

Leadership and Management, Theory and Practice

Henry Ford

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Introduction

The past century has seen a rapid change and development in the business environment with industries growing and remarkable leadership. Among the industries worldwide, the automobile industry is one of the most flourishing industry and Henry Ford is one of the most notable leader of the 20th century.

Leadership styles

Understanding the leadership concept and the various leadership styles involves the analysis of the modality to guide, motivate and manage someone whilst having an efficient execution of tactics and strategic planning to meet the demands of the stakeholders. There are five big leadership styles that are more common practiced by leaders: transformational leadership, transactional leadership, delegative leadership, authoritative leadership and participative leadership. Many times leaders might use a combination to express a wide range of leadership styles as adaptation to their situation and to the encountered challenges (IMD, 2022).

Transactional leadership

The transactional leadership is defined as “the leadership where the leader rely on reward and punishments to achieve optimal job performance from their subordinates” (Tech Target, 2022). As the name indicates this leadership style is based on a transaction or exchange. The workers will be inclined to perform as they will be rewarded for results or punished for not achieving the standards. This theory assumes that individuals are not self motivated and that is needed a structure and supervision to ensure jobs are done at satisfactory levels. The transactional leadership has different approaches regarding the usage of extrinsic motivation and reinforcement which is the transactional contingency leadership; the active monitoring and appliance of corrective action for risen issues; passive management by exception which is a more observational and only intervene when performance levels are not achieved.

Henry Ford

Ford has had an important role in the development of the car industry as it contributed to the development of the automotive industry. He has been the pioneering leader for the mass production of automobiles and can be considered a founder of the modern automotive industry (INC, 2022).

As a leader Ford has adopted a transactional leadership styles which has worked for his employees and has generated results and growth. The Fordism concept is now a widely term used to describe the mass production movement of the industry, but also to describe a mode of economic growth and political and social association in advanced capitalism. In simpler terms Fordism is associated with modernisation, with the mass consumption and the management of organised labour by using rewards systems (Linkedin, 2023).

Ford's skills and traits as a transactional leader indicates a strict managerial style, very focused, direct and practical. Ford believed in welfare capitalism and He realised he needs to look after his employees for the business to flourish and he reduced the workload and increased the pay. Ford was a visionary leader and an innovator in building cars, but also in running a successful business (The Collector, 2022).

Conclusion

The transactional leadership is more efficient in organisations with strict processes such as the manufacturing and production. In industries such as the automobile industry some process leave no place for deviations and a structured environment works best. Henry Ford has applied that to his employees in order to keep them on track and has appealed to their self-interest by rewarding and ensuring well-being.

References

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