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LEADERSHIP

Culture
Global
High-Performing
Strategy
Leadership
Character
Influence
Talent



Introduction

introduction

INTRODUCTION

- The report will be based on Jeff Bezos.
- The report will be discussing leadership theory and styles.
- The report will be focusing on the leadership style of Jeff Bezos.
- The report will also be including Elon Musk and compare with Jeff Bezos.



The report will be covering all the leadership theories and compare them accordingly. Furthermore, the report will also be including some of the achievements of Elon Musk and Jeff Bezos. The report will also be including other leadership styles and compare them with Jeff Bezos's style. Lastly, the report will speak for the effectiveness of Bezos's leadership.

Jeff Bezos

- ▶ Jeff Bezos is an American media proprietor, computer engineer, investor and entrepreneur.
- ▶ He is the founder, former president, executive chairman and CEO of Amazon.
- ▶ Besides Amazon, he has significant stakes in other companies such as Airbnb, Uber and Google.
- ▶ Another company owned by Jeff Bezos, is Blue Origin, an aerospace company.



Jeff Bezos was born on 12 January 1964 in, Albuquerque, New Mexico, United States. He started his career as a fry cook in McDonald's restaurant where he used to earn \$3 per hour. He then left McDonald's and started Amazon in his garage. He is the second richest person worldwide and his net worth is 14,810 billion USD (Fernandez-Villaverde and Ohanian, 2021).

OBJECTIVE AND DEVELOPMENT

- The main aim of Bezos was to be the world's most customer-centric company.
- In 1994, Jeff vision e-commerce domination and explosive growth for Amazon.
- Considering this, Jeff transformed Amazon, which was initially a book store into an online shopping platform.
- With dedication and delegation, he is a successful entrepreneur and the world's second-richest person.



Jeff Bezos had a clear vision of Amazon and with the financial support provided by his parents; he invested in Amazon and expanded his business. He further founded SpaceX and invested in many other companies through which currently he is the globe's second-richest person. His company, Blue Origin's goal is to create better tomorrow where people can work in space for the betterment of Earth. Jeff Bezos's objective is to focus on the future and embrace failure.

LEADERSHIP

- Leadership refers to the action of directing a group of people or an organisation (Daniëls *et al.*, 2019).
- It is the ability of an individual to guide and influence the followers.
- Leadership is an essential component of an organisation.



Leadership is meant by the skills that individuals possess to influence and guide their followers within an organisation.

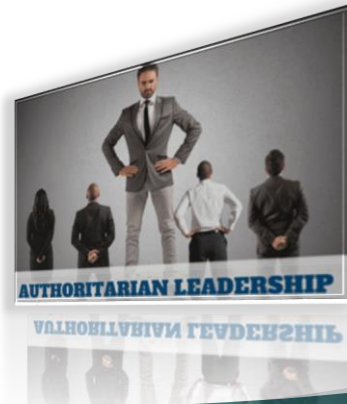
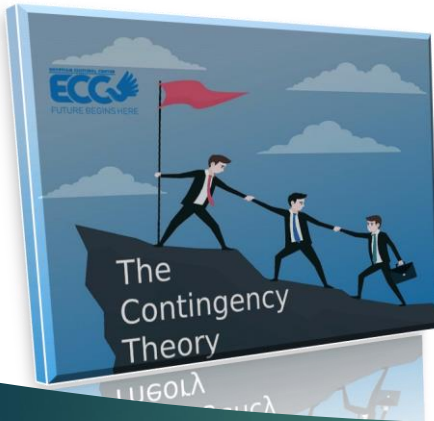
It is considered to be an important element for motivating the employees of an organisation to achieve their targets.

THEORIES AND STYLES

- Leadership theories are explanations of why and how individuals become leaders (Kibbe, 2019).
- Leadership style refers to an individual's characteristics in leading, guiding, and motivating their followers.
- Leadership theories enable individuals to understand the skills of effective leaders and assist in taking action to develop.

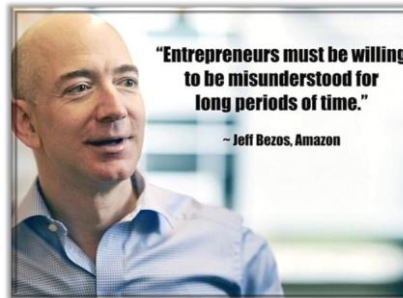


Leadership theories are the theories that help in understanding leaders and their important characteristics. It helps individuals to identify the skills that individuals need to develop for being effective leaders.



The Contingency Theory

- Autocratic leadership is a form of leadership in which the leader makes all decisions and is solely responsible for the organization's behavior, outcomes, and accomplishment. Chukwusa, Joseph (2018), claimed that if this form of leader conduct is used over time, it becomes a limiting element in an organization's development.



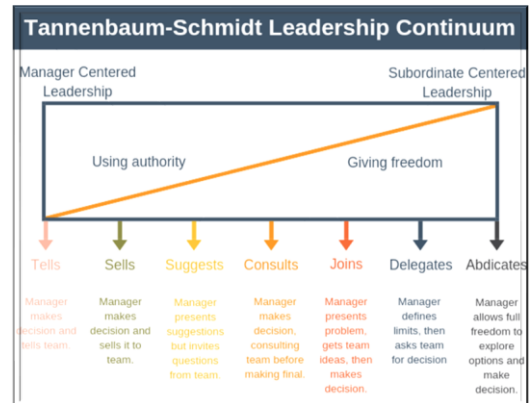
Society has tried to understand of what is represented by leadership and always wondered if as Goleman said leaders are born, not made as stated by Great Man theory (1840) by Thomas Carlyle, meaning that leadership is itself is a trait or if they are made argued mostly by Blake and Mouton's behavioural theory (1964), or perhaps leaders are becoming such in a particular situation as Fred Fielder's Contingency Model (1960). As society and ideas develop, now in the 21 century it can be discussed a new phenomenon among leadership theories, such as New Era Leadership. The new age brings a combination of the traditional leadership theories mentioned above, where there is a direct line between leaders and followers, but in the new era, there is a dynamic between all the mentioned models, where the interactions between followers and leader, situation and system represents a whole, thus the leader is only framed in the traditional norms, becoming a person who can adapt, creating his own

model of leader, as argued by Dr. Sihame Benmira & Moyosolu Agboola (2021).

Prof. Dr. Joseph Chukwusa of Delta State University (2018), claims that autocratic leadership can be considered an absolutist style, because it is a type of leadership known for a slightly dictatorial style, all decisions belong to the leader, with little or no input from staff, largely based on the leader's choices and preferences. The decisions being recorded by the group leaders, including the working methods.

The authoritarian leader cannot be considered a popular type, necessarily loved by the employees, being usually very far from the employees, and in the situation where in the decision-making the employees are considered as part of the decision, respectively their opinion is considered, this is because there is, as Professor Joseph (2018) mentions, a specific type of autocratic leader, namely the benevolent one.

- Robert Tannenbaum and Warren Schmidt (1958), considered that behavior plays an important role in defining leadership styles, they have departed from the traditional 'one best way' of understanding of leadership.
- Tannenbaum and Schmidt (1958), argued that there is a type of leadership between autocratic and democratic.
- According to Buchanan and Huczynski (2019), this approach of leadership depends on:
 - Forces in the leader
 - Forces in the followers
 - Forces in the situation

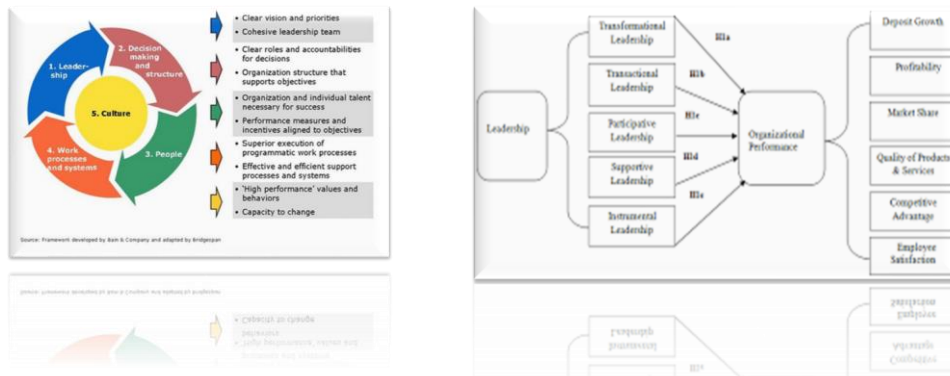


Robert Tannenbaum and Warren Schmidt (1958) developed a new theory, namely Contingency theory. The theory of Tannenbaum and Warren Schmidt (1958), demonstrates that it is the context of the situation that causes the leader to adjust his style, a continuum style such as autocratic-democratic, from autocratic attitude to a more democratic one, that means a follower orientated attitude.

Buchanan & Huczynski (2019), explaining Robert & Warren's theory, suggests that in order that this theory to work it needs 3 strong steps, namely: forces in the leader strength in followers, the forces in the situation. The

theory contested the traditional single mode of leading and focused on the 3 forces, directing them towards the properties of the context in which the leader acts. In practice, leaders must decide which behaviour to adopt through a complex diagnosis of the context. Thus, concluding that the leadership style is contingent, that is, it also depends on the situation.

Relationship between leadership and organisational culture



Solanksi (2019), in her study from the specialized journal ‘Society for Science and Education’ (2019), regarding the culture and leadership within the Amazon company, and respectively the impact of Jeff Bezos, mentions several important aspects, emphasizing first of all the relationship between leadership and culture and how this is impacted by Bezos’s leadership style.

Solanki (2019), shows that the Bezos style has an authoritarian-democratic style, establishing a so-called warning culture by injecting his values, leading to a colossal success of Amazon. At the same time, Solanki's research (2019) shows that despite its authoritarian style, Amazon's organizational culture is extremely positive and welcoming, thanks to the autocratic-democratic management mix of Bezos, who in the end wants nothing more than to satisfy the needs of his customers, respectively of the market. Which brings us back to the Contingency Theory and the fact that a leader

adapts to the context, which Bezos did. Where, as Solanki (2019) shows, Jeff Bezos himself defined the organizational culture of his company as one of a gladiator type, where the objectives of each employee are well defined, and the management makes sure that he will fulfil them.

After a thorough examination according to Solanki (2019), of the leadership style of Jeff Bezos, she considers that although he is an autocratic leader in his work, he does not like to be taught by others and does not listen or tends to ignore the opinions of others, considering that his work and decisions are the best for his company, at the same time he wants to be an aspirational model for them, he prefers that employees listen and agree with his decisions on the one hand, but on the other hand he wants to inspire employees , acts as a role model, motivating them to continuously improve.

Leads large work teams and personally supervises the production. Due to his charismatic personality, he manages to adapt to the context, becoming not only an authoritarian leader, but also a democratic one who cares about the good of the team, or better said the proper functioning of the team in order to develop production and satisfy customers, having a style continuum, respectively autocratic-democratic.

► **Con's:**

- Lack Of Flexibility
- No Utilization Of Creativity
- Micromanagement and Dictatorship

► **Pro's:**

- Allows Quick Decision
- Making Increased Productivity
- Simple And Easy Style

(Khan et. Al, 2015)

These types of leaders are frequently inspired because of their experience and contributions to the field.

What are the shortcomings of autocratic leadership?

- Autocratic leaders remove ideas and lower productivity.** Most of the research on autocratic leadership has shown that ultimately subordinates dislike managers who have an autocratic leadership style and experience more job stress when being managed by such an individual.
- Autocratic leaders increase employee turnover.** There is research to show that even when teams are performing well, individuals will quit these teams if they are led by an autocratic leader. One reason for this is that autocratic leaders increase negative effect in subordinates, including fear and anger.
- Autocratic leaders can create a toxic culture.** Research has shown that when senior executives engage in autocratic leadership, then middle management will mirror these behaviors. This modeling can result in autocratic leadership being accepted throughout the organization at lower and upper levels.

Harris and (2016). Grant (1988). L. & B. (2015).

ADVANTAGES OF AUTOCRATIC LEADERSHIP

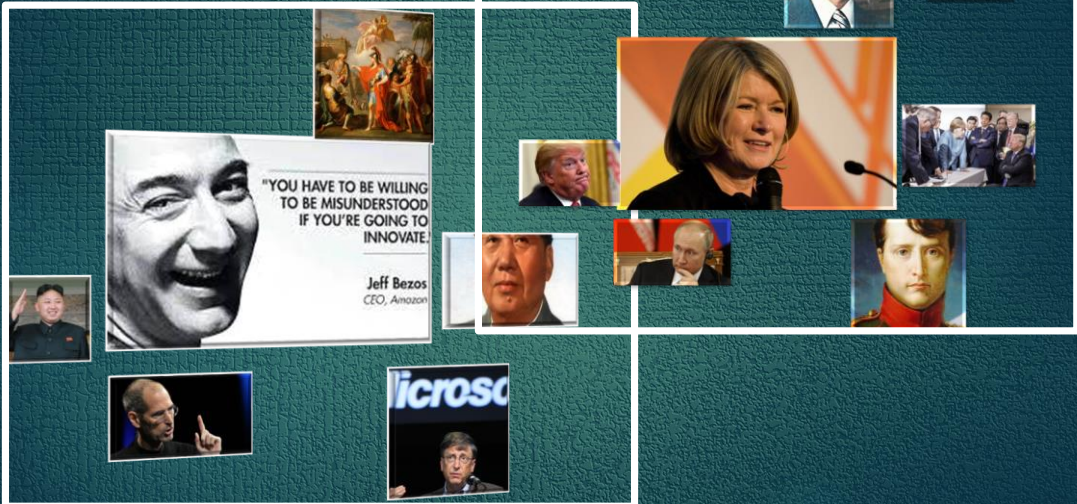
- Fast decision making
- Improves productivity and efficiency
- Structured and disciplined approach
- Clear Communication
- Control
- Helps in crisis management

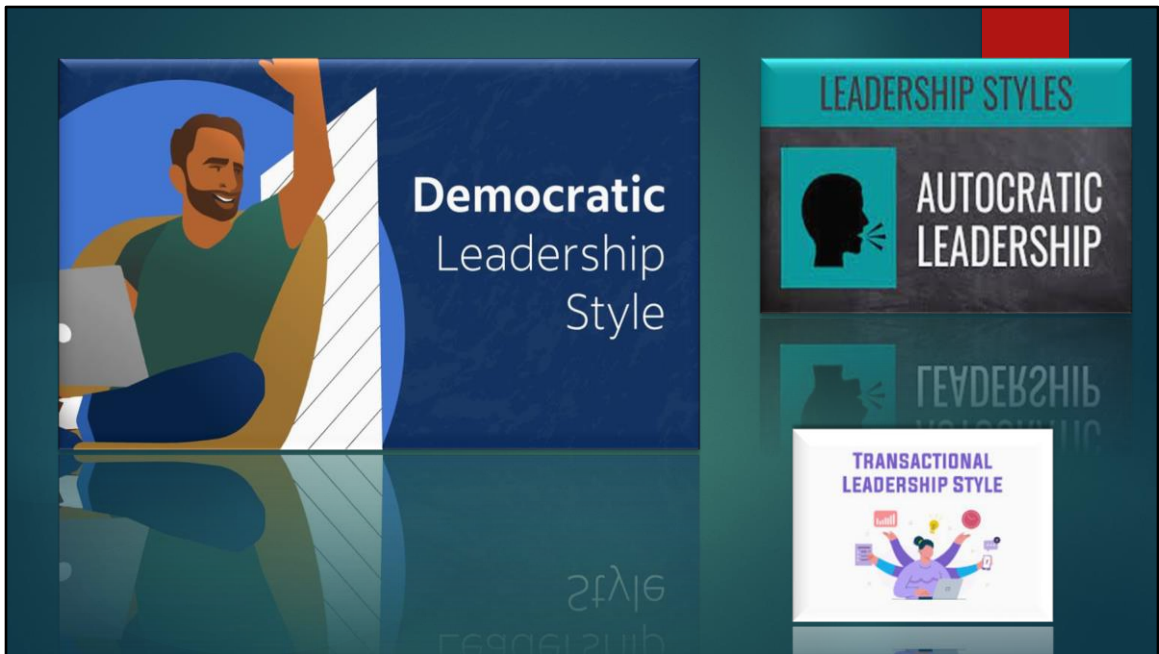
Great Learning POWER AHEAD

Khan et al. (2015), argues that the advantages of this leadership are numerous, but the most important is the fact that this type of leadership style is very good, especially in crisis situations, by facilitating prompt decision-making, without the need for intermediaries. Thus, the organization can easily make all types of frequent changes in the business field. The leader being the main decision-making factor. Especially, a leader like Bezos who puts the demand of the market at the centre.

The disadvantages of this style of leadership is, in principle, the lack of communication between the leader and the group, usually autocratic leaders make decisions alone, becoming self-sufficient, dissatisfied even with subordinates, considering them incapable of making decisions or be creative. Lack of involvement and communication to and with company members, ultimately leading to a lack of creativity and, respectively, economic growth of the company.

Autocratic Leaders





BEZOS LEADERSHIP STYLE (TRANSFORMATIONAL)

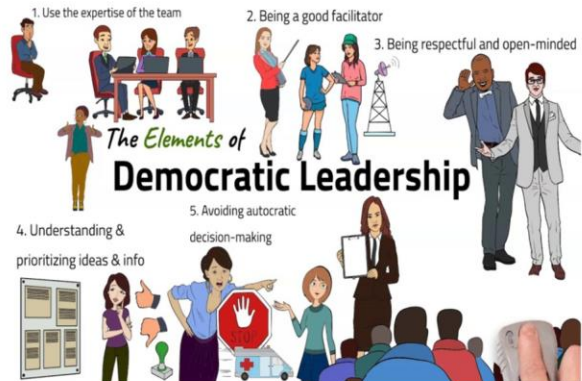
- Transformational leadership is leadership styles which is to encourage and inspire employees to induce positive workplace change (Kotamena *et al.*, 2020).
- Transformational leadership establishes clear goals for the entire organisation.
- It reduces the conflicts and disengagement of the employees, facilitating growth for the organisation.
- Transformational leadership encourages team morale as well as ideation and creativity.
- Jeff Bezos is broadly acknowledged as a transformational leader, as he ensures that his employees are fully committed to the vision.



Jeff Bezos is the perfect example of transformational leadership as he makes sure that his employees are fully motivated and encouraged to work at their full potential. He also makes sure that his employees are working to accomplish the set target and goals. Transformational leadership offers support and recognition to the employees. That is why he is used as an example of a Transformational Leader.

LEARNER LEADERSHIP STYLE (DEMOCRATIC)

- Democratic leadership is also acknowledged as a shared or participative leadership style (Northouse, 2021).
- In this leadership style, every member is involved in the decision-making process.
- Democratic leadership also encourages members to share opinions and ideas.
- This type of leadership also stimulates creativity and recognition for the employees.



Democratic leadership style includes every member in the decision-making through which the employees feel more engaged. Though the employees are independent and can share their thoughts and ideas in every project and activity of an organisation, however, leaders are always there to provide control and guidance. Democratic leaders possess an inclination to adapt and have a fair mind. Strong democratic leaders enhance respect and trust among the members.

COMPARISON BETWEEN BEZOS AND LEARNER

- Transformational leadership refers to and describes situations with significant changes such as the transformation of the workplace.
- Transformational leadership concerns with laissez-faire and transactional leadership.
- Democratic leadership suits static environments and changing settings equally.
- Transformational leadership develops the culture of an organisation and focuses on planning and performing.



Democratic leadership focuses on engagement and communication while transformational leadership looks for creating relationships for increasing morality and motivation in both followers and leaders. In Democratic leadership, change is not the main focus but is related to laissez-faire and Autocratic leadership. Both the leadership styles differ in their roles and characteristic, however, both leadership styles serve the same purpose which is to develop the organisation. Both styles are used for guiding and leading the workforce towards accomplishing the goals and targets of an organisation.

EXAMPLE OF DEMOCRATIC LEADERSHIP AND COMPARISON WITH BEZOS STYLE

- Google is an embodiment of the Democratic leadership style (Nedelko and Potocan, 2021).
- Employees of Google participate in the process of decision-making of Google.
- Employees also contribute their insightful brainstorming discussions and opinions.
- In comparison, Jeff Bezos is well-known as a transformational leader.
- Jeff Bezos inspires and motivates his team members to reach their full potential to accomplish the goals.



It has been seen that Jeff Bezos has traits of a transformational leadership style. Respectively, Google follows the democratic leadership style. Jeff Bezos uses his transformational leadership quality to inspire and motivate his team member to accomplish more than the expectations of the employees. Through such motivation, employees give their full potential and follow Jeff Bezos. However, Google with democratic leadership involves all of its employees in the decision-making process within Google.

TRANSACTIONAL LEADERSHIP

- It is the leadership style that involves directing and motivating the members to the self-interest of the leader.
- The transitional leadership styles consist of pushiness and rewards respectively.
- The leadership style is often considered to be insufficient in developing leadership potential.



Transactional leadership is based on rewarding and punishing the involved force according to their respective performance. However, the leadership is said to be not sufficient for representing an effective leadership style.

The subordinates have to obey and follow the superior authority order. Here the subordinates are closely controlled and monitored by higher authority.

Some examples are coaches, teachers and so on, where the involved ones are rewarded and punished in accord with their performances.

TRANSACTIONAL AND TRANSFORMATIONAL

- In the transactional style, leadership is responsive and works within the culture of an organisation.
- In the transformational style, leadership is proactive and works to change the culture by applying new ideas.
- Rewards and punishments act as the foundation for the transactional leadership style.
- In transformational, employees are empowered and motivated by the leader.



The transformational and transactional leadership styles are opposite of each other. However, both styles are performed for the betterment of an organisation. Although, the transformational style is more effective than transactional as transformational leaders include all their flowers in every step of the business.

Transactional leaders motivate the members by focusing on their own needs and desires.

Transformational leaders encourage their employees to achieve the shared vision.

Transactional leadership generally concerns process and controls and needs a strong and strict structure of management. On the other hand, transformational leadership centres on inspiring other members to follow and necessitates a high level of communication, cooperation and coordination.

BEZOS AND MUSK

- Jeff Bezos is the executive chairman and CEO and founder of Amazon.
- Elon Musk is the founder and CEO of Tesla and SpaceX.
- Elon Musk's net worth is 25.340 USD, making him the richest person worldwide.
- Jeff Bezos's net worth is 14810 USD and holds the position of second richest person.
- Jeff Bezos and Elon Musk, both are known as Transformational leaders.
- Musk owns a 17% stake at Tesla and earns \$51.30 million per hour and Bezos has an 11% stake at Amazon and earns \$8.56 per hour.



Bezos and Musk are both leaders that follow transformational leadership styles. They run their respective companies and earn from them. However, in 2021, Musk left behind Jeff and became the world's richest person. Musk and Bezos compete with each other to be the number one. Jeff invests in the stock market and a variety of businesses, which are the strategic investments of Bezos and his fortune. On the other hand, Musk's strategy is different; Musk put his money into start-ups.

EFFECTIVENESS OF JEFF BEZOS' LEADERSHIP QUALITIES

- Successful leader and entrepreneur is the quality of embracing failure.
- He is well known for making excellent decisions initially.
- Jeff Bezos is remarkable for creativity and innovations.



Jeff also encourages his employees and motivates them to reach their full potential. He follows transformational leadership through which he inspires motivation and self-awareness within his employees. All his dedication and hard work are the pillars of his success.

The prime leadership quality of Jeff Bezos that makes him a successful leader and entrepreneur is the quality of embracing failure.

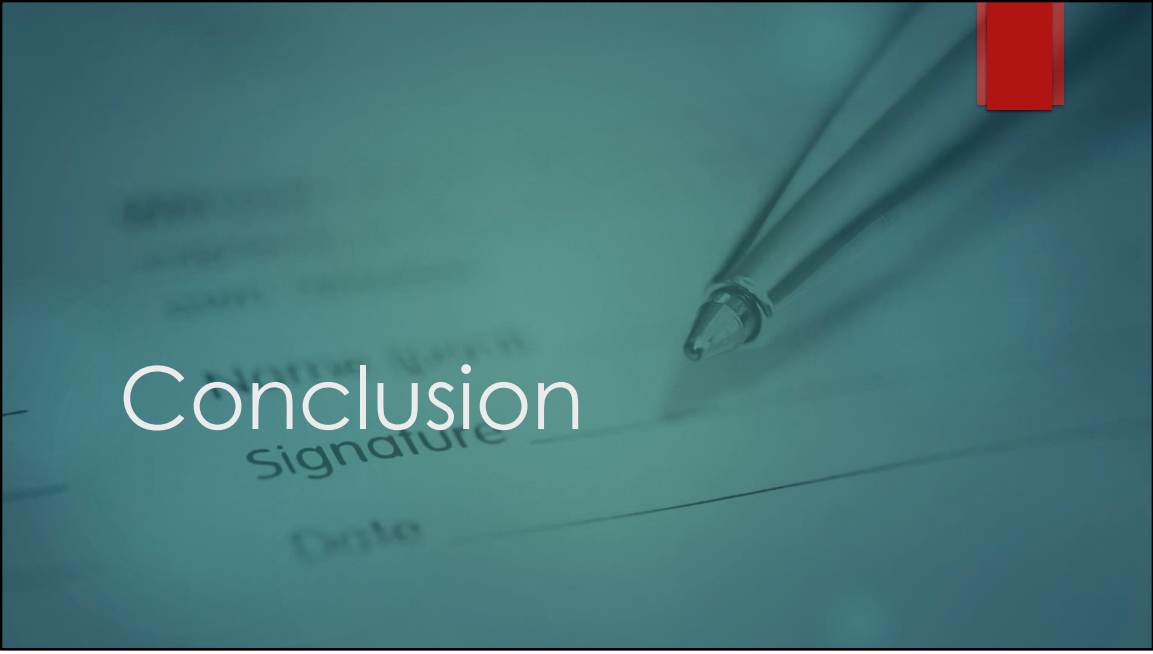
He is well known for making excellent decisions initially.

Jeff Bezos keeps digging for new creativity and innovations.

The share price of Amazon rose by 8% during the pandemic and all credit to Jeff Bezos.

Jeff Bezos with his ideas successfully added €10 billion in just one day.

Amazon was initially a bookstore, which Jeff expanded to an online shopping site later on.

The background of the slide is a blurred image of a document. A pen is visible on the right side, and there is a red rectangular stamp or mark in the upper right corner. The word "Conclusion" is written in white text over the blurred image.

Conclusion

CONCLUSION

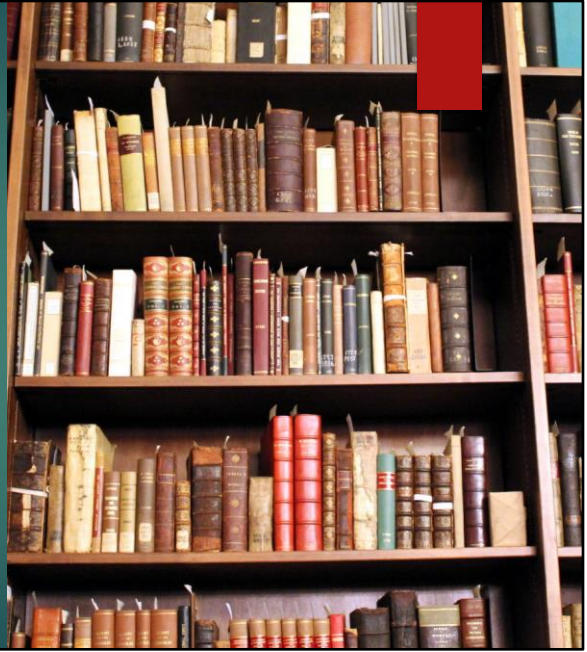
- The report analysed leadership and management theories and practices.
- In the conclusion, the report concludes on Jeff Bezos.
- The report has focused on the leadership styles of Amazon's founder.
- The report has also included the difference between some leadership theories as discussed above.
- The report has discussed Elon Musk and his leadership style.
- Lastly, the report has covered the effectiveness of Jeff's leadership style.



Through research and discussion, the above differences and definitions of various leadership styles have been found along with their purposes.

The report has focused on the leadership styles of Jeff Bezos, founder of Amazon. During our session we identify, characterise and evaluate Bezos leadership style using different theories and studies.

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