



INTRODUCTION TO LEADERSHIP AND MANAGEMENT

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1) Introduction & Definition of Leadership

Leadership is a multifaceted concept that has been extensively studied and analysed in academic literature. It encompasses myriad of theories, models, definitions, and perspectives. This introductory section aims to elucidate the concept of leadership, underscore its significance in organizational contexts, and provide a synthesis of scholarly definitions to lay the groundwork for further exploration. A meta-analysis covering 160 research papers attempting to define leadership outlines the fact that most research on the topic tends to focus on isolated variables, rather than the concept of leadership in a holistic manner. (Winston and Patterson, 2006). In the synthesis of the key insights of meta-analysis, leadership can broadly be defined as the process through which individuals influence, inspire and guide others towards the alignment of the followers' intrinsic and extrinsic motivations with the organization's mission and objectives. A point of consensus amongst majority of papers focusing on leadership is on the fact that it is a fundamental aspect of organizational dynamics, and that it serves as the driving force behind the achievement of an organization's mission, vision, and goals (Rosari, 2019). While the notion of leadership often seems to be associated with hierarchical structure, key literature also outlines that leadership is not confined to formal authority or hierarchical positions, but rather extends to individuals' abilities to inspire, motivate, and mobilize others towards a common goal, regardless of the organizational structure (Sinek, 2014).

2) Overview & Analysis of Leadership Styles within Amazon

2.1) Transformational leadership style in the case of Amazon

Amazon's journey from an online bookstore in the garage of ex-CEO Jeff Bezos to a global e-commerce and technology powerhouse is a testament to the relentless innovation, customer obsession and bold vision of Jeff Bezos. The founder's unwavering commitment to reinvention and disruption has transformed Amazon into the world's largest online retailer, as well as cloud computing provider (Zhang, 2023). Bezos' ability to redefine industries, empower millions of customers and shape the future of commerce and technology worldwide is largely due to his transformational leadership style. While Jeff Bezos is no longer the CEO of Amazon, his leadership style and footprint has certainly left a mark within Amazon to ensure the continuation of the pace of innovation, disruption, and growth for the business (Huddleston, 2024).

2.2) Overview of transformational leadership concept

The concept of transformational leadership is a highly prominent one within the realm of leadership studies. It is characterized by its emphasis on inspiring and motivating the group to look beyond self-

interest and to embrace a collective vision. Rooted in the work of Burns (1978)) and further enhanced by Bass (1985), transformational leadership theory posits that effective leaders are able to stimulate their followers intellectually and to inspire and motivate them with a sense of higher purpose. Transformational leaders are often described with the traits of being visionary, articulate and most importantly capable of articulating their vision in a compelling manner that paints a future, which resonates with the values and aspirations among their followers (Craig, 2019).

2.3) Advantages and disadvantages of transformational leadership style

The advantages of transformational leadership style are that it fosters a culture of innovation, creativity, continuous improvement, and encouragement to challenge the status quo and pursue excellence in endeavours. Transformational leadership has been associated with myriad of positive outcomes such as increased job satisfaction, organizational commitment, performance, enhanced team cohesion, innovation, and adaptability.

The downsides that are typically associated with a business phenomenon referred to as “key man risk”. This refers to the potential negative impact on an organization when it relies heavily on one person – most often the CEO (Wolfe, 2019). Since transformational leadership is highly dependent on the presence of the visionary and transformational leader, this inherently carries a risk that is associated on the overdependency on the leader (Bass and Riggio, 2006). Furthermore, transformational leadership carries high risk of experiencing burnout if the leader is not able to manage their levels of energy in a sustainable fashion. The intense focus on the mission that is associated with transformational leadership style can also create stress and put high pressure on the followers to perform (Kippenberger, 2021).

3) Overview & Analysis of Leadership Styles within Ford

Ford’s journey illustrates a transition from a transformational leadership style focused on innovation, industry disruption and hypergrowth to a more transactional leadership style geared towards sustainable performance and expansion. Ford’s early years, under the leadership of Henry Ford, epitomized transformational leadership. Henry Ford revolutionized the automotive industry by introducing the assembly line production system, which significantly increased efficiency and enabled mass production of automobiles. His visionary approach and commitment to innovation transformed Ford into a global leader in the automotive industry (Gunderson, 2009)

3.1) Transactional Leadership style in the case of Ford

As Ford grew and faced increasing competition, the company transitioned towards a more transactional leadership style. Leaders like Alan Mullaly who served as CEO from 2006 to 2014,

implemented a “One Ford” strategy focused on operational efficiency, cost control, and quality management. Mullaly emphasized clear goals, accountability, and performance metrics to drive sustainable growth and profitability.

Under the transactional leadership of the latest Ford CEO’s such as Alan Mullaly (2006 to 2014), Mark Fields (2014 to 2017), James Hackett (2017 to 2020) and Jim Farley (2020 – Present), Ford has been prioritizing financial discipline, streamlining of operations, and optimizing production processes to enhance competitiveness and ensure long-term viability in the automotive market. Ford’s leadership has shifted towards a more systematic and structured approach to drive consistent performance and deliver value to shareholders, customers, and employees. Overall, Ford’s evolution from a transformational leadership to a transactional leadership style reflects its journey from a pioneering innovator to a mature and sustainable player in the automotive industry. By leveraging the strengths of both leadership styles, Ford has continued to adapt and thrive in a rapidly changing business environment while remaining true to its legacy of quality and excellence in their products.

3.2) Overview of transactional leadership style concept

Transactional leadership style is one of the most prominent and well-known leadership styles that emerged in the late 20th century as a response to increasing complexity and demands within organizational environments (Sadler, 2019). The style is rooted in the principles of social exchange theory, which refers to the notion that human relationships are based on the exchange of resources, awards, and obligations. The concept of transactional leadership was introduced by German sociologist Max Weber in the early 20th century, and he described it as a form of bureaucratic leadership that is characterized by the use of rules, regulations, and rewards to guide or punish organizational behaviour. (Western Governors University, 2021). Transactional leadership is prominent for its ability to improve efficiency, productivity, and performance through clear structures, roles, expectations and guidelines on expected behaviours and metrics. Transactional leaders are seen as pragmatic, task-oriented, and results-driven (Brymer and Gray, 2006)

3.3) Advantages and disadvantages of transactional leadership

Transactional leadership is highly beneficial and advantageous in situations where the status quo is to be maintained and preserved. This style is associated with the ability to provide clarity and structure in relation to aligning responsibilities and how they align with organizational goals.

Transactional leaders emphasise performance monitoring, role accountability and enabling efficient execution of tasks through systems and procedures. This style is further renowned for ensuring stability, predictability, and efficiency in operations, which in turn reduces ambiguity and promotes consistency in decision-making and execution (Jaiswal, 2023).

The disadvantages are that this style is often seen as constraining innovation. In the case of Ford, it is clearly visible that while once a pioneer, disruptor and innovator in the automotive industry, Ford is now seen as a stable and prominent leader, but not necessarily innovator. The latest trends in automotive, such as Electric Vehicles and autonomous driving are primarily driven by Tesla, as they are seen as highly disruptive and innovative within the automotive industry (Sakib, 2023). Furthermore, transactional leadership style is associated with being risk averse and prioritizing operational efficiency over bold experimentation and disruptive innovation. Frequent criticism to this style is that it emphasizes short-term performance metrics and financial targets, which can lead to a shift of focus on immediate results rather than long-term strategic investments and innovation (Richards, 2020)

4) Personal Experiences & Integrating with Theory

Some of my most memorable encounters with a unique leadership style are during my time playing on a football team, where I had the privilege of being led by an exceptional captain who embodies principles of servant leadership style. Our captain was not only excellent on the field, but also demonstrated a deep commitment to serving and empowering each member of the team. One of the most striking aspects of our captain's leadership style was his genuine concern for the well-being and development of every team member. He was constantly taking the time to listen to the team's concerns, offer guidance, and provide support both on and off the field. He was proactive in offering words of encouragement during tough matches or organizing team-building activities to foster camaraderie and team spirit amongst us. His leadership was underpinned by leading by example, displaying humility, integrity, as well as exceptional work ethic in everything he did. Under his guidance the team thrived and achieved success not only on the football field, but also in growing together as individuals and as one cohesive unit.

5) Conclusion

In summary, our exploration of leadership styles has underscored their diverse strengths and applications in organizational and personal contexts. While transformational leadership inspires innovation and vision, transactional leadership ensures accountability and efficiency. Reflecting on personal experiences, like being guided by a servant leadership in sports, highlights the power of empathy and collaboration. Looking ahead an integrated approach that blends elements of these styles can foster a dynamic leadership culture. By prioritizing adaptability, empathy, and continuous learning, leaders can navigate complexity and drive sustainable success.

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