

Leadership and management,theory and practice

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Benefits of the leadership style

A corporation will benefit in numerous ways from adopting the appropriate leadership style. It will improve workplace morale, provide employees more freedom to be productive, and lower turnover.

Transformational leadership

Transformational leadership encourages professional development, motivation , a clear company vision and goal, improves loyalty, decreases turnover, and so on (Yahaya, and Ebrahim, 2016). For example, GE employees were driven to operate

creatively and take responsibility for their work under Welch's leadership and felt empowered to pursue outstanding performance as he prioritised the vitality curve and performance management. In addition, coordination and interaction among departments were facilitated at GE by Welch's emphasis on decentralised and eliminating silos.

Transactional leadership

Transactional leadership style provides fairness sense, easy-to-understand, and demonstrates direct impact on the organisation. For example, the employees of GE had clear directions and expectations through Welch transactional leadership style (Amanchukwu et al., 2015). His "Rank and Yank" initiative benefited with superior performance management and rewards to capable employees. Employees were inspired to perform at their highest level and contribute to the development of the company because of this results-driven orientation, which also fostered a competitive environment.

Principles of leadership

A leader's set of actions and behaviours or guiding beliefs and ideologies in order to further their achievement is known as their leadership principles. Despite the fact that there are numerous leadership philosophies and styles, successful leaders share a few principles.

Clear vision and strategic direction: Welch emphasised how critical it is for GE to diversify its operations into high-growth markets, such as financial services and healthcare (Hoxha, 2019). The corporation's efforts to grow and diversify were led by this strategic direction, which helped it gain a greater market share and increased its revenue incredibly.

Continuous improvement and change: "Work-Out" strategy of Welch enabled to pinpoint and eradicate redundancies in processes and bureaucracy. Thus, employees get the opportunity to critique current procedures and suggest modifications, which improves productivity and simplified business processes (Amanchukwu et al., 2015).

Empowerment and decentralization: GE managers were urged by Welch to take authority over their companies and make necessary decisions on their own. As a

result of this empowerment, GE was better able to respond to consumer requests and make decisions more swiftly, which allowed the company to quickly adjust to market developments.

Limitations of the leadership style

There is no ideal management approach that always produces positive results in a company. Every style of leadership may have some limitations.

Transformational leadership limitations

Transformational leadership may create some problems with an organisation, such as lack of focus, latent burnout, ordinary disruptions, abuse of power, and so on (dos Santos Pires et al., 2021). For example, employees were under a lot of strain because of Welch's tremendous concern on performance and consistent growth. "Rank and Yank" system of Welch's performance management may successfully eliminate underperformers, but it may demotivate employees if they live in continual fear of falling to the bottom and possibly losing their jobs. In addition, cross-functional cooperation and knowledge sharing may have been hampered by the intense emphasis on individual responsibilities and the comparison of personnel.

Transactional leadership limitations

Transactional leadership may eliminate individuality and limit innovation within the organisation (Hoxha, 2019). For example, the intense importance of personal achievement and inter-organization competition may deter teamwork and knowledge exchange, which will reduce the possibility of cooperativeness and innovation. Besides, the emotional and psychological necessities of employees might not be sufficiently addressed by rewarding and punishing methods.

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