

A case study on leadership style: Chan Suh

Author :

Manu Mudgal

Student, B.A. (H) Applied Psychology,
Amity Institute of Behavioural & Allied Sciences
Amity University Madhya Pradesh, Maharajpura Dang,
Gwalior (MP)-474005

Dr. Deepa Pandey

Associate Professor

Amity Institute of Behavioural & Allied Science
Amity University Madhya Pradesh,
Maharajpura Dang, Gwalior (MP)-474005

Abstract

The objective of present study was to examine leadership style in organization keeping Chan Suh, the founder of Agency.com at the center from the various traditional and modern leadership theories, charismatic and transformational leadership were taken into account. The qualities of a leadership play an important role in creating new visions and fortune for the company. The background of Chan Suh and his company Agency.com was discussed. His new idea of online advertisement was a huge milestone in advertising industry. The data was collected from various interviews by corporations and articles from different business magazines. The findings reflected Chan Suh as an transformational leader with some charismatic qualities. Although, the understanding of leadership is tough as many variable control situations in organization; but, I would definitely like to say that this study had provided me some glimpse of any such future endeavor.

Keywords: Leadership, Chan Suh, Transformational leadership, Business etc.

Introduction

About the person and organization

Whether you like them or not, you must have seen them all the time-those flashy advertisements demanding your attention with catchy text and animated graphics. Although you probably never think where they came from and how they got there, that was the brainchild of Chan Suh, the founder of Agency.com. Suh now leads as a senior accomplice and chief digital officer at Prophet, a key brand and promoting consultancy with workplaces around the world. His leadership qualities are well renowned in field of marketing and advertising companies.

In today's era, leadership is important in organization. It not only deals with organization alone Leadership is a method for coordinating. A leader's activities are dedicated meeting with the challenges like creating administrative viability, motivating others, creating workers, driving the group, controlling change and overseeing political issues and partners. These were some of the challenges faced by Chan Suh and his company Agency.com. Leadership is coordinating and helping a number of individuals to accomplish its goals. Leadership is the capacity of administration to initiate subordinates to work towards common objectives with certainty and insight. Leadership likewise infers that the person in authority acknowledges duty so it is important that both the leader and the subordinates support each other. It must be noticed that leading capacity and administrative capacity are very unique and that numerous endeavors have been as of now made to dissect the idea of leadership. (Appleby, 1994)

Leadership and Leadership styles

No two people can agree on the desired characteristics, in any human area of nature, particularly leadership. The components of influence, impulse and setting cases might be considered as basic to leadership. It has additionally been said that a leader should make his activity known to all individuals from the organization and it is essential for him to be perceived than to be a popular individual. A leadership figure ought to have the accompanying characteristics expertise, innovation, discernment, learning, body, memory, imagination, determination, perseverance and boldness (Appleby, 1994). It can be taken as a note that all these qualities cannot be found in any one individual. So the strengths and weakness of the person should be considered, who is going to be a leader of an organization. A successful leader can be said to be great in observation and adaptable in any circumstances and ought to have the capacity to act properly, i.e. in one circumstance he is solid, in others he has flexibility to do as he needs.

There are various theories regarding leadership styles. These theories began when the ideas of unique leadership traits were being questioned by experts in the 1940s. These include traditional like the great-man theory, trait theory, group and exchange theories, contingency theory of leadership, etc. Even though a lot of research had been done, a few would disagree that there is need of more theory and research on leadership. It was felt that there is a need to go past the conventional methodologies with alternatives, investigation techniques for studies in leadership (Podsakoff, MacKenzie, & Ahearne, 1995). Besides the already establishes theories, a number of other recognized theories have merged in recent past. These modern theories include charismatic, transformational, substitute and authentic theories of leadership.

Charismatic style of leadership is return of the old origination of theory of leadership just like the individuals who by the power of their own capacities influence their followers. House explains that charismatic pioneers are portrayed independent from anyone else for their certainty and trust in partners, high expectation from partners, ideological vision, and the utilization of individual illustration (House, 1976). Bass has widened the profile of charismatic leaders to incorporate unrivaled debating and powerful aptitudes and also specialized mastery and to actuate attitudinal, behavioral and emotional changes in the

followers (Bass, 1985). Incorporated into the extension of charismatic type of leadership is likewise the acknowledgment of a dim side (Howell & Avolio, 1998). Appealing leaders have a tendency to be depicted as legends, however there can likewise be some unethical qualities related with these types of leadership style. With regard to being ethical, it must be noted that charismatic leaders deserve this label only if they create transformation in the organization so that members are motivated to do their work, not just because they were ordered to do so (Howell & Avolio, 2003). This change thought is likewise picked by Bass, who recommend that alluring authority is extremely only a part of the significantly more extensive based transformation style of leadership, discussed further (Bass & Stogdill, 1981).

Numerous years before James MacGregor Burns recognized two sorts of political leadership styles: transformational and transactional (Burns, 1978). The customary transactional type of leadership includes a trade among leading figure and adherents, yet transformational initiative depends on leaders' moving the qualities, convictions and necessities of their supporters. Key transformational authority is that they try to make employees self-sufficient, i.e. form supporters into leading characters while charismatic type of leaders may attempt to keep devotees powerless and subject to them, i.e. to make subordinated dependent on to the leader instead of them to accomplish goals. Avolio takes note of that transformational pioneers are described by glorified administration, authority that inspires, scholarly incitement, and individualized thought speak to a group of interrelated styles went for the accompanying:

1. Changing circumstances to improve things.
2. Developing supporters into future leaders.
3. Providing associations with new vital headings.
4. Inspiring individuals by giving an empowering vision and high arrangement for values and moral direct (Avolio, 2005).

A meta-examination of 39 researchers found that transformational practices of charisma (admired impact), individualized thought and scholarly incitement were related to managerial effectiveness in many investigations (Low, Kroeck, & Sirasubramaniam, 1996). The main objective of this study is to study about the qualities that make Cham Suh a good leader. Our second objective is to determine whether Suh is a charismatic or a transformational leader.

Background

Chan Suh is a Korean native who moved to New York with his mother in 1976, was the founder and CEO of Agency.com, one of the former and largest online ad agencies in the world. He co-founded Agency.com in 1995 with a group of casually attired, body-pierced twenty people in a room with poor ventilation which was over a loading dock in Manhattan's Time-Life building and later the office moved to New York's fashionable Madison Avenue, far plusher digs in the heart of the advertising world. The organization began with \$80 and the acknowledgment that the time had come to consider the Internet important for social,

business, cultural, and promotion purposes. Agency.com spearheaded the possibility of an organization gaining practical experience in intelligent promotion styles and innovation.

As CEO, Suh developed the organization to 1,800 individuals and productive yearly incomes of \$200 million with 14 workplaces in US including Chicago, Dallas and San Francisco, Europe and Asia helping customers, for example, 3M, American Express, Apple, British Airways, British Telecom, CIT, Discovery Channel, Dun and Bradstreet, eBay, Energizer, HP, Ikea, LG, Motorola, Nike, Sun, Snickers, Skittles.

Suh considered him fortunate to have found such a company. It came a long way after bankers laughed at the idea of Chan Suh in 1995. But Suh remained determined at the idea of forming the company and struck a deal with his employer, Time-Life (for whom he developed Vibe online before leaving the organization). He struck deal in exchange of completing several projects. One of these projects was for a magazine Sports Illustrated. The website which Agency.com developed for Time-Life grew in popularity with 4 million hits in 1997. For this work the company won an award which was only one besides Clio for Pacific Bell. In 2001, Agency.com won 15 prestigious awards for its various web designs. At the half of 2006, the company already won over 30 awards for clients such as CNN, eBay, Discovery Networks, to name just a few of them. The company was on rise and they knew what they were doing. Suh goal was to make the Agency.com a \$1 billion company.

Suh took Agency.com through an IPO on NASDAQ in 1999 and later privatization and afterward deal to the organization, Omnicom Group. In any case, in late 2009 prime supporter Chan Suh and EVP Ken Trush left from their designations within the organization because of a looming merger with individual Omnicom. In 2010, Omnicom declared the disassembling of Agency.com in the United States, however the brand stayed in Europe. In 2011 a large portion of the rest of the Agency.com came to be known by The Designory. In Italy the organization was somewhat consumed by TBWA and mostly purchased out by the administration, and after that converged in Draft, in Belgium the brand stayed under the umbrella of TBWA. Now the goes by the name The Designers.

After leaving Agency.com Suh founded Broome-Crosby Ltd. / Samsung Digital Innovation Group. This company gave a new kind of experience innovation construct comprised of digital leaders working alongside Samsung executives in an integrated team. Small by design, he created large impact by partnering with a network of experts on an as-needed basis. The ecosystem of the company allowed the members to deploy just-in-time expertise to achieve efficiency and currency.

The employees were change agents with a track record of driving results through:

- Increased effectiveness of marketing communications and infrastructure
- Higher ROI of revenue channels and markets
- Creation of innovative products and services
- Expanded market research and training in digital business trends and best practices

Chan Suh is now a senior accomplice and Chief Digital Officer at Prophet which is a key brand and promoting consultancy with workplaces around the world. It intends to make propelled and significant thoughts that assist customers win in the commercial world. Its community oriented approach, effective mix of methodology, creation, and examination is one of its kind. Suh and his group have capacity to adjust your micro business needs against longer-term development objectives. Prophet mastery in brand, advertising, and computerized has prompted fruitful results for such overwhelming customers as BMW, Cisco, Electrolux, GE, Johnson and Johnson, Kellogg's, McDonald's, The Cosmopolitan, Visa, and Zurich Financial.

Business practices

A good leader always motivates his worker and chooses better business strategies and practices for the organizations. Agency.com always had the main motto of staying committed to their work and the client. Under Suh, the main focus remained on engaging workers and building team effort among the members of the organization. Other strategies used by Agency.com were regular meetings and updates about their work to keep clarity of work among the workers and leaders in the organization. Use of innovation and technology always remained at the focus so they were able to create more interactive products for their clients.

Challenges

Agency.com faced a lot of challenges from the starting of its foundation. Suh was not getting any investors and banks were making fun of his idea. The company started from just \$80. Then it went on a rise in market. After Omnicom group became its largest investor, brought the company after a long run of getting purchased by other corporations. Under Omnicom group, Agency.com the company had several ups and downs. The company faced controversy for their clients like Subway restaurants and Discovery Networks. After Chan Suh and many other founders left the company, Omnicom dismantled the company in US and some parts of Europe. At other places it was acquired by other companies like TBWA. The remaining part of the company in US managed to survive under the name of The Designory, and still continues to work in advertisement and promotion.

Growth drivers

The main growth driver of Agency.com was its leadership and strategy. The idea of online advertisement was new at that time and the scope was big as no one had previously tried this concept. The focus on product was also a driver, for which the company received many prestigious awards over the time. Its operations were lean and effective as their clients were from small to big companies. Suh leadership was another factor that lead the company to new heights. The practices made by him for the organization were sure very much effective.

Procedures

The data was collected from various articles and interviews done by various agencies, i.e. secondary data was used for this study. Interview is a method in which the interviewer (one who gives answers) is asked questions by the interviewee (one who asks question) for the purpose of information required for any study. Some of the data, like the profile of the subject was taken from linked-in. Other necessary information was collected from CCL (Center for Creative Leadership), Inc. magazine, and interviews from Clickz.com and taproot foundation. (See Appendices)

Presentation of Findings

Chan Suh clearly displays the qualities of a good leader as observed in the data collected. The qualities that make him an effective leader are very easy to note. Suh has a sense of justice for the powerless. He said if he made a foundation for social work, he will defend people from hunger, political oppression and abuse. He himself told that over-communicate with his employees. Even during the times of Agency.com, he thought silence as a negative cue. Suh has a sense of belief and confidence in his friends, colleagues and workers. He is always keen on correcting the mistakes made by the employees. He knows that power can corrupts, and that's why he is able to work by keeping check on himself. One time Suh's subordinate conveyed everyone's compensation on a spreadsheet to the whole staff. Suh assumed the liability and made a certified statement of regret and stated, 'Hello, I'm sad about that, it wasn't intended to be'. He is competitive but not in politics of organization. He once said that, he has built many playgrounds (Agency.com and Broome Crosby Ltd.) done paintings on them (lead them onto the top) of which he was qualified to do. Suh realizes his potential and talent. He is interested in alternatives, which was the main reason for foundation of Agency.com, a company which can do online promotion and ads for other companies. He is consistent with his work. He never left a day on leave either at Agency.com or at Broome Crosby Ltd. Even at Prophet, he continues to work with this consistency. He started online ad agency because he does not believe that big things always lead to success. But he respects and considers the opinion of the customers. Suh sees mergers and acquisitions as something to be inevitable and positive stabilizing factors, rather than something that is too is feared.

Chan Suh, possess that charisma of a leader. But based on the findings, it is evident that he is more of a transformational leader. This is supported by the evidence from the collected data. A transformational leader provides a strong vision and a sense of mission for the company. Suh envisioned a company in online advertising which he dreamed to be a large company with \$1 billion worth. He wanted his company to rule the online advertising business. He helps his employees in recognizing the problems and solving them, as in the case of his assistant. He gives his support to his employees by supporting them, and encouraging them. He stress on good interrelationship with his workers, as he stresses on communication. A transformational leader tries to teach the workings of the organization to his employees, so they can do their own work. Suh left the company to his friend and set to form a new company, when he thought the company will thrive

more under the merger with Omnicom Company. At Broome Crosby Ltd. and Prophet, Suh has worked in the same manner. He now lead a big team at Prophet which strategizes in marketing and consultancy services for company like Electrolux, Turkish Airlines, Schneider Electric, UBS, Cathy Pacific and many more firms and organizations.

Conclusion

Today's business environment is more complex and volatile than before. Organizations require a different approach to leadership development. In the past few years, situational leadership is on the rise. But with people like Chan Suh and their pioneer vision, charisma and grace of transformational leadership remains alive. Charismatic and transformational leaders differ at some points, in ethics and usage of power. But both of them always set examples that are new to society. Take for example, Steve Jobs, a charismatic leader with a vision to make computing simple and available to everyone. He is known to exercise his powers on his employees and ruing Apple with an iron-fist. Chan Suh, although a new but not so easy to ignore, led to transformation of the advertising market by his idea of online ads. There is a whole new need of transformational leadership in today's world. As the previous leader goes off the organizations begin to stumble and fall, like in the case of Agency.com. Agency.com was terminated after its merge with Omnicom in USA and in some parts of Europe. Although the company managed to survive and is now is under name of "Designory", an advertising company with ability over the substance creation range including advanced animated, print and video.

References

- Appleby, R.C. (1994). *Modern business administration*. London: Pitman Publishing.
- Avolio, B. J., Bass, B. M., & Jung, D. I. (1999). Re-examining the components of transformational and transactional leadership using the Multifactor Leadership. *Journal of occupational and organizational psychology*, 72(4), 441-462.
- Bass, B. M., & Riggio, R. E. (2006). *Transformational leadership*. Psychology Press.
- Bass, B. M., & Stogdill, R. M. (1990). *Bass & Stogdill's handbook of leadership: Theory, research, and managerial applications*. Simon and Schuster.
- Greenberg, J., & Baron, R.A. (2008). *Behavior in organizations*. New Jersey, U.S.A.: PHI.
- Hersey, P., Blanchard, C.H., & Johnson, D.E. (2015). *Management of organizational behavior: Leading human resources*. Noida, India: Pearson.
- House, R. J. (1976). A 1976 Theory of Charismatic Leadership. Working Paper Series 76-06.
- Howell, J. (1978). *Political leadership and organization in the southern Sudan* (Doctoral dissertation, University of Reading).

- Luthans, F. (2011). *Organizational behavior: An evidence-based approach*. New York: McGraw Hill.
- Robbins, S. P., & Judge, T. (2013). *Organizational behavior* (15th ed.). Boston: Pearson.

Appendices

An interview of Chan Suh was taken by Zachary Rodgers from clickz.com. The interview was published on the website in 2003 and included the following questions:

Q1. Do you see the online medium driving online creative?

Q2. So what about that horizon? When and how do you expect to start marketing to mobile devices?

Q3. How is it you're still in charge?

Q4. One of your clients, Discovery, last year bumped its online spend after a year of retreat. Are other clients doing this? What are the broad spending trends?

Q5. How do you feel about the half-page banners, full page interstitials, the bigger and bigger-ness of formats?

Q6. You were in publishing before you founded Agency.com. What words of wisdom would you offer online publishers right now?

Q7. How do you work with Omnicom agencies on the traditional side?

- Another interview of Chan Suh was taken by Aaron Hurst, president & CEO at Taproot foundation, when he left Agency.com and founded Broome Crosby Ltd. With Samsung. The interview from 2012 included the questions as follows:

Q1. Say you had all of the money, and could create a foundation to give it all away. What would be its focus?

Q2. That was a quick answer. Where did it come from?

Q3. You were founder and president of Agency.com. How big was it at its Heyday?

Q4. Wow, that certainly gave you a lot of power. What did that experience teach ?

Q5. There's an old saying that the surest sign of corruption in a leader is that rules don't apply to them. Did you ever feel that way?

Q6. What? How'd you put that one back in the box?

Q7. Does Agency.com do pro bono work?

Q8. And then you made a switch, going to work for some of the bigger ad agencies. Did they do pro bono?

Q9. So, why'd you join the Taproot Board?

Q10. Thank you; it's been a lot of fun. Many years from now, what do you want your impact to have been on Taproot?

Q11. One last question: What's one thing interesting fun fact about you that I wouldn't be able to find out through a simple Internet search?

