

# MGM Marmi: Challenging Tradition with Entrepreneurial Leadership and Business Communication

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## ABSTRACT

This case explores the concept of entrepreneurial leadership. It aims to foster students' reflection on leadership roles and traits and on the barriers, challenges, and opportunities new leaders and entrepreneurs face when they take over the management of an established, family-owned business. The case focuses on MGM Marmi, a family-owned company established in 1960 in Italy, before and after the company was formally taken over by the founder's successor. Particular attention is paid to the figure of Laura Olivari, the wife of Umberto Guarda, the founder's son, and the impact she exerted on the company.

The difficulty level of this case is appropriate for first year undergraduate students who are toward the end of an organizational behaviour module or for second-year undergraduates at the beginning of a leadership module. Aspects of business communication, diversity, and culture (à la Hofstede) are encompassed in the case context; therefore, students' prior knowledge of such issues may facilitate discussion. The case is designed to be taught in a one-hour seminar and is expected to require one hour of individual preparation for students. Although it aims to foster a critical evaluation of the actor's profile against the major leadership theories suggested, it also hopes to stimulate students to reflect upon the consequences that roles and traits may exert on a company's choices. The company website indicated in the text and bibliography enrich the case-study experience by showing the products of the company as well as its presence in the national and international press.

This case was prepared for classroom discussion rather than to illustrate either effective or ineffective handling of an administrative, ethical, or legal

decision by management. Information was gathered from corporate as well as public sources.

### LEARNING OBJECTIVES

After analyzing this case study, students should be able to do the following:

- *Appraise the organizational role of the main actor involved and if and how this role evolved throughout the years*
  - *Synthesize the prevailing leadership and business communication styles that emerge in light of the company's cultural underpinnings and with regard to the actors directly and indirectly involved in the narrative*
  - *Conceptualize the effects the main actor exerted on the business and on the environment in which the company operates*
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## INTRODUCTION

Laura Olivari is married to Umberto Guarda, the son of the founder of MGM Marmi, a company based in Italy. MGM Marmi is the culmination of the Guarda family's lengthy experience in marble working; their skills have been passed down through the generations since 1960. Over the years, their original passion has been enhanced by experience, which gradually enabled the company to improve the service it offers.

## OLIVARI'S EARLY YEARS WITH THE COMPANY

Laura Olivari entered the company as a part-time employee during her teenage years while she was dating Umberto. While she was completing her studies, she was regularly offered part-time jobs by Umberto's father, whom she describes as a man with a strong personality and who always expressed his beliefs in patriarchal family values in his company. Olivari's first full-time, permanent position was in the Legal Office of MGM Marmi, after she earned a degree in law. Throughout the years she witnessed, adhered to, and was subject to an entrepreneurial style characterized by what she defines as masculine values, which never enabled her to exert influence on the company's choices. This is how Olivari recalls those times:

*I adhered to an entrepreneurial style that was mainly driven by masculine values. Although we used to refer to the concept of entrepreneurship as not being gendered, for women the values were inevitably masculine ones . . . you could not really adhere to a different type of entrepreneurship.*

In 1995 and 1996 Olivari was sent to London to open a new branch of the company, which she ran for the following four years. According to the company website, during this time, the branch acquired important projects and clients,

including Kensington Palace Gardens and the King of Jordan, Sting, and David Beckham. The number of its branches grew at a constant rate.

## OLIVARI'S FEMININE APPROACH

Laura Olivari was able to experiment and develop entrepreneurial leadership skills different from those that characterized the parent company, notwithstanding the fact that she was operating in a traditionally male driven industry, which involved careful control of all production stages, from cutting the raw material to the finishing process, and in a patriarchal family business. She used what she defined as a *feminine approach* to entrepreneurship, leadership, and business communication, which she interpreted as more pragmatic and welcoming than the traditional masculine one.

She perceived herself both as an entrepreneur and as a leader, roles that were interdependent. After the British experience, Olivari returned to Italy, proving herself capable of dealing with greater managerial responsibilities than those linked to the mere management of the Legal Office. In her words:

*At this point an epochal turn occurred with regard to my persona. I understood that my entrepreneurship style was not acknowledged because it was based on feminine values, although everything was working successfully for the company. My approach was making a difference. Thus, I posed a sine-qua-non [an essential element] condition: I told the family that if they wanted my contribution they had to allow me to participate in all the strategic decisions.*

After showing initial scepticism, the members of the Guarda family decided to make Olivari a shareholder of MGM Marmi and thereafter the CEO of the company. The decision led the company toward new horizons: the opening of joint ventures in Buenos Aires, Shanghai, and Beijing, and the creation of a *marmoteca* (catalogue and permanent exhibition of marble stones), the first one in its kind, that, to date, catalogues seven hundred different types of marble stones divided into four categories, namely mother of pearls, marbles, stones, and semi-precious. MGM Marmi and the quality of its products were thereafter acknowledged repeatedly in the international press.

### QUESTIONS FOR DISCUSSION

1. In terms of work specialization (Herbst 1976; Grandori 2001), how would you define Olivari's role in the organization? How did her role change with time and experience?
2. With regard to orientation toward people (Blake and Mouton 1994), capacity to give feedback (Tosi et al. 1986), degree of delegation (Vroom and Yetton 1973), and leader's values and attitudes (Daft 2011), what leadership profile would you ascribe her?
3. To what extent do you think that Olivari's feminine approach to business communication and organization management (Klenke 2011)

shaped the new leadership style of MGM Marmi as a whole in the last few years?

4. In your view, to what extent did Olivari see opportunities for MGM Marmi?
5. On the basis of the information available, to what extent do you believe that Olivari's vision differed from the one that characterized MGM Marmi since its foundation?

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