

Leadership and Management

Theory and Practice

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Report

Leadership can be a complex concept as it can require adaptation of the leadership style to suit the situation in cause. A leadership style is defined as the sum of the methods, behaviours and traits when managing a team. Leaders need to understand their leadership style and the way they want to direct and motivate their team. The leaders style is not just pinned on theoretical grounds, it is shaped by different personal and professional experiences, personal values, personality traits, array of skills and so on (IMD, 2023).

The selected business leader for this report is Akio Toyoda who is a distinguished leader for the 21st century for the automobile industry. Akio Toyoda is the grandson of the founder of Toyota and he has joined the company eager to learn about the operations of the company and becoming the CEO of one of the largest automaker company worldwide (Forbes, 2023).

As a leader for the company, Toyoda has adopted a transformational leadership style which had helped the company surpass challenges and thrive against difficulties and obstacles from the industry and external factors. The company has especially had a very difficult period known as their 2009/2010 recall when they had to pay \$1.2 billion settlement to the US Department of Justice after admitting to misleading the public about the issues affecting its vehicles. The strong leadership of Toyoda has kept the company in line with the desired vision and it has been considered a “turning point” to return to the basic philosophy of “customer comes first” (Lean Enterprise Institute, 2020).

Transformational Leadership is the leadership style that emphasises a certain transformation and brings change. This leadership style is recognised for inspiring their followers, motivating them to perform by tapping into their potential and creating a shared vision. The key traits and skills of the transformational leadership include the concern for the future, a constant focus on what it needs to be done ahead to achieve their goals; understanding of the necessity of change and ensuring followers are comfortable with the change and realise its importance towards success; focus on people and development of each of their followers to achieve their potential. This characteristics determine important benefits such as focus on innovation and creativity, high levels of performance, high levels of communication and strong relationships (IMD, 2022).

Akio Toyoda has determined changes in the organisation in his role of CEO and has understood that the company needs to adapt to the changes in the industry along with the technology development. Toyoda has allocated \$3billion to build software for autonomous cars, entering the competitive self-driving car field. Toyoda has always thought ahead being concerned with the future of the company and has embraced change and has been interested in developing new technologies. Toyoda has been

proactively promoting creativity and innovation to stay in line with the rapidly evolving industry and markets needs (Toyota Times, 2023).

Toyoda has always treated with respect their employees and has shown great interest in developing a positive working culture emphasising the well-being. This has increased performance, empowering employees to contribute to their best. Toyoda has also been respectful on the well-being of the society and the environment also. Under his leadership the company has been concerned to become sustainable, to reduce the carbon emissions, to develop environmentally friendly technologies (Short Form, 2022).

In conclusion Akio Toyoda has constructed a legacy of innovation and vision for the company he led and has been an inspiring leader for the automobile industry. His skills and traits as a transformational leader such as proactive, visionary, adaptable, inspirational traits have helped him become a notable leader and has brought growth and profitability for Toyota (UBC, 2013).

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