

# Leadership and organizational behavior

[Business](#), [Organization](#)



Assignment 1, Briefing sheet, January 2013 Jeffrey P.

Bezos: An entrepreneur leader Jeff Bezos was born in Albuquerque, New Mexico and from an early age he showed his mechanical attitude developing intense and varied scientific interests. Considering this fact, his parents sent him to a special program for gifted children, where Jeff could develop his love for gadgets (Byers, 2006). When his family moved to Florida, he discovered his ' great passion', computers, so he abandoned his studies in Physics and got a degree in Computerscienceand Electrical engineering (Sherman, 2001).

After his studies, Jeff Bezos started working for Bankers Trust, and at the age of 26, he became the youngest Vice President of the company (Byers, 2006). When he noticed in 1994 that internet usage was increasing by 2300% a year (Hamalainen & Saarinen, 2007), he started planning his next step, which was Amazon. com. Amazon made his appearance in 1995 with 3 micro stations in Bezos' garage (Robinson, 2009) and its activity was to sell books. Today Amazon. com is one of the most preferable internet retail platform, where customers can find DVD's, CD's, MP3 downloads, books, and toys. According to Economist (2000), Amazon. om is the most visited internet retail platform in the USA and one of the top 3 in Germany, the UK, France, and Japan. The impact of Amazon. com Amazon. com is today the largest electronic retail worldwide (Anon. , 2012). According to J. Bezos (Wired Magazine, December 2011), Amazon is a cultural pioneer which lives to disrupt even its own business. It is recognized by 55% of the conscious population, and it is part of today's Westernculture(Spector, 2002). The company spends almost 40% of its income on brand building (Margolis, 1999), and that is why Amazon. com is a trustable and a well-known brand

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name (Economist, 2000, Marketing, 1999). 0, 000 people work today for Amazon, and the company turnover is 48 billion a year (Warman, 2012). Amazon. com launched in November 2007 Kindle E-book reader and as Bezos notes “ Millions of people own now Kindles” (Gonsalves, 2010)). According to Gonsalves (2010), Amazon sells 6 Kindles titles for every 10 hard books, and this strategic move increased profits up to 71%. Jeff Bezos's vision of Amazon. com is to be the most customer-centric company in the world (Mellahi & Johnson, 2000). According to Mellahi and Johnson (2000), the success key of the company is... innovation-innovation & innovation. J.

Bezos’ approach to leading Amazon and his key factors which have contributed to his success. He was named “ Man of the year 1999” (Ramo, 2011) and “ Businessperson of the year” (Fortune Magazine, 2012). Jeff Bezos is a visionary entrepreneur leader ( (Dyer, et al. , 2009)). According to Moment (2004), the essential traits of an effective entrepreneur are to be the singular focus, self-driven, ambitious, achievement-oriented, imaginative, independent, and versatile. According to Quittner (1999) “ Bezos, naturally enough is unmoved by the naysaying”. He asserts some instinctive characteristics, which make him distinctive from other leaders. Can he be described as a “ Great Man/ Great leader”? As Huczynski and Buchanan put it (2007) “ Great man are born leaders and emerge to take power regardless of social, organizational or historical context”. Other researches on trait theories tried to specify the traits of a great leader and found hundreds of them. However, according to Kilpatrick and Locke (1991), the typical leadership traits are: drive to achieve, motivation to lead, self-

confidence, ability to withstand setbacks, honesty, and integrity, standing firm, cognitive ability, knowledge of business, emotional resilient.

When Bezos decided to quit from his work on Wall Street, he had a strong feeling that his new business plan for an internet-based retail platform would be his chance to move his ideas one step further (Academy of achievement interview, 2001). According to Stogdill (1948, 1974), a great man is confident, and he has a strong ego. A great man also has traits like honesty and integrity (Kilpatrick and Locke, 1991) and Jeff Bezos believes that one of the principal keys of a leader is the courage “to tell the hard truth”. His collaborators and people who spend time working with him, subscribe Bezos as “immensely likable man” (Eskenazi, 2005). All this shows to us his excellent social skills. Subordinates are surprised by his brainpower and the way he inspires and leads his subordinates. These are signs of his intelligence and his motivation to lead. Examine the style, approach and content of the leadership demonstrated by specific examples Daft (2009) subscribes Bezos as a strong charismatic and also a visionary entrepreneur leader (Dyer, et al. , 2009).

According to Schlooser and Todorovic (2006), there are commonalities between entrepreneurs and charismatic leaders. Subordinates usually are attracted by the way an entrepreneur and charismatic leader show his great passion for achieving goals, taking risks, adding value in the organization, and the way to control the business (Schlooser and Todorovic, 2006). According to Daft (2009) in an organization like Amazon where growth increases and the leader (Bezos) provide his major goal for continued growth, subordinates are excited and fully committed. Bezos has also a great

ability to adapt to changes. He believes that engaging only to practices which will surely be successful, will prevent from exploring new opportunities (The business journals, May 2008) Amazon. com's motto is " Work hard, have fun and write history". According to Adair (1979) in order to increase the effectiveness of the group, leaders (managers) must find ways to cover three basic needs of their subordinates: task needs (work hard), individual needs (have fun), and team maintenance needs (write history).

This approach is called Action-Centred Leadership and is part of the Functional Approach. According to this approach, attention is focused on the content of leadership and how the group of the subordinates is affected by the leaders' behavior. Bezos is also a situational leader when Amazon had 2, 9 million dollars in loses, he changed his strategy from " getting Amazon bigger and faster" to " look inside the house" (Anon. , 2012). Situational approach (Hersey and Blanchard, 1979) focuses on the situation where characteristics of effective leadership are depending on the situation. Furthermore, Bezos is a transformational leader. Researchers in leadership argue that visionary and charisma are some of the characteristics of a transformational leader (Mullins, 2010). A transformational leader inspires and gives vision for the next day of the organization and knows how to connect the achievements of the subordinates with the organization's goals (Kark, et al. , 2003). Shares are offered for bonuses to Amazon. com employees, in order to motivate them to see the big picture of the business and to feel their participation within the organization's vision.

Evaluate whether Jeff Bezos could have been as effective in a different context or organization, giving a credible argument for this supported by

referenced theory Jeff Bezos has shown he can lead Amazon. com through change via his ability to make it the most customer-centric company in the world (Sherman, 2001). His visionary entrepreneur leadership style (Dyer, et al. , 2009) offers the ability to fit in change. His transformational leadership style (Burns, 1978) also indicates his charismatic way of leading his organization under different situations. Also, Jeff Bezos and Amazon surprised by launching the new Kindle Fire HD tablets (Spencer, 2012). Kindle Fire Hd is now one of the most hi-tech tablet gadgets in the world and Apple's iPad finally found a real competitor. According to Charles(2012), Bezos and Amazon are preparing another big surprise for their competitors: The new Kindle phone. These show us that Bezos could be effective if the context of the company was different. Jeffrey Bezos is an entrepreneur, and like other entrepreneurs, he is known for having started his own business. It is unknown whether he could lead an established organization.

It can be said that he would not be effective leading companies which are out of his 'area' (computing & internet), but he also founded "Blue Origin", a human spaceflight company (Boyle, 2006). According to these transferable skills and his traits (charisma, creativity, energy-drive, strong ego, honesty and integrity, social skills), he could lead to different contexts companies in various situations. Conclusion We showed that Jeff Bezos is a strong visionary and charismatic entrepreneur leader with the traits of a great man. He is also a situational and transformational leader with a great ability to inspire his suborders. They admire his brainpower and his successful decision-making. He can easily adapt to change, and his transferable skills make him a great leader under any circumstances.

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