

**This is Sample**

# **Machiavelli: The Prince**

**This is Sample**

**Submitted by**

**Write Term Papers**

## **Introduction**

Machiavelli teachings and thoughts will never go out of fashion as power will always remain the center of both the political and corporate world. His writings are as relevant today as they were in the 16<sup>th</sup> century. In the last decade and half with increasing competitiveness and globalization number of managers have started using his principles in the corporate world. The book was first written kept in mind the political times of 16<sup>th</sup> century but number of its lessons are applicable in business today.

In this paper we will step by step analyze the business needs in today's corporate world and simultaneously relevant agreement or criticism of Machiavelli philosophy will be provided.

## **Leadership and Culture**

Machiavelli stressed that the key to maintain the rule of the kingdom and to leave a legacy a Prince should try to maintain a balance between the subjects' respect and aspire glory.

*“A prince who has established himself as above, who can command, and is a man of courage, undismayed in adversity, who does not fail in other qualifications, and who, by his resolution and energy, keeps the whole people encouraged — such a one will never find himself deceived in them, and it will be shown that he has laid his foundations well”* ( Machiavelli, Chapter 21)

The above excerpt just explained the need for building a sound organizational system and developing a good work culture that can motivate subjects to achieve greater heights thus in the process making the kingdom achieving lofty heights. The key factors enumerated by Machiavelli in a leader are – Leading by example, courageous and motivating leader. According to a recent research (*Jay R. Tombaugh, 2005* ) the leader who have grand vision and positive attitude are

able to motivate their employees four times better than the traditional carrot and stick approach. Positive and courageous approach can create an environment of creativity and innovation where employees contribute to the best of their ability while poor leadership and negativism creates an environment where safeguarding personal interests are a priority and finger pointing is common. This sort of environment stifles innovations and hampers the long term future of the organization or a state. Energy, morale and performance takes a hit as responsibility to an employee is just a mundane piece of work imposed. The fine example in today corporate world is that of Southwest Airline which is recording profits quarter after quarter for more than two and half decades while other major legacy airlines are bleeding red. According to Southwest Management the large part of this success is due to its family styled value system, meaningful work, team work and sense of community among its employees.

### **Organizational Structure**

Machiavelli emphasized on building a strong organization structure where responsibilities and accountabilities are clearly defined and offender should be dealt with no mercy. As per him an organization or kingdom can be built on the support of either the people or the nobles.

*“A principality is created either by the people or by the nobles, accordingly as one or other of them has the opportunity; for the nobles, seeing they cannot withstand the people, begin to cry up the reputation of one of themselves, and they make him a prince, so that under his shadow they can give vent to their ambitions. The people, finding they cannot resist the nobles, also cry up the reputation of one of themselves, and make him a prince so as to be defended by his authority. He who obtains sovereignty by the assistance of the nobles maintains*

*himself with more difficulty than he who comes to it by the aid of the people, because the former finds himself with many around him who consider themselves his equals, and because of this he can neither rule nor manage them to his liking. But he who reaches sovereignty by popular favor finds himself alone, and has none around him, or few, who are not prepared to obey him.”*

(Machiavelli, Chapter 22)

Machiavelli mentioned throughout his book that the kingdom built on the goodwill and support of people have more chances of surviving for a length of time than one built on magnanimity or benevolence of the nobles. Similarly if the employees, majority shareholders and customers believes in the vision of the leader and don't betray him then the leader will have far higher chances of survival. As it happened in the recent case of General Motors the CEO able to convince the Board that the company has an ability to turn the business itself rather than making a deal with Nissan. The main backer of the prospective deal – Major shareholder Kerkorian had to eat the humble pie and ended up selling 14 million shares in the open market. If the company had gone Kerkorian way it may have ended up in loosing its freedom and as most experts believe Kerkorian would have been one of the key members in post deal management formation. In such a dire situation the end should justify the means and GM exactly did what Machiavelli suggested listening to the core stake holders rather than nobles who are looking for their own personal benefits and chance to overthrow the Prince.

### **Acquisition and Expansion Strategies**

Machiavelli advocated that a Prince should live in the new territory he has annexed to control the situation on ground and gain respect of the people.

*“When states are acquired in a country differing in language, customs, or laws, there are difficulties, and good fortune and great energy are needed to hold them, and one of the greatest and most real helps would be that he who has acquired them should go and reside there. This would make his position more secure and durable, as it has made that of the Turk in Greece, who, notwithstanding all the other measures taken by him for holding that state, if he had not settled there, would not have been able to keep it. Because, if one is on the spot, disorders are seen as they spring up, and one can quickly remedy them; but if one is not at hand, they heard of only when they are one can no longer remedy them.” (Machiavelli, Chapter 4)*

There are contrary views to this philosophy in the modern business world where a company often have presence into number of countries. The Japanese has successfully exported a Japanese country head to their companies while conglomerate like Nestle believes in developing local talent that understand the ground realities better than anybody else.

The strategy should be based upon the nature of product and nature of market. If the products need high customizations than a local head should be a good choice while if the product has global standards than even a Head Office sent head can do the job. One of the bright examples of trans-cultural CEO doing a great job at alien organization is that of Mr Ghosn CEO of Japanese motor giant Nissan and French auto company Renault.

Secondly today the communication channels have improves so vastly that a person sitting in remote corner can manage the operations in far off lands so omnipresence is not required. Wal-Mart today directly shares its point of sale information in United States to its vendors running their production in Hong Kong and China. This real time information helps them in managing their production schedule as per the sales in Wal-Mart stores.

### Tesco Strategy of Expansion

The British food giant Tesco chooses its foreign markets based on the similarity of culture of the foreign market to that of its present markets. The company calls it psychic distance from the parent market. The factors comprising in the psychic distance are (Jody Evans, 2006) – Economic environment, legal and political environment, business practices, language and market structure. As per the Tesco management the psychic distance is one of key factor determining organizational performance. The company finds that it is relatively easier to position the products in the market where the psychic distance is less hence the learning curve for the company in these markets is relatively smaller compared to markets that have greater psychic distance.

### Strategy of Force in Expansion and Acquisition

*“One has to remark that men ought either to be well treated or crushed, because they can avenge themselves of lighter injuries, of more serious ones they cannot; therefore the injury that is to be done to a man ought to be of such a kind that one does not stand in fear of revenge” (Machiavelli, Chapter 6)*

One of the hard fact in the world of corporate Mergers and Acquisitions is that majority of them fail to deliver the promised value. The returns of the hostile take over are even worse. Most prominent reasons for a merger or acquisition failure are the failure on part of management to incorporate the employees of acquired organization into the new organization. More often than not the sword of retrenchment is always hanging resulting in poor performance.

The management should quickly retrench the people who are not needed and assure the rest that they are part of bigger scheme of things. As per Machiavelli it is the job of the leader to take hard decisions to secure the future of the kingdom. He should take them as soon as they appear on horizon rather than putting them on the back burner and hoping they will sort themselves out. Coca Cola often buy the leading player in the market they enter and destroy the brand so that it can focus all its energy on promoting Coke then fending off rivals.

### **Selection of Employees**

Machiavelli said that “The first opinion which one forms of a prince, and of his understanding, is by observing the men he has around him; and when they are capable and faithful he may always be considered wise”. Similarly the selection of the employees in the modern organization is critical as they are the most valuable assets of the organization. Machiavelli proposed that those should be hired who believe in the grandness of the task and greatness of the leader rather than who are simply driven by other factors like money and reputation (*Knowledge@Wharton, 2003*). As per him the people looking for money and reputation will leave the moment they will get it better somewhere else.

Secondly all the employees and subjects should be armed as the power of prince will considerably increase with their number. This can be easily translated into providing more opportunities to employees in the work place. This will not only prepare them for bigger task but also improve their loyalty toward the organization.

## Outsourcing

This is one of the most talked about business topic of our times and Machiavelli has talked at length about outsourcing in his book. According to him outsourcing of military functions to Mercenaries and auxiliaries are no good and a prince should maintain a central control over the army.

*“Mercenaries and auxiliaries are useless and dangerous; and if one holds his state based on these arms, he will stand neither firm nor safe; for they are disunited, ambitious and without discipline, unfaithful, valiant before friends, cowardly before enemies; they have neither the fear of God nor fidelity to men, and destruction is deferred only so long as the attack is; for in peace one is robbed by them, and in war by the enemy”* ( Machiavelli, Chapter 12)

This explanation doesn't hold in today's business world where most companies are outsourcing their operations to improve the bottom line. In fact the companies have moved one step ahead of what Machiavelli thought – they have built supply chains with outsourcing companies. Today in the business world Wal-Mart is not competing with Macy's but the supply chain of Macy's is competing with the supply chain of Wal-Mart. The dangers enumerated by Machiavelli are not present as the companies have far greater control over the outsourcing companies than he thought prince can have on the mercenaries. The business of the outsourcing company depends upon the retail company and all the products are manufactured as per the retail company's specifications.

Secondly the companies are intelligently segregating the core activities from other activities and only focus on managing the core activities. Wal-Mart core strength is not manufacturing of its product but the efficiency of its supply chain which brings the cost down

due to mass purchase and low cost logistics. This cost is passed on the final customers in its stores.

One caveat probably all outsourcing company can take from book is – *“A prince ought to take care never to make an alliance with one more powerful than himself for the purpose of attacking others, unless necessity compels him, as is said above; because if he conquers you are at his discretion, and princes ought to avoid as much as possible being at the discretion of any one”*. (Machiavelli, Chapter 16)

### **End Justify the Means**

The word ‘Machiavellian’ in English is now widely referred as ‘the political doctrine of Machiavelli: any means (however unscrupulous) can be used by a ruler in order to create and maintain his autocratic government’. The book time and time again mentions that it is prudent for a ruler to use cunning and necessary evil activities, either to instigate fear among his opponents or to protect his kingdom.

The philosophy today is as outdated today as media plays an increasing role in public life and people have zero tolerance toward unscrupulousness. Even in the business world anything unethical is looked down upon and there are strict regulations against it.

Time and time again we have witnessed how the companies which adhere to unscrupulous methods to justify the means are punished not only by authorities but also by the stakeholders. Nike has seen customer protest and product boycott against employment of child labor in its vendors factories in South Asia. Wal-Mart is criticized for not allowing its employees to form labor union and making illegal workers clean stores to cut costs.

The biggest of all is the rigorous punishment to CEO's of Enron and WorldCom who were found guilty in manipulating accounting practices and fattening profits of the company.

### **Bush Administration Strategy in Iraq**

On the day when the total causality in Iraq exceeds more than the total number killed on September 11, it seems that United States is about to face the humiliation of Vietnam again. Withdrawal from Iraq looks eminent without achieving the goals set forth in the first place, along with numerous blemishes of torture and inhumane treatment of the Abu Gharib prisoners.

The Neo Conservative strategy based on the Machiavelli principle of 'Might is Right' and rules can be bent as per the mighty's convenience is about to fall flat on ground. Today the war is perpetuating terrorism rather than safeguarding America with pre-emptive measures.

*(Eugene B. Smith, 2002)*

#### Machiavelli Points out Following Lacunae in Bush Administration Iraq Strategy

- Going to war is not the most important thing but going with proper planning is the most important thing.
- Winning the top is always easier than staying at there. Post war control and administration is much more difficult than defeating a sanction ridden government.
- State governance requires different skill and people than winning a war. Army is good at winning war not at providing domestic security
- No principality or nation can be ruled against the will of its people and hearts and mind can't be won by the torture pictured in Abu Gharib pictures.

- Dividing the people against each other to rule is not the most prudent way as the weaker faction will always welcome an outside force. The Sunni insurgency is backed by the Al Qaeda while the Southern Iraq is ruled by Militia backed by Iran and Syria.

#### Machiavelli Suggestions to Bush Administration

- No matter what it takes crush the septic violence. Already six and half million Iraqis has been killed and more will be killed if the American government fail to maintain law and order condition.
- Reduce the number of American Soldiers on road and arm the locals. No matter even if they are former Bathist. Enabling the locals will go a long way as they have better knowledge of the geographic conditions but also know the inside out of the society. It is always easier to crush nobles when the society is calm rather than the other way round.
- Saddam have a stronghold in the central Iraq and a statesman representative from his sect should be backed to re-instate faith in the insecure Sunni minority.
- Crush the Mehndi Sadr militia in the south so that Iran will have lesser influence on things.
- Back the government elected by people rather than sycophants and pour in crude money back in economy so that people can hope.

At present the people in Iraq doesn't have hope and until and unless they have hope the vicious cycle of violence won't stop. Before invasion even though it was ruled by dictator Iraq was still one of the secular countries in the Middle East but not it is nothing. Road is hard and long and if

America doesn't get its act in order, it will leave another Afghanistan – breeding ground for terrorism and hatredness. The dream of shining democracy in the heart of Middle East today is as far as planet Pluto few months ago. It is there ... It is there ... Oh there is no Pluto anymore. It is not a planet anymore.

### **Bibliography**

**Machiavelli, Niccolo (1515).** The Prince. Trans. Hill Thompson. Norwalk: The Easton Press, 1980. Translated by W. K. Marriott

### **Online Sources**

**Eugene B. Smith (2002)** The new condottieri and US policy: The Privatization of Conflict and its implications. Retrieved on 24 December 2006 from [http://www.findarticles.com/p/articles/mi\\_m0IBR/is\\_4\\_32/ai\\_95447364/pg\\_9](http://www.findarticles.com/p/articles/mi_m0IBR/is_4_32/ai_95447364/pg_9)

**James A. Baker, III, & Lee H. Hamilton (2006)** The Iraq Study Group Report. Retrieved on 24 December 2006 from [http://media.washingtonpost.com/wp-srv/nation/pdf/iraqReport\\_120606\\_part1and2.pdf](http://media.washingtonpost.com/wp-srv/nation/pdf/iraqReport_120606_part1and2.pdf)

**Jay R. Tombaugh (2005)** Positive leadership yields performance and profitability: Effective organizations develop their strengths. Retrieved on 24 December 2006 from [http://www.managementfirst.com/human\\_resources/articles/positive\\_leadership.php](http://www.managementfirst.com/human_resources/articles/positive_leadership.php)

**Jody Evans, Alan Treadgold and Felix T. Mavondo (2000)** International retailing. Retrieved on 24 December 2006 from <http://www.managementfirst.com/marketing/articles/retailing.php>

**Knowledge@Wharton (2003)** How Family Firms Can Improve Their Long-run Survival. Retrieved on 24 December 2006 from <http://knowledge.wharton.upenn.edu/article.cfm?articleid=252>

**Susan A. Friedmann (2006)** What to do when nothing's new: Five strategies for success. Retrieved on 24 December 2006 from [http://www.managementfirst.com/strategy/articles/five\\_strategies.php](http://www.managementfirst.com/strategy/articles/five_strategies.php)