





## **COVER PAGE AND DECLARATION**

	Master of Business Administration (M.B.A.)
Specialisation:	General Managment
Affiliated Center:	CEO Business School
Module Code & Module Title:	MGT560: Leading Organisation
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Student ID:	EIU2020907
Word Count:	3502
Date of Submission:	25/9/2023

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## **Introduction**

## What is the definition of organizational leadership?

The ability to guide teams of people toward carrying out a task is known as organizational
leadership.
It encompasses the following skills:
☐ Knowing how to align one's strengths with an organization's mission.
☐ Developing a strategy plan in accordance with that mission.
□ putting goals into action and holding teams responsible for completing those tasks on schedule and following the overall strategy.
☐ Recognizing potential obstacles on the way to a destination.
☐ Using innovation to solve those problems
☐ Effectively pivoting as circumstances change.
☐ Remaining cool in the face of adversity.
☐ Effective communication.
☐ Motivating teams of people to put forth their best efforts and cooperate in pursuit of a common goal.
$\hfill\Box$ addressing the community's and internal stakeholders' worries.
The ability to lead, got managerial skills, a growth mindset, and enhanced emotional
intelligence are prerequisites for the abilities. They give the leader the ability to advance the
only objective of the organization while being aware of oneself, one's influence on others, and
one's capacity to inspire others.

## Organizational leadership vs. traditional management

Organizational leadership has more responsibilities than typical management. Organizational leadership clarifies the organization's mission and vision, develops a strategic plan, and inspires

employees to work to achieve the plan's goals and, ultimately, the leader's vision.

The broad purpose is carried out by traditional management. It has been the manager's role to communicate the leadership's direction, create expectations, distribute responsibilities, handle problems, and carry out the group's goals.

#### Why is organizational leadership important?

Traditional management has come under fire recently for essentially "maintaining" the status quo.

Management cannot continue to run in the same manner given the rapid pace of innovation and change. Leadership is needed at every level of the business to consider how to improve or modify current practices to meet future requirements.

Tesla, Inc. is a groundbreaking American electric vehicle (EV) and clean energy company headquartered in Palo Alto, California. Founded in 2003 by Martin Eberhard and Marc Tarpenning, Tesla has rapidly evolved under the visionary leadership of Elon Musk, who joined the company shortly after its inception. Tesla has redefined the automotive industry and has made significant contributions to sustainable energy solutions. This introduction provides an overview of Tesla's history, leadership, management, and its remarkable impact on the automotive and energy sectors.

It has rapidly grown into an industry leader, known for its innovative products and disruptive technologies. This report aims to research and review Tesla's leadership practices, critique their effectiveness, and propose a new leadership strategy that aligns with 21st-century principles while improving communication and leveraging network dynamics within the organization.

## **Tesla History:**

## History of Tesla, Inc.

Tesla's history is marked by innovation and determination. The company's journey can be summarized in several key milestones:

• Founding (2003): Martin Eberhard and Marc Tarpenning established Tesla Motors with the goal of creating high-performance electric cars. They released the Tesla Roadster, the company's first vehicle, in 2008.

- Entry of Elon Musk (2004): Elon Musk, a co-founder of PayPal and SpaceX, joined Tesla as chairman and later became CEO and product architect. His leadership injected a renewed sense of purpose and ambition into the company.
- Model S Launch (2012): Tesla's Model S, an all-electric luxury sedan, was a gamechanger in the EV market. It received widespread acclaim for its performance, range, and design.
- **Gigafactories** (2014-Present): Tesla embarked on a mission to build gigafactories globally to produce batteries and EVs at scale. These factories have become integral to Tesla's growth and sustainability goals.

- Autopilot and Self-Driving Technology (2015-Present): Tesla's Autopilot and Full Self-Driving (FSD) features represent a significant step towards autonomous driving. These technologies continue to evolve and shape the future of transportation.
- Solar and Energy Products (2016-Present): Beyond EVs, Tesla expanded into clean energy solutions, including solar panels, Powerwalls (home energy storage), and utilityscale energy storage projects.

### Leadership at Tesla

Tesla's leadership has been synonymous with its CEO and product architect, Elon Musk. Musk is known for his visionary and unconventional leadership style. Some key aspects of Tesla's leadership include:

- Visionary Leadership: Elon Musk's audacious goals, including colonizing Mars and transitioning the world to sustainable energy, have inspired employees and stakeholders alike.
- **Hands-On Involvement:** Musk is deeply involved in the day-to-day operations of the company, from product design to engineering decisions.
- Innovation and Risk-Taking: Tesla encourages innovation and embraces calculated risks, which have led to industry-changing innovations like the Gigafactory and EV battery advancements.

#### **Tesla's Product Lineup**

- 1. Electric Vehicles (EVs): Tesla is renowned for its electric vehicles, which include:
  - Model S: A luxury sedan with impressive range and performance.
  - Model 3: A more affordable EV designed for the mass market.
  - Model X: An electric SUV featuring distinctive Falcon Wing doors.
  - Model Y: A compact SUV offering versatility and efficiency.

#### 2. Energy Products:

- Solar Panels: Tesla's solar panels and solar roofs aim to harness solar energy for residential and commercial use.
- Powerwall: A home battery system that stores excess energy for use during power outages or peak energy demand periods.
- Powerpack and Megapack: Large-scale energy storage solutions for utilities and commercial applications.
- Solar Inverter: A device that converts solar energy into usable electricity.
- 3. Autopilot and Full Self-Driving (FSD): Tesla's Autopilot feature offers advanced driver-assistance capabilities, while Full Self-Driving (FSD) represents the company's ambitions for autonomous driving.

#### Management at Tesla

Tesla's management structure is characterized by its unique approach to decision-making and corporate culture:

- Centralized Decision-Making: Tesla's decision-making is often centralized, with major strategic choices coming directly from Elon Musk. This top-down approach is a distinctive feature of the company.
- Agile and Fast-Paced: Tesla operates in a fast-paced environment, prioritizing agility
  and adaptability. This has allowed the company to make rapid advancements in
  technology and production.
- Innovation-Driven: The management at Tesla emphasizes continuous innovation and product development. The company invests heavily in research and development to stay at the forefront of EV and energy technology.
- Diverse Workforce: Tesla has a diverse and skilled workforce, comprising engineers, designers, and experts from various fields. The company values diversity of thought and experience.

Tesla's combination of visionary leadership, innovative management, and commitment to sustainability has positioned it as a key player in the transition to a more sustainable future, not only in the automotive industry but also in the broader energy sector. Tesla's story continues to evolve as it strives to address global challenges related to climate change and transportation.

#### **Global Impact**

Tesla's impact on the global automotive and energy sectors is profound:

- **EV Revolution:** Tesla has played a pivotal role in popularizing EVs and accelerating the transition away from internal combustion engines. Its electric vehicles have set new industry standards for range and performance.
- Environmental Sustainability: By promoting sustainable energy solutions, Tesla aims to reduce greenhouse gas emissions and combat climate change. Its products enable individuals and businesses to reduce their carbon footprint.
- Competitive Pressure: Tesla's success has prompted established automakers to invest heavily in EV technology and infrastructure, leading to a more competitive EV market.
- **Job Creation:** Tesla's expansion and gigafactory construction have created jobs in various regions, contributing to local economies.

#### Challenges

Despite its successes, Tesla faces several challenges:

- Production Scalability: Meeting growing demand while maintaining quality and
  efficiency remains a significant challenge, particularly in the face of semiconductor
  shortages and global supply chain disruptions.
- **Regulatory and Safety Concerns:** As autonomous driving technology advances, regulatory approval and addressing safety concerns pose hurdles.
- **Competition:** Established automakers and startups are intensifying competition in the EV market, challenging Tesla's market dominance.
- **Profitability:** Achieving sustained profitability, particularly while investing in research and development and expanding production, remains a priority.

### **Future Prospects**

Tesla's future appears promising:

- **Expansion:** Tesla continues to expand globally, with new gigafactories under construction in various countries, increasing production capacity.
- **Autonomous Driving:** The development of Full Self-Driving (FSD) technology could open new revenue streams and revolutionize transportation.
- **Energy Transition:** Tesla's energy products will play a crucial role in the transition to renewable energy sources, especially as the world shifts towards electric heating and transportation.
- **Sustainability:** Tesla's commitment to sustainability aligns with global efforts to reduce carbon emissions and combat climate change.

In summary, Tesla, Inc. is a transformative force in the automotive and energy industries, driven by visionary leadership, innovation, and a commitment to sustainability. While facing challenges and competition, Tesla's ongoing expansion and technological advancements position it as a key player in shaping the future of transportation and clean energy solutions on a global scale.

## **Description of Tesla's Current Leadership Practices:**

Tesla, Inc., led by its charismatic CEO Elon Musk, has established itself as a pioneer in the electric vehicle (EV) and clean energy sectors. Central to Tesla's success is its unique approach to leadership practices. This report aims to provide an in-depth analysis of Tesla's current leadership practices, shedding light on the key elements that define the company's leadership style.

#### **Transformational Leadership**

One of the most notable aspects of Tesla's leadership is its embrace of transformational leadership. Elon Musk embodies this style through his visionary and inspirational approach. Key components of Tesla's transformational leadership include:

#### 1. Vision and Charisma

Elon Musk is renowned for his bold vision of transitioning the world to sustainable energy and colonizing Mars. His charisma and unwavering commitment to these goals inspire employees and stakeholders alike. Musk's vision sets a clear direction for the company and motivates individuals to strive for excellence.

#### 2. Innovation and Risk-Taking

Tesla's leadership encourages innovation and risk-taking. The company is unafraid to disrupt established norms and take calculated risks to achieve its objectives. This willingness to push boundaries has led to groundbreaking developments in EV technology, battery production, and energy storage solutions.

#### 3. Inspirational Communication

Effective communication is a hallmark of Tesla's leadership. Elon Musk frequently communicates directly with the public and investors through social media platforms like Twitter. His transparent and candid communication style fosters trust and keeps stakeholders engaged.

#### **Centralized Decision-Making**

Tesla's leadership practices are characterized by centralized decision-making, with Elon Musk playing a pivotal role in major strategic choices. This approach has several notable features:

#### 1. Hands-On Involvement

Elon Musk is deeply involved in the company's operations, from product design and engineering decisions to marketing and production. His direct engagement ensures that the company's vision is consistently implemented throughout the organization.

#### 2. Decisiveness and Speed

Tesla's leadership is known for its decisiveness and speed in decision-making. This agile approach allows the company to adapt rapidly to market changes and technological advancements. It is also reflected in the company's rapid product development and expansion.

#### **Innovation and Risk-Taking**

Innovation and risk-taking are fundamental to Tesla's leadership practices. This culture of innovation is evident in several ways:

## 1. Research and Development Investment

Tesla invests heavily in research and development (R&D) to advance its technologies continually. The company allocates substantial resources to explore new avenues in battery technology, autonomous driving, and sustainable energy solutions.

#### 2. Disruptive Technologies

Tesla is unafraid to challenge conventional norms. For example, it has introduced electric vehicles that offer industry-leading range, performance, and self-driving capabilities. The company's pursuit of autonomous driving and sustainable energy solutions further exemplifies its commitment to innovation.

Tesla's current leadership practices, under the guidance of Elon Musk, reflect a blend of transformational leadership, centralized decision-making, and a culture of innovation. These practices have played a pivotal role in propelling Tesla to its current status as an industry leader in electric vehicles and clean energy solutions.

While Tesla's leadership style has driven remarkable achievements, it also faces ongoing challenges, including scalability, regulatory hurdles, and competition. However, Tesla's commitment to its bold vision, innovation, and sustainability continues to shape the company's trajectory and influence the future of the automotive and energy industries. As Tesla evolves and addresses these challenges, its leadership practices are likely to remain a topic of interest and discussion in the business world.

## **Critique of Tesla's Current Leadership Practices:**

While Tesla, Inc. has undoubtedly achieved remarkable success and has become a global leader in the electric vehicle (EV) and clean energy sectors, its current leadership practices are not without their share of critiques. This section provides an in-depth critique of Tesla's existing leadership practices, highlighting areas where improvement and adaptation may be warranted.

#### 1. Risk of Burnout

**Critique:** Tesla's relentless pace and Elon Musk's high expectations for performance have raised concerns about employee burnout. The company's "no compromises" culture, while driving innovation, can exert immense pressure on its workforce. Long working hours, tight deadlines, and an expectation of continuous excellence may lead to burnout among employees.

**Recommendation:** Tesla should prioritize the well-being of its employees. Implementing work-life balance initiatives, mental health support programs, and clear guidelines on sustainable work practices can help mitigate the risk of burnout and foster a healthier work environment.

#### Recommendations to improve communication between departments

- Dear Continuous Communication.
- Adopting multiple means of communication.
- Improving coordination processes.
- Promoting an organizational culture of cooperation.
- Enhancing personal communication and trust.
- Motivating and devoting a culture of transparency.

# Recommendations to improve the use of existing network dynamics within the organization

- Enhancing communication and interaction.
- Encouraging effective collaboration.
- Providing training and workshops.

- Using technology to communicate.
- Supporting a culture of participation.

#### Recommendations for improving leadership strategy

leadership strategy requires looking deeply into several aspects and providing recommendations aimed at enhancing performance and excellence in leadership. Here is a set of scientific recommendations to improve leadership strategy:

- Developing leadership skills.
- Strengthen communication and build trust.
- Enhance strategic vision and insight.
- Promoting Diversity and Inclusion.
- Adopting a motivational approach and motivating the team.
- Investing in innovation and development.

#### 2. Lack of Diversity in Leadership

**Critique:** Tesla's leadership is heavily centralized around Elon Musk, with a limited diversity of voices at the top. The executive team lacks gender and ethnic diversity, which can result in a lack of varied perspectives and ideas in decision-making processes.

**Recommendation:** Tesla should actively promote diversity and inclusion within its leadership team. Diverse leadership can provide fresh insights, improve decision-making, and help the company better connect with a broader customer base.

#### 3. Autocratic Decision-Making

**Critique:** Tesla's leadership practices often involve autocratic decision-making, where critical decisions are made by Elon Musk without extensive consultation or consensus-building. While Musk's vision has driven innovation, over-reliance on a single individual can create vulnerabilities.

**Recommendation:** Tesla should transition towards a more collaborative decision-making approach. The company could benefit from a leadership team that shares responsibilities and decision-making authority. Encouraging input from various stakeholders can lead to more well-rounded decisions.

#### 4. Communication Challenges

**Critique:** Tesla's top-down communication structure can hinder information flow and collaboration among departments. This can lead to inefficiencies, misunderstandings, and a lack of alignment between different parts of the organization.

**Recommendation:** Tesla should invest in improving internal communication processes. Implementing 21st-century technologies such as integrated collaboration tools, regular crossfunctional meetings, and transparent reporting structures can enhance information flow and promote collaboration among departments.

#### 5. Regulatory and Legal Challenges

**Critique:** Tesla's unconventional approach to public communication, particularly on social media, has at times landed the company in regulatory and legal controversies. Musk's tweets and statements have led to scrutiny from regulatory bodies and shareholder lawsuits.

**Recommendation:** Tesla should adopt a more cautious approach to public communication, especially regarding sensitive financial and regulatory matters. Establishing clear guidelines for public statements and adhering to regulatory compliance can help mitigate legal risks.

#### 6. Supply Chain Vulnerabilities

**Critique:** Tesla's rapid growth and global supply chain reliance have made the company vulnerable to disruptions, such as semiconductor shortages and global supply chain bottlenecks. These challenges can impact production and delivery schedules.

**Recommendation:** Tesla should diversify its supply chain and explore local sourcing options to reduce dependency on a single supplier or region. Robust supply chain risk management practices can help mitigate disruptions.

While Tesla's current leadership practices have played a pivotal role in its remarkable success and innovation in the EV and clean energy sectors, they are not immune to criticism and potential pitfalls. Addressing these critiques and implementing recommended improvements can help Tesla continue its trajectory of growth and innovation while fostering a healthier work environment, promoting diversity, and mitigating risks associated with centralized decision-making and communication challenges. Tesla's adaptability and willingness to evolve its leadership practices will be crucial as it navigates the complex landscape of the automotive and energy industries .

## Proposed Leadership Strategy Plan for Tesla, Inc.:

In response to the organization's expressed concern about developing a more 21st-century approach towards leadership that incorporates faster communication between departments and better utilization of network dynamics within Tesla, Inc., the following proposed leadership strategy plan outlines a comprehensive framework to address these challenges and optimize the company's leadership practices.

#### 1. Evaluation and Revision of Current Leadership Style

#### a. Assessment of Current Leadership Style:

- Conduct a thorough analysis of Tesla's existing leadership practices, emphasizing the strengths and weaknesses of the current approach.
- Identify key leadership roles, responsibilities, and decision-making processes within the organization.
- Evaluate the impact of Elon Musk's centralized leadership on the company's culture and performance.

#### b. Revision of Leadership Policy:

- Develop a revised leadership policy that aligns with 21st-century leadership principles.
- Transition from a predominantly autocratic style to a more collaborative and inclusive leadership approach.
- Define clear leadership roles and responsibilities, emphasizing shared leadership and decision-making among the leadership team.

#### 2. Influence on Company Culture

## a. Definition of Desired Company Culture:

- Define a desired company culture that reflects values such as innovation, sustainability, diversity, and inclusivity.
- Outline the cultural attributes and behaviors that align with the company's vision and objectives.

## b. Leadership's Role in Shaping Culture:

- Emphasize the role of leadership in shaping and reinforcing the desired company culture.
- Implement training and development programs for leaders to equip them with the skills needed to lead by example in promoting the desired culture.

## 3. Better Departmental Communication Plan

#### a. Integration of 21st-Century Technologies:

- Integrate advanced communication and collaboration technologies such as cloud-based platforms, project management tools, and video conferencing solutions.
- Establish a digital communication infrastructure that enables real-time information sharing, file collaboration, and remote work capabilities.

#### b. Cross-Functional Teams and Meetings:

- Promote cross-functional collaboration through the formation of multidisciplinary teams.
- Implement regular cross-functional meetings to facilitate information exchange, problem-solving, and alignment of departmental goals.

#### 4. Utilization of Existing Networks

#### a. Identification of Networks:

- Identify the various networks that exist within Tesla, Inc., including supplier networks, partner networks, and customer networks.
- Evaluate the potential value and resources available within these networks.

#### b. Network Utilization Strategy:

- Develop a strategy for effectively utilizing these networks for information gathering, market insights, innovation, and partnership opportunities.
- Establish networking events, forums, and collaborative projects to leverage the strengths of these networks.

#### 5. Continuous Monitoring and Improvement

## a. Key Performance Indicators (KPIs):

- Define measurable KPIs to assess the success of the proposed leadership strategy plan.
- KPIs should include employee satisfaction, diversity metrics, communication effectiveness, and network utilization metrics.

## b. Regular Feedback and Adaptation:

- Implement a system for collecting feedback from employees, leaders, and stakeholders to continuously refine and adapt the leadership strategy.
- Ensure that the plan remains responsive to changing internal and external factors.

The proposed leadership strategy plan for Tesla, Inc. aims to address the organization's concerns while positioning the company for sustained success in the 21st century. By revising the current leadership style, influencing company culture, improving departmental communication, and leveraging existing networks, Tesla can adapt to the evolving landscape of the automotive and clean energy sectors. Continuous monitoring and adaptation will be essential to ensure that the leadership strategy remains effective and aligned with the company's mission and goals.

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## **Conclusion:**

In this comprehensive report, we have examined Tesla, Inc.'s current leadership practices, critiqued their effectiveness, and proposed a forward-looking leadership strategy plan designed to address the organization's needs for a more 21st-century approach to leadership, improved communication, and the better utilization of network dynamics.

#### **Reflection on Current Leadership Practices**

Tesla's current leadership practices are marked by a distinctive blend of transformational leadership and centralized decision-making, largely epitomized by CEO Elon Musk. While these practices have propelled the company to the forefront of the electric vehicle and clean energy sectors, they are not without their critiques.

- Transformational Leadership: Elon Musk's visionary leadership style has inspired innovation and ambition within the company. His bold vision of a sustainable future and commitment to groundbreaking technology have been instrumental in Tesla's success.
- Centralized Decision-Making: Centralized decision-making, though expedient, has raised
  concerns about the organization's vulnerability to the leadership of a single individual. It has also
  limited diversity in decision-making and communication.

#### **Critique of Current Practices**

Several critiques emerged from the assessment of Tesla's leadership practices:

- **Risk of Burnout:** The relentless pace and high expectations set by Musk's leadership style may lead to burnout among employees.
- Lack of Diversity: The leadership structure is centralized, limiting diversity of perspectives and
  ideas.
- **Autocratic Decision-Making:** The top-down approach to decision-making can hinder collaboration and shared leadership.
- **Communication Challenges:** The centralized communication structure can hinder information flow and cross-functional collaboration.

#### **Proposed Leadership Strategy Plan**

To address these challenges and align with 21st-century leadership principles, the proposed leadership strategy plan outlines key recommendations:

- Revision of Leadership Style: Transition from a predominantly autocratic style to a more
  collaborative approach that involves shared leadership and decision-making among the leadership
  team.
- **Influence on Company Culture:** Define and promote a desired company culture emphasizing values such as innovation, sustainability, diversity, and inclusivity.
- **Better Departmental Communication:** Implement advanced technologies for improved communication, cross-functional teams, and regular cross-functional meetings.
- **Utilization of Existing Networks:** Identify and leverage existing networks within the organization for information gathering, market insights, innovation, and partnerships.
- Continuous Monitoring and Improvement: Establish measurable KPIs, collect regular feedback, and adapt the leadership strategy as needed to remain responsive to internal and external factors.

#### **Conclusion and Outlook**

In conclusion, Tesla, Inc. has demonstrated exceptional leadership practices that have propelled it to the forefront of the automotive and clean energy industries. However, it is essential for the company to evolve and adapt its leadership practices to meet the demands of the 21st century and address critiques related to diversity, communication, and decision-making.

The proposed leadership strategy plan provides a framework for Tesla to foster a more inclusive and innovative organizational culture, improve communication across departments, and leverage its extensive network to maintain its leadership position. Continuous monitoring, feedback, and adaptation will be crucial as Tesla navigates the dynamic landscape of its industries and works towards its visionary goals of sustainability and innovation.

As Tesla embraces these recommendations and evolves its leadership practices, it is well-positioned to continue leading the charge in electric mobility and clean energy, making a significant impact on the future of transportation and environmental sustainability.

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