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. I s there an in-group and out-group, and if so, which are they?

3. I n what way is Carly’s relationship with the four groups productive or

counterproductive to the overall goals of the agency?

4. D o you think Carly should change her approach toward the associate

directors? If so, what should she do differently?