

Leadership and Management, Theory and Practice

Leadership in the 20th and 21st century

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Introduction

Leadership is defined as “the ability to understand people's motivations and leverage them to achieve a shared goal” (CIPD, 2023). Leaders might use a combination of leadership styles, but the most common are transactional, transformational, authoritative, delegative and participative (IMD, 2022).

Leadership in the 20th and 21st century

The 20th century has registered various shifts regarding the concept of leadership due to the economic changes and industrial movements. The great leadership of the 20th century such as Henry Ford and Samuel Walton has been recognised as forces of the business environment. Although the leaders of today had a complex knowledge on the leadership concept, the development of technology, the societal changes and the way of doing business has influenced the concept of leadership and its characteristics. Representatives of the 21st century such as Steve Jobs and Indra Nooy, have distinguished in the business world as a modern way of leadership.

The transactional leadership is defined as the leadership style which uses rewards systems and punishments in order to ensure high performance levels. The transaction refers to this exchange which benefits both the leader and the followers if results are achieved (Tech Target, 2022).

Ford was a transactional leader and that suited the organisation and contributed to efficiency and high levels of performance of his employees. The Fordism has been a remarkable movement for the automobile industry and as well for mass production and mass consumption (Linkedin, 2023).

Ford's leadership skills placed him as a strict leader and manager, well balanced and a continuous focus towards the objectives. Ford has managed to combine innovation with practicality and achieve success. He applied that to the way he managed his people, he ensured his employees are looked after, have good wage and have a manageable workload (The Collector, 2022).

The concept of leadership has been modernized in the 21st century being influenced by globalization, Internet and technology development, knowledge society. The direction of the leadership concept relates to different traits such as: collaboration, sharing, openness, humility, authenticity, empathy. Modern leaders would not seek to emphasis knowledge supremacy and would acknowledge that they do not know everything, but will enable diverse and experienced followers to offer solutions and surpass challenges towards the common goals (Chu, 2009).

The 21st leaders have realised that elements of standardisation and predictability were not applicable anymore. The leaders should not be situated only at the top, but on every level. Empowerment, trust

and engagement is essential to the 21st century leadership concept. The direction of the modern leadership involves relationship development and collaboration, involvement in decision-making process (Samad, 2012).

Indra Nooyi is a modern leader which adopted a transformational leadership. Transformational leadership is the leading through empowerment, inspirations, innovation and continuous drive to grow and improve (HBR, 2021).

Indra Nooyi has been the CEO of PepsiCo for many years. She has lead the company with empathy and has mentored her employees to aspire to reach the impossible and push themselves. She is known as being compassionate with her employees in order to “give their whole self to work” (Forbes, 2022).

Conclusion

The business environment has faced major changes over the last two centuries, due to the industrialisation with movements such as Fordism, the globalization and the Internet phenomena. The concept of leadership itself has evolved and various theories have been developed.

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