

What Emergent Leadership Skills may be effective for leaders in analyzing and assessing strategies for making decisions amid uncertainty caused by ongoing economic uncertainty?

BMSW6101-Emergent Leadership Skills for the Workplace-
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Executive Summary

Leadership is the act of leading a team or individuals to achieve specific organisational goals through direction and motivation of a leaders who encourage others to take actions needed to succeed. Furthermore, leadership theories explain how and why some people become leaders and lastly, leadership theories focus on traits and behaviours that people can adopt to improve leadership abilities.

Studying leadership theories is necessary for leaders to understand the set of options that are helpful when it comes to dealing with future challenges, such as being able to recognise and choose which approach may be the most appropriate in certain situations and adapt to that approach to become an effective leader.

Great leaders set an example for others by behaving consistently with their values and the values of the organisation, so they also practise leadership that fosters and encourages good working relationships.

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1. Introduction

- i. The purpose of writing this report is to identify which emergent leadership skills can be the most effective for the business leaders to make the right strategic decisions in the face of economic uncertainty. As a matter of fact, managing uncertainty and developing organisational success during uncertainty depends on how business leaders approach the situation and face the unknown.

Compass Group UK & Ireland company focus is on their people, performance and the purpose of their company thus they emphasize on learning, development and building an organisational culture where everyone can be authentic. Compass Group is national food supply chain company with skilled management that collaborate with local suppliers to provide catering and cleaning services to its clients in several sectors.

This report consists of three parts and the first part will cover the introduction to leadership theories that will be used in this report for critical evaluation which are: Trait Theory, Ethical Leadership, Contingency and Situational Theories, Power and Influence Theories and Transactional and Transformational Style Leadership.

Then the second part will cover the background of the company Compass Group UK & Ireland together with critical evaluation of the theories and styles mentioned above in the first part.

The last third part will cover the conclusion and recommendation.

- ii. Trait theory involves studying the human personality and methods to discover how to become an effective leader. This theory suggest that successful leaders originate from certain inborn personality traits and characteristics that bring out consistent ways of behaving. According to the research, the traits linked to a great leadership involve adaptability and flexibility which means that leaders can think outside of the box, being confident when expressing the needs in a respectful way, the power to motivate people to do their best and being audacious to seek challenges.

As ethics relate to knowing and doing what is right so the importance of being an ethical leader is more than just having strong values because it involves leading, influencing and making the employees feel responsible for their work.

Contingency theory suggest that leadership is contingent upon the situation. There are different versions of contingency theory such as: Fidler's Contingency Theory, the Situational Leadership Theory, The Path-Goal Theory, and the Decision-Making Theory.

Power and Influence theory focuses on how leaders can motivate the team: their power or influence? Power is the ability to force employees to do what they don't want to do while influence is the ability to make people act without feeling forced.

Transformational leadership style is characterised as an approach that causes positive changes in peoples through leader's good communication skills and cooperation. This leadership style encourages employees to innovate in order to improve company's future success.

- iii. Theories are important because they provide an explanation of complexity to leadership styles and skills so the outcome from this report is to identify which leadership skills are the most effective in times of uncertainty since uncertain situations make decisions difficult to deal with.

2. Critical Evaluation and Practical Application of Different Leadership Theories and Styles in Compass Group UK & Ireland.

i. Compass Group UK & I Background.

Jake Bateman, a Croydon entrepreneur founded Factory Canteens Limited in 1941 and became known as Bateman Catering, providing dining services to every company that employed more than 250 people. Six days later, not only Midland Counties Industrial Catering company was founded providing the same services but also decades later these two companies merged to become Compass. They operate in 10,000 locations across UK and Ireland with about 60,000 employees. In 1991, the company was under the leadership of Sir Francis Mackay who was pursuing the strategy for growth. In 1994 to 2005 the company expanded globally and the next year in 2006 a new Chief Executive Richard Cousin brought the basic model to the management and performance framework (MAP) which describes the required skills, behaviours and knowledge that are important when it comes to delivering high quality care and support. This framework is still used today by Compass Group and their main competitors are Sodexo, Aramark, Levy Restaurants, Eurest Services and Wm Morrison Supermarkets and their main competitive advantage is financial strength which means that they can invest in growth, innovation and evolve operating model.

In March 2020, all companies were affected by Covid pandemic, but Compass Group UK & I, emerged stronger and maintained its position as the world's largest food service company.

ii. **Trait Theory**

Trait Theory was proposed by Gordon Allport in 1963. He found about 4000 words that described personality traits and divided these traits into three categories: cardinal, central and secondary. Allport believed that personality was determined by birth, but combination of experiences and environment played a big part in shaping people's personality. Allport also believed that every characteristic contributing to a person's personality trait fell into one of the three categories. However, many people have criticised Allport's trait theory for failing to produce clear results because this theory could not put together a set of qualities that would differentiate leaders from others. Without a doubt, successful leaders have the abilities and personality traits that are different from those that are less effective, as an example: leaders are aware of their strengths and weakness thus they understand how to develop leadership skills.

Another trait theorist Raymond Cattell reduced the number of Allport's personality traits to 16 key personality traits and in 1949 he also developed a 16PF-Personality Factor Questionnaire that is widely used in organisations to test and predict what a person will do in different situations. This test measures cognitive abilities.

Most of the criticism of Cattell's 16 Personality Factor Model "is the fact that this theory has never been entirely replicated" (Howard and Browns, 1971). Studies conducted by Sell et al. (1970) and by Eysenck (1987) "failed to verify the 16 Personality Factor Model primary level" (Noller, Law, Comrey, 1987).

According to Hans Eysenck, who also believed in genetic of personality traits and intelligence, suggested that there are only three factors of personality traits such as: extroversion, neuroticism and psychoticism and that it can be measured through personality questionnaire. He also stated that Cattell's 16PF test was unreliable and could not be repeated.

Some critics argue that the three dimensions of extraversion, neuroticism and psychoticism are not sufficient to explain personality traits and behaviours.

The Five Personality Traits

Many psychologists point to the five personality traits which are: extraversion, agreeableness, openness, conscientiousness and neuroticism. This theory was established by D. W. Fiske in 1949 but expanded later upon another research. This model help people to better understand how they compare to others which can be useful for personal development. However, some experts argue that this theory is just general model and there are another personality traits that are not understood by this theory, but it is an important tool for managers to understand how these traits may affect employee relationships in the workplace.

Ethical Leadership

Ethical leaders demonstrate the traits they want others to follow, they also try to create environments where diversity is embraced and where everyone is heard and respected. This theory has five principles: respect, service, honesty, justice and community. According to Moss (2002) “the example of organisations showing signs of unethical behaviour has caused businesses to reconsider their strategic direction, helping them to learn that being ethical is the way which leads to profitability”.

“Executives at large organisations define ethical leadership as “simply a matter of leaders having a good character and the right values or being a person of strong character” (Freeman & Stewart, 2006, p.2). Ethics are principles that guide our behaviour when making choices and effective solutions that will affect everyone. Ethical decisions-making is based on trustworthiness, so the leadership without trust and integrity is impossible.

Contingency and Situational Theory

Developed by Fred Fiedler in 1958 and his theory was based on life experiences that shape leadership styles. Fiedler's believed that there is no single leadership style that is suitable in all situations of leading a company and making decisions, but instead all it depends on the situations and "how well the leader's style matches the specific situation" (Wolinski, 2010). This approach is divided as task motivated and relationship motivated.

In fact, it is never easy to deal with employees, for example when they are always late for work or trying to minimise employee turnover, in the first place, the best thing to do is to find out the reason behind it and adapt the leadership style to each situation differently. It shows that leaders should be situation oriented in order to become effective because what might be effective in one situation may or may not work in another situation. This theory's approach is quite complex and depends on controlling the situation.

Contingency theory offers an approach that has long tradition and many studies have tested this theory. It was found that it has reliable approach. Although those studies have received many criticisms for failing to wholly explain why people with certain skills are effective in one situation but not in others. Shoonhoven (1981) "expressed the weakness due to fuzzy conceptualisation of the variables and the lack of specificity in the relationship among them". Child (1981) "has argued strongly that the effects of culture must be integrated into contingency theory".

For instance, contingency theory in management accounting organisation where Chenhall, (2003) stated that "contingent factors that affect the efficiency and effectiveness of the system may well be accepted at the adoption stage but not at the stage of implementation stage because the implementation stage is more affected by organisational factors rather than contextual factors". He also stated that "there is no such "contingency theory" but rather variety of theories that may be used to explain and

predict conditions in which system or technique may increase the performance in organisation” (Chenhal, 2003, p.157).

“A study of the development of leadership theory for the period 2000-2009 conducted by Gardener et al (2010) concluded research that focuses on traditional leadership theories, including The Contingency Theory of leadership, has continued to decline in publication”. According to Eva et al (2019) “Ethical moral leadership theories, especially Servant leadership theory increased significantly”.

Situational Leadership

This model developed by Ken Blanchard and Paul Hersey in 1969 and both believed that leaders must be flexible to choose the best style based on situational circumstances however, the disadvantage is that it depends on leaders' relationship with the employee. The contingency approach is also known as the situational approach, but contingency theory refers to a leader effectiveness that is contingent and how the leadership style matches the situation whereas situational theory refers to a leader that should adapt to match the situation and meet the needs of the team members. For example, when a new team member is hired with little experience there is a need of a leader to adapt leadership style accordingly. Situational leadership model has four styles which are: telling, selling, participating and delegating. Some critics argue that leaders do not have time to continuously evaluate and decide which leadership style is best to use.

Power and Influence Theory

Kurt Lewin's leadership theory was developed in 1932 and is based on authority and influence. Both theories are used to get others to act. For example, when using power and the leader assigns a project and then choose some members to come in on the weekend, if they do not then they will face the consequences. Another example, when using influence and the leaders decide to lead by example and choose to do the same as he wants from the employees, so they change the way how employees see their leader and as a result employees change their behaviour and thinking because it is not based on the authority that leaders hold. So, the leader's actions will more likely influence employees to better perform without feeling forced. There are seven types of management powers that can be used separately or together, and they are: legitimate power, expert power, coercive power, reward power, referent power and charisma power. Charisma power is a way to influence power through a force of a leader character.

"You know charisma when you see it in executives who exude self-confidence, style, composure, authority, and boundless of energy that propels them straight into the corner office" (Benton, 2003, p. 125).

According to Benton "executive charisma is the ability to gain responses from others by using aware actions and considerate civility in order to get useful things done" (Ibid, p.132).

According to Mark Stevens – "managers willing to take risks and make difficult decisions asserted in his book "Extreme Management: What They Teach at Harvard Business School's Advanced Management Program," (2001, p.2) "that not for their touchy-feely traits, but as men and women willing to wade into the most troublesome, perplexing and sometimes frightening situations at the head of the pack".

Transformational Leadership

James Macgregor Burns introduced the concept of transforming leadership in 1978. This approach focuses on guidance and creating change in individuals and organisations. The process begins when leaders engage with employees and influence them by paying attention to their needs as well as providing them with an ethical framework for making decisions. There are four factors to transformational leadership which are: idealized influence, inspirational motivation, intellectual stimulation and individual consideration. Each of these four components explains characteristics that are important to the transformational process besides each of these factors help leaders to use this approach in the workplace. Roberts (1985) explains transformational leadership as “The collective action that is transforming leadership generates empowers those who participate in the process. In essence, transforming leadership is a leadership that facilitates the redefinition of people’s mission and vision, and renewal of their commitment, and the restructuring of their systems for goal accomplishment”. In other words, leaders and followers help each other to identify change and create mission and vision to guide the change. Transformational leaders are seeking new ideas, and they are willing to risk and experience emotional exhaustion, but the key criticism is that “the potential for power is abused when motivation lacks moral responsibility” (Hay, 2006). Hay (2006) “argues that transformational leaders must assume moral responsibility to avoid dictatorship and oppression of minority by majority” (Hay, p.10).

iii. **Leadership in Times of Crisis**

The most effective leadership skill in all situations is clear communication, then when a leader is adaptable and ethical. There is not a single manual that will help or guide a leader through crisis because each crisis comes with different struggles and therefore the circumstances always require different approaches. Businesses must focus on crisis recovery and business continuity. According to Mitroff (2004), “devising a plan and preparation are essential parts of program management during a crisis”. “There is nothing that can test a leader like a crisis because during crisis, leaders are relied upon to lessen confusion and present a trustworthy narrative, a reason, and a solution for the current situation” (Boin, 2005; Maitlis, 2005; Maitlis & Christianson, 2014).

Transformational leaders that acquire emotional intelligence and self-awareness can support their employees through compassion and honest communication. For instance, these leaders are seeking risks and opportunities that arise in crisis and requires change and vision for the future. On the other hand, situational leadership focuses on current situation while transformational leadership seeks to motivate employees. In short, both these styles have their advantages and disadvantages, but transformational leaders are more effective in motivating and driving change even when situational leadership style is more flexible and responsive to the needs in specific situations, the leadership require more time to assess the situation which can be ineffective in times of crisis. Also, for some leaders it is difficult to adapt their leadership style to a specific situation.

According to the text of Garfield & Stanton (2009) “transformational leaders can engage and positively influence colleagues at all levels and built high-performing and satisfied teams. Vision and common purpose will foster a spirit of teamwork and cooperation that will be enablers for meeting goals, and ultimately benefit the organisation”.

iv. Compass Group UK & Ireland

In 2023, the company predict a 30% growth in operating profit for the year even they spent £21m 0n mergers and acquisitions. The group chief executive Dominic Blakemore said: “The group performed strongly in the first half of the year, benefiting from balanced growth across all regions”. Compass Group managed rising inflation through cost reduction and operational efficiency and is expected to face new challenges due to increased customer demands. They will also continue to invest in digital products and environmental, social and governance policies as these were business growth enablers in the market.

v. Leadership Styles and Skills

The differences between leadership styles and skills are that leadership style is a method and behaviours used by a leader whilst leadership skills are the ability to lead people, but both can be learned and developed.

Leadership styles are the patterns of behaviour that reflect leader's methods and behaviour they tend to use when managing others while leadership skill is the capability to do something effectively. For example, transformational leadership and charismatic leadership are probably two leadership styles that many of us would like to adopt because both of these leadership styles share a lot of similarities like strong communication which is important when engaging with employees because it makes them trust their leaders. The difference between these two leadership styles is that charismatic leaders work more towards their personal benefits whereas transformational leaders tend to work towards organisation benefits and employees.

3. Conclusion

- i. In conclusion to motivate, innovate and produce creativity and develop others, leaders should be aware of how followers see them. Each of these theories mentioned in this report focuses on identifying methods and behaviours that are crucial to effective leadership.

- ii. **Recommendations**

Communication and self-confidence can be critical for managing a team in difficult situations. Next, a leader must be adaptable and empathetic because most of the team members will turn to a leader for a guidance as the leader's job is to help their employees to make sense of the changing conditions, predict scenarios ahead to assess and plan how to deal with uncertainty.

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