

International Development Consultancy Report: A case of AC Lloyd

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Executive Summary

AC Lloyd is facing leadership and communication issues. AC Lloyd is unable to adopt the use of technology as the employees are not creative and innovative. Even the leaders lack some skills that are important for strategic management. AC Lloyd must train and develop its employees. Also, leadership skills development is recommended as they need to adopt the use of a specific leadership style. The firm should focus on its strategic management to support leaders and employees. AC Lloyd must adopt the use of a system model for the implementation of recommendations. The leaders should focus on transformational leadership style for enhancing their leadership skills and strengthen the strategic management within the organisation. All of the recommendations will help in enhancing the leadership at the firm and communication with both internal and external stakeholders.

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1. Introduction

AC Lloyd is a commercial and residential development organisation that constructs its own houses and buildings. Principally, AC Lloyd is a trading company operating in the property business. The organisation was established in 1948, which means that the organisation holds a good image among its consumers (AC Lloyd, 2021). The core aim of this report is to identify the issues faced by the organisation as the firm is unable to operate effectively. For this purpose, the strategic position of the company will be investigated through the use of appropriate tools. Both internal and environment will be investigated to understand the company's culture and its position in the sector. The internal analysis will also provide significant information regarding the leadership and strategic management within the AC Lloyd. After the identification of issues, the current report will be providing three recommendations. This report will also recommend an implementation strategy. The implementation of the recommendations will include what leadership style should be adopted and how that company should communicate its vision with the stakeholders.

2. Company's Strategic Position

2.1. Internal Environment

Whenever it comes to the analysis of the internal environment, there are multiple tools and techniques that could be used. As per the arguments of Gürel and Tat (2017), SWOT analysis is one of the best tools that could be used for understanding the strengths, weaknesses, opportunities, and threats to any organisation. Phadermrod et al. (2019) also argued that SWOT analysis enables a deeper internal analysis. Where SWOT analysis is an appropriate tool for internal analysis, VRIO analysis is also considered a significant tool. Yudiono et al. (2019) said that VRIO analysis provides internal information relevant to the resources of the organisation. The aim here is to investigate the issues by the AC Lloyd. The company is not facing issues with its resources but with leadership, communication, and strategic management. Hence, SWOT analysis is the most suitable option that must be used to explore the internal environment of AC Lloyd.

2.1.1. SWOT Analysis

As per the SWOT analysis, AC Lloyd holds a strong position in the industry. This is because AC Lloyd has achieved much success in satisfying its consumers. Along with this, loyal and reliable suppliers enhance the strengths of the organisation. Strong free cash flow is also one of the strengths of AC Lloyd. It is quite evident from the case study that there are multiple weaknesses owing to which the firm is unable to achieve its goals. At the very first step, the culture and structure of the organisation are not compatible with the business model. There are some weaknesses at the leadership end, too, as the leaders are not able to plan the financial structure of the company. After years of slow growth, the industry is now growing rapidly. Economic uptick and consumer spending create an opportunity for the firm to eliminate its internal issues and grow rapidly (AC Lloyd, 2021). Increasing labour cost and liability laws are some of the threats that may impact AC Lloyd in future. Also, the introduction of new technologies is a threat because the management and leadership of AC Lloyd are unable to deal with it.

2.2. External Environment

The external environment provides details about the external factors that impact the operations of an organisation. There are multiple tools and techniques that could provide adequate help in investigating the external environment of an organisation, such as PESTLE analysis and Porter's Five Forces analysis. Perera (2017) supported the use of PESTLE analysis for exploring the external factors, whereas Isabelle et al. (2020) supported the use of Porter's Five Forces. Perera (2017) argued that PESTLE analysis covers all of the factors such as economic, political, legal, and social factors, whereas Porter's Five Forces analysis just provides the details regarding competitors. Contradicting the arguments, Isabelle et al. (2020) said that Porter's Five Forces analysis provides a detailed overview of the buying and selling power of the organisations, owing to which its use more appropriate. AC Lloyd holds good relations with its suppliers, which means that there is a need to investigate other factors such as economic and political factors. Considering current requirements, the use of PESTLE analysis is more appropriate.

2.2.1. PESTLE Analysis

The economy of midland is a quite a manufacturing-led economy for more than ten years where people are always confused about either they should buy a house, or they should go for a lease. The economy of midland has created nervousness and a lack of confidence among people (Veuger, 2018). The political body of the state has also created pressure owing to which the company faces issues in finding and buying land. The legal structure of the state impacts consumer buying behaviour and create a lack of confidence among them (Rizki et al., 2019). AC Lloyd has complied with the environmental laws of the state. For this purpose, AC Lloyd constructs greenhouses and takes care of the waste generated during construction. This means that environmental factors have positively shaped the organisational structure. Technological development is a problem for the company. This is because AC Lloyd is a small-medium organisation with a total number of 40 employees who operate as a family. Such a small number of employees are not managed properly, owing to which they are not creative, and the implementation of technologies is difficult. Moreover, the social structure is also creating problems as the labour cost is increasing.

2.3. Strategic Position

2.3.1. Position in Sector

Although AC Lloyd is a small-medium organisation, it has satisfied most of its consumers. Owing to this, the firm holds a good reputation within the sector (AC Lloyd, 2021). The strong reputation of the firm among its consumers makes its position in the sector much stronger.

2.3.2. Leadership and Communication

There are some major problems within the strategic leadership and strategic management of the firm, owing to which the communication with the stakeholders is negatively impacted. As per the arguments of Spurgeon and Cragg (2018), there must be a leadership style to follow. AC Lloyd does not follow a specific leadership style but uses a combination that impacts its culture. Considering strategic management, one can say that it is not strong enough. This is because the business model does not comply with the structure.

2.3.3. Culture of the Firm

AC Lloyd treats its employees as a family. Employees and leaders provide support to each other, which makes the ethical environment quite appropriate (AC Lloyd, 2021). But when it comes to creativity, AC Lloyd has ignored multiple things owing to which employees are not innovative.

2.3.4. Client Needs

AC Lloyd is quite concerned about the needs of its clients, owing to which the clients are quite satisfied. This means that when it comes to the fulfilment of the needs and requirements of clients, AC Lloyd constructs greenhouses by complying with the legal laws and environmental factors (Rizki et al., 2019). AC Lloyd holds a strong position in this regard.

2.4. Issues Identified

There must be an alignment among leadership, leadership styles, and strategic management of an organisation. Burns (2019) said that leadership styles shape the management structure for fluent flow of operations. AC Lloyd does not follow a specific leadership style owing to which there is a lack of creative environment and alignment within leadership and strategic management. Spurgeon and Cragg (2018) also argued that leadership style aligns goals and objectives with strategic management. It is quite evident that there is a lack of a leadership style owing to which the strategic management is not appropriate, and the firm is unable to achieve its goals.

3. Recommendations to AC Lloyd

3.1. Training and Development

As identified in the previous section, there are some issues related to the creative environment of the firms. Although AC Lloyd has developed a family culture, it is not enough for the achievement of the organisational objectives. It was identified that the employees, as well as leaders, are unable to adopt the use of technology. This means that training and development is an urgent need of the firm. Training and development will not only resolve leadership issues but will also help in communicating with the internal and external stakeholders. Falola et al. (2014) said that training and development hold a significant impact on the creative environment of an organisation. Where training and

development will help employees in enhancing motivation, it will also help leaders in learning about how they can motivate their employees for creativity and innovativeness. Sal and Raja (2016) argued that the increase in motivation among employees would help in adopting technologies. As a result, the company will be able to adopt the use of communication technologies. Communication technologies will enhance communication and knowledge sharing among the employees. Sung and Choi (2014) says adaptation of communication technologies will enable AC Lloyd to communicate with its external stakeholders effectively. When the firm is able to communicate with its internal and external stakeholders appropriately, the leadership will be positively impacted. Leaders will be able to take timely decisions for the sake of the organisation.

3.2. Leadership Skills Development

It is already known that there are multiple leadership issues within the firms. AC Lloyd follows a culture where human resources operate like a family. The development of leadership skills will help the firm in achieving organisational objectives (Solansky, 2010). There is a lack of discipline owing to the family culture within the firm. The development of leadership skills will enable the leaders to continue with the same culture while maintaining a balance (Mehrabani and Mohamad, 2015). By following a discipline, the leadership will be able to guide employees in a better way. This will also make communication with internal and external stakeholders more effective. The development of leadership skills will provide aid in having an awareness of situations (Hayward, 2011). Currently, the leadership of the firm is not able to make strategic decisions that impact strategic management. Leadership skills development will help in developing situational awareness, owing to which the leaders will be able to make effective and timely decisions. As a result, strategic management will also be positively impacted.

3.3. Strategic Management

Strategic management will definitely be a good solution for the problems of AC Lloyd. This is because strategic management provides a framework to the leaders, which further helps in strategic decision-making. There is great pressure on the firm due to economic and political factors. The strategic decision making supported by strategic management will help to understand the requirements of consumers (Cania, 2014). People are

confused about either they should buy or go for another option which is a lease. AC Lloyd needs to take critical decisions in this regard which is only possible through the enhancement of strategic decision-making. Strategic management will allow the leaders to develop appropriate performance measures. As a result, leaders will be able to evaluate employee performance (Agwu, 2018). Also, this will enhance communication as the leaders will know the areas where development is required. Strategic management may be expensive, but it would be of great use in the case of AC Lloyd. This is because by taking strategic decisions, AC Lloyd will be able to reduce the impact of economic and political pressure on the external stakeholders of the company. Strategic management will also help in mitigating the issues created by legal factors (Taylor et al., 2008). This is because the leaders will be able to deal with legal matters more effectively. Leaders will be able to adopt appropriate means to comply with the legalities.

4. Implementation of Recommendations

4.1. System Model Training

System models include a number of steps that are analysed, design, develop, execute, and evaluate. AC Lloyd will conduct the training and development through the use of system model training.

4.1.1. Analyse

The first step is to analyse the areas where there is a need for training and development. No doubt, there is a need to enhance motivation among employees for creativeness and innovativeness (Dehghansai et al., 2017). This step will help AC Lloyd in determining the cost of training and development.

4.1.2. Design

At this stage, AC Lloyd will be able to design a training and development program. This stage will also consider the budget required and the budget available for the training and development of employees (Pak et al., 2016). This stage plays the most significant role in implementing the first recommendation for AC Lloyd.

4.1.3. Develop

After designing the training and development program, the next phase is to develop. The development stage will develop objectives for all of the activities designed in the previous phase (Clarke and Higgs, 2016). This phase will help in setting the sequence of training and development.

4.1.4. Execute

Implementation is one of the most critical parts as a minor issue can result in the failure of the whole training and development program (Dehghansai et al., 2017). At this stage, leaders will play a critical role in making sure that a learning environment is created.

4.1.5. Evaluate

After all of the steps, the last step is to evaluate the results. The results of the training and development program will be evaluated by analysing the behaviour of employees. This stage of the implementation will help in identifying the errors (Pak et al., 2016). Employee feedback will be taken in order to ensure that the training is right on track.

4.2. Transformational Leadership Theory

The transformational leadership style will help in implementing all of the three recommendations for AC Lloyd. Gilbert et al. (2016) supports the use of transformational leadership as it creates a friendly environment within an organisation. As a result of a friendly environment, employees communicate with each other in an ethical manner without any hesitation. They become able to discuss the issues they face in the working environment. Geier (2016) also said that transformational leadership helps in increasing flexibility which is important for innovations and creativeness. Developing leadership is not an easy task. The use of transformational leadership will help in implementing the change and recommendation. The transformational leaders at AC Lloyd will be able to make strategic decisions which will also enhance communication among employees while motivating and encouraging them for innovativeness (Boberg et al., 2016). The use of transformational leadership will also help in enhancing the skills of leaders, which indirectly supports an increase in communication with internal and external stakeholders. Moreover, the use of transformational leadership theory will help in making flexible

decisions as per the requirements. This will increase the confidence of leaders, as a result of which they will be able to adopt differentiated strategic management options.

4.3. Aligning the Goals with the Strategies

For the implementation of strategic management within the AC Lloyd, there is a need to adopt some strategies that are aligned with the goals of the organisation. Aligning the goals along with the strategies makes multiple things very clear to the leaders. The adaptations of strategies that are useful in achieving the goals and objectives provide leaders with aid (Trigeorgis and Reuer, 2017). It helps in making decisions. When leaders are using a strategy for a specific task, they are confident and well aware of the pros and cons of any decision they make (David and David, 2016). No doubt, the use of strategies helps in enhancing leadership skills. For example, the transformational leadership style is supported by the strategies of an organisation. The adaptation of communication strategies will be a feasible approach in the case of AC Lloyd as it will allow appropriate communication with the employees and other stakeholders (Wang et al., 2020). As a result of which leaders will become able to take critical decisions confidently.

5. Reflection

5.1. Gibbs' Reflective Cycle

5.1.1. Description

While developing this report, I learned a lot about leadership and management competencies. I understood leadership styles and their impacts. I came to know that there are a large number of frameworks that can provide great help in enhancing my leadership skills (Adeani et al., 2020). I want to be a leader in future, and I have investigated that the transformational leadership style is best for me to adopt because I am flexible and cooperative.

5.1.2. Feelings

While working on this task, I was very serious. This is because I found that how important management strategies and leadership styles are. I am not sure, but I think that other people were also very serious as they found something very important for their future (He

et al., 2018). I felt that without developing leadership skills and appropriate strategies, one could not be a good leader.

5.1.3. Evaluation

I evaluated that I lack multiple skills. I evaluated that I need to be more confident while making decisions. I analysed that I am not very confident while making a decision. I found that it is very important to be confident because it can directly impact the effectiveness of decisions (Tanaka et al., 2018). Moreover, I am an introvert owing to which my communication skills are also weak.

5.1.4. Analysis

As indicated, I was very serious and concerned while conducting this task, and I think I was unable to give my best. I went through a trauma when I realised that I need to learn much more than I have learnt till now (Adeani et al., 2020). I analysed that there are multiple gaps that I need to cover. I think I have taken it too seriously, and if I would have taken it as a learning task, it may have helped me in performing better.

5.1.5. Conclusion

I have concluded that I will be working on the development of leadership skills. I will focus on increasing my confidence level as well as communication with others (He et al., 2018). This will help me in managing things more effectively.

5.1.6. Action Plan

I think I need to learn about the competency frameworks, strategic management, leadership styles, and value of communication. This will increase my motivation for working on the development of my skills. I have taken the initiative that I will do exercise regularly in the morning and adopt the use of Yoga techniques which will help me in psychological development (Tanaka et al., 2018). Also, I have decided that I will start socialisation so that I could learn how to communicate appropriately.

6. Conclusion

In the light of the above analysis, it is quite evident that AC Lloyd is facing leadership and communication issues. AC Lloyd is unable to adopt the use of technology as the

employees are not creative and innovative. Even the leaders lack some skills that are important for strategic management. It was recommended that AC Lloyd must train and develop its employees. Also, leadership skills development is recommended as they need to adopt the use of a specific leadership style. The most important recommendation is that the firm should focus on its strategic management to support leaders and employees. AC Lloyd must adopt the use of a system model for the implementation of recommendations. The leaders should focus on transformational leadership style for enhancing their leadership skills and strengthen the strategic management within the organisation. All of the recommendations will help in enhancing the leadership at the firm and communication with both internal and external stakeholders.

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