

LEADERSHIP AND MANAGEMENT, THEORY AND PRACTICE

Business Leaders
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INTRODUCTION



Automotive industry is one of the largest industries worldwide with starkly differentiated leaderships.

Over the last two centuries along with the development of the industry various leaders have been distinguished through their achievements (Automoative IQ, 2022).

LEADERSHIP STYLES

The most common leadership styles (big five)

- Transformational Leadership
- Delegative Leadership
- Authoritative Leadership
- Transactional Leadership
- Participative Leadership (Selesho, 2014).

BUSINESS WORLD IN THE 20TH CENTURY



HENRY FORD

- Henry Ford is a notable businessman in the automobile manufacturing industry. for the early 20th century (Law Aspect, 2023).
- He has started to work at a young age, developing his skills and knowledge. this has helped him to obtain an engineer position at edison illumination company where he became keen to explore the mechanics of the combustion engines
- He started the Ford Motor Company in 1903 and he has registered success through different strategies that have defined his leadership (The collector, 2022).

FORDISM

- Born in 1863, Henry Ford is recognised for revolutionizing the American transportation system (BenchmarkTone, 2023).
- He has developed the assembly line for mass production and has created an affordable car for the middle class
- He has focused on keeping his employees happy through high monetary reward system (Linkedin, 2023).
- the way he managed the company started to be known as "fordism" which entails "the mass production of inexpensive goods coupled with higher wages to workers" (Automotive iq, 2022).

LEADERSHIP STYLE

- Leadership Style: Transactional (managerial leadership style)
- Skills and traits: direct, practical, focused
- Ford had a strict managerial style, but he ensured his employees had good pay to increase performance and to have efficient production. This is specific to the transactional leadership to rely on rewards to achieve optimal job performance
- ford believed in welfare capitalism and He realized he needs to look after his employees for the business to flourish and he reduced the workload and increased the pay.
- He was a visionary leader and an innovator in building cars, but also in running a successful business (inc.com, 2023).

J. R. D. TATA



- J. R. D. Tata is known as one of the early entrepreneurs in the transportation industry at international level, but especially for his input to India's transportation system.
- Under his leadership he has helped to build the Tata Group which became the largest industrial group in India. From a number of 14 enterprises he developed the business to a considerable about of 95 enterprises.
- Initially Tata Motors was intended to be a railway locomotive manufacturer but instead he initiated a collaboration with Daimler-Benz AG and debuted in the commercial vehicle manufacturing sector (Britannica, 2022).

LEADERSHIP STYLE

- **Leadership Style**: Transactional (managerial leadership style)
- **Skills and traits**: organised, focused, on goals, reactive.
- Similar to ford, tata was concerned with the welfare of his employees. he initiated the "employee association with management" program in order to give workers a stronger saying in the affairs of the company as well as enforced the eight-hour working day, free medical aid, workers' provident scheme, and workmen's accident compensation schemes, which were later, adopted as statutory requirements in India.
- Tata has admitted that he had no training in management or academic training in engineering and he had strong beliefs in promoting good human relations for his employees who were not just executing orders but were convinced about it and their role (Linkedin, 2022).

LEADERSHIP BEHAVIOUR

- Born in 1904 in France into one of the wealthiest Indian family, J.R.D.Tata has developed interest from early age for aviation. Tata has served 1 year in the French army and he was planning to study engineering at Cambridge. With the death of his father he had to return to India, becoming the youngest member of the board (India Today, 2005),
- He rebranded and restructed many of the enterprises in different sectors from aviation, automobile, medical and even art sectors. His efforts had been recognized and awarded outside the company with rewards which inclue the Padma Vibhushan (1957), the Daniel Guggenheim Medal for aviation (1988), the United Nations Population Award (1992), India's highest civilian honour, the Bharat Ratna (1992).


BUSINESS WORLD IN THE 21ST CENTURY



ELON REEVE MUSK

- In comparison with the 20th century business environment, the 21st century modern society is defined by technology development and its integration in the daily life as well as the increased consumerism (IMD, 2023).
- Elon Musk has distinguished as leader for his activity in the automobile industry, but also for "His long-term goal is to help humanity by creating a true spacefaring civilization" (Fast Company, 2023).



- Elon Musk had been concerned with technology development and has been involved in different business from the tech world such, most notably Paypal.
- Further that he entered the automobile sector as the co-founder of Tesla Motors, a known and trusted brand for electric vehicles (2003).
- Musk has contributed to the development of the electric vehicles industry, having ambitious goals in a monopolized industry dominated by players with long history and very resourceful (Fingerprint, 2023).

LEADERSHIP STYLE

- Leadership Style: transformational
- Skills and traits: Visionary, Enthusiastic, influencer
- Elon Musk Is a controversial and innovator leader of the 21st century, born in 1971 in South Africa.
- He has a long list of achievements due to its genius and visionary leadership and he has a reputation for being workaholic.
- Musk has a adopted a transformational leadership, he has strong opinions and at times short-tempered, which had put him in conflictual situations at times.
- He has "the ability to get people excited about his ideas and be a highly-insipiring leader. His positive and energetic attitude can benefit the lack of impulse control created frustration for his team" (Leaders, 2023).

AKIO TOYODA

- Born in 1956 in Japan, Toyoda is the grandson of the Toyota founder, He graduated from Babson College with a master degree in business administration.
- He took interested in learning about all the business operations, from production to marketing of Toyota and has worked his way up into the company (Linkedin, 2023).
- As recognition of his activity he received different awards and citations such as L'ordre national de la Légion d'honneur, Officier, France (2013), Medal with Blue Ribbon, Japan (2017) (Reuters, 2023).



Crisis after Crisis

- Akio Toyoda is the CEO of Toyota, one of the largest automobile manufacturer from Japan and worldwide.
- His strong leadership has helped the company to surpass many challenges such as the vehicle recalls of 2009/2010, which eventually saw Toyota agreeing to a $1.2 billion settlement to the US Department of Justice after admitting to misleading the public about the issues affecting its vehicles.
- Toyoda called the recalls a "turning point" in the company's history and a chance to return to Toyota's basic philosophy of "customer comes first".
- Under his leadership the company has align its activity with the technology development, concerning the digitalization of the business and surviving new competition such as Tesla, in the electric vehicle industry (Toyota Pressroom, 2023).

LEADERSHIP STYLE

- **Leadership Style**: transformational
- **Skills and traits**: Visionary, proactive, inspirational
- Toyoda has always emphasized the importance of respecting people and has been concerned with the well-being of his employees., therefore fostering a culture of respect has contributed to the success of the company.
- Toyoda was also open to change and understood the need of adaptation. being open to change, proactively seeking opportunities for innovation, and adapting to the market's evolving needs has been the direction embraced by Toyoda (aaf, 2023).
- Also under his leadership he advocated sustainability and social responsibility and has developed environmentally friendly technologies which has attracted many supporters (Forbes, 2023).

TRANSACTIONAL VS TRANSFORMATIONAL LEADERSHIP

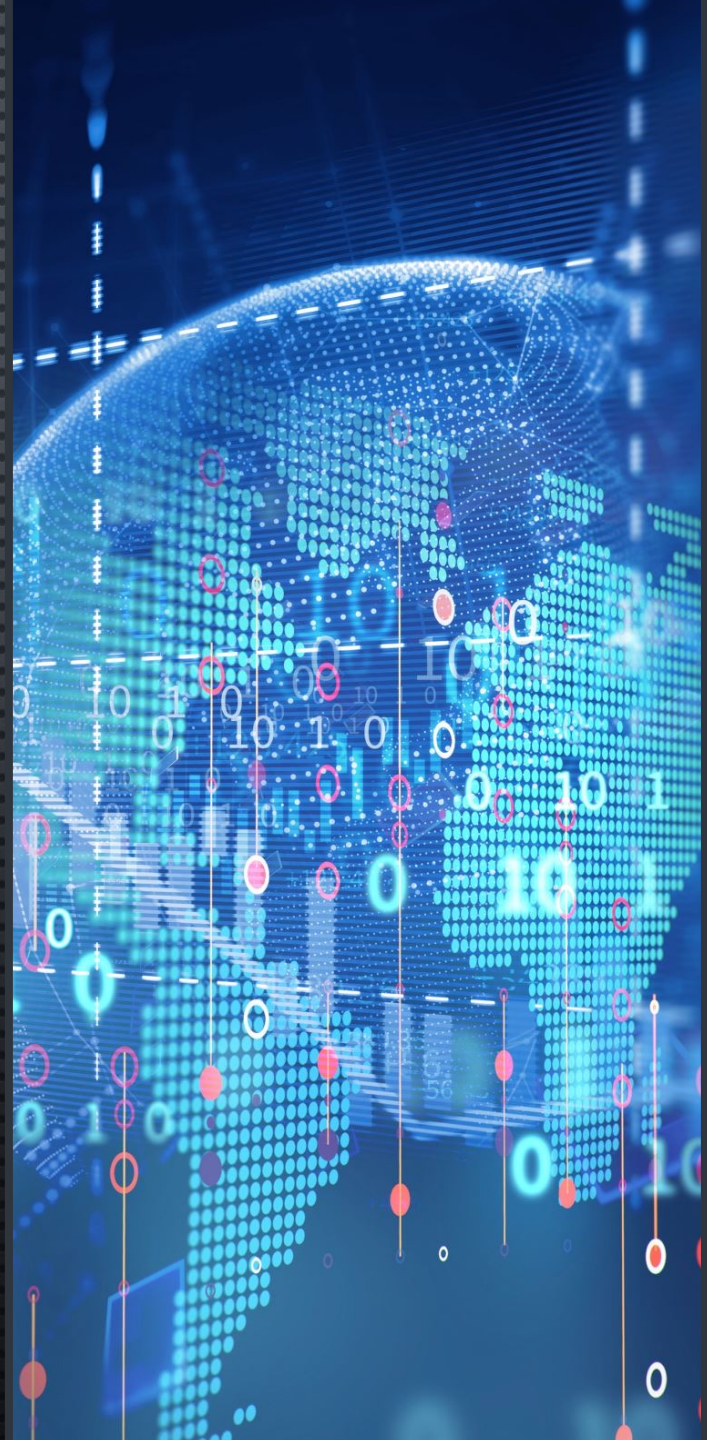
SIMILARITIES

- Leaders from the 20th century were similar to the leaders from the 21st century regarding the desire to *achieve objectives* and *established goals*, Improving performance whilst ensuring *satisfaction of the employees*
- Another similarity is the *usage of a reward system*
- *Influencing others behavior* is another important similarity



TRANSACTIONAL VS TRANSFORMATIONAL LEADERSHIP **DIFFERENCES**

- 20TH CENTURY LEADERS AND 21ST CENTURY LEADERS WERE VERY DIFFERENT REGARDING THE *PROCESSES* AND *LEVELS OF CONTROL*. WHILST THE TRANSACTIONAL LEADERS WERE FOCUSED ON ***A STRICT MANAGEMENT*** CULTURE, THE TRANSFORMATIONAL LEADERS ARE FOCUSING ON BEING AN ***INSPIRATION*** FOR OTHERS, TO *MOTIVATE* AND ***EMPOWER*** THEM TO PERFORM.
- ANOTHER DIFFERENT CHARACTERISTIC OF THE TRANSFORMATIONAL LEADERSHIP IS THE ***INTELLECTUAL STIMULATION*** (LINKEDIN, 2023).



CONCLUSION

- THE AUTOMOBILE AND TRANSPORTATION INDUSTRY HAS BENEFITED OF GREAT LEADERSHIP ALONG HISTORY WHICH HAS HELPED THE INDUSTRY TO EVOLVE AND DEVELOP ON ALL LEVELS.
- THE LEADERSHIP OF THE 20TH CENTURY HAD PLAYED A PIONEERING ROLE IN THE VEHICLE PRODUCTION, BUT ALONG WITH THE TECHNOLOGY DEVELOPMENT AGAIN THE LEADERSHIP OF THE 21ST CENTURY HAS PLAYED THEIR PIONEERING ROLE IN NEW SECTORS SUCH AS THE ELECTRIC VEHICLES.

RECOMMENDATIONS

- It is recommended to learn from predecessors concerning the emphasis of the welfare of the employees, as the employees are at the heart of any business
- Nowadays the pressure of cutting costs is sometimes affecting the workforce and many times leads to loosing business instead.
- Keeping the employees motivated is the key to a successful business activity.
- Also it is recommended that future leaders to be open to change and be adaptable.

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