

Leadership style of martin winterkorn flashcard



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As we enter the twenty-first century, huge transformations and changes that happen nowadays are affecting the structure of organizations in the world in many aspects both nationally and internationally (Lussier, 2010). Leading an organization in this dynamic world is a challenging task. The concept of leadership has changed significantly due to many factors. Some of the factors are resulting from the changes in the world that are affecting almost every aspect in life. These changes are partly due to the advancement in technology, the natural way of change in human's life, and the fact that changes are naturally inherent. They occur increasingly and in a more sophisticated way. These accelerating changes produced more tensions and created new challenges for the leaders of organizations to deal with.

Therefore, leaders became aware that the need to changes has become indispensable. Consequently, success in leading an organization depends on the ability of the leaders to catch up with these accelerating changes.

Managing an organization in a changing dynamic environment is one of the most challenging missions for leaders to achieve their goals. If the organization wants to withstand, it needs to be dynamic and be ready to develop in this accelerating pace of complexity and sophistication, which are characteristics of the 21st century (Leithwood & Steinbach, 1999).

If any change will inevitably happen, then running a successful organization largely depends on the success of leaders to sail on. As the result of the changes in the human life and the way people behave, the concept of leadership has also changed. Based on this, leaders have adopted various methods of leading their organizations, thus enhancing sustainability both in the short and long run. To the most of the organizations, transformation

leadership has been used, as the factor that ensured success of these organizations during the global financial crises in 2008 and 2009. The term “transformational leadership” has emerged to reflect the shifts in the ‘ordinary’ concept of leadership. The concept of leadership appeared first in the political context. Nowadays, the notion goes beyond the political context to cover a number of fields such as health care, education, economy, business and in the family level, and everyday life. Many researchers and scholars assert that the effect of transformational leadership should not be reduced to people on top positions. Everyone can be a transformational leader and it is skill that is not taught. The practices of this concept are now applied in different sectors. The notion of transformational leadership is primarily concerned with building a successful relationship between leaders and their followers. Transformational leadership appeared extensively in the literature of manufacturing industry in the late 1980s. The concept of transformational leadership from the early to mid-1990s was mainly concerned with restructuring which focuses primarily on ‘decentralization’ which refers to the process of dispersing decision-making between the leaders and followers (Leithwood & Steinbach, 1999). However, it has changed recently to refer to the productive responding to the large-scale reforms or changes, which dominated in the field of manufacturing in developed countries in the past decade. One example of these changes is related to utilizing bureaucratic methods for introducing cultural developments, which require certain measures to tackle the issue efficiently. Generally, leadership is the act of exercising power and, therefore, it is vital for leaders to develop the necessary organization power base to effectively use their power in influencing on other people. It is on this bases that current

concepts on leadership fails to recognize the use of brute force as a leadership element, but leadership power as a type of inducement and influence (Lussier, 2010). This paper will evaluate the leadership style that is being employed by Martin Winterkorn, considering the fact that this is one of the contemporary transformational leaders. Volkswagen AG managed to sell more than four million vehicles to the global markets during the first half of the 2011 financial year, and according to Winterkorn, Volkswagen expects to double these sales and reach eight million thresholds by the end of the year. However, the big question is whether Winterkorn will manage successfully to lead his company to fulfil this ambitious strategy. Therefore, the main focus of the paper is analyzing Winterkorn's leadership and considering that he has the capacity to enable his company attaining the outlined strategy. The paper will first look at some of the leadership models applied by the contemporary leaders and describe the leadership style employed by Winterkorn. Basing on the analysis of Winterkorn's leadership style and the strategic goals of Volkswagen AG, the paper will outline the aspects with regard to Winterkorn's leadership style will facilitate the attainment of the outlined corporate goals, along with the aspects that can hinder reaching these goals. The paper will also analyze the leadership style applied by Daniel Akerson of General Motors, and compare with that of Winterkorn's.

Leadership Models

Bolman and Deal (1991) highlighted that leadership models enable us to understand what makes leaders behave the way they do. However, it is important to realize the fact that each situation requires that a different approach or behaviour be taken to deal with it (Vroom and Arthur, 1988).

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Therefore, the approach applied by a leader should not be exclusively tied up to a type of behaviour that is discussed in the model, but can as well be attributed to the type of situation or condition being dealt with. Two models will be analyzed in this paper. One of the leadership models, i. e. the four framework approach, highlights that leaders often exhibit leadership behaviours based on one of the four kinds of frameworks: human resource, symbolic, structural, or political ones. Therefore, leaders can behave based on one of the four categories, but there are times when the chosen approach will seem appropriate and will not work at times. Therefore, this implies that one style can at times be effective, and at times, it will appear ineffective, however, depending on the type situation. Therefore, it is worth noting that relying exclusively on one of these approaches will not be adequate, and, thus an effective leader should consider applying all the four approaches, and not just one or two. The structural framework requires that an effective leader behave like a social architect, and his leadership style has to be based on design and analysis. Basically, structural leaders are concerned with company's structure, corporate strategies, including the environment, implementation of the objectives, evaluation and adaptation. The human resource framework requires that an effective leader become a catalyst, as well as a servant whose primary concern is to support, empower and advocate. Moreover, such leaders are those who believe in people, increase participation, share information and adopt the top down approach in decision making, in that decision making is moved down the organization. The political framework approach on the other hand requires that an effective leader advocate for coalition and building. This implies that a leader builds effective relationships with other stakeholders, and applies coercion and

negotiation when these are required. The last framework is the symbolic, and requires that effective leaders be considered as prophets whose leadership style is primarily based on inspiration. Indeed symbolic leaders are those who can actually apply symbols to draw the attention of their followers; they offer reasonable interpretations of the experiences. Additionally, symbolic leaders discover and speak visions to their followers.

The other model is the managerial grid, also known as the leadership grid. According to Blake and Mouton (1985), the leadership grid applies two axes, the concern for people, which is often plotted on the vertical axis, and the concern for the task, plotted on the horizontal axis. However, the perception that a managerial behaviour can be described in just two dimensions appears to be simple, but in essence, research indicates that most people are always found to be laying somewhere close to the middle of the two axes (Montana and Bruce, 2008). However, looking at the extremes, which represent people who found on the far ends of the scale, the analysis generates four types of leaders: authoritarian, country club, impoverished and the team leader.

The authoritarian leader is considered to be so much oriented to task, and very strict on their workers (Bolman. & Deal, 1991). In such a type of leadership, there is little or no room for collaboration or cooperation between the workers and the company's stakeholders, and, thus, it becomes so difficult for their subordinates or followers to contribute or participate in any development process. Basically, the authoritarian leader is often considered to be high on task, but low when it comes to relationships (Bolman & Deal, 1991). The team leaders lead through positive examples. One of their endeavours is to promote a team environment, whereby all the team

members have the opportunity to attain their highest potential, both being individual and a team. One advantage of such a type of leader is that he has the ability to encourage the team members to attain the team goals using the right approaches considering the fact that the leader is also involved in the company's activities (Bolman & Deal, 1991). Such leaders are also considered to be good in forming collaborations with important stakeholders, and, thus, they are able to come up with and lead productive teams. In other words, a team leader can be considered to be high when he comes to tasks and, high in fostering good relationships too (Zaccaro, et al 2001). The country club leader basically applies reward to encourage the attainment of the corporate goals and to maintain discipline among the workers. However, one noteworthy aspect about such leaders is the fact that they avoid the use of legitimate and coercive powers that could destroy good relationships, and rather focus on maintaining good relationships within the company (Yukl, 2010). They are the type who are so much into maintaining good relationships, but are low when it comes to accomplishing tasks. The last type of leader is the impoverished, whose type of leadership style is to delegate and disappear. They are not committed to their responsibilities and, thus, they are not concerned if the tasks are accomplished or not. The team members are allowed to do whatever they wish since such leaders prefer to disengage from the team process. Such leaders are considered being low when it comes to both the accomplishment of tasks being allocated, and maintaining good relationships (Bolman. & Deal, 1991).. However, the goal of the most leaders is to be in the middle of the axis, but most preferably a team leader. Nonetheless, a good leader should be able to operate effectively within the extreme ends of the scale, depending on the situation.

Apart from just defining the behaviour of the leader, is important to realize that each organization has its own unique culture (House, 2004). What is important, therefore, it is that a leader establishes a relationship with his team members to ensure the organization attaining its corporate goals (Judge, et al 2002). This includes treating all people considered being important stakeholders to the organization as partners, and they will in turn respond consequently.

Background Information on Martin Winterkorn

Born in Germany in 1947, Martin Winterkorn has grown up to be one of the most admirable icons when it comes to effective leadership traits.

Winterkorn studied metal physics and metallurgy from 1966 to 1973 at the University of Stuttgart. He proceeded to undertake his Ph. D. at the Max-Planck Institute in Metal Physics and Metal Research and attained his doctorate in 1977. He embarked on his career, acting as an assistant in the research division in 1977 at the Robert Bosch GmbH. He then led the refrigerant compressor development group, known as the Substances and Processes, at the Robert Bosch GmbH, together with the Bosch-Siemens-Hausgerate GmbH. He was appointed the head of the Group Quality Assurance in 1993 at Volkswagen AG, and in March 1994, he rose to the position of the General Manager with the power of the Attorney. Additionally, Winterkorn was given the responsibility over the Volkswagen Group Product Management in June 1995. He became a member of the Brand Board Management for the Volkswagen brand in 1996, a position he took over from Herbert Schuster. He is charged with the responsibility of managing the Group's Research and Development. However, it is worth noting that

Winterkorn played a significant role in influencing on Ferdinand Piech, the Volkswagen CEO to consent the production of a new brand known as the New Beetle. Nonetheless, in January 2007, Winterkorn was appointed the Chairman of the Board of Management of the Volkswagen AG. He was also appointed the Chairman of the Supervisory Board of Audi AG. It is also worth noting that Winterkorn has served as the chairman of Scania AB from 2007. Besides, he has served as Honorary Professor of the Budapest University of Technology and Economics since 2003, due to the recognition of his valuable services. Therefore, it is apparent that Winterkorn's leadership traits are quite admirable.

As the leader of Volkswagen, Winterkorn has demonstrated good leadership qualities, which has seen the company rise to be the third largest global manufacturer and largest in Europe, within the automobile industry. The first half of the 2011 financial year saw Volkswagen AG selling over four million of its vehicles to its customers. It is worth noting that the automobile industry is one of the most competitive global industries, and, thus, Volkswagen AG has devised an ambitious strategy that seeks to ensure that the company remains competitive. According to Winterkorn, Volkswagen CEO, the company intends to attain the eight million thresholds, for the first time since its establishment. However, it is important that the leadership styles of Winterkorn be analyzed, in order to predict if their ambitious strategy will be fulfilled or won't.

Leadership Style of Martin Winterkorn

It is worth noting that leadership is concerned more about the organization and the people being led, rather than the individual needs (Northouse, 2007). However, leadership styles adopted by an individual should not be viewed as something that has to be tested in order to identify which one suits an organization. Rather, the style in which an individual picks on has to be in line with the specific demands of the situation, the specific challenges faced by the organization, along with the specific needs of the people affected by the organizations operations. A number of theories have been developed, explaining the various ways in which people are transformed into leaders. Bass (1990) highlights that some of the personality traits can lead an individual into becoming a leader naturally, also considered as the trait theory. In other cases, a significant event can lead a person to react in a certain way, hence exposing the extraordinary leadership traits in otherwise ordinary individual. This is also known as the Great Events theory. It is also postulated that people can decide to become leaders through learning the leadership skills. This is known as the Transformational Leadership theory and it is the most accepted theory in the contemporary world of leadership. Most of the contemporary leaders are considering acquiring leadership traits through training (Kotter, 2007). Moreover, a number of experts have suggested various leadership styles that could be adopted by organizational leaders. This paper will look at Winterkorn, and assess the leadership styles he has adopted in leading Volkswagen AG.

One interview with Volkswagen CEO, Winterkorn highlighted that his leadership style is primarily based on technology. His efforts are directed to inventing vehicles that are innovative (Takahiro, 2009). For instance, the

vehicles the company manufactures are made with regard to the specific weather periods, i. e. summer and winter. Market analysts highlight that competitiveness in the contemporary global markets is determined by the company's innovativeness. It is apparent that most customers prefer the latest designs at the market and, thus a company is required to focus on technology in order to attain a competitive advantage. So in this light it can be asserted that Winterkorn is a visionary leader who intends to ensure the company being not only concentrated on the current designs, but also concerned with coming up new designs. Furthermore, Winterkorn can be considered as a visionary leader in the sense that he guides the company into setting goals that have to be attained at the end of an agreeable period. For instance, Winterkorn has the goal of ensuring that the company reaches the eight million thresholds at the end of the 2011 financial year. He actually ensures that the company has goals that will provide the direction, and has set people free to innovate. In essence, Winterkorn is not content with the fact that Volkswagen is the third largest global automobile manufacturer, but it is focused to ensuring that his company becomes the biggest car-maker in the world.

It has also been noted that in order to help the company identify the problems related to its products, the senior executives are required to drive the company's cars made by all its brands. As Winterkorn highlighted in an interview, he states that he actively participates in identifying the problems that may be related to their products and inspects the vehicles before being shipped to the global markets (Takahiro, 2009). In this light, therefore, it can be noted that Winterkorn's leadership style is participative or democratic.

This is because of the fact that he actively participates in ensuring the products manufactured by the company being good quality, and he is ready to point out the defects. Besides, he works together with his employees to ensure only good quality products that are shipped to the markets and has even devised a strategy that ensures the vehicles that are tested before being shipped to the market. However, it worth noting that Winterkorn still maintains the final decisions as he is the one who conducts the final inspection and decides which vehicles have to be taken to the market.

Additionally, Winterkorn in one interview highlighted that he often makes routine visits of the market place to meet with some of the company's dealers (Takahiro, 2009). This approach allows him to get a completely different view of whatever is taking place within the company, rather than just reading the documented information in the files. Indeed, this is a clear indication that he is committed to ensuring that a good relationship is maintained between the company and its dealers as well as its customers and other stakeholders. It is also worth noting that this approach enables the company to acquire customers' feedback, which is very important in ensuring that the products manufactured, fit the customers' preferences. Apparently, the customers' tastes and preferences are constantly changing and it is important that a company takes this into consideration in order to attain a competitive advantage (Maxton and Wormald, 2004). This is the main reason as to why it is important that the company in order to have contact with the customers and identify their view about the products, it should conduct frequent market research. This indeed helps in ensuring the right products that are produced to the right target customers. It is also

important to ensure that contact with the customers helps in upholding the company's reputation (Jago, 1982). Thus, Winterkorn's leadership style is democratic as he offers guidance to his staff, and also he participates in the company's operations. This is probably one of the factors that have propelled this company to rise to greater heights, considering the fact that both the leader and its employees are actively involved in the company's activities.

Winterkorn's Leadership Model

From the analysis of Winterkorn's leadership styles, it can be outlined that applies the four framework approach. He is a leader who is focused on the attainment of the company's strategic goals, takes an active role in the company's activities and is ready to share information with all the stakeholders. Besides, Winterkorn is a type of leader who communicates the vision to his followers. Looking at the managerial grid, Winterkorn can be considered a team leader, considering the fact that this is a type of leader who leads through a positive example to the fellow workers. He provides a favourable environment where all the workers are provided with the opportunity to display their full potential, both as a team and as an individual. He encourages the workers to attain the outlined corporate goals, while ensuring the relationship between the company and all the stakeholders being strengthened. Indeed, Winterkorn can be considered a leader who is so much concerned with ensuring good results that are attained, while concerned with maintaining a good relationship among the important stakeholders of the company. The effective leadership style depicted by Winterkorn has definitely enabled this company to be ranked as one of the top global companies that win this industry. It is with this motive

that the company is hopeful that the outlined strategic goal will be attained in the end of the 2011 financial year.

Aspects Of Winterkorn's Leadership Style That Will Facilitate The Attainment Of The Corporate Goals

It will be significant if Volkswagen's corporate goals are identified first before analyzing if Winterkorn's leadership style facilitates the attainment of these goals. As highlighted above, Winterkorn is not content with the fact that Volkswagen is the third largest car maker in the world, and wants his company to be the global leader in this industry. In 2009 alone, more than 6.1 million vehicles were produced under the eleven distinct brands, including the luxury marks Bentley, Bugatti, Lamborghini and the mainstream VW and Skoda (Takahiro, 2009). However, according to Winterkorn, this is not enough as he expects to boost up the company's volumes to 10 million within eight years. Therefore, in order to attain this goal the company is instituting new plants in India, China and in the United States, as part of its expansion plan towards attaining its goal of becoming the leader in the vehicle industry. Besides, it has been reported that Volkswagen AG managed to sell more than four million vehicles to the global markets within the first half of the 2011 financial year, and, thus, it is the company's expectation that it will manage to sell over eight million vehicles by the end of the financial year. Therefore, it is apparent that the company has the main goal of attaining an increase in its sales volume that is reaching the eight million mark by the end of the 2011 financial year. It is also worth noting that Winterkorn is primarily focused on technology and, thus his efforts are directed at ensuring that Volkswagen becomes the leader in innovations.

From Winterkorn's leadership style, there are various aspects that are likely to facilitate the attainment of the company's corporate goals. First of all, Winterkorn can be identified as a visionary leader in that he does not only look at the company's present situation, but also focuses on improving the company's performance. Business analysts highlight that visionary leaders are the ones who can actually articulate and point out where the organization is headed. Apparently, Winterkorn seeks to ensure Volkswagen AG becomes a global leader in the vehicle industry, and, thus he has undertaken various measures to ensure that the company attains this goal (Takahiro, 2009). For instance, it is apparent that the company has focused its efforts on innovation, which is one of the key approaches that will give this organization a competitive advantage over others at the market. Market experts highlight that competition in the contemporary markets is highly determined by innovation. It is apparent that most consumers are looking for highly innovative products contrary to the traditional designs, the fact that most company's need to take into careful consideration while delivering their products to their target markets. If Winterkorn can thus focus his efforts in ensuring Volkswagen remains an innovative company then its corporate goal of attaining the eight million thresholds will definitely be attained. Therefore, it can be highlighted that the aspect of being visionary will facilitate the attainment of the company's corporate goals.

Another significant aspect about Winterkorn's leadership style is the fact that recognizes the significance of working together with the other employees towards attaining the company's goals (Takahiro, 2009). He does not delegate duties to his followers but works together with them towards

attaining the outlined goals. This implies that he actually recognizes the importance of teamwork. At the release of the 2006 financial year performance results, Winterkorn highlighted that the company's outstanding results can be attributed to teamwork. The company was able to plan with its members, and through teamwork, the company was able to attain remarkable results. Furthermore, experts highlight that teamwork is effective in realizing common goals, considering the fact that this approach helps in boosting the staff morale (Rees, 2001). In addition, such an approach helps to eliminate internal conflicts that may arise within the organization. It is important to note that engaging and working with employees helps in ensuring that the work is done right. In essence, such aspect will enable that the company attains its corporate goals in the sense that all of the workers' efforts will be directed towards these goals as there is good communication and cooperation.

The other significant aspect about Winterkorn's leadership style is that he maintains a direct contact with his dealers and customers (Takahiro, 2009). Winterkorn takes routine visits to the markets to receive information regarding the company from the customers' perspective. It is worth noting that Winterkorn is not the type of leader who will seat and read about the company's activities from the documented files, but is ready to acquire first hand information from their customers. However, it is apparent that the customer's tastes and preferences have greatly changed and will continue changing for as long as the human race will exist (Tannenbaum & Schmidt, 1973). To capture these tastes and preferences, it is important that a direct communication is maintained in order to ensure that the products

manufactured actually match these needs. It is apparent that one of the corporate goals that Volkswagen AG seeks to attain is increasing its sales volume to about eight million at the end of the 2011 financial year. So this means that the company has to capture the customer's changing and distinct tastes and preferences, and incorporate them into their designs. This will enable the company to attract more customers and, thus, it increases its sales volume (Kinicki & Kreitner, 2008). Furthermore, this will give the company a competitive advantage over others at the market. Therefore, it can be asserted that this leadership style approach will enable the company to attain its goal of increasing its sales volume.

However, looking at the company's past performance under the leadership of the Winterkorn, it is clear that the company has been recording good returns in all of its brands. For instance, 2009 was the year that saw that most of the global businesses incur significant losses, while some of them had to be even shut down due to the global recession that hit the world economies. Most of the car manufacturers, especially those manufacturing cars in a cutthroat, mature market are said to have fallen by a great deal. This even saw some of the American car-manufacturing giants like Chrysler and General Motors fall into bankruptcy while others are said to have offloaded their brands in fire sales. However, this was not so for Volkswagen AG as the group is said to have expanded during this period, and even went forward to acquire a 20 per cent stake of Suzuki. The company had already predicted that there might be a financial crisis, and, thus, it undertook the necessary measures that would ensure the company's operations would not be affected. This is the reason why the company was able to thrive in 2009

and was even propelled Volkswagen to the third position globally, after Toyota and the bankrupted General Motors. As analysts highlight, it will not take Volkswagen long before it takes the coveted number one slot, to be the best automaker in the world. Nonetheless, it is worth highlighting that analysts strongly attribute these efforts to the strong leadership of the company has, who can actually predict the market trends and help the company deal with hard economic conditions (Motowidlo, 2003). Thus, this is a clear indication that company's goal of delivering over eight million to its customers by the end of the 2011 financial year will definitely be attained.

There is also the aspect of efficiency in Winterkorn's leadership style. This is because Winterkorn is keen to ensure the efficient production processes that are employed to ensure the costs being minimized in production while ensuring the products delivered to the markets are actually of good quality. During the presentation of the 2006 financial results, Winterkorn, the Chairman of the Board of Management, highlighted that the Volkswagen Group was able to attain its 2006 targets because of increased productivity and quality, along with the minimization of the company's expenses. The company intended to sell more vehicles globally and was able to attain that objective by the end of the 2006 financial year. Furthermore, the chairperson highlighted that it is through efficient production that the company was able to attain its objectives. Therefore, it follows that if the company employs the same strategy then it might manage to attain the eight million thresholds come the end of the 2011 financial year. This includes the minimization of the company's costs, while ensuring increased productivity as well as quality production.

Aspects That Will Hinder the Attainment Of The Corporate Goals

Winterkorn is a strong and visionary leader who is much more concerned with ensuring that his company conquers other dealers at the market and becomes the global leader in this industry. To attain this goal, the company has instituted some strategies that will enable it reach this goal. One of the strategies includes the attainment of the eight million-sale volume by the end of the 2011 financial year in aim to acquire a larger market share.

However, various aspects might hinder the attainment of these goals. It is apparent that Winterkorn is much more specialized in the field of physics and thus he is well put in matters of technological innovations. However, the contemporary global markets are volatile making it very challenging for businesses to thrive. While venturing in technology is necessary in ensuring the company attains a competitive advantage over the others at the market, it is also important to have, a leader who can actually help the organization during the hard financial times (McGovern, et al 2008). In other words, it is important to have a leader who is well conversant with the financial crisis matters in order to help the company during such times. However, despite the fact that Volkswagen managed to thrive during the 2009 financial crisis, this is not an assurance that the company will as well manage to outstand the future economic challenging times. If such a condition is experienced again when the company is not prepared to deal with such issues, then the company's efforts to attain the outlined corporate goals might be derailed.

Additionally, Winterkorn emphasizes on the importance of teamwork. During the release of the company's 2006 financial performance results, Winterkorn highlighted that the company's achievements were to be attributed to team

wok. The organization had put its efforts collectively, to ensure that all the employees are involved in each activity, including decision-making. However, while teamwork is important in attaining common goals, organizational experts highlight that the reverse is also true. In essence, teamwork can derail an organizations effort with regard to the attainment of its set goals. This is because such an approach makes it difficult to point out the poor performers, and, thus it can act as a way of encouraging poor performance. However, for Volkswagen, Winterkorn highlights that the approach has worked for the previous year, while helping the company attain good results, but it is worth noting that there is no assurance that teamwork will help attain the 2011 corporate goal, considering the fact that this approach has already been criticized. Thus, it can be highlighted that the aspect of teamwork, which Winterkorn greatly emphasizes in his leadership style, may as well derail the attainment of the company's corporate goals. Organizational experts highlight that teamwork can help the company attain its corporate goals, while derail the attainment of these goals if not applied wisely (Renesch, 1994). Therefore, there has to be care while applying this approach in leadership.

Background Information about Daniel Akerson

Daniel Akerson is the Chief Executive Officer and the Chairman of General Motors. He was incorporated into the company's management in July 2009 as a member of the Board of Directors, and was made the Chairman of the Board in January 2011 (Paul, 2012). Before joining General Motors, Akerson was The Carlyle Group's managing director. He holds a Bachelor of Science degree in engineering, which he acquired from the United States Naval

Academy, and a Master of Science degree in economics, acquired from the London school of Economics. Akerson's career started in 1983 when he joined the MCI Inc. where he worked for about ten years. He then left the MCI Inc. in 1993 and joined General Instrument, where he served as the Chief Executive Officer and the Chairman. He was appointed the chief executive officer of Nextel in 1996, where he managed to make remarkable achievements, for instance, increasing the company's revenues (Paul, 2012). He stepped down in 1999, and was shortly appointed to run the Next link Communications. However, Akerson was named the appointed to the board of directors of General Motors in 2009, as a representative of the United States Treasury, and was announced the Chairman and CEO of General Motors in January 2011.

Under the leadership of Akerson, General Motors has adopted critical steps that are aimed at transforming the company. The company had to undergo a thorough restructuring process after which it became bankrupt following the 2009 financial crisis. Akerson had to introduce some important measures that would ensure that the company becomes operational again. For instance, the \$23 billion IPO was launched, which is indeed considered to be the largest IPO for the company since its history (Paul, 2012). It has been highlighted that through this approach the company has managed to establish consistent profitability, improve its product quality, gaining a larger market share, along with generating a remarkable global growth (Paul, 2012). It is worth noting that General Motors holds the second position in the world's largest auto manufacturing companies ranking, after Toyota. Additionally, it is worth noting that Akerson was appointed to lead General

Motors at the time that the company had just suffered bankruptcy caused by the 2009 global financial crisis. This means that he had a big challenge of ensuring the company regains its position in the global ranking. Nonetheless, Akerson has done a lot to speed up General Motors' efforts aimed at enhancing its vehicles fuel efficiency. Indeed, it has been noted that General Motors is currently having the best listings of vehicles, considered to be fuel efficient, since its history. These include the LaCross and Buick Verano, and the Cruze Eco and Chevrolet Sonic with Assist Technology (Paul, 2012). General Motors is striving to become the leader in vehicle electrification and advanced technology, along with other products like Opel Ampera, electrified version of the Chevrolet Spark and the Chevrolet Volt.

Akerson's Leadership Style

Akerson is a new figure in the automotive industry and it is apparent that Akerson joined the company as a representative of the government considering the fact that the government holds a significant proportion of the company, and was even unknown within the company itself (Paul, 2012). However, willing to take the position, Akerson has managed to bristle at what he viewed as the ineffective practices of the old General Motors, and transformed the company to what he considers as a competitive global company. One noteworthy aspect about Akerson leadership style is that he is willing to accept criticisms as he considers himself an outsider in this industry.

Akerson's leadership style is that of delegating duties, considering the fact that he is an outsider in this industry (Paul, 2012). He had headed three

other companies in the same position before joining General Motors, but not the heavy vehicle manufacturing industry. However, some of his critics highlight that Akerson is not a self-professed car personality. He is not specialized in this field and that is why he does not participate in most of the company's activities and prefers delegating duties to his employees. He is not the kind of personality with gasoline in his veins that most traditionalists consider that it is necessary to lead a car company, as it should be (Paul, 2012).

Akerson is also known for being hard-nosed in pushing for results (Paul, 2012). He had been working as a naval officer and his leadership style is known to be results-oriented. Therefore, it has been highlighted that General Motors has managed to establish consistent profitability under the leadership of Akerson due to this aspect. According to the company's financial performance, it is recorded that the company has been receiving a decrease in its overall sales since 2000, and it is up until 2010 that the company's sales started to increase (Paul, 2012). Thus, it can be noted that Akerson's leadership is reaping significant benefits for the company, depicted by the company's tremendous progress. In addition, Akerson is known to have the ability to convince investors to purchase his stocks (Paul, 2012). This is probably the reason as to why General Motors managed to launch the \$23 billion IPO, the largest since the establishment of the company. So it is clear that Akerson is willing to take General Motors to greater heights.

Akerson can also be considered as a visionary leader, who is not only concerned about the present state of the company's products but also

considers the importance of improving the quality of its products. For instance, Akerson has speeded up the company's efforts of enhancing the fuel efficiency of the company's vehicles. Indeed, General Motors is today considered having the best array of vehicles that fuel-efficient since the company's establishment. Furthermore, is well conversant with the fact that competition in the global car manufacturing industry today is highly determined by innovation. Thus, Akerson has highly invested its efforts in improving the state of its products while ensuring technology that is central to the company's designs. This is the reason why the company is pushing to advance its technology in order to be the leader in advanced technology. This indicates that Akerson is concerned of the future of both the company and the quality of the company's products.

Similarity between the Leadership Styles of Martin Winterkorn and Daniel Akerson

There are certain aspects that are similar with regard to the leadership styles applied by Akerson and Winterkorn. It is apparent that both leaders way of leadership can be considered results- driven. They are concerned with ensuring that their companies are performing. Looking at the General Motors, for instance, it is quite clear that the company has increased its profitability since Akerson took leadership. Volkswagen AG on the other hand has been attaining significant profits under the leadership of Winterkorn. This is why we note that both of them are concerned with ensuring their companies attain a positive growth.

In addition, both leaders can be considered being visionary leaders, considering the fact that they are not only concerned about their companies present products, but they are much more into coming up with new technological designs that will enable their companies to remain leaders within the automobile industry. Looking at Akerson for instance, one of his key objectives is to ensure his company emerges to be the leader at the market, in terms of innovation. This can be noted in his latest designs that incorporate features such as electrification, while others have been made to regulate the use of fuel. Winterkorn on the other hand is doing every effort to that the technological aspect is incorporated in his designs. It is worth noting that this is an industry that is highly driven by technology and, thus the future of a company has to be determined by innovative designs that will enable the company to thrive. This is probably the reason as to why these leaders are concerned with their future products.

Contrast of the Leadership Styles of Martin Winterkorn and Daniel Akerson

Various aspects are distinct with regard to the leadership styles of these two leaders. The leadership style applied by Winterkorn is participative, as he takes an active role in the company's activities, while ensuring that all the employees are involved in the decision making process within the company. When it comes to the introduction of a new design, Winterkorn is said to take a central role as he is specialized in this field. Moreover, most of the Volkswagen's achievements are attributed to teamwork. Indeed Winterkorn is a team leader, who is much more concerned with encouraging his workers attain the team goals using the right approaches. Looking at Akerson on the other hand, his leadership style is based on delegating duties. This is

because Akerson is considered by most to be an outsider in this industry. Despite the fact that Akerson had been a Chief Executive Officer in other three companies, none is considered to be a heavy manufacturing company. Indeed some critics highlight that Akerson is not a self-professed car-personality. However, a participative leadership approach is an appropriate approach when it comes to organizational leadership compared to delegating duties (Rees, 2001). This is because the participative approach helps in ensuring that the work is done right, using the right procedures. This is approach also ensures quality production.

The other aspect that is distinct about Winterkorn's leadership style is that he values maintaining a good relationship with his dealers and customers. This relationship has earned many benefits for this company. First, this approach will enable Winterkorn to identify the customers' views about his company. Instead of just getting this information from the documented data, Winterkorn has chosen to get first hand information from his customers. He actually undertakes routine visits to the market to get this information. Markets analysts also highlight that this approach is beneficial as it enables the company to understand the customer's needs and, thus, the type of products delivered to the markets are directed to the right customers. Furthermore, such an approach can be considered as it eliminates wastage. The company understands the market needs and, thus, its products are aimed at eliminating the identified needs. The other advantage of maintaining a close contact with the customers is that it helps in earning the company a good reputation. In the event that there is a faulty in any of the products, the company is able to rectify the problem without spoiling its

reputation. Moreover, this approach enables the company to identify the changing consumer trends at the market. It is worth noting that this is one of the critical measures that have enabled Volkswagen to thrive, despite the hard financial times, and even attain its corporate goals. However, such an aspect is not evident in Akerson's leadership style, as he does not participate in market research. Therefore, while Winterkorn is concerned with maintaining a direct contact with his customers through routine visits to the market, such an aspect is not evident in Akerson's style of leadership.

The other distinct aspect about these two leaders relates to the type of leadership model they apply. Winterkorn's leadership is that as he strives to ensure that the corporate goals are attained, he also ensures good relationships being maintained. Within the company, Winterkorn ensures teamwork is promoted as a way of ensuring that there is cooperation among the workers, and in the same way, he encourages a direct contact with his customers in a motive of establishing good linkages. However, while Akerson is outlined to be so much concerned with ensuring good results being attained, he is not so much into promoting good relationships. Akerson can be considered as an authoritarian leader who is task oriented, while Winterkorn on the other hand is a team leader.

Leading an organization in this dynamic world is one of the most challenging tasks. Apparently, the concept of leadership has changed significantly, considering the fact that the world itself has greatly changed, and, thus, affecting almost all aspect of the human life. These changes are partly due to the advancement in technology, the natural way of change in human's life, and the fact that changes are naturally inherent. This has also seen the

shift of leadership, from the traditional ordinary leadership to transformational leadership. This paper analyzed the leadership style applied by Martin Winterkorn of Volkswagen AG, and with regard to the attainment of the company's corporate goals. However, considering the fact that Winterkorn is a team leader, who is not only concerned with ensuring that the company's corporate goals are attained, but also he is concerned with maintaining good relationships among the various stakeholders of the company; then it is expected that the outlined corporate goals will be attained. Indeed, Winterkorn highlights that the previous achievements can be attributed to teamwork, an aspect that Winterkorn relies on to enable the company to attain its future goals. The paper has also analyzed Daniel Akerson's of General Motors leadership style as a comparative to Winterkorn's style. The fact that is noteworthy, however, is one that Winterkorn is a type of leader who is not only concerned with accomplishing corporate goals, but also he is concerned with fostering good relationships. Besides, he values teamwork, an aspect that will facilitate the attainment of the outlined corporate goals.