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# Henry Ford: Leadership And Management

## Introduction

Henry Ford is an originator of Ford Motor Company who was born in Springwell's Township, Wayne County, Michigan, on July 30, 1863, to Mary (Litogot) and William Ford. Basically, he was keenly fascinated in mechanism since childhood. On that account, he fabricated his first steam engine at the age of 15. Consequently, with the passage of time, he was proverbial as a builder of automobiles among everyone and made his first Ford car in June 1896. Just because his dedication and enthusiasm, he created the model T in 1908, which was the renowned invention and admired by everyone. Although he died at the age of 83; yet he left his benevolent heritage in the form of Ford.

## Important decision(s) the leader has made

Henry Ford was one of the best role models for the present generation. He was multi skilled person who had vast knowledge about machines and automobile. His knowledge and decisions were the base of his successful life. His life story is full of theories which describe the way of living and the basis on which decisions need to be made. The decisions that he used to make in his life had resulted in transforming Henry Ford into a "symbol of the transition from an agricultural to an industrial America" (Crocker, G. and Bryan, F., 1991). Ford was incredible in making powerful decisions as a result he was one of the most valued company in America. Some of his decisions has made a great impact on his life. These decisions were:

- Developing his own empire with his prior knowledge: He had a keen interest in developing various machine and to fix them. This interest forced him to work in different companies where he was always surrounded by machines. As a result, because of his experience he was appointed as a chief engineer at Detroit Edison company. This experience forced him to make a firm decision of developing his own company. He was fortunate that his knowledge and love toward machines can help him a lot in developing his own automobile company.
- The second decision was to fight against a case which was filed by an association who look over the automobile industry in all over the country. The case claims that all the automobiles developed by Ford are patent of some other company. But his decision to fight against an association was a very bold decision. Initially, he loses the case, but he was sure about his win, so he appealed again, and he won that case. The decision to fight until victory helped him gaining popularity and belief on his company (ValueWalk. 2020).
- Lastly, one of his best decisions that he made was to increase the pay of their employee and sharing all the profits with them. This decision turned all the employee to work with great passion and efficiently. This decision played a vital role in development of the company. All the employee feels themselves incredibly special in the organisation. As a result, his company boomed in the automotive industry and he became the top industrialist in America.

Overall, these were some of his decisions which has been proved very crucial in his life. His

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critical thinking while making decision has made him world-wide famous.

## **Dealing with the managers and employees**

Henry Ford was not only a good leader but also an emotionally intelligent person who always emphasized on the welfare of his team (managers and employees) and society. He was legendary in his management style. Satisfaction of his workers was his top priority as he treated his workers as an indispensable part of his company. He determined his strategy of success in terms of 3P principle:

### **People Performance Profit**

This 3P states the interdependence of these three factors i.e. a satisfactory or happier employees will ultimately lead to their performance as they will get the remuneration as per their performance and in the same way, the collaboration of hardworking people and efficient performance will eventually effectuate the profit which will prove to be productive not only for his company but for his team too. This approach towards his exertion made him a competent and persuasive leader. Ford was the only one who offered his employees \$5 everyday wage, dramatically increasing the pace of most of his laborers. Besides this, for the betterment of his workers, he instigated them to work for 40 hours per wage along with the weekend off. (Raff and Summers, 1987)

The consequences of his diligent endeavour influenced the workers of Detroit. Generally, Detroit; a city in Michigan; is known as a 'Motor City'. Moreover, the rapid improvement in the professionalism and competency in his team made his intention or vision realistic which was to serve the customer in the best possible way i.e. to avail them the reasonable things. He always said that it was just because of his devoted and energetic workforce who took their company to its peak level and made that company prestigious among the whole world. (Curcio, 2013, p.336)

Hence, it was apparent that he always respected and appreciated his employees and manager efforts and performance as he believed in equality and that was the reason of being a well-known entrepreneur in the whole world.

### **The risks the leader has undertaken**

Ford was always willing to take the risk because of his passion and fascination towards machines. To pursue his dream in working with machinery, Henry took the biggest decision and risk of his life when he left school at the age of 15 to gain more knowledge and focus on machinery rather than writing and spelling and left his family farm at the age of 16 and went to Detroit to work as an apprentice at the Michigan Car Company. He took another risk by persuading few businesspersons to back him to build a company that design and sell horseless carriages (Anon, 2020). He founded his successful company- the Ford Motor Company, after founding two companies that went out of business. But to get attention and supporters for his new company and get spread a word in the market about his cars and his work, he took another biggest risk where he build and drove racing cars, by putting his life at risk. The idea worked and after his racing success, Ford attracted the attention of investors.

Henry has always had a different vision. Instead of designing luxurious automobiles for rich,

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Henry's dream was to design an efficient car for every day person. To fulfil this, he took risk by cutting the price of a Model T so gradually that he was ready for the risk involved - taking losses. Henry never considered any cost as fixed cost. Henry's intention was to reduce the price to a point where the sales will increase. Therefore, from 1908 to 1913, Ford reduced the price from \$850 to \$600, which resulted in sales increasing dramatically (Entrepreneur, 2020).

Overall, Ford took several risks and spent most of his time on his dreams, and all he did was worth it as he managed to make a successful business out of all the risks he took. Ford set an example of an entrepreneur who never gives up, no matter what. Despite of drawbacks and setbacks, he stood up and was always willing to take risks to fulfil his dreams.

## **Challenges the leader has faced**

Nowadays, Henry Ford is an easily recognized name, however it has not generally been that way. At 23, Ford was only a mechanic's understudy with huge yearnings. A couple of years after the fact, he was known as a wise, yet failed engineer who just could not create. However, it was these early disappointments that showed him significant tasks and started his future achievement. His first lesson came when he structured his first car in 1896, the Quadricycle. There is a valid justification why you have possibly never known about the Quadricycle: it was not good for large scale manufacturing (Sorensen, 2003). But it got youthful Henry Ford's name out there, driving him to his first money related sponsor and his first organization: The Detroit Automotive Company. Detroit Automotive Company had a same, brief history as the Quadricycle. Regardless of having William H. Murphy, one of the most conspicuous finance managers of the time as a budgetary supporter, Ford despite everything could not get his item adjusted enough to sell. Ideas got the best of him and following eighteen months of mess, he despite everything had nothing to show for his work. Murphy, alongside all the investors, started to show concern. After that the director dissolved and the organizations disbanded. It was a disappointment according to the business.

In the bureaucratic car industry of the mid 1900's, getting another opportunity was an extra ordinariness. Be that as it may, in the wake of thinking about his disappointment, Ford reached Murphy once more and offered novel thoughts and answers for past issues. Murphy allowed him another opportunity with the condition that he work with a chief. For Ford, being managed by somebody who thought nothing about building and configuration was irritating and unsuitable (Charles E., 2003). He left his course of action and chose to attempt different approaches to accomplish his goal.

In the end, he learnt from his mistakes and collected information from all the lessons to use it in the future. It would take 5 additional years and incalculable disappointments before the Ford Motor Company came out with the world's best vehicle – the Model T. The Model T altered the car business in America.

## **Lessons we can learn about this person as a leader**

Henry Ford was a legendary entrepreneur, influential industrialist. His story is full of lessons which influence people that how they can excel in their life. His life can be considered as a tips and tricks that one can follow to be successful in their life. There are enormous lessons that we learn are: -

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Firstly, we can imagine about his potential that he got since he was a child. He started as an apprentice machinist at various companies. Later, he was appointed as chief engineer at a gas company. This was all because of his dedication for his work and interest in the machinery. This ideology depicts that if you have any potential or any kind of interest in any particular field and you recognise it, try to make efforts in that field and this will take you to the success in that field. Secondly, He had belief on himself. He knew that he has a potential to develop his own company. He used his all prior knowledge to set up an automobile company. This belief clearly states that believing in yourself and on your work is a pathway to success. So, it is vital to believe on your performance and give you best while performing any task. (youth motivator,2019)

Furthermore, we can consider all his tactics which has helped him a lot in developing and enhancing his business. His beautiful techniques had helped his business and as a result his company was the biggest automobile company in America. He was also familiar with tactics that he used to increase the production rate or the annual turnover of the company. He followed various techniques like increasing salaries of the employers, sharing their profits. These strategies encourage the employees to work harder and with more perfections. These strategies can be followed by every businessman to succeed in their life. So, it is clear from the strategy that one should not only focus on his business investments but also, he should take care of the employees or other workers. As a result, it will display the same results. Moreover, we learnt that using cost effective objects and long-lasting objects is proved extremely useful in future. All in all, we can consider that henry ford was one of the most influencing people who can be perfect role model.

## Conclusion

Weighting up all the considerations we can state that Henry Ford is excellent leader to admire, his dedication towards work inspire various businesses. Henry Ford did great for the society, by manufacturing the cars not only for rich but for everyone. He prompted his workers by giving good remuneration, so that they remain always good and loyal for work, and that impacted on society as well. Moreover, he was able to create a team that has able to bring his vision alive and created positive work culture.

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