**Industrial Marketing and Organization: Competence and leadership**

Chattanooga case study - Seminar 4 - Political metaphor

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**Introduction**

This report draws an analysis of the organisational structure of Chattanooga Ice Cream Division. First, we will start with this introduction including a brief description of the company. Then, in a theory part we will present the main points of the political metaphor, the meanings of individual interests, conflicts, and power concepts. In the last part, we will lean on the theory previously developed to analyze the case according to the political metaphor in order to determine how, among the managers, the power is shared. To do this, we will compare the former and the new government, then, we will analyze the different conflicts among managers to finish with a study of the power repartition in this division.

Chattanooga Ice Cream division (CICD) is one of three divisions of Chattanooga Food Products (CFC). Settled in the South East of America, it is one of the largest regional manufacturers of mid-priced basic ice creams, it delivers its products to local supermarkets.

For the past few years, even if the customers’ expectations move towards higher quality products, CICD didn’t change its policy. As a result, its benefits have decreased, and now the Company has to deal with the loss of one of its biggest clients. The scene takes place right after the announcement of this loss during a meeting gathering the main managers of CICD division. Charles Moore, the president, wanted to discuss with them the best solution to exit this crisis. During this meeting, each manager tries to defend its own interests; there is not a real constructive debate but only a fight for power where each personality compete one another. It’s very interesting to analyse the position of each manager according to the political metaphor in order to understand their personal thoughts and draw up some conclusions on the power sharing above them. After the machine and organism metaphor, this analyse will allowed us to understand in another way what is wrong with this company.

**Theory**

The political metaphor focuses on three points: types of organizations, types of interests and the importance of conflict, and finally the idea of power: where does it come from? How can we manage it? An organization can be considered as a political structure for two reasons: because it’s led by a system of rule which define the relation between people, and the hierarchy as political rules structuring an organization. The second one is that organizations always gather people with colliding interests.

As governments, there are different kinds of organizations. In an Autocracy, the power is held by a strong leader who control all the resources and rights; in a Bureaucracy, the authority is provided by a set of written rules, as laws; in a Technocracy, the power of a group of people rise and decline with the value of their technical expertise: and in a Democracy, the power is owned by all the people, and the decisions are voted directly or throughout the election of mandated officers. Of course, several types of political rule may be used in an organization.

By definition, interests lead everybody’s acts in a particular way. In an organization, we can point out three types of organizational interests which can overlap: Task, Career and Extramural interests. Task interests are connected with the function of people: a salesman will want to sell his product, just because it's his job! Career interests are the different goals an employee can have, like a higher salary, or a promotion. Extramural interests concern the private life. Coalitions and conflicts arise when interests become common or on the contrary collide between several people.

Power is both the medium through which conflicts are solved and an ability to do what you want. There are many sources of power: for instance, a formal authority, the control of scarce resources (money, personnel, technology…) and the control of information.

The political metaphor is well designed to explain a decision making process. Rather than assuming that decisions must be rational it puts the emphasis on the role of power and interests. Politics become a natural feature of organization and conflicts are inherent, and can be positive if they are well managed.

**Analyze**

Now let’s have a look on Chattanooga Ice Cream division according to the political metaphor. As soon as an organization gathers more than one people conflicts may appear as the result of interests colliding. So politic is an inevitable feature of the corporate life, CICD is no exception to the rule; this small government went through a revolution in 1993, the company switched from a mainly autocratic government to a mainly democratic one. Indeed, Moore’s predecessor was used to take important decisions by himself because he had the business knowledge and didn’t need the support of the management team. On the contrary, Charles Moore relies on team work to take decisions, he wants to involve all managers in it.

Unfortunately, when everybody is involved in the decision making process conflicts arise. The meeting described in Chattanooga Case is the perfect arena for managers to express their disagreements against each other. First of all we can identify a conflict between Barry Walkins (marketing) and Kent Donaldson (R&D) concerning frozen yogurt launch. They blame each other for this failure, Walking complains about the poor taste and texture, whereas Donaldson blames him for having pressured the R&D department to release the recipe quickly. They both want to want to defend their task interests even if they collide: comply with competition to satisfy customers doesn’t match with finding new innovative products. This conflict feed another one, we’ll see right after.

The second conflict still involves Barry Walkins against Billy Fale (production) this time. They disagree on the flavor range of CICD, Walkins wants to be more competitive with a wild range whereas Fale asserts that looking at the company’s manufacturing facilities, costs and inventory level, they cannot afford to offer new products. Here again, they both have opposite task interests; it’s impossible to comply competition on the one hand and to produce high quantity and quality low-price ice creams on the other. Moreover, their very different behaviors strengthen this conflict: it’s the opposition between creativity, intuition and disorganization vs. knowledge, discipline and rigidity. We can also have a look on this conflict according to their personal and career interests. We know that Fale has an external friendship with Donaldson with whom Walkins has an old resentment. Thus, we can suppose that Fale’s behavior is influenced by it. Besides, as he is young in the company, he may want to be more integrated among the managers to be able to assert his decisions and so, may be jealous of such a friendship.

The last conflict deals with Stephanie Krane reluctance to deliver money to the different departments. Indeed, her main task interest is to preserve money for her company avoiding unnecessary expenses. She has to fight against the incompatible task interests of the other managers. Whereas, Frank O’Brian wants to defend workers’ conditions with high salary and Les Holly wants to promote the image of CIC with nice expensive cars, Krane finds no interest in given them money because that would be against her job so she refuses! Moreover, she has also different career interests than Les Holly. In fact, as she is the youngest, she needs to prove everybody that she is well deserved on her position by taking radical decisions. On the contrary, Lee Holly arrived in CIC division ten years ago, he no longer takes care of the others, often miss his work and keep information for himself. They both look for power but in a different ways which rise up conflicts and irrational decisions. To summarize, we can notice that crane is involved in many conflicts we assume that it is due to her control over a scarce resource: the money.

From a more general point of view, we can notice that, during the afternoon meeting, each manager tries to find THE solution which, if it is successful, would highlight his/her competences and boost his/her career. In this last meeting, task and career interests are the very heart of the global conflict between all department managers.

In order to go through these conflicts the manager team needs a good, powerful leader. Unfortunately, Moore did not consider conflicts between his subordinates as a serious issue. He just feigns a deaf ear hoping that these issues would be fixed by working together as a group. Contrary to Moore, the autocratic former president rolled the company with his charismatic authority. He drew his power from his knowledge of the business and his large and well-structured network for gathering and communicating information about the market and the industry. The new president of CICD did not seem to have the power of charisma to keep the company’s developed network and relationships on the right track. He only relies on his formal authority, which is not sufficient to go through the conflicts. It was obvious at the meeting where he was not only able to control the conflicts which arise. As a general manager he lacked the charisma and didn’t find a quite important source of power.

On top of that, some of the other managers have power. Indeed, as we saw earlier Les Holly keeps important information about sales and key customers so that he has the control of knowledge and he can increase his power. He is the only one who knows the customer voice, so that he has a network power which Moore no longer has. Concerning Stephanie Krane, who controls a scarce resource: money, she also takes advantage of her closer relationship with the parent corporation’s financial officer who supports her no matter the decision she takes. Finally, Billy Fale is another powerful manager because he runs four departments, while the others run only three, and he is the oldest manager in the company. So he benefits from knowledge, alliances (friendship with Donaldson for example), network and power he already has.

**Conclusion**

The case analysis shows that there are many of conflicts in this company. In fact, each manager has his own interests and sources of power. The conflicts arise because these interests collide. Moreover, no one seems to be able to handle these conflicts, because on the one hand they are too involved in the conflict with personal and task interests, on the other hand there is Moore's lack of authority. Actually, the change from the old autocracy to an unrealistic democracy typed organization seems to be too difficult to handle for the team which is exhibitive of an unhealthy environment in the organization.

As the power his no well handle in this company, we will shortly conclude with our proper point of view concerning how could Moore manage to exit the crisis. First of all, he should find another source of power to control better his managers. For example, he could speak more with them, and study each department to be aware of all the issues of his company in order to have the knowledge power. He also should be more ambitious and more self-confident in order to handle tough decisions and gain a well deserve authority power. Moore is the only one who has the opportunity to have a global vision of his company, so this must be done to solve the crisis!