

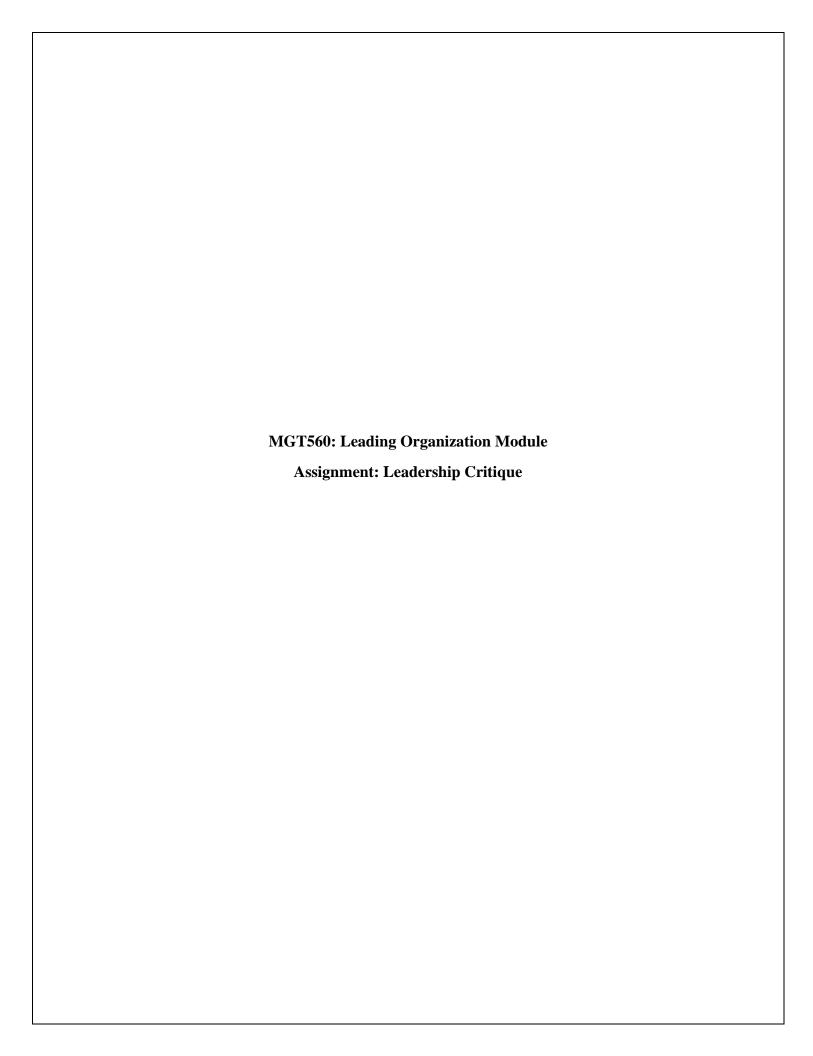




# **COVER PAGE AND DECLARATION**

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#### **Introduction:**

A leader is a person with the right and ability to lead and steer others. More than merely managing people is involved in being a leader. Additionally, strategic leadership entails directing and guiding the organization's overall objectives and vision. The strategic leader is the person who consciously investigates ways to generate and use strategic insights, whether they are in a leadership or managerial position. They use emotional manipulation to influence people into taking action. Obtain everyone's commitment, support, and buy-in. How to transform strategic insights into strategic action plans and how to come up with new strategic insights are two of the major issues that any business faces. Because it guarantees that the business has a clearly defined strategy roadmap based on its vision and long-term objectives, strategic leadership is essential. It guarantees the organization's ongoing growth. Aligning employees' own ambitions with those of the company also promotes employee engagement. Innovation and company culture may benefit from this.

Creating an environment where teams and team members may perform at their highest levels, achieve outstanding outcomes, and show respect for others is a leader's most crucial duty. There are some universal truths about what leaders must do to establish excellent teams, despite the fact that successful leaders have a wide variety of personalities and tactics for leading teams.

## 1. Write a report describing an organization's leadership practices (PepsiCo):

PepsiCo, Inc. is an American multinational food, snack, and beverage corporation headquartered in Harrison, New York, in the hamlet of Purchase. PepsiCo's business encompasses all aspects of the food and beverage market. It oversees the manufacturing, distribution, and marketing of its products. PepsiCo was formed in 1965 with the merger of the Pepsi-Cola Company and Frito-Lay, Inc. PepsiCo has since expanded from its namesake product Pepsi Cola to an immensely diversified range of food and beverage brands. The largest and most recent acquisition was Pioneer Foods in 2020 for US\$1.7 billion. (wikipedia/PepsiCo, 2022)

Indra Nooyi moved to the United States after leaving her country of birth in 1955. Before being given the chance to take her current role and become chairman, she worked for the company for 22 years after joining it in 1994. Such an opportunity gave her the chance to learn how the company functions inside, how its employees handle their responsibilities, and what they value and want to accomplish, which is essential for any effective leader. The CEO gained a lot of knowledge on how to lead a team that is supportive of her while she was a student at Yale School of Management. She has consistently ranked among the world's 100 most powerful women. In 2014, she was ranked at number 13 on the Forbes list of The World's 100 Most Powerful Women and was ranked the second most powerful woman on the Fortune list in 2015 and 2017. (wikipedia.Indra Nooyi, 2022)

Through Indra Noyil's Leadership we can analyze and describe the leadership practices of PepsiCo, Indra Nooyi is a level 5 leader in Collins' created hierarchy of leaders. She does her best to balance her own selflessness with her professional ambition. She has a fair amount of charisma, which gives her the chance to make PepsiCo into a fantastic organization. The organizational plan is only mentioned after she has focused on the individual. The personnel must accomplish both short-term and long-term goals, which are determined by Indra Nooyi. Although she encourages staff to stay with the company, she is not particularly focused on letting bad hires go. She urges the team to give precise information so that the company can identify any problems, but she also wants the staff to constantly be upbeat about the future. (Jan L. Carmichael, 2011)

The CEO refrains from making rash judgments since she is aware that good-to-great transitions take a lot of time and work. She constantly interacts with coworkers and customers through technology in order to get their input, collect data, and develop new products. Using several leadership techniques. Indra Nooyi creates a culture of discipline that blends several forms but places an emphasis on discipline action, allowing the staff to avoid having too much power.

In one of her interviews, Indra Nooyi said that leadership for her "is hard to define and good leadership even harder. But if you can get people to follow you to the ends of the earth, you are a great leader". It might be argued that the CEO is one of these people given the success she has already attained. (CP Neck, 2015)

She is an excellent leader because of her personal qualities, without a doubt. An accomplished extrovert, she converses with others about the information and abilities required to succeed in the field with ease. Indra Nooyi tends to give her followers a lot of attention and make sure they have everything they need. Additionally, she engages with clients of the business, which increases loyalty and makes them feel appreciated. Putting a focus on honesty and integrity with her team.

Indra Nooyi tends to have a situational leadership style, it demonstrates her flexibility and ability to better her surroundings.

Indra Nooyi communicates with those capable teams who can make enough decisions on their own and take responsibility for them alongside the CEO in her capacity as a democratic leader. In this model, she considers employee suggestions but ultimately comes to a conclusion after listening to them. She encourages her staff to speak up and takes into account their demands. As a charismatic leader Indra Nooyi strives to give her employees a sense of belonging and value that makes them feel like a big family. (JR Schermerhorn, 2010)

In Details we will describe leadership practices and styles in PepsiCo through Indra Nooyi Leadership.

Firstly, Indra Nooyi is adopting **contingency theory**, it is a culmination of different factors and establishes that individual variances play a role in each person's success. It implies that the characteristics and circumstances of the workforce influence the leadership style.

Secondly, she also possesses **democratic leadership** in which is based on mutual respect. It combines both participative leadership and collaboration between superiors and followers. Employees are expected to have a significant role in running the business and participate in decision-making.

Thirdly, Indra Nooyi possesses **charismatic leadership**, a charismatic leader inspires her team to do certain actions through communication, persuasion, and motivation to finish tasks or make improvements. They are able to express strong emotions in their workers and effectively communicate with their subordinates on an emotional level. Through their skills and characteristics, leaders motivate and inspire their following.

Equally, she also practices **authentic leadership**, it indicates that she is self-actualized in relation to her abilities, constraints, and emotions. (Ping, 2021)

### 2. Critique the leadership practice of that organization (PepsiCo).

By describing PepsiCo's leadership practices through Indra Nooyi's leadership style, four leadership styles appeared in this case:

- Leadership's contingency theory
- Democratic leadership
- Charismatic leadership
- Authentic leadership

### **Contingency theory:**

The Contingency Technique is a management paradigm that aids the manager in selecting the most appropriate management approach based on the circumstances. Understanding that management processes like planning, controlling, leadership, or organization are wholly reliant on the situation is made easier by the contingency approach. Contingency managers take into account both the circumstances that they generate and the management strategy.

#### Advantages of Contingency theory:

- 1. A dynamic approach is a contingency plan. Therefore, it varies depending on the circumstances. It enables managers to alter policy in response to circumstances.
- 2. The manager can improve their leadership and decision-making abilities by using a contingency approach.
- 3. The contingency strategy gives employees options, which encourages them to develop and contribute ideas to the company.

#### Disadvantages of Contingency theory:

- 1. The contingency strategy is complicated. The approach's suggestion is relatively straightforward, but in practice it becomes more complicated.
- 2. The contingency method is mostly reactive. The management of problems can be challenging at times.
- 3. Contingency method is hampered by a lack of adequate literature. Saying that "a managerial action relies on the situation" is insufficient.

This style is suitable to the big organizations, which have a strong structure and big manpower, style which need a lot of information and data available for the leader to take decisions, it might be available in PepsiCo, but it's so risky for leaders in smaller organizations. (Donaldson, 2006)

### **Democratic leadership:**

The democratic leadership style, also known as shared leadership or participative leadership, motivates team members to assume accountability for decision-making.

Everyone is urged to participate, which is a defining characteristic of democratic leadership. Ideas are given openly and without bias. Instead of relying on a single person to determine what is best for everyone, the objective is to utilize the diversity of a team and engage in open discussion about all ideas. Democratic leaders encourage their staff to think creatively and to be flexible in accepting new ideas and modifying established procedures. They frequently earn the respect and trust of their staff because of their direct engagement and transparency.

Democratic leadership is an approachable form of leadership that gives group members more authority over decision-making.

The Advantages of Democratic Leadership:

- 1. Job satisfaction and commitment.
- 2. Greater innovation
- 3. Several options were produced
- 4. Decreased absences
- 5. Trust between group members

The Disadvantages of a Democratic Leadership:

- 1. Making decisions takes longer
- 2. Performance may deteriorate
- 3. Overwhelm may strike leaders.
- 4. Resulting in procrastination

The benefits and drawbacks of democratic leadership demonstrate the need of embracing the variety present in every team and workplace. This style demonstrates that in order to be effective, it must be properly handled and may need to be blended with other leadership philosophies. (Nadeem Bhatti, 2012)

### **Charismatic leadership:**

Charismatic leaders are visionaries. They strive to realize a lofty ambition that they have. To see what others are unable to see beyond the horizon, they look beyond the larger picture. Then they consider several strategies for producing a successful outcome.

Charismatic leadership relies on motivating and influencing others. The charisma and persona of the leader are closely related to charismatic leadership. In comparison to the other leadership styles, it is more personality-dependent. A charismatic leader frequently interacts with others by his or her own sense of morality and passion. The affable leader also appeals to the feelings of his or her followers, who in turn acknowledge and value the values and zeal of their boss. Different feelings emerge in charismatic leaders. In the midst of the crowd, they stand out brightly and have an impact on those around them. Simply said, charismatic leaders excel at persuasion.

# The Advantages of Charismatic Leadership:

- 1. It is a leadership approach that elicits an emotional response.
- 2. People are given the opportunity to think in new ways.
- 3. It reduces organizational turnover rates.
- 4. It puts the learning process first.
- 5. It develops a collective identity.

# The Disadvantages of Charismatic Leadership:

- 1. It is based on the leader's level of energy.
- 2. It hinders the occurrence of fresh learning chances.
- 3. It has the power to alter the followers' moral principles.
- 4. It is not a leadership style which fits into a rigid structure.

People and organizations can build their goals and aspirations on the strengths and weaknesses of the charismatic leadership style. These people are capable of developing a compelling vision, formulating a purposeful objective, and then enlisting others to start the necessary effort. That procedure can be beneficial. It can also be employed maliciously. Because of this, when working toward the objectives of a charismatic leader, there must always be a focus on individual thought. (Tucker, 2017)

## **Authentic leadership:**

A more contemporary method of leadership, authentic leadership is still being studied. The goal of real leadership is to display the kind of leadership that may be required under various circumstances. True leadership is defined by authenticity, which is an essential quality. A leader's legitimacy can be increased by strengthening the bond between him and his followers. Greek philosophy, which intertwines ethics and human values, is where true leadership first emerged. Self-awareness and self-control. (M Černe, 2013)

#### Advantages of Authentic Leadership:

- 1. Lower levels of workplace stress and burnout.
- 2. A greater sense of motivation stemming from more distinct aims.
- 3. Being more at ease with one's abilities and shortcomings.
- 4. Being more modest and self-aware.
- 5. Putting long-term success ahead of short-term gains due to prioritizing ethical.

#### Disadvantages of Authentic Leadership:

- 1. Could spark debate at work and up the possibility of confrontation.
- 2. If you disclose that you make mistakes frequently, your coworkers can come to think of you as clumsy.
- 3. Genuine leaders frequently struggle to set priorities and are less effective.

The majority of individuals may agree that authenticity is really important. A genuine leader is preferable to one who is acting the part. It's crucial to act in a way that feels genuine, open, and linked to who you really are. This is a leadership trait that's admirable.

On the other hand, if the real you is a jerk, being who you are and speaking what you think might be really troublesome. In reality, we've seen that executives are using the idea of authenticity as a justification for terrible behavior. It's critical to understand that who you are is more than only your positive traits, such as your ideals, aspirations, and dreams, or the characteristics that people find most endearing. What comes effortlessly to most people can also be somewhat unpleasant. You are probably at your most authentic, but not at your finest, when you are highly critical, uncommunicative, crude, judgmental, or strict. In actuality, these aspects of a leader that are most authentic frequently require the most supervision. (Bill George, 2007)

- 3. Propose a new leadership style strategy plan that includes better communication and more effective use of the organization's network based off request from the organization. The plan must include the following:
- a) An evaluation of the current leadership style in the organization and a revision of the current leadership policy that will help the company to move forward.

CEO Indra Nooyi formulated the PepsiCo mission statement as "Performance with Purpose," and this idea is strongly related to the company's selected strategic course. (Dudovskiy, 2016) The following six guiding concepts serve as the foundation for the key components of PepsiCo's business strategy:

- 1. Achieving growth through mergers and acquisitions
- 2. Forming strategic alliances in the global scale.
- 3. Focusing on emerging markets.
- 4. Focusing on organizational culture.
- 5. Developing and promoting the idea of One PepsiCo.
- 6. Innovation in marketing initiatives

And briefly will mention company's strategy, to clarify leadership style effect on company's strategy.

#### Vision:

At PepsiCo, we strive to produce top-tier financial performance over the long term while having a beneficial impact on society and the environment. We do this by incorporating sustainability into our business strategy. Performance with purpose is what we call this. It begins with the products we produce, which range from the indulgent to the more healthful; it continues with the processes we use to create our goods, which conserve limited natural resources and promote environmental responsibility within and outside of our operations; and it takes into account the people who produce them, which entails working to support the communities in which we live and work as well as the careers of previous generations of talented PepsiCo employees. (pepsico.com/who we are, 2019)

#### Mission:

Our goal as one of the biggest food and beverage companies in the world is to offer people everywhere good breakfasts, healthy and enjoyable daytime snacks and beverages, and evening indulgences. These foods and beverages must also be easy, inexpensive, and complimentary. In order to position the business for long-term, sustainable growth, we are committed to investing in our people, our business, and the communities in which we operate. (pepsico.com/who we are, 2019)

### Target Market:

PepsiCo goods are now offered in more than 200 nations and territories globally, more than 50 years after the merger. Pepsi has numerous divisions spread out around the world. Each division has its own history and method of operation. According to Forbes magazine, teenagers and young people are Pepsi's traditional target demographic. According to Forbes, Pepsi has worked with a variety of celebrities over the years to appeal to younger consumers, from pop singers to rap and hip-hop performers.

PepsiCo believes that with the development of its leaders will help the company to move forward. They implemented a (Leadership Assessment & Development) program for that purpose. PepsiCo has concentrated on going beyond the use of performance to assess and identify potential because it is frequently a judgement decision made by managers and HR professionals and represents what makes someone successful today, not what will make that individual successful for the future. When evaluating someone's potential, this programme uses a more complex framework that takes into account their foundational, growth, and career dimensions:

The fundamental components of potential are called foundational dimensions. They consist of mental faculties and personality traits. The fundamental dimensions are simple to measure using a range of instruments that businesses currently have, even though they are not simple to change.

**Growth dimensions** are traits that make it easier or improve a person's capacity to succeed in different contexts, situations, and jobs. They consist of motivation and learning flexibility. Leaders at PepsiCo will challenge a person's status as a true high potential if they can't learn or aren't motivated to do so. Growth dimensions can be developed or impacted by tools, coaching, training, and career dialogues, but they do alter through time and are frequently stable.

The leadership skills and functional knowledge a person needs to succeed in a specific organizational context are known as **career dimensions**. PepsiCo takes into account both crucial leadership traits as well as particular actions and novel skills that will fuel future corporate expansion. Career dimensions can be built through experiences, coaching, mentorship, formal leadership programmes, and online learning. They are the most straightforward to quantify using techniques like competence frameworks and 360-degree feedback.

The identification of the crucial elements in the hunt for competitive advantages that enable greater levels of performance has been impacted by changes in the numerous domains of social issues, globalization, new technology, and the necessity to establish a sustainable competitiveness. In the knowledge society of today, it is believed that each individual is our greatest asset. As a result, HR strategic planning strategies are being used to create staff organizations that are equipped to meet the difficulties of the modern

world. So Flexible Leadership Styles Produce Better Results. And if we can suggest a leadership style for PepsiCo we will choose the Flexible Leadership.

# b) An explanation of how your chosen leadership style will influence the company's culture:

The organizational culture of PepsiCo demonstrates the organization's dedication to maximizing the potential of its people resources. The organizational culture of a company establishes the customs, principles, and working practices. Employees at PepsiCo are urged to collaboratively concentrate on excellence. PepsiCo, the second-largest food and Beverage Corporation in the world, works hard to develop its workers. To keep this market position, a high performance culture must be maintained. Utilizing the talents of its workforce, PepsiCo uses its organizational culture as a strategic tool to improve performance. (Allan H. Church, 2014)

Features of PepsiCo's Organizational Culture:

- 1. Performance with Purpose.
- 2. Real World Leadership.
- 3. Collaboration.

The culture of a company is greatly influenced by the leadership style. In fact, your leadership style can affect whether your team gets along well or if there is conflict in every task and conversation. Better outcomes are obtained by leaders who can modify their style of leadership to suit those of others. Steve Jobs is one example of a leader who was renowned for changing his leadership style. At Apple, he was the epitome of a visionary leader, but he also had a reputation as an authoritarian, often to the disadvantage of his employees.

Members of an organization pick up a culture through social learning and transmission, and it establishes the norms for acceptable conduct. The idea that can instruct employees on what to do and what not to do, including practices, beliefs, and assumptions about their work, is the definition of corporate culture. An organization's basic values start with its leadership, which develops into a leadership style. These ideals and the actions of leaders will serve as a guide for subordinates, thus both parties' behavior should gradually converge.

A flexible leader is aware that not every circumstance or person benefits from coaching with the same leadership approach. In some circumstances, it is wiser for the leader to give tasks and involve others in formulating a plan. In other circumstances, the leader must assume control, establish the course, and issue clear directives to the group. Choosing the "right" leadership approach depends on the circumstances and the requirements of the people involved.

The benefits of flexible leadership include gaining the respect and trust of others, gaining a wealth of knowledge and suggestions that can help us achieve our goals, and improving our ability to adapt in high-stress situations. These benefits can ultimately lead to sustainable growth and financial success. The environment we live in is always changing. We work quickly and frequently communicate with people from different parts of the world. In the workforce, it's clear why it's so crucial for PepsiCo's leaders to exhibit flexibility when you consider everything we encounter every day. (Yukl, 2008)

# c) A better departmental communication plan that utilizes 21st century technologies:

It can be difficult to communicate inside. There is typically one communicator for every 1,000 workers. Add to it the complexity of large, multi-office, multi-business unit, multi-language, in-office and remote enterprise groups working in various time zones and geographical locations. Technology for communication has received both praise and toleration, but when used properly, it may play a crucial role in enhancing professional collaboration.

Compared to ten years ago, communication at work has changed. A technologically connected workplace space has replaced the days of faxes, phone calls, and memoranda. This enables availability and practically continuous input. Office communication technology has received both praise and toleration, but when used properly, it may play a significant role in enhancing office communication.

Not so long ago, an employee's connection to workplace activities ended when they left the office. Today, workplace communication has altered significantly as a result of technological advancements. The young adults of the millennial generation are in a unique position to take use of all the opportunities offered by technology, from facilitating distance communication to employing innovative digital solutions in the workplace. (Anderson, 2018)

So we will use technology to enhance the productivity in workplace. But we have to make sure this new communication plan will assure the Following:

- Documenting Conversations
- Managing Projects
- Saving time

The list below illustrates some underlying lessons and conclusions about cross-departmental communication breakdown:

- Establish a Clear Set of Individual and Departmental Responsibilities.
- Focus on Team Building.
- Establish an Effective Plan for REGULAR Inter-Departmental Contact Time.
- Integrate the Goals of Various Departments to Form Unified Thinking.
- Having Flexibility
- Keep Close Tabs on Your Emotions

# d) A detail summary of the networks that exist within the organization and how they may be better utilized by the leadership in the future (PepsiCo).

The organizational structure of PepsiCo:

The market divisions are the most noticeable aspect of PepsiCo's corporate structure. These categories are based on two factors: geography and business. PepsiCo has two global divisions for its brands, one for Quaker Foods and the other for Frito-Lay. The business contains divisions for the Americas, Europe, and other geographical areas. The market division of PepsiCo is comprised of the following:

- 1. PepsiCo Americas Beverages
- 2. Frito-Lay
- 3. Quaker Foods
- 4. Latin America Foods
- 5. PepsiCo Europe
- 6. PepsiCo Asia, Middle East & Africa

#### Functional Corporate Groups/Offices:

This organizational structure feature of PepsiCo relates to fundamental company operations. For these purposes, the corporation has corporate or international offices. Functional groups are used by PepsiCo to guarantee corporate control and prompt implementation of policies and initiatives. Each of these organizations is led by an Executive Vice President or Senior Vice President. The primary corporate groups and offices at PepsiCo are listed below:

- 1. Global Categories and Operations
- 2. Global Research and Development
- 3. Human Resources
- 4. Finance
- 5. Government Affairs and Legal
- 6. Talent Management, Training and Development
- 7. Communications

The hierarchical structure of PepsiCo's organization extends across the entire company. At the global/corporate level, monitoring, control, and governance are often supported by a hierarchy. PepsiCo has kept a sizable hierarchy in place for top-down monitoring, communication, and control. Additionally, PepsiCo can limit departures from its rules and strategies thanks to this feature of the organizational structure. (Aguirre-Mar, 2013)

The capacity to concentrate on regional market needs is the main benefit of PepsiCo's organizational structure. Divisions in the market make this possible. The advantage of supporting PepsiCo's global corporate control is another benefit of the organizational structure. PepsiCo, however, is adversely affected by the organizational structure's flexibility restrictions. For instance, Frito-Lay is handled by a single global division within the corporation. Due of this trait, PepsiCo is less able to adapt its Frito-Lay company to changes in the market. To enable PepsiCo to better respond to market variances globally, it may be improved for such single global divisions to be divided into regional market divisions.

#### **Conclusion:**

Leaders who tend to use their dominant style are frequently more effective when they apply components of the other styles to difficult circumstances. Leaders that can modify their styles to fit the needs of others get better success, much like chameleons that change their colors to blend in with their surroundings.

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