

LEADERSHIP AND MANAGEMENT, THEORY AND PRACTICE

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JEFF BEZOS CASE STUDY

American entrepreneur Jeff Bezos is the founder and former CEO of Amazon. Amazon is one of the top e-commerce sites across the entire world. At the first beginning was a platform which was selling books. Kindle has provided one person to carry a whole library with themselves in the form of e-books. (Amazon,2020) Amazon's revenue increased after Bezos diversified his product line. Inferring to the reports of CNBC Amazon has witnessed a flood of online orders during the pandemic. (CNBC, 2020) The last update from 2022 is that Jeff Bezos has 11% existing shares in Amazon. Additionally, he owned a space travel venture named Blue Origin. However currently, Jeff Bezos is the wealthiest person in the world. (FORBES, 2022)



Jeff Bezos is recognised to be a task-oriented leader and he has always been a charismatic leader in the field of giving leadership to the business. In search of more innovation and creation in the company, Jeff Bezos has adopted the transformational leadership style. (GRADINARU et. Al, 2020).

Transformational leadership style is associated with motivation, encouragement, and inspiration by the leaders to their employees (ALQATAWENAH, 2018). The encouragement and motivation applied in this leadership style led the employees to create, change and innovate to grow the organisation. This leadership style supports the long-term look towards the goal. Jeff Bezos' leadership style is innovative, experimental, and long-term oriented. Jeff Bezos' leadership style is well suited to building a company with Amazon's transformative power. Additionally, Jeff Bezos's leadership style is customer-oriented to serve in better ways since he first started this business (Amazon, 2022). Bezos has managed to highlight the value he offers customers, first and foremost, and his obsession with features like fast shipping gives those same customers a reason to come back to his Amazon. I'm here. Bezos has created a culture of success at Amazon.

This leadership style followed by Bezos is associated with full knowledge of the targeted market and apart from that, Bezos's leadership style is focused on self-promotion. Self-promotion is a major key delivery practice to pitch the business in

the vast market. (O'Connell, 2021)



JEFF BEZOS'S LEADERSHIP STYLE

AUTOCRATIC LEADERSHIP STYLE

EXPERIMENTAL AND LONG-TERM
ORIENTED LEADERSHIP METHOD

THE TRANSFORMATIONAL LEADERSHIP
STYLE

Jeff Bezos's has an autocratic leadership style. Bezos' autocratic and long-term thinking is evident in Amazon's leadership style. They're seen high levels of self-promotion during the launching event of Blue Origin depict a high degree of self-confidence. This incident is evidence of Jeff Bezos's has an autocratic leadership style. Several Amazon executives report that Bezos has shaped its culture in the direction of being very demanding and ambitious. In this case, Amazon executives must follow Bezos lead. (ICTSD, 2022)

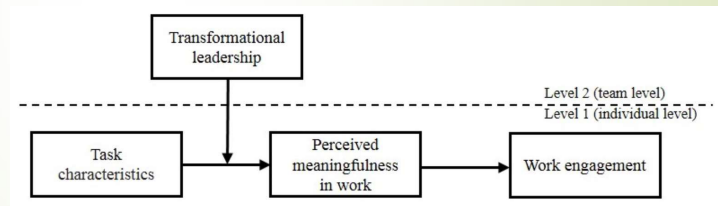
However, in the long years of his career, Bezos has been following an experimental leadership method. In contrast to estimates and opinions, Bezos strives to prove himself incorrect with hard data instead of relying on his intuition. Bezos's unique leadership style has been focused on long-term orientation to get potential revenue from the contemporary market of the US as well as the entire world.

The main leadership style Bezos followed is the Transformational leadership style. The transformational leadership style Bezos adopted has a strong emphasis on dependence and rational decision-making. Amazon was a valuable investment for Bezos, even though it didn't promise immediate profits. When Amazon was first developing its Kindle, the leader of his team asked Mr Bezos for the project's budget. Nor was it an idea with only long-term sales potential. Bezos is trying to prove otherwise, but only through market feedback. Amazon's leadership principles include

backing project ideas based on real data rather than relying on estimates and opinions. The innovative leadership style employed by Jeff Bezos means he embraces changing market dynamics. (CNBC, 2018)

LEADERSHIP THEORIES AND STRATEGIES EXPLORED IN THE CONTEXT OF JEFF BEZOS LEADERSHIP

TRANSFORMATIONAL LEADERSHIP STYLE



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- The theory focuses on the behaviours of the leaders that fit out the best for work culture and employee engagement to establish a goal (Saleem et al. 2020). Also, this theory focuses on employee motivation and satisfaction to get more productivity from the employees.
- The Transformational Leadership Theory emphasises the strong relationship between the leaders and their followers to bring change to the organisation (ASBARI, 2020). Additionally, the charisma of the leaders encourages the employees to transform into better in completing a task.
- The Transformational Leadership Style and the path-goal theory are interlinked with each other. Followers are more likely to perceive the goals set by Transformational Leadership because Transformational Leadership not only presents work, especially organizational goals, in the sense of a comprehensive vision, and ties them to the values of subordinates, but also gives responsibility for pursuing goals. We assume that you are aware that it is important. (STEINMANN et. Al, 2018)



IDENTIFICATION OF THE CHANGES IN BEZOS'S LEADERSHIP STYLE

- THE PATH-GOAL THEORY
- CONTINGENCY THEORY OF LEADERSHIP

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In past years, there have been several changes seen in the leadership style followed by Jeff Bezos. There are a lot of changes in the planning of a leadership strategy in accordance with the delivery of creative results relying in impulses such as “overarching confidence in the power of metrics”.

Jeff Bezos has come up with a decision-making style called the regret-minimization framework for following long-term goals. The Path-goal theory is associated with the behaviours of the leaders to fit the best for the work environment as well as a smooth engagement of employees to achieve a targeted vision. The behaviour of the leaders is interlinked with employee satisfaction, performance, and motivation in the work environment under an organisation. Jeff Bezos while following this theory initiated an employee recognition programme to maintain employee satisfaction. Apart from that, Jeff Bezos has also initiated a corporate incentive programme for the purpose to keep employees motivated. In addition, Bezos also has created AWAEDCO which serves as the employee recognition platform. This platform offers a partnership with Amazon only for its employees. (FASTCOMPANY,2021) In addition, Bezos has also adopted the Contingency theory of leadership. This theory demonstrates the behaviours of a leader in the situational or eventual context to develop an organisation at its best. A specific situation or event decides the efficacy of a leader by following their decision-making skills in an organisational setting. Jeff Bezos has

followed this contingency theory of leadership as this view helped him in giving a realistic picture of the organisation as well as the management. This theory has helped employees of Bezos to push their primary fears to make better and more efficient decisions. Consequently, they can move to their recovery mode not very quickly. Yet, this also has given an opportunity to the employees to share their views and ideas related to the business to enhance the business growth. As a result, Bezos has increased his management's ability by aligning efficient leaders with their employees. (Dudovskiy, 2022)

LEADERSHIP THEORIES AND PERSPECTIVES EXPLORED IN THE CONTEXT OF JEFF BEZOS LEADERSHIP

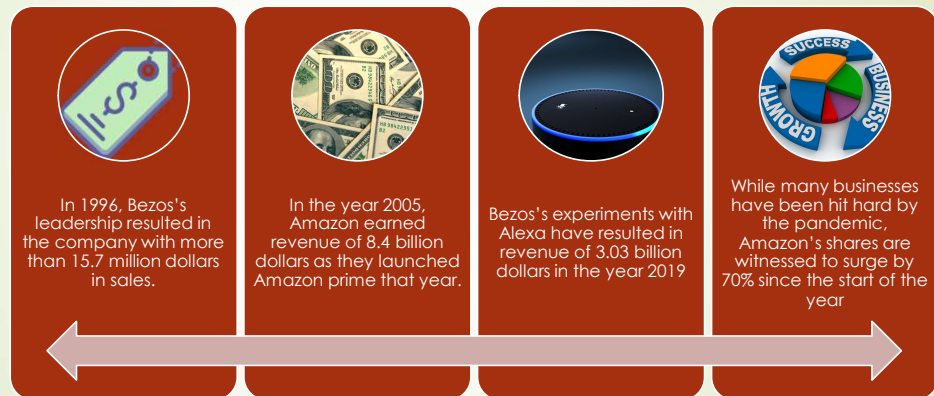
➤ CONTINGENCY
THEORY OF
LEADERSHIP.

➤ BEHAVIORAL
THEORY OF
LEADERSHIP

- Jeff Bezos's leadership style partly followed the Contingency theory of leadership. This theory demonstrates that leadership should be eventual or situational to structure an organisation at its best (Popp and HADWICH, 2018). Jeff Bezos increased his management's ability while aligning employees with efficient leaders in his company. Described as harsh, fierce, and demanding, Jeff Bezos' leadership style is considered atypical. In July 2021, Jeff Bezos stepped down as his CEO and became chairman of the company. His CEO of Amazon Web Services, Andy Jassy, is the new CEO of the online retail giant Amazon. Even though Andy Jassy appreciates Bezos' leadership style, the new CEO demonstrates a more calm, soft, and less prone to outbursts style than Bezos did. Still, Bezos will continue to have a significant impact on Amazon's business and leadership style. (Cain, 2017)

-In addition, Bezos has followed the Behavioural theory of leadership. This Behavioural theory of leadership represents the transformation of importance from the traits of the leaders to their actions or behaviours (Mori et al. 2022). In expanding Amazon.com, Jeff Bezos saw failure as an opportunity to do better. In order of importance, extroversion was first associated with effective leadership, followed by conscientiousness, openness, euphoric and agreeable attitudes (Judge et al., 2002). Jeff Bezos is positive about some of these factors, while others describe him as a demanding leader. (ALLYN, 2021)

EFFECTIVENESS OF JEFF BEZOS'S LEADERSHIP QUALITIES



- In the year 2002, Amazon launched Amazon Web Services (AWS) and earned a revenue of 17.78 billion dollars this year. Inferring to the reports of Business Insider (2013), Kindle made a profit of 565 million dollars in the year 2013.
- The advertising services of Amazon gained revenue of 9.72 billion dollars a current year.
- Amazon Pay, an online payment service platform provided by Amazon was launched in the year 2019 and is responsible for earning a huge sum of revenue constantly. This online payment service of Amazon makes payment methods more flawless and smoother than before whenever someone shops. (AMAZON, 2022)
- In the year 2005, Amazon introduced Amazon Prime to offer membership to provide free two-day shipping within the US.
- Amazon's Alexa has been giving cloud-based voice services to serve the customer in a more customised way, thus gaining more profits from the market.
- In the year 2014, Amazon launched Amazon Alexa as an example of its experimental strategy in the field of Artificial intelligence (Alexa, 2022).
- Currently, by following the leadership advice from Jeff Bezos; Amazon is the largest internet company by means of revenue in the contemporary world.
- In experiments in the field related to space sciences, Bezos launched Blue Origin, a suborbital spaceflight services company in the year 2000. (THE GUARDIAN, 2021)

- A cloud-based gaming platform, Amazon Luna has been launched in the year 2021 and has influenced its revenue of Amazon to grow.
- As a conclusion to his effectiveness is that the experimental leadership has made Jeff Bezos keep more and more people since the year 1995, therefore it had a great success this type of leadership applied by Bezos to grow and prosper Amazon business. Amazon initially started selling books but has since expanded well beyond that to include virtually every product on the market. (CUOFANO, 2022)



CRITICAL EVALUATION OF THE EFFECTIVENESS OF BEZOS'S LEADERSHIP

- Transformational or toxic leadership?
- The practice of autocratic leadership often leads to disturbances and complications in the work environment.

Arguably, although he has opted for different forms of leadership over the years, Bezos' leadership has often been criticized at various levels. As examples, employees reported that they were criticized for their former organizations and their experience was referred to as "bad habits". Amazon has its own inscribed leadership principles that must be followed to be the best Amazonians. This is a direct example of autocracy. (Lipman-Blumen, 2005) Amazon is one of the few companies with a culture of discourse that encourages employees to engage in adversarial discussions with the goal of eliciting honest opinions from employees during the decision-making process. Moreover, Jeff Bezos stimulates the intellectual and imaginative minds of employees by presenting them with different opinions and letting them see the situation with different eyes and argue their opinions. It can be seen as evidence that there is a transformational leader who brings productive work to his company. However, this is perceived by employees as an intention to sabotage others, thus feeling threatened. But just as a culture of debate is a powerful tool for making the right decisions, some employees are under unbearable pressure, and such behaviour is unethical and indicates a type of toxic leadership. (KESKES, 2018)

JEFF BEZOS'S LEADERSHIP STYLE EVALUATION

- Change in leadership styles through the timeline to grow the company
- The adoption of numerous theories on leadership by Jeff Bezos and their effectiveness in the context of his applied leadership

Jeff Bezos's leadership style has been further criticized over the fact stating the management as a "intricate machine propelling them to achieve Mr. Bezos' ever-expanding ambitions"

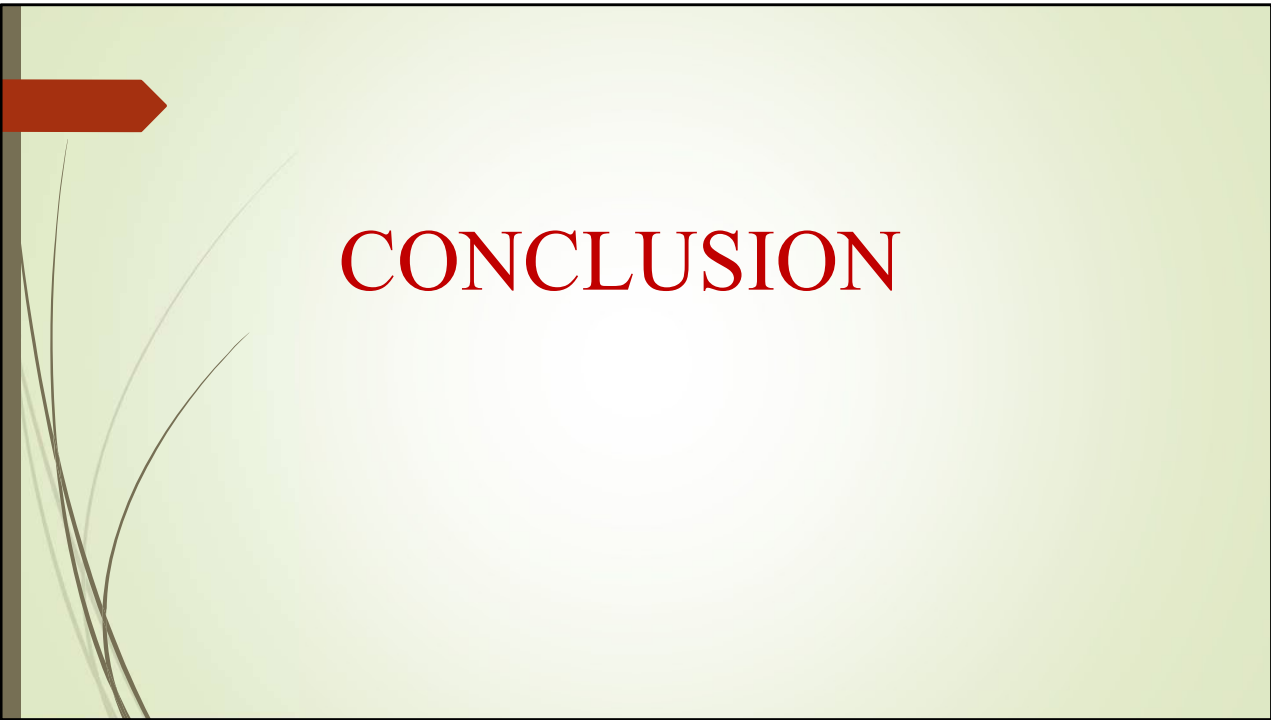
-Firstly, the main difficulty of following path-goal leadership was non-democratic nature.

-Secondly the shift towards the behavioural theory could cause a lot of difficulties as this process takes a lot of time.

-Thirdly, the practice of autocratic leadership often leads to disturbances and complications in the work environment. The autocratic leadership style is associated with resulting in low morals of employees. A good example is when at Amazon some employees who suffered from cancer, miscarriages, or other form of personal crisis at times reported to be evaluated unfairly or edged out (KANTOR AND STREITFELD, 2015)

However, he is known for his innovative approach and task-oriented leadership, Jeff Bezos has it all - the qualities that make him a successful business leader. His approach to business transformation was to become more innovative. After all is Jeff Bezos, who made Amazon so successful. Transformational leadership applied by him, challenge the status quo, and help others see things from a new perspective. At Amazon's early stages, Jeff Bezos encouraged his team to think about the business in

a broader way, beyond just selling books and it was a successful approach. (ICSD, 2022)



CONCLUSION

The slides thoroughly describe the leadership styles adopted by Jeff Bezos. He changed the leadership styles through the timeline to grow the company. According to Jeff Bezos' leadership by results, Amazon and the American economy have both been transformed by him. Whether Bezos succeeds or fails at Amazon, he will be remembered for choosing, nurturing, and enforcing a vision for how Amazon should dominate the market. Pragmatic leadership exemplifies the style of Amazon founder and CEO Jeff Bezos. He sets high standards and expects his employees to meet them without compromising. Bezos's success as a business leader is due, in part, to his leadership style which is a transformational leadership style.





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