PROCTER AND GAMBLE LEADERSHIP RESPONSIBILITY FOR INNOVATIVE AND CUSTOMER FOCUSED CULTURE

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ABSTRACT

The aim of this study was to assess Procter and Gamble's (P & G) leadership responsibility for innovative and customer-focused culture. Workplaces that foster a culture of innovation generally subscribe to the belief that innovation focus is not the province of top leadership but can come from anyone in the organization. A customer-focused culture puts the customer at the centre of everything the company does. The study concluded that the essence of leadership is to get others to do something because they think you want it done and because they know it is worthwhile doing. In other words, leadership needs influence. Therefore, Procter and Gamble is well known to operate under the notion of innovation in customer satisfaction as a priori objective. However, the leadership of P & G could be seen as a driving force towards innovation and growth because of the structurally centralised but socially decentralised nature of its leadership and management; individuals in the company feel more involved in company procedures and prospects when made to feel like part of the team. One of the recommendations made was that Procter and Gamble (P & G) should be adopted in an organisation to explore and understand how transformational leadership can influence the innovation culture.

KEYWORDS: Procter and Gamble Leadership, Innovative and Customer Focused Culture

Introduction

Leadership means different things to different people around the world. It could be said that effective leaders are people who motivate, inspire, manage, deliver, build, and coach other people for a desired purpose (Mind Tools Editorial Team, 2015). The essence of leadership is to get others to do something because they think you want it done and because they know it is worthwhile to do. In other words, leadership needs influence. Meyer and Meijer (2010) defined leadership as the ability to influence other people to move in one direction. Key variables in these definitions include capability, influence, other people, and directions, whereas a common denominator in all the definitions remains the ability to create or make influence. The level of influence exerted by an individual in a given organisation is contingent upon many factors, such as the power to lead, the ability to lead, and the theoretical underpinnings upon which leadership is construed. The charismatic and architectural roles of leaders in organizational development can be perceived (Carmichael, Collins, Emsell, & Haydon, 2011).

The charismatic element of leadership involves setting up and gaining support for a vision and direction. Moreover, it entails energising people and gaining support for causes that the leaders believe are important and deserving of being done. Whereas the architectural

role concerns building an organization and an adequate organizational structure system and controlling a rewarding system. The development and application of both aspects of leadership in an organization, however, depends on the leadership paradigm in which the strategic business values and core goals are embedded. As such, business success is closely correlated to the leadership strength, theories, and strategic implementation plans that define the culture of an organization. This major project aims to investigate Procter and Gamble's (P & G) leadership abilities in order to understand how transformational leadership influenced the company's culture. Yukl (2006) defines leadership as the process of influencing and teaching other people how and why certain things are accomplished. Cummings (2012) defines leadership as "being able to see the present for what it really is, see the future for what it can be, and then take action to close the gap between today's reality and the preferred future of tomorrow". Bass and Riggio (2006) then posit that "transformational" leaders raise the performance expectations of their followers and move them to a higher level of aspiration. Thus, this study aims to explore the impact of transformational leadership on organizational culture, using the company of Procter and Gamble (P & G) as a case study. The research depends on primary peer-reviewed research, articles, and extracts on transformational leadership at P & G and its influence on organizational culture. The background of this work examined closely the concepts and principles of transformational leadership and its subsequent effects on the overall culture at P & G.

Objective of the Study

❖ To find out the extent which P&G leadership can be held accountable for its innovative and customer focused culture.

Research Question

❖ To what extent can P&G leadership be held accountable for its innovative and customer focused culture?

Conceptual Review

Concept of P&G

Procter and Gamble are well known to operate with the notion of customer satisfaction as a prior objective (P & G, 2015). Embedded with a core people friendly and customer-focused model of service delivery, P & G accrued a total revenue of 83.06 billion dollars at the end of 2014 alone (P & G, 2014). Over the years, several results have demonstrated the effectiveness of their strategies in terms of performance. In revenues, P & G recorded a profit of 78.9 billion in 2010, 82.5 billion in 2011, 83.6 billion in 2012, 84.2 billion in 2013, and 83.06 billion in 2014 (P & G, 2015). Additionally, the organization was ranked #1 on Fortune's list of "Top Companies for Leaders" (Soaps and Cosmetics division) and #31 on Barron's list of "World's Most Respected Companies." Procter and Gamble (P & G) is an American multinational consumer goods company founded by William Procter and James Gamble with its headquarters in Ohio, USA (P & G, 2015). It specializes in the production and sales of personal care products, cleaning agents, household utilities, and even beverages. Founded in 1837 and serving all areas of the world (except for Cuba and North Korea), P & G has a global employee capacity of about 118,000 people (P & G, 2015). As of July 2014, the company structure has been categorized into four sectors and five selling and marketing organizations (MOs), which include: (a) Beauty Care; (b) Baby, Feminine, and Family Care; (c) Fabric and Home Care; and (d) Health and Grooming, and is located in Asia, Europe,

India, Middle East and Africa (IMEA), Latin America, and North America. P & G maintains a high standard of "customer-dedication" (P & G, 2014) and customer satisfaction; the company offers the best quality of consumer goods and personal care products available (P & G, 2013).

This aim is achieved by the steady operational functions performed at the P & G shops: cheerful staff, prompt solving of technical problems, discounts for patronage, and bonanzas (P & G, 2015). This phenomenal approach, embedded in the unique leadership style of P & G, distinguishes the standard of its operations as employees fully immersed in this aim; hence, its strapline "touching lives, improving lives" (P & G, 2015). P & G conducts over 15,000 research projects a year, touching over 5 million consumers in over 100 countries and spending $350 million on in-home consumer research (Kaufman, 2010). As of 2010 (P & G, 2010), P & G was investing $2 billion per year in overall consumer research. This demonstrates the company's commitment towards quality customer service delivery. Other brands in its distribution include Gillette, Tide, Frebreze, Olay, Oral-B, Venus, Always, and many more. The company aims to cater largely to consumers across all borders. This leads to a stellar accomplishment in the sector of customer satisfaction and, thus, overall productivity (P & G, 2014). The rationale behind this research is to determine the extent to which transformational leadership has influenced the company; to understand what constitutes the strategic business plan of P & G as well as leadership dynamics that set them at par with and among the league of global leaders across all four SMOs.

Concept of Innovative Focused Culture

An innovative, focused culture is the work environment that leaders cultivate in order to nurture unorthodox thinking and its application. Workplaces that foster a culture of innovation generally subscribe to the belief that innovation focus is not the province of top leadership but can come from anyone in the organization (Dyché, 2019). Innovative focused cultures are prized by organizations that compete in markets defined by rapid change; maintaining the status quo is insufficient to compete effectively, thus making an innovation culture essential for success. An innovation-focused culture refers to the environment that supports or focuses on creative thinking and advances efforts to extract economic and social value from knowledge and, in doing so, generates new or improved products, services, or processes. Nieminen (2020) stated that innovation-focused culture has long been one of the most challenging, and oft-discussed, topics in conversations with business and innovation leaders. An innovation-focused culture is a workplace environment that encourages employees to share creative ideas and solutions. Everyone in a workplace feels confident enough to brainstorm and introduce new ideas in an innovation-focused culture (Indeed Editorial Team 2021). Building a culture of innovation focus in an organization dramatically enhances the development of new ideas for improvements, new products, innovative services, and digital transformation.

Innovative focused culture refers to the focus that helps the energy of an organization. The mission and value statements of organizations are the directives that bring together employees, work practices, and the whole being of the organization (Desouza and Awazu, 2005). Innovative focused cultures are organization-specific and vary from one organization to the next. However, effective innovation-focused strategies and implementation require all eight cultural elements to be collectively practiced in organizations (Dombrowski, Kim, Desouza, & Braganza, 2007). None of the eight elements is very good on its own. Missing any of these cultural elements will hinder organizations' innovation-focused efforts. Tidd and

Bessant (2009) have noted that innovative focused cultures face the new challenge of organizational management, which is to create innovative organizations that focus on creativity and innovative behavior of employees through job design, reward systems, employee participation, and team building. One of the most serious challenges facing a company, particularly a high-technology firm, is how to manage an innovative focused culture as the organization evolves. According to Soltani, Damirchi, and Darban (2011), it is apparent that in order to satisfy the customer's unlimited expectations, companies need to orientate themselves to their customers' wants, as well as latent needs, and, as a result, provide products and services that are perceived to be valuable.

Concept of Customer Focused Culture

A customer-focused culture puts the customer at the center of everything the company does. More than profits, shareholder expectations, or growth, the main goal of companies is customer satisfaction (Morgan, 2017). Without a culture firmly centered on customers, a great customer experience can never be achieved. Customer focus culture has become less of a process and more of a culture that needs to be adopted into your organization so that all units perform accordingly. A customer-focus culture can be a competitive advantage. According to Adler and Borys (1996), using a hotel as a lens to focus, he noticed the hotel receives top rating scores from both its customers and employees. It is also profitable. It repeatedly wins the "Best Place to Work" awards in its community. The hotel in this case is the 1406-room, four-diamond Gaylord Palms convention hotel, which opened in February 2002 in Orlando, Florida. The owners gave the opening manager full reign to implement his previously developed approach to using a service culture to deliver profitable, top-quality service. The opening manager believed that it was critical to strategically shape a coherent and inspiring culture. Based on his prior experience and belief in the essential ideas of total quality management, he was convinced of its business value.

The opening manager had studied culture in his formal education and learned of its value as a practicing manager. His previous experience at the Sheraton Manhattan taught him that culture could elicit the best efforts of a staff to deliver a service experience. There he had relied on changing the culture as part of his strategy for turning around an underperforming hotel property. The dramatic results he had achieved convinced him that a hotel's culture could be crafted to make a difference in organizational performance (Dickson, Ford, & Upchurch, 2006). Thinking of culture as the "software" of an organization producing an intangible service, he felt that it needed to be strategically designed to align the organizational need (i.e., mission) with the software's capability (i.e., culture's specific content). He was also impressed with the total quality management concepts and their associated literature and was a believer in the idea that what gets measured gets managed. These beliefs are reflected in his strategic approach to creating the Gaylord Palms' culture.

Methodology

The interpretative qualitative research design is implored in this research, a myriad of different data collection possibilities and flexible analysis techniques. The scope of this research recedes with P & G. As such, data for this academic research were drawn from peered reviewed research, articles, grey literatures and excerpts from bibliometric databases and textbooks including Wiley Library, The Journal of Business Management, Procter and Gamble main website, and Google scholar and other sources from Anglia Ruskin University Library websites. These publications and research tools are globally accredited and so, the

information gotten from them, are considered reliable and valid. Initial search on each bibliometric database ran from 2005 to present (2016) and entailed holistic search using specialized key words. Keywords streamline search outcome by retrieving the right recourse sort for within time efficiency.

Established key words were used such as, P & G, innovative focused culture, and customer focused culture. The use of Boolean operators facilitated adequate retrieval of the right data in batches and in accordance to the imputed search phrases, and eligibility criteria considered at each level of the search strategy. The scope of search limits to P&G Company, therefore studies included in this research were published between the years 2005-2016 and accessed via selected databases stated above. The time frame was set in a manner that the information gotten, would be recent in order to make inductions and deductions that would be based on recent developments. Based on these key outcomes 12 studies seemed eligible for consideration and retrieved from their original sources. Of these, six of these were excluded on reasons such as generalized views of the social advancements of the company instead of an in-depth look, focus based solely on yearly prospects and financial aspirations of the company with no correlation to cultural influences as an outcome variable. A detailed appraisal of the other six studies was conducted to determine the study validity and reliability based on stated exclusion criteria evident. These data were finally included for a detailed thematic analysis in line with the research objective.

Data analysis and synthesis in an inductive based action research project was implored with the aim to collate, gather, organise, apply systematic coding, interpreted and make a sense of the pattern and trend of the information from secondary data within the remit of the research question. Themes were coded in a consistent and systematic frame—underpinned by thematic analysis principle and procedures. Thematic analysis entails the identification and application of codes and themes to discuss patterns found in the data or variable of interest. Within the construct of thematic analysis, direct observation—content data and inferential application—latent data are inter-changeably used to understand phenomenon of interest. Bearing this in mind, customer focused culture and innovative focused culture, which is the focal point of this case study inspired the content and latent data analysis utilised in the current qualitative research. The writing up phases entailed weaving together the analytic narrative and vivid data extracted to produce a coherent and persuasive account contextualized in term of the existing literature and the main research objective.

Discussion of Findings

Riccaboni and Leone, (2010) asserts that When multi-national giant Procter & Gamble nails its sustainability colours to the mast, it has to make sure its actions match its messages. This conjures the message of credibility and reliability and confidence on their sustainable delivery services. Despite the global assent and accolade from national and international partners, P&G prides itself with the models that promotes sustainable change management at all levels of its operations; allowed a flexible approach to decision making—creating an enabling environment for interaction across all borders—stakeholders. The synergy between executive and management team fostered periodic growth as evidence in their 2013, 2014, and 2015 annual and global sustainability report (P&G, 2014 and 2015). Inference from this suggest that P&G operate an open system of operation that accommodates inputs from all quarters including staff. This sort of empowers staff, sustained staff motivation, giving hope and sense of responsibility in an equitable construct and consistent with the Maslow Hierarchy of needs (Maslow, 2012). Transformational leadership mediated by individual

identification of work unit produce means and self-efficacy which further leads to improved work performance (Walumbwa, Avolio and Zhu, 2008). The study which implored 437 participants from 6 U.S. banking organizations in the Midwest concluded that transformational leadership through a mechanism of identification with his or her work unit, self-efficacy, and means efficacy were related to supervisor rated performance.

Whilst this was predicated by the organisational structure and specific goals and objectives, a similar trend and pattern were observed in the P & G. Intellectual stimulation and motivation essentially predicted growth, development and competencies over time. Gregory and Levy, (2011) posits that varying opinion on Implicit person theory (IPT) reflects in the leaders' view of the employee. Whereas some supervisors perceive employee as "entity", other holds an "incremental view". These perspectives determine the degree to which change was permissible at a given time. At P & G, openness to change underpinned by incremental change idea, critically influenced the supervisors' approach to the employee in terms of learning, capacity building and coaching. This is consistent with (Heslin, et al., 2006; Morales, et al., 2011). Feedback, emotional intelligence as well as trust, seemly mediated between transformational leadership and the culture of P & G. Within the transformational leadership paradigm, leaders or supervisors must trust their employee for optimum performance at any given time (Seijts, et al., 2014).

The leadership of P & G could be seen as a driving force towards the culture of innovation growth because of the structurally centralized, but socially decentralized nature of the leadership/ management; individuals in the company feel more involved in company procedures and prospects when made to feel like "part of the team". This involvement is also strengthened when the workers are equipped and trained with the skills to take on new innovative tasks. A passage from the findings states that "the training offered reinforces the company's key skill areas, including leadership, innovation, collaboration, capacity, technical mastery, solutions and risk-taking. And courses include coaching for people Managers, Seven Habits of Highly Effective People and People Communication Skills" (Pollitt, 2011, p.12). The strength of every workforce, and successful organisation are those who develop the capacity of their staff. Capacity development falls under the tenet of transformational leadership and thus requires senior managers to motivate their staff to learn, develop new skills and competencies in concurrence with the common and equity (Rad and Yarmohammadian, 2006). Thus, it becomes clearer that, while innovating to the outside world, the company also pays great attention in training its employees who would then continue to be inventive in the future of the company.

Another paragraph reads: "RapidLearn is an online tool that gives employees access to the training calendar and catalog of courses available. "RapidLearn gives employees worldwide access to more than 500 online courses from their computers. The courses cover a wide variety of subjects, including interpersonal skills, technical mastery, personal computing, diversity and regulatory and safety-standards training for plant personnel. All employees are expected to have a current work and development plan" (Pollitt, 2011, p.12). There were definite ways of checking to see if innovation was secure enough or if it may dwindle in upcoming fiscal years; the leadership of the company carried out ways of measuring the effectiveness and staying power of its innovations, as well as the responsiveness of its customers to the improvements. According to Lafley and Martins, (2013) "The questions tended to press on a few key points: was P & G winning in this category? Was the business team sure? How did they really know? What were the opportunities related to unmet

customer needs? What were the most promising innovations and technology? What were the threats to category or country or channel structural attractiveness? What core capabilities was the business lacking? These reviews focused on very basic, very fundamental questions with the intent of helping the team make better strategic choices". These enabled the P & G leaders to carefully analyse its entire innovative strategies, and to make adjustments where necessary so as to monitor growth and consistency in its pattern of advancements.

Based on the findings, the current research posits that innovation was at the focal point of Procter and Gambles' organisational strategy; it was imbedded at the centre of its strategy so at to prioritize the need for implementation of new innovative ideas and to ensure the employees of the company view it as a primary aim and objective. The "practice of thinking" refers to, the element of intellectual stimulation in transformational leadership; the system of challenging the followers to think for themselves and challenge each other's minds, is what seems to be at play here in the P&G and it seems to be a major contributor in the company's claim to be an innovation centre. The innovation strategy present at the P&G, was materialized through not just technological advancements and conquests, but in other operational strategy as well. Coaching for example, was seen as a means through which employees interested in the primary goal of the company's strategy (innovation) was sustained. The leaders at the company took this seriously, having obtained reasonable evidence that coaching would help to promote its culture of maintaining innovation, and knowing that there is need to maintain its coaching relationships with lower-level workers.

Conclusion

The study concluded that the essence of leadership is to get others to do something because they think you want it done and because they know it is worthwhile doing. In other words, leadership needs influence. Therefore, Procter and Gamble is well known to operate under the notion of innovation in customer satisfaction as a prior objective. However, the leadership of P & G could be seen as a driving force towards innovation and growth because of the structurally centralized but socially decentralized nature of its leadership and management; individuals in the company feel more involved in company procedures and prospects when made to feel like part of the team.

Recommendations

1. Procter and Gamble (P&G) should be adopted in an organization to explores and understand how transformational leadership can influences the innovation culture.

2. Procter and Gamble (P&G) should encourage leadership to make organization easier for employees to take responsibility for innovation and customer service.

3. Procter and Gamble (P&G) should support leadership in the consumer goods industry and facilitates employee for accountability in the innovation and customer focused culture.

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