

A Case Study on Dell Technologies and its CEO, Michael Dell

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Abstract: No matter how the business environment changes, competition will always exist, and ethics and responsibility should not be ignored to achieve comparable success. As a leader who has twice led Dell to success, Michael Dell deserves to make people think more, so this article takes Dell as a case to analyze the leadership style of its founder Michael Dell and the followership style of his subordinates, as well as how these influence Dell's attitude towards ethics and responsibility.

Keywords: Leadership, Followership, Teamwork, Ethic, Responsibility.

1. Introduction

This essay will analyze Dell Technologies company and its CEO, Michael Dell, who is also the founder of this company. Dell Inc. was named One of the World's Most Ethical Companies since 2014, which has won this price eight times in history (ETHISPHERE, n.d.). [1] Michael Dell serves as CEO twice, saving the company from crisis and leading the company to prosperity (Nunn, 2007).[2]

Notably, with Michael Dell's lead, the company has shaped an ethical culture, focusing on employee diversity (Dell Technology, n.d.) [3]. As a large-scale technology company, what can be found in the annual reports is that it not only uses funds to promote R&D and innovation but also a considerable part of the funds is invested in measures to improve the health and well-being of employees. However, not all actions of Michael Dell and his company are ethical, for example, It was caught up in an accounting scandal in 2010 (Wyatt, 2010).

There are two parts to this essay. In the first part, the efforts in ethics and responsibility of Dell Inc. with Michael Dell's lead will be introduced, which is followed by the analysis of two kinds of leadership to explain how Michael Dell influences his followers during his CEO career, authentic leadership & ethical leadership. Then the constructionist approach and role-based approach is used to reflect the followership theory of Dell Technologies company. This is followed by a brief analysis of teamwork. And finally, there is a conclusion.

2. The leader Michael Dell

2.1. The Ethics and Responsibility of Michael Dell and His Company

One of the most important modules of Dell's culture is winning together, which means unite employees to make Dell a better place to work (Price, 2016) [4]. Michael Dell expressed a positive attitude towards ethics and responsibility in his autobiography "Play Nice But Win: A CEO's Journey from Founder to Leader", and his advocacy in operations shows that he makes efforts in this direction.

Michael Dell's support for employee diversity dates back to one recruitment advertise encouraging people to apply whatever their race, age, color, nationality, gender or disability in 1994. As Michael Dell said in the preface of Diversity & Inclusion Report 2021, "I've always believed

diversity is power. It's how we win and win the right way.". He obviously agrees with the view provided by Podsiadlowski et al.(2013)[5], which claims that the acceptance of diversity within an organization determines whether it can win talent competition in today's highly competitive market.

But on the issue of diversity, Vanice Hayes, the newly appointed Chief Diversity and Inclusion Officer last year, implies that Michael Dell has a more ethical pursuit beyond talent success, while he led to the entire organization paying more attention to racial equality and women's rights, so there are the formulation of diversity under his leadership and the set of related goals to 2030. Michael Dell promises that half of its employees will be women, female managers will up to 40%, and that 25% of the workforce should be African-American or Hispanic, and this ethnic group should account for 15% of managers by 2030. In the aforementioned report, a remarkable result can be seen, proving the effort is paying off with Michael Dell's lead.

Michael Dell has a happy family, and his wife and children are an emotional boost for his work. He describes his wife as his "Secret Weapon" in business (Forttknox, 2021)[6]. Quality time and family needs are important components of employee health and well-being, which affect employees' performance and output (Brummelhuis, Hoeven, Jong & Peper, 2013)[7]. Dell's CEO has noticed this so he not only puts the health and happiness of employees as an important consideration in the company's development process, but also involves employees' families around the benefits of improving employees' health and well-being. The health plan (Well at Dell programs) has been in place since 2007 when Michael Dell returned to the company as CEO again. In an evaluation of more than 20,000 employees in Dell Inc. who enrolled in this program, it did achieve significant health improvements while promoting health care and productivity cost savings for the workforce (Musich, McCalister, Wang & Hawkins, 2015).[8]

2.2. The Analysis of the Leadership

2.2.1. The Definition of Leadership

Leadership is not command or control, and a leader is someone who inspires and influences people and who has the ability to influence employee morale and organizational results. As chairman and CEO, Michael Dell does not directly participate in all organizational behaviors, but he does

directly or indirectly influence everyone in the company. Although leaders and managers are responsible for organizational behaviors, Northouse (2015) claims that management can be 'suffocating and bureaucratic' without leadership. And Michael Dell's leadership is one of the essential forces that make the entire company form good ethics and responsible atmosphere from top to bottom and make the company successful again. [9]

2.2.2. Michael Dell's Leadership Analysis

Combining the information from Zhua, Jiwen Songa, Li Zhub and Johnsonc's summary and combining of the characteristics of different leadership in 2019 and the analysis of Michael Dell's personality and behavior in 2.1, it can determine that Michael Dell is an authentic and ethical leader.

Four dimensions are considered to distinguish authentic leaders from other types of leaders, including relational transparency, internalized moral perspective, balanced processing and self-awareness (Avolio & Gardner, 2005; Morgeson & Nahrgang, 2005) [10]. And these four aspects are reflected in Michael Dell, who never hides his admiration for employee power, so he internalized ethics and responsibility which can improve this power into his core beliefs for corporate development during his two-year retirement. A few things are believed by him that could make Dell Inc. better, like employee diversity, the company-employee relationship. In Cottrill, Denise and Hoffman (2014)'s empirical study of how AL affects organizational behavior, hypothetical results show that authentic leadership makes a positive relationship to diversity and inclusion [11]. Avolio, Gardner, Walumbwa, Luthans and May (2014) suggest credibility and followers' trust are built by authentic leaders' personal values and convictions. So here is one reason to believe that Michael Dell infected the entire company through his leadership. [12]

Additionally, Lord (2016) suggests that a more contextualized, dynamic, multi-level and multi-person leadership construct becomes more competitive, with this reminding another character of Michael Dell. [13] This leader fits Trevino's judgment on ethical leadership in 2000, while Michael Dell has been looking for ways to focus the organization's attention on ethics and values. It was difficult to accomplish this feat alone, and he turned to partners with similar core values for help. So Michael Dell, as the chairman, has formed his leadership team, such as Vanice Hayes as Chief Diversity and Inclusion Officer, Executive Vice President Kevin Brown and SVP Patrick Poljan who lead the construction of employee benefits with disabilities, Chief Human Resources Officer Jennifer Saavedra focusing on employee equality, etc. [14]

Therefore, in Dell Inc., the CEO, management team, and employees form three basic levels. There is the trickle-down effect that delivers the positive values of Michael Dell from himself to the whole company. This influence can be inheritance relationship from CEO to the management team and then passed down by the management team, but it can also cross the hierarchy, from the top leader directly to the low level, additionally, unit-level, cascading and bypassing relationships can also occur (Schaubroeck et al., 2012). [15]

3. The Followership

3.1. The Definition of Followership

Followers do not mean the employees of the company, being independent and having freedom in thinking. Followership is

a concept corresponding to leadership, and it is the basis for the existence of leadership (Uhl-Bien et al, 2014, p. 83; Bastardoz & Vugt, 2018). [16-17]

3.2. Dell Inc.'s Followership Analysis

Three words are emphasized in Dell Technologies company's official answer to the question "Who we are", which are equality, mutual and trust. Embedded in Dell Inc.'s culture, the code of conduct for all within this company is in line with the constructionist view. The generation of leadership and followership comes from social and relational interactions, being the result of co-creation, and the roles may be interchanged between leadership and followership (DeRue & Ashford, 2010; Fairhurst & Grant, 2010). [18]

Michael Dell is not the leader on all events who may be a follower of the management team mentioned above. In this team, everyone supports each other in decision-making to support a technology empire like Dell. They share the same beliefs, being given clear special direction (e.g. employee equality, disability benefits, diversity) to get more in-depth details of optimization measures. Leadership is only constructed when followers acknowledge the leader's leadership (DeRue & Ashford, 2010) [19]. For example, at beginning, everyone followed Michael Dell's diversity development thinking, and when this thinking was ready to be implemented by Chief Diversity and Inclusion Officer Vanice Hayes with specific recommendations for fostering an inclusive hybrid workplace, Michael Dell and the chief officer's identities changed, becoming the follower to support Vanice Hayes' leadership.

However, for a multinational super group like Dell Inc., the single construction method can only explain a part of the followership one-sidedly. For more grassroots employees without enough capability in the enterprise, they are more inclined to show a role-based approach, passive to submissive behavior (Heckscher, 1994) [20]. In contrast, the followership of members within the aforementioned management team is defined by Kelley (1988) as 'effective followers' under this approach, who possess a range of positive qualities such as self-motivation, independent problem solving, and commitment to teamwork, etc.

4. Review from the Perspective of Teamwork

From theory to reality, the interaction between leadership and followership eventually forms a team.

Successful teamwork and outstanding performance are the result of the combination of leadership and followership described above which cannot be replicated but it can be analyzed. Beyond theory, there are other factors to consider.

In the future, to pursue good teamwork, the importance of psychological security construction should be paid attention to. Edmondson and Lei (2014) proposed four behaviors that can produce psychological safety, which is empowering leadership, high-quality relationships, team autonomy and status in the team, while they claimed that these measures can help to have a positive impact on the performance and outcome. [21]

In addition, depending on the work, the impact of diversity on the business to be completed by these teams should be fully considered in teamwork topic. And these are best planned before team building because according to

Tuckman's group development theory, new members in the team will bring a mature team back to the forming stage again, which is a waste of human resources (Denise A. Bonebright, 2010).[22]

Finally, when working in a team, whether a dominant or recessive leader can be elected in the team, and what form of followership will be formed in the team will vary depending on the type of work the team is doing. The personality of the team members (eg aggressiveness, mastery) also affects this and needs to be judged whether it suitable to the team at the beginning of the team formation.

5. Conclusion

This article takes Michael Dell, the founder, chairman and CEO of Dell Inc., as an example to conduct a case study, focusing on the theme of corporate ethics and responsibility, to analyze Michael Dell's leadership types, and to explain how he has influenced his subordinates and the entire organization. Through the content of part 1, people can learn from this successful leader that how to build united and closed relationships among everyone in the company and achieve a win-win situation. However, even when the leader is excellent or even perfect, followers should remain vigilant, sober in the face of leaders' potentially unethical behavior, and make a sound judgment about whether to follow unethical actions or whether such actions are contrary to their minds and beliefs.

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