

LEADERSHIP AND MANAGEMENT THEORY IN PRACTICE

CASE STUDY: “Jeff Bezos, the world's richest man, added £10bn to his fortune in just one day,”

Group presentation 2

Programme: BA BUSINESS MANAGEMENT
Module: LEADERSHIP AND MANAGEMENT THEORY IN PRACTICE
Module Number: LCBB6003

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POINTS TO BE DISCUSSED

INTRODUCTION

WHAT IS LEADERSHIP

LEADERSHIP THEORIES.

CASE STUDY ANALYSIS.

STUDENT NAME: IULIAN VASILE PURICE

This presentation consists in analysing the Jeff Bezos case study, published in The Guardian in 2020. J. Bezos is Amazon founder and CEO. In presents has 11% from company's shares. Jeff Bezos, creator of Amazon, set a new milestone by increasing his fortune by an additional \$13 billion (£10 billion) in a single day, bringing his total to an unbelievable \$189 billion. His business who was founded in a garage thrived through pandemic when the price for the company shares rise with 70% from the precedent year.

The case study is bringing Rebecca Gowland, Oxfam's head of inequality campaign and policy who declared that: "It is hard to reconcile this obscene figure with the reality the rest of us are living through," discussing about the rampant misery, hunger who is on the rise, and a half-billion more people are at danger of terrible poverty, it's outrageous that an already obscenely wealthy guy has accumulated \$74 billion during the year.

In order to analyse the Jeff Bezos leadership style according to this case study is very important to know what is leadership and its effectiveness. Furthermore, will be discuss the leadership theories and styles continuing with a critical analysis of the case study.

What is leadership?

The ability to understand and channel people's desire to accomplish a common goal.

Operating at any level and applying a wide range of tactics to produce excellent outcomes for their followers (CIPD, 2022).



STUDENT NAME: IULIAN VASILE PURICE

No matter the industry, all businesses stripes require competent management. Trustworthy management is crucial to efficient business processes. Furthermore, most people are not born with the innate ability to be an effective leader.

There is no agreed-upon definition of "leadership," but one way to think about it is as the ability to understand and channel people's desire to accomplish a common goal. Skilled leaders can operate at any level and apply a wide range of tactics to produce excellent outcomes for their followers at all levels (individuals, teams, organisations, and communities). For this reason, it is crucial to equip leaders with the skills they need to succeed in an organisation, and to create the conditions that allow them to do so (CIPD, 2022).

LEADERSHIP THEORIES

LEADER QUALITIES:

- Integrity and moral compass that can't be shaken
- Superior capacity for organisation
- Motivates staff development by demonstrating learning prowess Facilitates bonding and kinship

(Northouse, 2019)



STUDENT NAME: IULIAN VASILE PURICE

Theories of leadership attempt to explain the conditions under which certain people develop into leaders. They place an emphasis on personal traits and activities that may be taken to better one's leadership skills (Northouse, 2019). Some of the most important qualities a leader may have, according to those in charge, are:

- Integrity and moral compass that can't be shaken
- Superior capacity for organisation
- Motivates staff development by demonstrating learning prowess Facilitates bonding and kinship

TRANSACTIONAL LEADERSHIP THEORY



(S.Bin Satar, 2022)

- ▶ Emphasises the need of hierarchy in order to improve an organization's performance
- ▶ These managers value structure and utilise their position to enforce laws in order to push staff to perform at their best.
- ▶ The concept believes that employees must follow managerial orders (S.Bin Satar, 2022).

STUDENT NAME: IULIAN VASILE PURICE

Transactional leadership It is a leadership style that emphasises the need of hierarchy in order to improve an organization's performance. These managers value structure and utilise their position to enforce laws in order to push staff to perform at their best. The concept believes that employees must follow managerial orders (S.Bin Satar, 2022). Managers that use transactional leadership keep a tight eye on their staff, making sure they are rewarded for meeting goals and disciplined for falling short. These leaders, however, do not contribute to the growth of a firm. Instead, they concentrate on conforming to the organization's norms and standards to ensure that everything goes smoothly (Northouse, 2019).

TRANSFORMATIONAL THEORY

- Leaders envision the future for their teams and motivate them to work toward it (S.Bin Satar, 2022).
- Boost morale and motivate their teams, they see a rise in productivity.
- Experts in leading by example and motivate their staff by their own deeds rather than just words (S.Bin Satar, 2022).

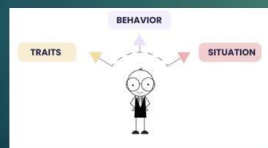


STUDENT NAME: CRISTINA TUDUREANU

The transformational theory of management states that when managers and staff work together, everyone wins. According to this school of thought, effective leaders inspire their teams to do more than they thought possible. Leaders envision the future for their teams and motivate them to work toward it (S.Bin Satar, 2022). When leaders have the ability to boost morale and motivate their teams, they see a rise in productivity. These managers are experts at leading by example and motivate their staff by their own deeds rather than just words (S.Bin Satar, 2022). Unlike transactional leaders, transformational leaders place an emphasis on fixing ineffective processes and building cohesive teams to accomplish organisational goals. In addition, effective CEOs put the requirements of the business and its employees above their own.

THE THEORY OF CONTINGENCIES

- ▶ Skills
 - ▶ Situation
 - ▶ Awareness
- (C.Brooks, 2022).



THE THEORY OF SITUATIONS

- ▶ The need of harmony between the leader's approach and the followers' degree of development or preparedness.
- ▶ Adjustments
- ▶ Dedication (V.V. Baagunsgard, 2020).



STUDENT NAME: CRISTINA TUDUREANU

THE THEORY OF CONTINGENCIES

Contingency theory states that there is no universally best way to run a business. Both internal and external elements have a role in determining the most effective strategy for a company's growth and prosperity. According to the theory of contingencies, the best possible candidate should match the best possible set of circumstances. Leadership effectiveness, according to this view, is situational. According to this belief, it doesn't matter how skilled a leader is, adverse circumstances will eventually arise. This exemplifies the leaders' awareness that they need both talent and circumstance to achieve success (C.Brooks, 2022).

THE TRAIT THEORY

- Effective leaders have common character qualities and patterns of behaviour.
- These traits make them well-suited for leadership roles in a wide range of settings (Northouse, 2019).



STUDENT NAME: CRISTINA TUDUREANU

THE TRAIT THEORY

Expanding on the great man hypothesis, the trait theory of leadership posits that effective leaders have common character qualities and patterns of behaviour. These traits make them well-suited for leadership roles in a wide range of settings. As an added bonus, it spreads the idea that some people are just born with stronger leadership skills than others. Effective people are very different from those who are not in leadership positions in terms of their interests and character traits (Northouse, 2019)

THE BEHAVEOURIST THEORY

- Argues that leaders may be developed via training and experience, as opposed to being born into positions of authority.
- Awareness of their own behaviour is hypothesised to improve the productivity and morale of their staff (D.Susman, 2022)



STUDENT NAME: CRISTINA TUDUREANU

THE BEHAVEOURIST THEORY

One's leadership abilities, according to this view, are a direct outcome of the circumstances in which one finds themselves. A team with a wide range of learning styles is more likely to achieve organisational success. The behavioural hypothesis argues that leaders may be developed via training and experience, as opposed to being born into positions of authority. Managers' awareness of their own behaviour is hypothesised to improve the productivity and morale of their staff (D.Susman, 2022).

According to Kurt Lewin, the behaviourist theory has three big philosophies of leadership style as: autocratic, democratic and laissez-faire leadership behaviour.

FUNCTIONAL THEORY

- Functional theory examines how organisations and businesses are managed.
- Relies on the collective efforts of the team rather than the direct control of a single leader (Northouse, 2019).



INTEGRATED PSYCHOLOGICAL THEORY

- Encourages people to work together beyond traditional organisational boundaries for the greater good.
- It combines models of leadership (Northouse, 2019).



STUDENT NAME: IONUT TUDUREANU

FUNCTIONAL THEORY

Rather than focusing on who is formally in charge, as in the traditional theory of leadership, the functional theory examines how organisations and businesses are managed. The functional leadership approach relies on the collective efforts of the team rather than the direct control of a single leader to accomplish its goals (Northouse, 2019).

INTEGRATED PSYCHOLOGICAL THEORY

Possibly a new form of leadership, "integrative leadership" encourages people to work together beyond traditional organisational boundaries for the greater good. It combines models of leadership from the corporate world, the public sector, the non-profit sector, the news media, and the grassroots level of society (Northouse, 2019).



CASE STUDY ANALYSIS

JEFF BEZOS, THE WORLD'S RICHEST MAN, ADDED \$10BN TO HIS FORTUNE IN JUST ONE DAY.

STUDENT NAME: IONUT TUDUREANU

According to the Jeff Bezos case study we come along with two hypothesis regarding his leadership style.

HYPOTHESIS 1

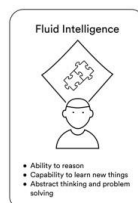
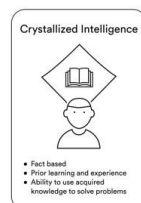
- Jeff Bezos' cognitive talents show his intellect. (Northouse, 2019).
- This ability was generated by Fielder within contingency theory.
- Jeff Bezos' ability to build and dominate Amazon shows this attribute.
- Cleverness and reasoning
- After considerable soul-searching, he created Amazon Prime, a popular online purchasing service.



STUDENT NAME: IONUT TUDUREANU

The initial signs of Jeff Bezos's intelligence are demonstrated by his broad cognitive abilities. "a person's intellect containing perceptual processing, information processing, general reasoning skills, creative and divergent thinking talents, and memory skills" is how one definition of general cognitive capacity puts it (Northouse, 2019). This ability was discussed by Fielder within contingency theory. That Jeff Bezos was able to found Amazon and place it in a position of dominance is evidence of this trait on his part. In order for Amazon to differentiate itself from established rivals like Target and Walmart, he had to use his ingenuity and logic. After some soul-searching, he came up with Amazon Prime, an online shopping service that has now become indispensable to millions of people. Jeff Bezos was able to steer Amazon thanks to his high IQ.

Jeff Bezos Crystallised Cognitive Capacity Ability



Jeff Bezos has developed "crystallised cognitive capacity," which is to say, "learned or acquired intellectual competence." (Northouse, 2019).

- Amazon was still lucrative and able to keep supplying customers even as the global epidemic spread.

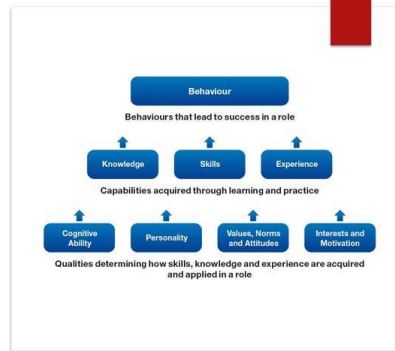
As a result of his ability to adjust his business strategy in response to global events, Amazon was unaffected by the pandemic.

STUDENT NAME: IONUT TUDUREANU

Furthermore, Jeff Bezos has developed what may be called "crystallised cognitive capacity," which is to say, "learned or acquired intellectual competence." It's the data we gather from actual use (Northouse, 2019). Jeff Bezos is a good example of this since he has learned the ins and outs of Amazon over the years and has amassed a wealth of data. Therefore, Amazon was still lucrative and able to keep supplying customers even as the global epidemic spread. As a result of his ability to adjust his business strategy in response to global events, Amazon was unaffected by the pandemic.

Jeff Bezos Motivation ability

- Willingness
- Power,
- Altruism (Northouse, 2019).
- The ability to exert authority over one's environment
- Dominance contrasts with the promotion of the common good, or social good (Northouse, 2019).

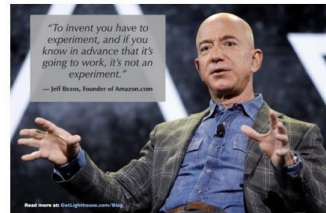


STUDENT NAME: IONUT TUDUREANU

Jeff Bezos is a very motivated individual. Willingness, power, and altruism are the three components of motivation. Acceptance also includes "acceptance of the need to solve difficult organisational difficulties" (Northouse, 2019). As the ability to exert authority over one's environment, dominance contrasts with the promotion of the common good, or social good (Northouse, 2019). As hardly everyone has the aptitude or the will to become Amazon's CEO, Jeff Bezos demonstrates determination. Jeff Bezos has shown that he is willing to take on challenging projects since he is always looking for ways to improve. He is also well acknowledged, which is more proof of his superiority. Amazon also makes many people's life easier and better, which inspires him to do good in the world.

Hypothesis 2 Transformational Leadership

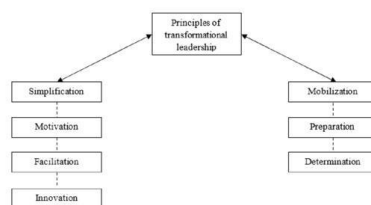
- Continuous development
- Systematic planner with a long-term emphasis (M.Hall, 2022).
- Encourages new ideas and drives an organization's change.
- Creative thinking
- Increased autonomy enhance creativity and production.



STUDENT NAME: IONUT TUDUREANU

On the other hand, Jeff Bezos is constantly on the lookout for ways to grow his company and better meet the needs of his customers because he is outcome-driven. He is widely regarded as a methodical planner, with a focus on the long term, with the purpose of enhancing the company's customers' experiences via innovation and this characteristics are strong parts within transformational leading (M.Hall, 2022).

Principles of Transformational leadership of Jeff Bezos



Value of judgement

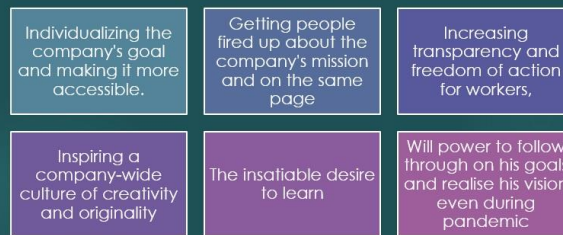
Customer-centric culture at Amazon by dividing his employees into smaller teams

Open communication.

Competition drove employees to perform above and beyond to fulfil goals and overcome barriers (C.Haffatey, 2022).

STUDENT NAME: ALINA MUNTEANU

Transformative leaders put a high premium on the judgement of their employees at all levels of the business, believing that they can and will make sound judgments in the context of their responsibilities. By breaking down his workforce into smaller teams, giving them a wide range of responsibilities and responsibilities, and encouraging open lines of communication, Jeff Bezos was able to foster a customer-centric culture at Amazon. The result was a healthy dose of competition that pushed employees to perform above and beyond their capabilities to meet all goals and overcome all obstacles (C.Haffatey, 2022).

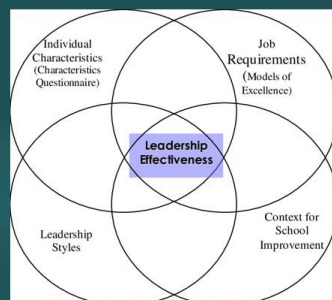


JEFF BEZOS LEADERSHIP STYLE

STUDENT NAME: ALINA MUNTEANU

- Among the concepts of transformative leadership that Jeff Bezos adheres to are:
- Individualizing the company's goal and making it more accessible.
 - Getting people fired up about the company's mission and on the same page
 - Increasing transparency and freedom of action for workers,
 - Inspiring a company-wide culture of creativity and originality
 - The insatiable desire to learn

JEFF BEZOS' LEADERSHIP EFFECTIVENESS



S.Bin Satar, (2022)

- ▶ 1. Long-term planner and broad thinker
- ▶ 2. High expectations
- ▶ 3. Constantly learning
- ▶ 4. Imminence
- ▶ 5. Focused on Outcomes
- ▶ Appreciates development
- ▶ Confidence
- ▶ Power to motivate people
- ▶ Openminded
- ▶ Traditional
- ▶ Ambition
- ▶ Enthusiasm
- ▶ Visionary
- ▶ Transformative leader

STUDENT NAME: ALINA MUNTEANU

Bezos is an optimistic businessman who appreciates development, confidence, and the power to motivate people. As he matures, he remains open-minded, libertarian, traditional, and kind. His drive, ambition, and enthusiasm have made him the largest internet merchant in the world. (S.Jain, 2022)

1. Long-term planner and broad thinker

The success of Amazon, and Jeff Bezos personally, depends on happy customers. Jeff Bezos seeks out unique and imaginative ways to achieve his aims, which requires creativity and regular re-evaluation of his approach (S.Bin Satar, 2022).

2. High expectations

One of Jeff Bezos's most standout attributes as a leader is his insistence on the highest possible standards. He always has extremely high standards for himself and his staff, far above what was thought possible at the outset. Because of this, his team is motivated to improve and move the company forward (S.Bin Satar, 2022).

3. Constantly learning

A hunger for learning is an essential trait in a leader, and Jeff Bezos possesses this trait. He is always thinking of new ways to better himself, and he never quits trying new things. The leader of a transformational group always pushes his followers to improve themselves (S.Bin Satar, 2022).

4. Imminence

Timing is of the essence for Jeff Bezos. In a time crunch, it's important to make educated and well-informed judgments. If the company expanded and made quicker strategic business choices, he reasoned, it would attract more customers (S.Bin Satar, 2022).

5. Focused on Outcomes

Jeff Bezos is known to take a strong stance when it comes to the growth of his business. He takes the initiative to reach goals and ensure his teams understand their subject matter. And these are just a few of the features that have been lauded and ascribed to Jeff Bezos's ethical leadership style (S.Bin Satar, 2022).

ETHICAL LEADERSHIP TRAITS THAT JEFF BEZOS POSSESSES:



- Transparency
- Integrity
- Trust
- Collaboration

S.Bin Satar, (2022)

STUDENT NAME: ALINA MUNTEANU

- Transparency
- Integrity
- Trust
- Collaboration

Conclusions

Jeff Bezos has shown a mix between transformative leadership and contingency leadership

He has shown high standards, micromanagement style, and complete ability to make any and all decisions.

He is recognised as one of the world's best transformational leader

His leadership skills have helped foster an environment where creativity and satisfied customers are prioritised at his company and this helped Amazon to thrive during pandemic.

STUDENT NAME: ALINA MUNTEANU

Jeff Bezos has shown a preference for transformative leadership despite his high standards, micromanagement style, and complete ability to make any and all decisions. He is recognised as one of the world's best transformational leader, and his leadership skills have helped foster an environment where creativity and satisfied customers are prioritised at his company. In sum, Jeff Bezos is an excellent leader because he exemplifies the four traits that make a leader outstanding. Some examples of these traits include intelligence, crystallised intelligence, motivation, and personality. For the long haul, I see Jeff Bezos at the helm.

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