

CASE 7.1

His Team Gets the Best Assignments

Carly Peters directs the creative department of the advertising agency of Mills, Smith, & Peters. The agency has about 100 employees, 20 of whom work for Carly in the creative department. Typically, the agency maintains 10 major accounts and a number of smaller accounts. It has a reputation for being one of the best advertising and public relations agencies in the country.

In the creative department, there are four major account teams. Each is led by an associate creative director, who reports directly to Carly. In addition, each team has a copywriter, an art director, and a production artist. These four account teams are headed by Jack, Terri, Julie, and Sarah.

Jack and his team get along really well with Carly, and they have done excellent work for their clients at the agency. Of all the teams, Jack's team is the most creative and talented and the most willing to go the extra mile for Carly. As a result, when Carly has to showcase accounts to upper management, she often uses the work of Jack's team. Jack and his team members are comfortable confiding in Carly and she in them. Carly is not afraid to allocate extra resources to Jack's team or to give them free rein on their accounts because they always come through for her.

Terri's team also performs well for the agency, but Terri is unhappy with how Carly treats her team. She feels that Carly is not fair because she favors Jack's team. For example, Terri's team was counseled out of pursuing an ad campaign because the campaign was too risky, whereas Jack's group was praised for developing a very provocative campaign. Terri feels that Jack's team is Carly's pet: His team gets the best assignments, accounts, and budgets. Terri finds it hard to hold back the animosity she feels toward Carly.

Like Terri, Julie is concerned that her team is not in the inner circle, close to Carly. She has noticed repeatedly that Carly favors the other teams. For example, whenever additional people are assigned to team projects, it is always the other teams who get the best writers and art directors. Julie is mystified as to why Carly doesn't notice her team or try to help it with its work. She feels Carly undervalues her team because Julie knows the quality of her team's work is indisputable.

Although Sarah agrees with some of Terri's and Julie's observations about Carly, she does not feel any antagonism about Carly's leadership. Sarah has worked for the agency for nearly 10 years, and nothing seems to bother her. Her account teams have never been earthshaking, but they have never been problematic either. Sarah views her team and its work more as a nuts-and-bolts operation in which the team is given an assignment and carries it out. Being in Carly's inner circle would entail putting

in extra time in the evening or on weekends and would create more headaches for Sarah. Therefore, Sarah is happy with her role as it is, and she has little interest in trying to change the way the department works.

Questions

1. Based on the principles of LMX theory, what observations would you make about Carly's leadership at Mills, Smith, & Peters?
2. Is there an in-group and out-group, and if so, which are they?
3. In what way is Carly's relationship with the four groups productive or counterproductive to the overall goals of the agency?
4. Do you think Carly should change her approach toward the associate directors? If so, what should she do differently?