

ASSESSMENT 1

LEVEL 6 ASSESSMENT SPECIFICATION

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Programme:	Business Administration in International Business		
Module:	Leading and Developing People		
Module code:	IUBA6003	Contribution to Overall Module Assessment (%):	50%
Lecturer:	Emma Roberts	Internal Verifier:	
Assignment Title:	The Complexity of Modern Leadership	Word count (or equivalent):	2,500 words
Submission deadline:	19 th August, 2024 @23:55	Return date of provisional marks & written feedback:	
Submission method:	All written assessments, where practical and possible, must be submitted via Turnitin unless otherwise instructed by the Lecturer. (Please DO NOT put this assessment specification into Turnitin or it will match many similarities with other students' submissions.) Alternative submission method (if applicable): Late submission of the assessment will result in a late penalty mark. Penalties for late submission: Up to one week late, maximum mark of 40%. Over one week late, 0%. Only the Extenuating Circumstances Panel may approve a change to submission dates.		
Academic honesty / referencing:	Academic honesty is required. In the main body of your submission you must give credit to authors on whose research and ideas your work is based. Append to your submission a reference list that indicates the books, articles, etc. that you have used, cited or quoted in order to complete this assessment.		

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Introduction

The key to success of an organization is leading by a successful of leadership and management. Determines leadership and management structure allow to understand critical successful factors from organization. Therefore, in this assignment will be focused on the ranges of analysis of leadership and management structure from contemporary organization by implication of theories.

Leadership Styles of Tony Fernandes (AirAsia Airline Malaysia)

A well-known Airline business company in Malaysia is AirAsia. It is formulated by 5 men include Tony Fernandes. He is a famous entrepreneur in Malaysia because of the strategy and leadership styles that led to the successful of airline business. The famous tagline of his is "Now Everyone Can Fly" with offer ticket of 1 ringgit Malaysia. He is a qualified as a member of ACCA in 1991 and ICAEW in 1996. He was appointed as Music Group Vice President for Southeast Asia before joining airline business in Malaysia. Tony Fernandes defines his strength of leadership skill is "find great people", said in financial conference Singapore 2020 (Gilchrist, 2019). He noted that the skill useful when finding partnership to further the business venture such as AirAsia airline partnering with Kamarudin Bin Meranun, BigPay partnering with Christopher Davison when Tony Fernandes met him in a bar in London. Besides that, he defines people are valuable and looks for people that are "hungry", which are people with a strong sense of purpose. The leader skill of Tony Fernandes can be determined by traits theories introduce by Thomas Carlyle in 1800. Trait theory refers to a person born as effective leadership (Cherry, 2022). However, Daniel Goleman (1998) found effective leadership contains high empathy, sending the feeling to the team members and receiving feedback from team members. Tony Fernandes has a high empathy for his group members because he is willing to receive any feedback from his members or employees as he said in financial conference that "people are valuable" (Gilchrist, 2019). Besides that, according to Gibson, et al. (2000) and Hoy, et al (2008) found leadership characteristics such as interpersonal skill. However, Tony Fernandes, showing great example of effective leaders must know to find great people and turn into key successful in business venture.

There is a theory of **behavioral leadership** to identify the behavior of leaders from differentiate of effective leadership and ineffective leadership (Zeerak, 2023). Based on theory, there are 3 difference types of leadership style include autocratic style, democratic style, and laissez-faire style (Zeerak 2023). Autocratic style refers to high power distance which

employees are less-involved into decision-making that is made by leader. Democratic style refers to low power distance or delegate authority which consideration of employee's decision. Laissez-faire style refers to flexibility of decision-making, which allows a group to make decisions if they achieve the goals. Tony Fernandes implements a democratic leadership style in AirAsia corporation. Based on the interview of him by Foundr Magazine (2019), he mentioned, *"People said I have an open-door policy, but the door closed. Bureaucracy and politics are the cancer of any organization, so we confront it, and we deal with it."* Tony Fernandes is avoiding hierarchical structure, and he implements "leads by example" as an approach to motivate his employees. Besides that, Tony Fernandes would have conversations with his employees about sharing experiences, seeking employee's decision, listening to employee's feedback (Eitrivana et al., 2022). Tony Fernandes was experienced about changed from AirAsia fleet to Airbus that is requiring loading and unloading equipment for Ground Handling Crew (Eitrivana et al., 2022). However, Tony Fernandes rejected to invest into loading and unloading equipment worth US \$1 million and he reflected a statement to his decision that "I could have made a decision - a very wrong decision that damaged a lot of people and destroyed the morale of the organization at that level. (Fernandes 2020)"

"I feel suits build distance between you and your staff. (Fernandes 2019)" said in an interview with Foundr Magazine (2019). Tony Fernandes is a highly sociable leader and prefers simplicity including simple T-shirt with Hat of a logo of AirAsia that owned by every employee (Eitrixana et al., 2022). However, Tony Fernandes prefers **charismatic leadership style**, referring to the special characteristic of a person turn into extraordinary (Weber, 1974). "Informal" is a characteristic of Tony Fernandes to build relationship with his employees by walking around office to communication, the results can be motivated and inspired to employees feel of friendly and take care of them (Inspire., 2016). Transparency, appreciation, and providing opportunities for employees to grow are three components of Tony Fernandes' treatment of his employees (Eitrixana, B. M. et al, 2022). However, implementing charismatic leadership styles has the advantage of unifying employees' vision through the leaders, in contrast, this can be disadvantaged of finding a replacement for the leaders. The disadvantage causes Tony Fernandes to spend nearly 20 years in AirAsia without a clear successor, and recently, Capital A (AirAsia Group) announces a new 5-year contract for CEO Tony Fernandes (Lawrence, 2024).

Moreover, another leadership style can be found from Tony Fernandes is **Servant Leadership styles**. It is introduced by Robert Greenleaf with the theory of "Servant First" rather than "Leaders First", and priority the needs of employees over their own (Greenleaf,

1977). During pandemic Covid-19, AirAsia was impacted and forced to reduce cost from fire employees. However, the email from Tony Fernandes sent to all stakeholders that he will not fire employees as much as possible and he mentioned in email that he and Kamarudin (Co-Founder) will not take his salary as CEO (Eitcivana et al., 2022). Besides that, Tony Fernandes is supporting his employees by career development rather than the money, and this has been proven by one of office boy, Kugan Tangisuran, with a dream to become a pilot and it was successful become a pilot for AirAsia (Eitrixana et al., 2022). Based on Van Dierendenck and Nuüiten, (2011) presented 6 key behaviors of servant leadership including empowering and developing people, which is implemented by Tony Fernandes.

In a summary of the leadership of Tony Fernandes, he is a successful leadership in AirAsia because of the leadership styles that he implemented that can be determined by trait theory and behavior theory. However, the trait theory provides a clear determine of effective leadership such as interpersonal skill. For example, Tony Fernandes achieves interpersonal skill because he knows how to attract right people with found of his/her intention, such as Tony Fernandes partnering with Christopher Davison (Big Pay, Co-Founder) when he found him in a bar. Besides that, Tony Fernandes achieves high's empathy that is based on trait theory, define achievement of high empathy can be listening sound of employees and able to receive feeling of his/her leaders respond. In real cases, Tony Fernandes is likely to accept feedback from his employees because he belief employees are the ones who will take responsibility for their duties. In behavior theory we found 3 types of leadership styles include autocratic style, democratic style, and laissez-faire style (Zeerak 2023). Tony Fernandes implements democratic leadership styles which can be found by interview of Foundr Magazine (2019) that Tony Fernandes is prefer to low-power distance which avoid hierarchy structure, and "lead by example" which can be motivated to employees (Eitrixana et al., 2022). Besides that, the leadership styles of Tony Fernandes can be found in charismatic leadership. Tony Fernandes plays a role of "informal" which often to have informal conversation around the office with his workers and the charismatic term of Tony Fernandes can motivate and inspire his employees to feel a leader is take care of them. Lastly, servant leadership styles are another leadership theory implemented by Tony Fernandes. He is putting his employees first rather his own to make decision such as during pandemic, he email to all worker that he will not get paid until recovered. Besides that, Tony Fernandes is focused on career development instead of using money which can be proven by a worker, Kugan Tangüsuran (Eitcivana et al., 2022).

Leadership Style of Walter Cho (Korean Airline)

Air Transport World (ATW) 49th was awarded Walter Cho as an excellence in leadership of his Airline Company in Istanbul, Türkiye on Jun 2 (*Hyun-Su, 2021*). The Key successful of his achievement is an efficiency leadership and strategy of him lead to successful of the company to overcome pandemic Covid-19. While global airline companies are facing losses due to the restriction of travels impact by the Pandemic. However, Korean Air gained high-returns due to the successful transformation of its business nature to Cargo shipping lead by Walter Cho, CEO of Korean Air (*Hye-Jin, 2023*). Business transformation is challenging and requires adapting such as new infrastructure, new technology, employees training or hiring (*Marr, 2023*). “If we use empty passenger aircraft, we could expand cargo shipping business while cutting back on airplanes stayover cost.” said in an emergency meeting by Walter Cho in March 2020 (*Hye-Jin, 2023*). However, the company immediately transformed 16 passenger airplanes into cargo carriers.

Based on **contingency leadership theory** that is dependent on the situation to effective leadership styles. There are three common leadership styles developed by scholars such as Fiedler Model by Fiedler, Path-Goal theory by House, and Situational theory by Hersey and Blanchard (*Zeerak, 2023b*). From a studying perspective, Walther Cho implemented Path-Goal theory and was introduced by House. The Path-Goal theory refers to a job of leaders providing supportive, directive, participative, and achievement-oriented, to ensure employees are achieving the goal of the company in right performance (*Zeerak, 2023b*). However, the Path-Goal theory identifying Walther Cho when he provides directive instruction, supportive to his employee's needs, participative to the process of transformation, and successfully achievement the business transformation to cargo carriers.

From another perspective, the Field model introduced by Field has identified two types of leadership styles, task-oriented and relationship-oriented (*Zeerak, 2023b*). The situation factors of relationship-oriented occurs dependance upon leader-member relationship by the degree of confidence, trust, and respect employees have for their leaders. The leadership style of Field Model can be determined that Walther Cho is relationship-oriented leadership style when he implement merge and acquisition (M&A) strategy with Asiana airline during the entire aviation industry was reeling from business uncertainties during pandemic Covid-19 (*Hye-Jin, 2023*).

The contingency theory provides clear identification of the leadership styles when situation of leadership styles is different impacts by internal and external environment. Walther

Cho (CEO of Korean Air) successful in the pandemic when the global businesses are facing challenges that he is a leader being effectiveness of leadership styles lead the company success. However, the contingency theory can study how the strategy of a leader implements when impact by situations and it is useful to identify difference leadership styles.

Leadership Styles of Herb Kelleher (Southwest Airline)

Herb David Kelleher was born on March 12, 1931, in Camden, New Jersey. He has a strong legal background as he is a lawyer, and it significantly influenced his leadership and business approach. Southwest Airline was formed in 1967 by Herb David Kelleher and Rolling King, and there is a relationship of client and entrepreneur with the same vision to offer low-cost airline with larges-carriers through intrastate in Texas. However, the beginning of business placing challenges to them specifically legal and regulatory issues as there is a new entrance to other states. Begin in the year of 1969, many competitors such as Braniff, Trans-Texas, file lawsuit to preventing the operation of Southwest Airline. In 1970, after legal battels that the Supreme Court of Texas ruled in favor of Southwest Airline which allowed it to operate. However, during the Herb David Kelleher operating as CEO in Southwest Airline, he was successfully pointed out some key strategies that led to the success of Southwest Airline.

At the beginning of Southwest airline expanding the market through interstate, Herb David Kelleher implement profit-sharing plan for employees (*Sekar, 2024*). The plan's purpose is to create a workforce to have a sense of company ownership. From the strategy of Herb David Kelleher implemented to his employees, that Herb David Kelleher can be suggested as **Participative theory of leadership styles**. The concept of participative theory refers to employee involvement into organization decision-making and management to strengthen the employee sense of company ownership (*Wang, et al., 2022*).

Furthermore, Herb David Kelleher leadership styles is to be approachability, humor, and a focus on people, which create company culture that is fun place to work (*Sekar, 2024*). Besides that, Herb David Kelleher introduced “fun fares” and ticketless to innovate for customer experiences (*Sekar, 2024*). However, the leadership styles of Herb David Kelleher influence the implementation strategy to the Southwest airline company. Based on the **relationship theory of leadership** suggest that effective leaders focus on the interaction of people and create a positive environment in the workplace. By determination of relationship theory that Herb David Kelleher consists of effective leadership as he approachability to his employees and kindness to all his employees (*Jackie & Kevin, 2019*). Therefore, these

leadership styles allow to create a positive environment workforce relatively increase performance of customer services.

Conclusion

The assignment is to write an essay about leadership styles with implementation of leadership company. There are various leadership theories to determine leadership styles including traits theory, behavior theory, contingency theory, participative theory, and relationship theory. The use of theories to analyze various leaderships of aviation industry includes Tony Fernandes (AirAsia airline, Malaysia), Walther Cho (Korea airline, Korea), Herb David Kelleher (Southwest airline, UK). However, there are most well-known and successful leaderships in aviation industry with different characteristics and strategy approach to leading the company. In contrast, Tony Fernandes (AirAsia airline, Malaysia) provides democratic leadership styles to his employees which he will consider employees when he makes decision. Walther Cho (Korea Airline, Korea) provided clear directions on the expectation from him and full of support to his employees. Herb David Kelleher (Southwest airline, UK) shows the importance of company culture impacts to the business strategy and sustainability of a company influence by a leadership styles. Lastly, the overview of the 3 leadership with different leadership theory that would suggest being an effective leader must understand the own strength and weakness, sustaining the strength and improvement the weakness. Besides that, there is none of leadership theories would be suitable such as Herb David Kelleher create own leadership styles that is suitable to his and the company.

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