

**LEADERSHIP AND
MANAGEMENT THEORY
AND PRACTICE (LCBB6003)
ASSESSMENT 2/ LEVEL 6/
TERM 2/ GROUP 1**

- **Tutor name: Juan Braschi Rangel**
- Group presentation:
- Geanina Aurora Chelaru: 1916056 Transformational Leadership Style
- Geanina Alina Cotoban: 1917121 Ethical Leadership Style
- Ilie Topliceanu: 1916174 Great Man Theory
- Ana Maria Rizea: 1917143 Power and Influence Theory

TABLE OF CONTENT

Introduction

Transformational Leadership Style

Ethical Leadership

Great Man Theory

Power and Influence Theory

Conclusion

References

INTRODUCTION

- Leadership management.
- Jeff Bezos leadership.
- Different kind of leadership theories and models.



TRANSFORMATIONAL LEADERSHIP STYLE

- ☐ Jeff Bezos has a transformational leadership style.
- ☐ Transformational leaders always sought changes in the company.
- ☐ There are not afraid of taking risks.



ADVANTAGE AND DISADVANTAGE OF TRANSFORMATIONAL LEADERSHIP

- ❑ Motivates employee.
- ❑ Drone facility.
- ❑ Better productivity.
- ❑ More pressure on leader.
- ❑ Not suitable for every organisation.



PERSPECTIVE

- Jeff Bezos is a prime example of transformational leader.
- He is not afraid of taking risks
- He motivates employees.



Transformational leadership style

Transformational leadership refers to a leadership style in which the leaders motivate and inspire their employees to innovate and adapt to the changes that are coming. The change will help the organisation to achieve further success (Kotamena *et al.*, 2020). The leaders bring change and motivation by making an example at the higher level through a good sense of corporate culture and ownership of employees. Jeff Bezos, who is considered one of the most talented and acclaimed transformational leaders in the world, is not afraid of changes in the company.

Transformational leaders inspire and bring positive changes in the company to make the company move forward and achieve success (Asbari, 2020). While Jeff Bezos has successfully managed to expand the whole e-commerce platform which is the main core business of Amazon, he was not afraid to move into a new venture of cloud computing. He innovated the company by dividing the focus into e-commerce as well as cloud hosting and motivated his employees to do so. The early move in the cloud hosting service made the company top in the race and made over \$50 billion in the 4th quarter of 2021(Statista, 2022).

Transformational leaders have a clear vision and mindset that they are able to effectively communicate with their followers or employees. Leaders such as Jeff Bezos are always able to help the employees feel the same level of passion as well as motivation they will need to fulfil the desired goal (Asbari, 2020). Transformational leaders serve roles for the followers as well as the employees. One of the best instances of this would be the founding story of Amazon. Jeff Bezos took a risk, left his job and opened up Amazon and started selling books through the World Wide Web (entrepreneur, 2022). He managed to communicate his vision properly which led to the employees believing in him and investors investing in his company.

Advantage

This kind of leadership always motivates other employees to take part in the decision-making of the company. For example, the drone facility of Amazon helps in delivering a product to the customer. This kind of leadership style boosts the morale of the employee, which eventually leads to better productivity of every individual in an organisation.

Disadvantage

Transformational leadership creates a lot of pressure on the leader which affects making decisions. Not suitable for all organisations, it is only fit for some specific organisations. Leader get diverted from their actual goal, routines gets effected (Collins *et al.*, 2020).

Perspective

The transformational leadership style lets Jeff Bezos move forward without any fear and step into new ventures. Jeff Bezos always made sure that his employees are motivated and that they are ready for any form of change that might happen in the company. He has always taken steps toward the changes needed for success without any fear and with proper strategies which makes him one of the most successful transformational leaders. However, constant changes can make the employees uncomfortable and sometimes make the company dive into risky situations. Despite the risks, Jeff Bezos moves ahead and this should be an example to others.

References:

1. Asbari, M., 2020. Is Transformational Leadership Suitable for Future Organizational Needs?. *International Journal of Social, Policy and Law*, 1(1), pp.51-55.

2. Collins, E., Owen, P., Digan, J. and Dunn, F., 2020. Applying transformational leadership in nursing practice. *Nurs Stand*, 35(5), pp.59-66.
3. entrepreneur, 2022. [online] entrepreneur.com. Available at: <<https://www.entrepreneur.com/article/197608#:~:text=Founded%3A%201995&text=Amazon%20founder%20Jeff%20Bezos%20is,behind%20Tesla%20founder%20Elon%20Musk>> [Accessed 20 July 2022].
4. Kotamena, F., Senjaya, P. and Prasetya, A.B., 2020. A Literature Review: Is Transformational Leadership Elitist and Antidemocratic?. *International Journal of Social, Policy And Law*, 1(1), pp.36-43.
5. Statista, 2022. Amazon global revenue | Statista. [online] Statista. Available at: <<https://www.statista.com/statistics/266289/net-revenue-of-amazon-by-region/>> [Accessed 14 July 2022].
6. Statista, 2022. Infographic: Amazon Leads \$180-Billion Cloud Market. [online] Statista Infographics. Available at: <<https://www.statista.com/chart/18819/worldwide-market-share-of-leading-cloud-infrastructure-service-providers/>> [Accessed 14 July 2022].

ETHICAL LEADERSHIP THEORY

- High regard for everyone's dignity.
- Centered around values and ethics.
- Ethical leadership often results in employee satisfaction.



ADVANTAGE AND DISADVANTAGE OF ETHICAL LEADERSHIP THEORY.

- Maintain ethic.
- Customer centric company.
- UK online shoppers.
- Costly.
- Requires consistency.



PERSPECTIVE

- Jeff Bezos always respects everyone's dignity.
- He makes sure employee satisfaction remains high.
- He needs to make sure that employee does not started blindly trust him.



Ethical leadership theory

Ethical leadership demonstrates and promotes high regard for the values by following the principles of ethical leadership which include justice, honesty, respect and integrity. Ethical leadership is considered very critical for the success of any business. It is centred around conducting appropriately through respecting the ethics and values as well as the dignity and rights of others (Feng *et al.*, 2019). Ethical leadership provides value to the business by motivating and inspiring employees to live up to the company's expectations. Ethical leadership typically leads to employee satisfaction and a higher retention rate. Jeff Bezos has

been following the ethical leadership theory for a long time. From the beginning of Amazon, the respect and the dignity of the employees have been respected by him. He has been motivating and inspiring the employees to become what the company needs. The results can be seen in the employee retention rate. Above 45 per cent of the employees said that they would not leave the company even if they were offered more money for another job. Also, 68 per cent of the employees are excited to go to work every day at Amazon (comparably, 2022). This would not have been possible if Jeff Bezos would not follow Ethical leadership. Ethical leadership increased employee satisfaction in Amazon which resulted in a higher retention rate of employees.

Ethical leaders always demonstrate appropriate and ethical behaviour in every facet of life even if the behaviour is not necessarily observed by the employees. The appropriate and ethical behaviour makes the employees feel safer and they want to work for that business. Jeff Bezos has always been an effective ethical leader. Overall almost 57 per cent of the employees in Amazon feel that the leader is doing everything to retain them (comparably, 2022). Quality employees are hard to retain, however, ethical leadership makes it a little bit easier.

Advantage

Ethical leadership theory is one of the important theories. Without ethics, a business cannot run. Amazon is a “customer-centric company” and is always focused on providing better quality to people. E-commerce played a very important role during the Covid-19 pandemic, around 87.1 % of UK people prefer online shopping (CyberCrew, 2022).

Disadvantage

It is a very costly leadership style and also requires “comprehensive” support to be more effective. It also requires consistency while performing ethical leadership and also needs clarity most of the time (Sarwar *et al.*, 2020).

Perspective

The CEO of Amazon, Jeff Bezos has always been following the ethical leadership theory which means he always respects the dignity and values of others. The retention rate of Amazon is good due to the ethical leadership of Jeff Bezos. However, blind trust in Jeff Bezos can cause harm to the company as the employees would not say a word against his decision. Jeff Bezos can make sure that employees should have enough courage or independence to give suggestions or recommendations against his decisions.

References:

1. comparably.com, 2022. Amazon Retention Score. [online] comparably.com. Available at: <<https://www.comparably.com/companies/amazon/retention>> [Accessed 20 July 2022].

2. CyberCrew. 2022. 38+ Imposing UK Online Shopping Statistics [2022]. [online] Available at: <<https://cybercrew.uk/blog/uk-online-shopping-statistics/#:~:text=In%202020%2C%2087%25%20of%20UK,the%20UK%20was%20only%2053%25.>> [Accessed 20 July 2022].
3. Feng, T., Wang, D., Lawton, A. and Luo, B.N., 2019. Customer orientation and firm performance: The joint moderating effects of ethical leadership and competitive intensity. *Journal of Business Research*, 100, pp.111-121.
4. Sarwar, H., Ishaq, M.I., Amin, A. and Ahmed, R., 2020. Ethical leadership, work engagement, employees' well-being, and performance: a cross-cultural comparison. *Journal of Sustainable Tourism*, 28(12), pp.2008-2026.

GREAT MAN THEORY

- Leaders are born not created.
- Leaders have certain traits that cannot be recreated with practice.
- Jeff Bezos is not a born leader.



ADVANTAGE AND DISADVANTAGES GREAT MAN THEORY

Advantages

- Influence other.
- Clear vision.
- Confidence level increase.

Disadvantages

- No scientific proof
- Not born a Leader



PERSPECTIVE

- Jeff Bezos is not a born leader.
- He worked hard to become one.
- He used his experience to become a leader.



Great Man Theory

The great man theory of leadership states that great leaders are born and are not made. Great leaders come into the world possessing certain traits and characteristics which can not be found in everyone. This is why it is also known as the “trait theory” and these certain traits allow them to shape history according to themselves (Hunt and Fedynich, 2019). According to the theory, great and prominent leaders throughout history were born to lead and also deserve it due to the natural ability and talents they possess. Great leaders such as Jeff Bezos arise when the need for them arrives. Their natural traits allow them to sense when the time is right to take

a step and become the leader they are meant to be. For instance, before the former world's richest man Jeff Bezos started Amazon he used to work under someone else's payroll. Jeff Bezos was a senior vice president at "D.E. Shaw & Co" an investment banking firm (MARBLE, 2022). When he understood that it was time he quit his job, drove across to Seattle and hired five employees and started developing an online book store. By 1995, he formally launched the now biggest e-commerce platform globally Amazon (MARBLE, 2022).

It was his sense and timing that allowed him to open the company at a perfect time when no one even thought of creating something like Amazon. All of this happened due to the fact that Jeff Bezos was born with natural leadership qualities and talent that let him follow his instinct in the world of the internet. Without these certain traits or instincts, Jeff Bezos would not have possibly become the great leader he is today. These natural traits allowed him to step into an unknown world of business while leaving a high-position job. The risk that he took over without being afraid was one of the examples of the traits that leaders are born with.

Advantage

This kind of leadership theory is very important and influential. These leaders are born with leadership qualities like critical thinking, clear vision, commanding attitude and many others. Jeff Bezos communicates with its employees on a regular basis and prefers self-promotion. Employees also develop very good confidence in their leader.

Disadvantage

This leadership theory does not have any scientific proof. Not everyone is born with leadership skills, they develop with experience, this is a kind of quality that cannot be taught to anyone in a formal way (Leadership Ahoy, 2022).

Perspective

Although there are some instances that suggest that Jeff Bezos might be born with certain characteristics that make him a great leader. However, all of those instances are a result of the experience and hard work he had done on his way to becoming a leader. The great man theory does not apply to Jeff Bezos as he is a leader who has worked hard to become what he is today.

References:

1. Leadership Ahoy!. 2022. The Great Man Theory of Leadership, What is it? Definition, explanation, and summary. [online] Available at: <<https://www.leadershipahoy.com/the-great-man-theory-of-leadership-what-is-it-definition-explanation-and-summary/>> [Accessed 12 August 2022].
2. Hunt, T. and Fedynich, L., 2019. Leadership: Past, present, and future: An evolution of an idea. *Journal of Arts and Humanities*, 8(2), pp.22-26.
3. MARBLE, D., 2022. Jeff Bezos Quit His Job at 30 to Launch Amazon--Here Are the 3 Simple Strategies He Used to Do It. [online] Inc.com. Available at:

<<https://www.inc.com/darren-marble/jeff-bezos-quit-his-job-at-30-to-launch-amazon-heres-how-to-know-if-its-right-time-for-your-big-move.html>> [Accessed 20 July 2022].

POWER AND INFLUENCE THEORY

- Its all about power and influence for a leader.
- There are personal and positional power.
- The leaders uses their power to complete tasks.



ADVANTAGE AND DISADVANTAGE POWER AND INFLUENCE THEORY

Current net worth 143.8 billion dollars.

Hard working.

Exploit worker.

Spoil relationship between employee and organisation.



PERSPECTIVE

- As a CEO of a big company, Jeff Bezos had to use power and influence.
- He uses both positional as well as personal power.



Power and influence theory

The power and influence theory of leadership focuses on how a leader can motivate their team by the use of their power and influence. The theory states that leaders use influence and power to get things done from the employees. The theory suggests there are three types of power which come from a position which is coercive, legitimate, and reward. There are also two sources of personal power which are expert and referent (Olley, 2021). Personal power basically comes from the appeal and charm of the leader. Jeff Bezos uses his positional power to make changes in the business that he deems right. The power that he has because of his position allows him to make sure that the company stays on its path and that the employees work hard so that the business goals can be achieved. He uses the positional power to make changes in the organisation to ensure that the profit never stops coming. Through the power and influence that he possesses he makes the company move into different ventures such as streaming platforms and so forth to earn more money. He has earned the power and influence through years of experience and hard work.

Jeff Bezos also uses personal power which is basically his charm and appeal to inspire the employees more and make sure that they work for the company. Using personal power lets Jeff Bezos be more influential in the company as well as hold on to his position. The charm of the referent power makes the leader of the company to be shown as a hero. For the employees of Amazon, Jeff Bezos is a hero who provided them with a job as well as made himself a billionaire by working hard. In short, power lets the leader be more influential on the employees and make sure they work.

Advantages

This kind of theory is also quite effective in motivating the employee. I also help in developing rational and credible persuasion. According to sources, the current net worth of Jeff Bezos is

about 143.8 billion dollars (Forbes, 2022). This is only possible because of the motivating leadership style.

Disadvantage

Sometimes leaders in power exploit the worker which deteriorates the relationship between the employee and the organisation. Sometimes a leader will also use their power to promote undeserving people to the certain post. Therefore in some cases the leader becomes overconfident and take the wrong decision (Naeini *et al.*, 2019).

Perspective

The power and influence theory of leadership is perfect for Jeff Bezos. He is the CEO of the world's largest e-commerce platform and for him to control the company he needs power as well as influence over his employees. The theory of power and influence makes sure that he can stay at the top of his own company. However, using the power and influence of leadership will have a negative impact on the relationship between employees and Jeff Bezos, which will result in improper and poor feedback and ineffective communication. Jeff Bezos needs to listen to his employees more so that the company can grow further and achieve more success.

References:

1. Forbes. 2022. Jeff Bezos. [online] Available at: <<https://www.forbes.com/profile/jeff-bezos/?sh=5bd95c031b23>> [Accessed 20 July 2022].
2. Naeini, A.B., Mosayebi, A. and Mohajerani, N., 2019. A hybrid model of competitive advantage based on Bourdieu capital theory and competitive intelligence using fuzzy Delphi and ism-gray Dematel (study of Iranian food industry). *International Review*, (1-2), pp.21-35.
3. Olley, R., 2021. A focussed literature review of power and influence leadership theories. *Asia Pacific Journal of Health Management*, 16(2), pp.7-17.