

Volume 13, Number 2

ISSN 2150-511X

**Allied Academies
International Conference**

**Las Vegas, NV
October 15-17, 2014**

Academy of Strategic Management

PROCEEDINGS

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J. C. PENNY AND RON JOHNSON: A CASE OF FAILED LEADERSHIP: LESSONS TO BE LEARNED

**James Harbin, Texas A&M University
Patricia Humphrey, Texas A&M University**

ABSTRACT

The business story dominating the airways from late 2011 thru 2013 revolved around the company J. C. Penny and the much anticipated arrival of their new CEO Ron Johnson, his new vision for the company, and then the subsequent failure of that vision. It is an amazing tale of how things can go from "boom" to "bust" in such a short period of time. It is destined to become a classic case of failed leadership that management students will study for years to come. Early on during Ron Johnson's reign, there was tremendous excitement among the financial community, the shareholders, and even the company itself. How all that turned so quickly sour and ended in his dismissal 18 short months later provides for multiple lessons in leadership.

HOW HARMFUL IS PLAYING POLITICS TO THE INNOVATION PROCESS AND ORGANIZATIONAL OUTCOMES?

Verónica I. Baños Monroy, Tecnológico de Monterrey
Edgar R. Ramírez Solís, Tecnológico de Monterrey

ABSTRACT

The main objective of this paper is to identify the influence, if there is any, of organizational politics on the innovation process and the performance of Mexican SMEs. We designed an empirical study and applied a survey in 134 companies in the shoemaking industry. As we expected, the results of our empirical research indicate an important relationship between innovation and organizational outcomes. The most important finding is that the organizational politics did not affect the organizational results; and that is a surprising and a counterintuitive fact because many authors and practitioners think in a negative way about the practice of politics inside the firms.

Keywords: Innovation Models; Organizational Politics; Organizational Performance

PURPOSE

The aim of this paper is to identify the influence of innovation on organizational performance and having as a moderator variable the effect of organizational politics measured in Small and Medium Enterprises (SME's) of the footwear manufacturing industry from the state of Jalisco, Mexico.

DESIGN/METHODOLOGY/APPROACH

We designed an empirical study and developed a questionnaire to implement it in a representative sample of 134 companies and 421 subjects. Our methodology also included a case study and interviews. We applied the technique of linear regression analysis (OLS) and Pearson Correlation Coefficients to test our hypotheses.

RESEARCH LIMITATIONS/IMPLICATIONS

The results will be better with a comparison between different countries and also with different industries. This research is just another step in the overlooked field of innovation and organizational politics.

PRACTICAL IMPLICATIONS

This study provides interesting managerial implications on how to take advantage of a common behavior: the self-organization of employees in order to get what they want. Politics should not be seen as a dysfunctional or aberrant behavior but at least as a harmless factor in

organizational life. Innovation also has to be included as a “must think about it” in all the companies on this industry.