

Unit 430: leadership

[Business](#), [Leadership](#)



CONCLUSION

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INTRODUCTION

The recent financial crises led to the decline of some companies around the world, which made organizations think about ways to overcome the critical situation and strive for change that could help the company start again. In such a situation, organizations cannot force change through purely technical approaches such as restructuring and engineering. But they need a strong and serious leader who can motivate and influence his followers in order to resolve the dilemma. An effective leadership can help companies find excellent solutions to the most difficult complications that any enterprise could encounter, and this is the aim of this research. From KTG case, I will highlight the importance of leadership as a great transformation tool. This research consists of two major parts. In the first part, I am going to investigate the overall approach on leadership concepts and theories. As for the second part, it will explore the role of the leader first of all as a strategist then as a motivator and finally as a communicator. However, in the beginning of this research I need to provide a brief overview of the organization.

ORGANIZATION OVERVIEW

KTG is a successful consulting company that provides multiple ranges of engineering, architectural, mining, construction and environmental services. It is a global and widely diverse company that runs its business through regional offices in every Australian state capital city, and in other twenty

cities around the world. Overall it is a successful company, with highly competitive performance and rapid growth in most of its regions. However, like any other companies, the financial crises have its influence on KTG and resulted in slow down of the business. But, KTG has quickly recovered the slowdown and overall performance still turning out well. One of KTG region branch has been underperforming compared with the rest of the company due to the mismatch between current expertise and growth potential in the region,

the absence of the strategic plan, de-motivated staff with a lack of clarity of their future and the lack of communication between the company and its stakeholders. Nevertheless, the region has great growth opportunities in the renewable energy sector, and the regional organization position is volatile to raise the competition level for these emerging opportunities. Therefore the CEO of the company has recently assigned a new regional head and has challenged him to lift the business performance and capability of his regional office to at least company average. He is going to lead the transformation process in order to achieve the company's strategic goals.

PART1: LEADERSHIP THEORIES:

It seems that leadership is a simple concept apparently; nevertheless it is challenging to define because definitions are often based upon leadership theories and the concept meaning may represent a particular leadership theory. All attempts to define leadership agreed the importance of exploring a number of indispensable elements:

- Leadership requires the ability to influence others.

- Leadership necessitates a vision and the ability to drive others towards realizing it in the real life.
- Leadership is about dealing with people related issues.

Joining these elements led to define the concept of leadership as the process of influencing others to maximize their efforts towards the achievement of predefined vision. Leadership as a concept has been evolved through the succession of theories: 1. Universalistic approaches to leadership based on the idea that universal traits & behaviors can be attributed to leaders. Great Man Theory and Trait Theory are founded on the assumption that leaders possess certain inborn qualities which aided them to become leaders. However the behavioral theories focus on the leaders' behavior and ignore the environment effect on the leaders' behavior, these theories are considered as a useful start point for leadership debate.

2. Contingency Approach or situational approaches develop the idea that successful leadership behaviors depend on a combination of factors. This approach has a number of advantages such as the empirical research that supports these theories. It includes the impact of situations on leaders and provides useful information about the best type of leadership most likely to be successful in a particular context. On the other hand it has diverse disadvantages: it cannot explain why people with certain leadership styles are more effective in situations than others and it can't provide us with the solution in case of a mismatch between the leader and the situation in the workplace.

3. Emotional Approaches: are based on the leader's personality, values and attitudes. There are five factors of personality to identify the leader's traits,

the extraversion, agreeableness, conscientiousness, emotional stability and openness to experience factors. The leader's values have an impact on selecting right from wrong, how does he define and solve problems etc... these values determine the leader's attitudes towards himself and others, which are translated as like and dislike among people, places and ideas. This debate about the emotional approaches directed us to explore the charismatic leadership style and distinguish between the transactional and transformational leadership style. Charismatic leadership:

It is one of the most recent leadership approaches, based on qualities; traits that leaders enjoy which help them influence and motivate others, people usually follow others who they personally admire. Manning and Curtis identify common leadership qualities that a leader may possess: leaders are:

- Visionary
- Perfectionist (he does thing perfectly)
- Enthusiastic
- Controls his emotional stability
- Thoughtful (cares about others)
- Self-confident
- Persistent
- dynamic
- charismatic
- integral

Transactional and transformational leadership:

Transactional leadership is the equitable exchange between the leader and the followers whereby the leader influences the followers by focusing on the

self interest of both, which is the satisfactory performance for the leader and the valued rewards gained in return of good performance for followers. Transformational or charismatic leadership is based on the assumption that the leader's charisma inspires and motivates followers, in addition to other elements such as inspirational motivation, intellectual stimulation and individualized consideration. Transformational leadership as its name implies, means transforming or changing the company's status quo in order to achieve the company's vision and strategic objectives.

Transformational leaders usually inspire their supporters to perform beyond expectation by communicating and sharing the organization's vision, mission and core values. These kinds of leaders are really needed nowadays to lead companies and help them shape their futures. KTG regional office needs such a leader to influence and empower the demotivated staff to perform beyond the expectation to achieve the vision which is, in my opinion "To be recognized as the best consulting firm in the region". To attain this strategic goal, the leader should take a course of brave decision to change the company's status quo, which is the subject of the second part of my research.

PART2: THE ROLE OF THE LEADER: Leading the change:

The leader's roles within organizations are various.

Leader plays the role of visionary and strategist, organization builder, communicator, decision maker and motivator. I will explore the first, second and the last role in my research in line with KTG case. 1. LEADER AS VISIONARY AND STRATEGIST:

Some researchers believe that this is the most critical and treasured role that leaders could play within the organization. They are in charge of setting the general direction of the company and guaranteeing short term and long term success. Leaders contribute to the whole strategic management process which is made up usually of three main phases: 1. 1SETTING STRATEGIC DIRECTION:

Leaders start this phase by scanning both the micro and macro environment surrounding the organization that have an immediate impact on the company performance. Leaders usually use different tools for conducting situation analysis prior to vision and strategy development. These tools are known as Porters five forces and the SWOT analysis. •Porter's five forces:

It is a business strategy instrument that helps in investigating the attractiveness of an industry; it consists of five competitive forces as it is clear in the chart below:

(Figure 1Porter's five forces <http://notesdesk.com/notes/strategy/porters-five-forces-model-porters-model/>) Porter's five forces are usually used in the industry sector, but it could be used by the KTG leaders. It will provide good information about company's position towards its competitors, suppliers, customers and new players. •SWOT analysis

Leaders usually use the SWOT analysis as a tool to look at and analyze the factors immediately surrounding the company. These factors or forces could be classified into internal and external elements. The Internal Factors:

1. Strengths:

Strengths are both tangible and intangible positive attributes of the business

that gives it an advantage over its competitors. In this case study, I can recall: ? Experiences in achieving rapid growth

? Diversification: The company offers different consulting services worldwide.

2. Weaknesses:

Weaknesses are both tangible and intangible negative attributes of the business that gives it a disadvantage relative to its competitors such as: ?

Bad performance.

? A mismatch between current expertise and growth potential in the region. ? No strategic plan.

? De-motivated staff.

? Lack of communication

? The company structure (matrix structure)

? The deteriorating health situation of the ex-regional head. The external factors:

1. Opportunities:

These are the trends and external factors that present positive future to the organization. For KTG it could be: ? Significant potential for growth exists, particularly in the renewable energy sector ? Assigning a new leader who can lead the transformation process within the organization.

2. Threats:

These are the external forces that present negative future prospective to the organization. KTG has : ? Bad relationship with the government and local community. ? General slowdown and financial crises and financial losses. ? The increase of the competitors during turbulent times.

Leaders can analyze the macro environment as well which is the wider national, regional and international context within which the company operates. It consists of:

(Figure2: PESTEL analysis, Clay Gervais , 2013 Unit 401: Marketing slide 15 topic 2 , Chiefly business school – Abu Dhabi) PESTEL analysis is used to identify the external forces affecting an organization . This is a simple analysis of an organization's Political, Economic, Social, Technological, Legal and natural Environment. This type of analysis can help KTG leaders to determine the company and all of the other actors operating in a larger macro environment of forces that shape opportunities and pose threats to the company. 1. 2: SETTING STRATEGIC DIRECTION—VISION, MISSION, VALUES:

Vision, mission and values are known as the organizational purpose which is the fundamental reason for the organization existence. Leaders play a critical role in this context; they define the company's vision based on the organization's purpose, its current state (where we are now, or the company's mission) and its values. A prior step before setting the organization's mission, vision and values, leaders should answer the famous three questions: Where we were?

Before the crisis the regional office was performing well like the other parts of the company. It was a successful consulting company. Where are we now?

KTG is an underperforming regional office, the weakest link in the chain, compared to the rest of the company. Current resources and expertise are not accommodated to the potential growth in the region. In addition to this,

the local based knowledge stream leader has an expertise that is less relevant to hunt business opportunities in the region. The other factors are mainly the lack of a strategic plan, lack of staff engagement and demotivation are not aware of business goals policies and they are demotivated and the fact that they don't have a clear idea about their future. Let alone the poor engagement with the community and regional government. Where we want to be?

Leaders should look forward to the future of the regional office as a pioneer in the consulting market in the region. How do we get there?

It is the company strategy and action plans developed by company leaders and its stakeholders, it is really important to consider multiple viewpoints when developing the company strategy. This prior work helps leaders to fully comprehend the company status quo and visualize the future which supports the vision creation. KTG Mission, Vision and Values.

The vision could be defined as a dream or view of the future. Vision is the desired long term state of the organization. It is intended to serve as a clear guide for choosing current and future courses of action. According to Nanus, the vision statement should be:

- Realistic

- Credible
- Attractive
- Future-oriented

The statement is also original, memorable, motivating and brief. As a leader in KTG, I can suggest the following vision “ To be recognized as the best consulting firm in the region” (KTG vision). However the company mission is different from its vision, despite the confusion between both terms, the best

way to clear the mix-up is to consider the time element. As I explained the vision is a picture of the organization future, while the mission should clearly show why the organization exists, its main activities and its position within the industry including the core values and the expectations of the major stakeholders. KTG mission could be formulated as:

“ A highly ranked full-service consulting firm providing architectural design, engineering, mining, construction and environmental services in order to satisfy our valuable customers’ needs.” Values are the operating philosophies or principles that guide an organization's internal conduct as well as its relationship with its customers, partners, and shareholders. Value statement is a brief description of the stakeholders and the behaviors that the organization considers to be most important. KTG’s core values are the foundational principles for continually improving performance: •Teamwork: Emphasize the virtues of cooperation and coordination •Integrity: Doing the right thing no matter what the circumstances may be •Transparency: Open, true and honest communications and actions •Respect: Respect customers, competitors and the community •Accountability: Take personal responsibility for action

•Compassion: Caring and responsibility toward others

1. 3 STRATEGY DEVELOPMENT AND IMPLEMENTATION:

Developing strategy is a top level activity in most companies. And according to Kramar, a leader should: •Review the vision to define the strategic directions.

•Set the strategic goals.

•Develop an action plan which is “ a sequence of steps that must be taken,

or activities that must be performed well. For a strategy to succeed, an action plan has three major elements (1) Specific tasks: what will be done and by whom. (2) Time horizon: when will it be done. (3) Resource allocation: what specific funds are available for specific activities. (<http://www.businessdictionary.com/definition/action-plan.html>) Strategy Implementation is the last step of the strategic process; it is the critical stage of executing the strategy by driving it through the organization. It involves:

- Aligning employees' expectations with strategic goals.
- Aligning organization's design to facilitate achievement of strategic goals, the leader can transform the KTG formal matrix structure to a horizontal structure (KTG number of staff is limited to 34 member in the regional office).
- Ensuring organization is equipped to hire new employees or develop existing employee skills.
- Aligning organization's performance management tools with strategy.
- Ensuring all staff, technology, systems ; finance are in place to accommodate strategy.

A dynamic part of strategy implementation is tracking the progress of the strategy, monitoring and evaluating its effectiveness. This process is known as measuring the strategic performance.

1. 4: MEASURING STRATEGIC PERFORMANCE:

Progress needs to be monitored by the top management, formal performance measure and progress to be reported to the top management and stakeholders. Performance measurement is a cycle of three processes and feeds from the Strategic Planning Process. Clear processes and work flow need to be set up and trained on. KTG leaders could use different tools to measure the company performance: The triple bottom line

It is another performance measurement tool developed by Jhon Elkington , it helps business leaders to measure their success in wider terms in corporation with social, economic and environment dimensions.

(Figure3: The triple bottom line, Abdul Monaam Mohammed 2013. Unit 430 leadership lectures, Chiefly business school- Abu Dhabi) Balanced scorecard:

The balanced scorecard (BSC) is a strategy performance management tool, presented in 1992 by Kaplan and Notron. It has been introduced in many organizations and it measures performance in terms of four perspectives: financial, customers, internal business and finally innovation and learning perspective as it is shown in the table below.

KGT	Balanced	scorecard:
Financial	PerspectiveCustomer	Perspective
GoalsMeasuresGoalsMeasures		

Providing excellent services in return of a competitive cost. Comparing the company consulting cost with other companies that provide the same services

in the market. To improve the support of the engineering, architectural, mining, construction, and environmental services and reach needs of customers. Customer satisfaction as measured by surveys, feedback boxes and focus groups. Internal Business PerspectiveInnovation and Learning Perspective GoalsMeasuresGoalsMeasures

To increase the level of service to reach the targeted performance identified by the KTG group. The number of consultancies offered. To recruit, motivate, and develop the highest quality staff. Percentage of company budgets spent

on staff development; Staff satisfaction; number of cross-trainings or multi-skilled staff.

2LEADER

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MOTIVATOR:

Leader role is to empower, motivate and inspire his followers to achieve organizational goals. As a leader, you should enjoy a sort of power and use certain tactics to influence and motivate others to change their attitudes, opinion and behavior. Bass in 1990 has well-defined power as the potential of influencing others. As a leader you need to acquire this power in order to guide and inspire others. Power has multiple sources, but in our case, and as leader at KTG, I derived the power of motivation through the good reputation that I have and my formal position within the organization. Influencing tactics are strategies that a leader adopts to help him change the attitudes of others, their thinking and behavior. Yukl identified nine types of influencing tactics: •Rational persuasion

- Inspirational appeals
- Consultation
- Ingratiation
- Personal appeal
- Exchange
- Coalitiontactics
- Pressure tactics
- Legitimizing tactics

As a well- regarded KTG leader, I could start by using consultative influence tactics, this could demonstrate to the employees that I am willing to listen to their suggestions and expertise that could help in the reform process.

Then I can use coalition tactics to make followers support my decisions and execute them. I may use personal appeals influencing tactic due to the good relationship that I have with the employees. Finally, I might practice inspirational tactics to convince them that the decision is the best direction for the KTG regional office. Motivation is the “ internal and external factors that stimulate desire and energy in people to be continually interested and committed to a job, role or subject, or to make an effort to attain a goal. Motivation results from the interaction of both conscious and unconscious factors such as the intensity of desire or need, incentive or reward value of the goal, and expectations of the individual and of his or her peers. These factors are the reasons one has for behaving a certain way.”

(<http://www.businessdictionary.com/definition/motivation.html#ixzz2WqBQhnjW>) In order to choose and implement the best motivation model within an enterprise, leaders should have an overall view of the motivation theories that could be classified into three important theories: The need-based theories that focus on the fundamental needs that motivate behavior. Cognitive theories, on the other hand, apply a more rational approach to motivation. They propose that people will be motivated when they are given clear goals and clear link between their effort and rewards. The situational approaches assume that leaders can change the situation to motivate employees by administering rewards or by empowering people. According to these different approaches, as a leader at KTG regional office, I can motivate staff by:

- Being a role model that influences people in reaching their goals, by setting a good example to ensure the growth of my followers and to help them achieve their goals effectively.
- Encouraging individuals to get involved in strategic planning and resolution procedure.
- Listening attentively and ensuring effective communication.
- Communicating KTG business goals, vision and values to motivate the staff.
- Matching the individual needs with the organization capability
- Using an effective reward management system to motivate my team, total reward management system is the set of tools available to the employer that may be used to attract, motivate and retain employees. It includes everything the employee perceives to be of value resulting from the employment relationship.

3 LEADER AS COMMUNICATOR:

“ Skill in the art of communication is crucial to a leader's success. He can accomplish nothing unless he can communicate effectively.” (Abdul Monaam Mohammed 2013. Unit 430 leadership lectures, Chiefly business school– Abu Dhabi) This statement emphasizes the critical role of communication within an organization, which is completely absent in this case study. As a regional KTG leader, I think that the first change that should be taken immediately is changing the communication style adopted in the office, it is clear that there is no communication channels between: •KTG leaders and the employees, staff are demotivated with a lack of clarity about their future and strategic

goals and objective are not clear in their mind. •KTG and the social community.

The leader has to bring back the confidence of company workers (through internal communication) and build a good relationship with social community and the regional government (external communication). 3. 1Internal communication:

A vital role that leaders play in enterprises is communicating the vision through the entire company in a manner that rises support and commitment. In order to realize the vision, people need to know what the desired state of the organization and how the organization is expected to get there. Leaders role consists of deciding when, how and whom the organization's vision should be communicated. Some companies for example decide to hold get-togethers to communicate the company's organizational purpose: vision, mission, values...

A good communication within an organization could be the result of: ? Choosing the assertive communication style for example which is the best way to communicate a message in an open, honest and direct manner.

The objective of assertive communication is to transmit the message in a constructive way and minimize negative effects of conflicts & foster mutually beneficial outcomes. ? Delivering a clear message using the 5 Ws to transmit the message clearly. ? Creating a suitable environment to open communication.

? Being a good listener to understand the receiver's attitudes, values and his level of understanding your message. To be good listener, a leader should be

proficient with words, comprehension and retention, take notes, and be motivated to listen. ? Looking for any hidden messages.

? Encouraging dialogue, allowing employee to feel free to speak up. ?

Selecting the most appropriate communication channel.

? Maintaining the simplicity of speech to ensure that the speech is understood. ? Avoiding the double discourse that is potentially open to more than one interpretation. ? Being honest.

3. 2 External communication:

An enterprise, when it communicates with a government authority and its community: other companies, its client or its customer is called external communication which could be reached through public relation channels such as TV advertisements, talk show appearances (radio, internet or TV), corporate sponsorship of events and media conferences and releases. Or customer relation channels like communication with an organization's internal & external customers. External communication helps the organization to keep its subcontracting agencies like distributors, suppliers, retailers and clientele well informed about the company's products, services, progress and goals. The information gets continuously updated and accurate. Organizations have to maintain friendly relationships with government authorities too. Such communication is completely absent in KTG, the regional office doesn't have any relationship with the external community and the regional government, as a leader this communication channel has to be developed in order to introduce the company to its wider community. The leader should meet with different customers for example to market the company services and discuss its strategic objectives, its

mission, vision and core values. Such discussions could help in setting the company's future goals and objectives.

CONCLUSION:

As a leader in the KTG regional office, its mission is to improve the performance of KTG regional office and lift the business capability and performance to the company average, I have to take several vital decisions in order to motivate and influence the company staff to believe first of all in the importance and realistic aspect of the change. Change should be planned, clear in both minds of the leaders and followers and should go through the phases that I explained above. The first step consists of setting the regional office's vision, mission and values meanwhile developing the strategic plan after scanning and conducting a deep analysis of the company micro and macro environment using the SWOT and PESTEL analysis for example, putting the strategy on action by driving it through the organization different levels after allocating the resources to meet the region objectives and finally evaluating the strategy and measuring the office performance using the balanced scorecard tool as an example. Adopting the best way to motivate and empower employees as one of the main asset within the organization. One way of doing this is using the total reward system. Implementing a new communication system to build a better relationship with the employees; effective communication is a key success factor to align individual goals towards the overall company's objectives. And the external stakeholders as the company's customers, suppliers, the social community and the regional government authorities that contributes to any company's success.

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