

Ob week 7

Business, Management



Week 7 Week 7 Leadership plays an important role in determining a group's success (Gibson, Ivancevich, Donnelly & Konopaske, . Trait theories of leadership focus on an individual's inherent qualities and characteristics. Many of them have been organized around the Big Five personality traits which include openness to experience, conscientiousness, extraversion, agreeableness, and neuroticism. Among all five traits, it has been found that effective leaders possess the quality of extraversion which allows them to assert themselves over groups (Robbins and Judge, 2013). Behavioral theories of leadership focus on the behavior of individuals, particularly if they could be trained to become leaders if they do not possess any specific leadership traits. Various independent factors come into play when determining leadership behavior, most notably a pro-target or considerate approach, both existing on extreme polar ends. Pro-target leaders are goal-oriented and emphasize on production and output where as considerate leaders may adopt a more democratic style of leadership. Innovation is a distinguishing attribute of a transformational leader who strives to create an environment that encourages individual growth and productivity thereby motivating individuals through availability of greater opportunities (Bass, 1991). Leaders who display consideration and the possession of specific traits have been identified as being effective (Robbins and Judge, 2013). Newer contingency or situational approaches towards leadership focus on the setting or the context of the leadership scenario which becomes significantly important when considering long-term success. Contingency theories may help better identify present and future leaders through indicators like decision-making, goal-orientation, follower readiness, leader-

member relationship, and so on.

2. According to the Leader-Member Exchange (LMX) theory, an exclusively low number of individuals forming an in-group receive disproportionately favored as compared to an out-group (Robbins and Judge, 2013). In order to become an in-group member and be treated differently, members must prove that they are reliable, skilled, and most importantly, trustworthy. Leaders tend to trust in-group members more with challenging assignments and projects that require additional skills. Most likely, the in-group members also have a greater chance of promotion due to their relationship with the leader. Maintenance of a good relationship depends largely upon trust and respect which is mutual. The classification of a member in an in-group impacts the way leaders engage with the members. Ultimately, this relationship may lead towards greater productivity and performance by in-group members due to their escalated levels of motivation. An assumption of the LMX theory is that all group members are equally trustworthy. By exhibiting certain characteristics members can become more trustworthy in the eyes of the leader thereby earning a place in the in-group. So, members can enter the in-group by showing that they are competent enough for large projects and can be trusted with work. Members who are reliable and possess the skills for tackling challenging tasks are at a better position to be trusted and hence, considered for entering the in-group. So, leader-member relationships are very important because time constraints motivate leaders to interact more with only a specific group of people in the in-group.

3. The late CEO of Apple Inc., Steve Jobs, has been a charismatic leader who is credited for turning around Apple with his desire for greater innovation

and creativity. After having left Apple when the Board of Directors decided against him, Jobs was brought back after the company's stock prices deteriorated. By the next year, Jobs was reinstated as the permanent CEO for Apple Inc. Ed Whitacre, the CEO of General Motors was brought to the company in 2007 when the world was facing a severe financial crisis. In particular, General Motors was working on government's bail and was on the verge of serious bankruptcy. However, Whitacre helped to turn things around as he managed to earn the company a large IPO of \$23.1 billion after which he left the company. John Mackey, the CEO of Whole Foods Market is an inspirational figure who currently leads a workforce of about 68,000 employees in total. Starting from a small vegetarian-food store based in Austin, Mackey grew his store to a large company called Whole Foods. Mackey's company operates in a quite decentralized manner with employees given the autonomy to be creative. Thus, Mackey's style of leadership and management reflects that of a transformational leader.

References

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