision – enabling each individual to know what to do and where to focus. They spend their time doing and leading rather than sitting in meetings. And their people are excited about coming to work because their leaders encourage experimentation, failure, initiative and completion.

In short, rather than commanding and controlling, these leaders favour fluid decision-making. Rather than setting detailed strategies and goals, they impart a directional vision for their employees to follow. Rather than leading from the top through hierarchy, they institutionalize leadership throughout their organizations. In doing so, they embrace complexity rather than retreat from it or wish it away.

ORGANIZATIONS FIRE ON ALL CYLINDERS Complexity can scatter and fragment an organization's mission and sense of purpose. But adhering to an overall mission for a company – or, in the case of Malaysia, a country – in the face of complexity can concentrate effort on the essential rather than the optional. That vision becomes the North Star for navigating through complexity.

Malaysia, for example, is both a multi-ethnic, multicultural nation and one that is experiencing the effects of globalization. Earlier in his tenure as prime minister, Najib articulated a vision of "People First, Performance Now" that helps guide the nation's policies on topics as varied as free trade and social programs. "We do not proceed with a policy or program that does not deliver on this

philosophy, “ Najib said. “It is very important that my cabinet ministers and the rest of the government share the same vision and philosophy for the country.”

A vision also helps engage employees who might otherwise feel pulled in several directions. For example, Natura’s slogan – “well being well” – helps inform the company’s growth decisions. The company wants to grow but also retain the entrepreneurial and idealistic feel of its youth.

Managing complexity requires the full engagement of employees. It is too big a challenge to be managed at the top of the organization or by employees whose hearts and minds are elsewhere. “The goal”, says Standard Chartered’s Bindra, “is having people who wake up and want to come to work because they don’t have to put up with the bureaucracy or the complexity that they have had in the past.”

STREET SMART In a fluid and fast-changing environment, the leaders recognize that they cannot set strategy and control decision making as directly as they might have in the past. They are delegating duties downwards so that the people closest to the market – closest to complexity – can solve problems. “It is really about leadership – and not just at the top but also leadership pretty far down,” Bindra said, “The firm must have the maturity to empower people – and that takes a lot of courage.”

SIMPLIFICATION Delaying is part of the solution to complexity. The six leaders all agreed that organization structure should resist rather than reflect the complexity in the outside world. They are trying to create an environment without structural and procedural “complicatedness” – one in which employees can exercise personal judgment. Three organizations (and Malaysia) are undergoing transformations in order to empower employees. “As you keep growing aggressively over the years, organizations can get quite complex,” Bindra said.

When Richenhagen became CEO of AGCO in 2004, the company had 26 brands. He reduced the number to four and decentralized operations so that local managers have the authority to make decisions. Agarwal built Vedanta Resources through acquisitions and determination. He is equally committed to keeping his organization from growing bureaucratic and sluggish.

COLLABORATION AGCO, for example, is increasingly relying on networks that extend outside the company in order to address the growing expectations of farmers. As agricultural equipment becomes more sophisticated, the company works closely with dealers and suppliers so that its tractors and implements can communicate with other products. Natura wants its customers to influence the development of future products and is investing heavily in technologies to make that happen.

Networks of public officials and private sector executives also have a crucial role to play in helping the public sector address complexity. “The government of the twenty-first century will need to be much more sensitive to what is happening around us and be able to respond quickly to the needs of the people as well as the private sector,” Najib said. To ensure that the government is more responsive, Malaysia has created a transformation of the civil service that is paying dividends. The country’s MITI, for example, has helped generate record levels of FDI in recent times.

BIG DATA Ironically, the leaders cited big data as both a prime cause of complexity and a potential solution. By drawing inferences and interpreting probabilities from streams of data, executives can come to make sounder judgments. But ultimately they say that they still must make tough decisions on imperfect information.

THEY IMPROVISE Leaders say they must recognize that they do not have all the answers to complexity. In response to uncertainty, Natura has become more experimental. “We are trying to adjust – with the customer and our beauty consultants – and use the network and our people to define what is relevant instead of doing research and analyzing everything,” Carlucci said. “Of course, we need to plan some of the initiatives, but we increasingly want to do things by learning on the job. If we decide that something is not working, we can kill the initiative. But we need to start before we have all the answers.”

WAYS TO WIN AMID COMPLEXITY

Firing on all cylinders

- The senior leadership is a high-performance team in full agreement on – not just providing lip service to – the organization’s vision, values and vital priorities.
- The leaders walk the corridors and streets, visit clients and operations, and develop an on-the-ground sense, or take a pulse check, of what is really happening within the company and beyond.
- Leaders observe their teams’ behaviour and create the right mindset in their employees by providing timely, accurate and constructive feedback and by acting as a guardian of values and expected behaviours.
- Systematic programs are in place to reinforce vision, values and priorities throughout the organization, ensuring that employees have a meaningful role in the design and structure of these initiatives.
- Expected behaviours are clearly expressed and understood across all levels of the organization.
- Mechanisms are in place across the organization to provide and capture feedback so that the employees on the front lines and middle managers have confidence that their voices are heard and they can make the difference.
- Compensation, career tracks and rewards reflect an adherence to corporate values and culture.

Street Smarts

- Organization structure is simple and lean in order to ensure accountability and remove redundancies.
- Employees who collaborate effectively across organizational boundaries and with outside stakeholders are recognized and rewarded appropriately.
- Middle managers act both as the conduit for market intelligence but also the translators of vision, values and priorities.
- When scale effects are less relevant, processes provide guidelines but also allow for flexibility and adaptation.

- Technology tools and surveys capture market data and real-time feedback.
- Employees who combine big-data analytical skills with seasoned business judgment and pattern recognition are given the authority to promote change and rapid decision making.

IMPROVISATION

- Customers and outside stakeholders are a core part of the innovation process and build other platforms for collaboration.
- Different perspectives from within the organization are cultivated and captured to generate many options.
- Risk taking, experimentation and even failure are encouraged by giving successful teams the authority to place small bets without undue approvals.

QUESTIONS

1. Critically analyze the concept of “complexity” in the article above. How is it relevant and significant to a leader of a business or public organization in the contemporary environment? (20 marks)
2. There are multiple theories and models of leadership which make their application in the real world a challenge. Structure a logical argument as to how the propositions forwarded by the Boston Consulting Group on leadership are in agreement with or in opposition to the main leadership models that you are aware of. (20 marks)
3. If you are an adviser to a major Malaysian corporate entity with a global reach, what pragmatic lessons will you draw out from the article that will be of strategic interest to its CEO? (20 marks)

END OF PART A

PART B : **ESSAY QUESTIONS (40 MARKS)**
INSTRUCTION (S) : **This section consists of THREE (3) questions.**
Answer any TWO (2) questions.
Write your answers in the answer booklet(s) provided.

1. Attempt to provide a concise and critical summary of “leadership” to a dynamic group of young entrepreneurs who have approached you for your expertise in this field. (20 marks)
2. “As a leader, you must learn to think strategically. You can anticipate and envision the future, and initiate changes that can help the organization to thrive over the long term.” Critically evaluate this statement based on Daft’s perception of a leader as a social architect. (20 marks)

3. Critically appraise your leadership potential at the current stage of your career and development. Then, carefully define what competencies and capabilities you need to address to become more mature and effective as a leader. (20 marks)

END OF EXAM PAPER