

# Management essays - leadership and management



## **Leadership and Management**

Leadership and management often remain confused as these two are mostly taken in one content. John Kotter who belongs to Harvard Business School classifies these two indifferent content, leadership as a part of management. According to him a single word management include different concept and leadership is one of its concept. Leadership actually means ability to influence other behaviours and acts in order to achieve a certain goal. In multi-national organization, leadership strategy is used by the managers as they want to lead their sub-ordinates to achieve that purpose for which the organization is made for. In any leader, confidence, motivation, better communication system, influencing others, decision making and goal setting characters are essentials as these are the major characters of any leader. The topic that the paper will cover is the leadership in McDonald within US and China. The paper aims to see the differences in leadership strategy used by US and China while particularly taking McDonald in consideration. This difference enables us to know different strategies these two countries have adopted. Moreover, the paper aims to describe the different leadership strategies used by these countries.

### **Leadership in McDonald by US**

The democracy in US is more than in China, the reason compromises that US have high political background and have high delegate authority. The political system of the US country favours the democracy and the top management do not love to involve in the issues rather they use to delegate the authorities to their sub-ordinates and much of the authority is in the

hand of middle and lower level managers. In US the individualism is preferred than the group working. US McDonald usually seek the Variety reduction in leadership, means that they use to remove the uncertainty by focusing on limited number of resources. This enables the US leader to control the poor performance of their subordinates. Moreover, the McDonald in US prefers to get experienced employees in their firm. The McDonald of US focus mainly on opportunities and less on problems and that is why the McDonald adopted diversification in US. The US manager working in China for McDonald are less ethnocentric rather the Chinese managers. The US manager believes on giving the authority form the top while giving the decision making and problem solving authority to the middle manager. The organizational process in US McDonald is that main authority is passed form the top while lower level mangers that directly interact with the customers solve the problems by them selves. They decide by themselves that how they have to treat people and what will be their next step in the future.

#### Leadership in McDonald by China

According to Charles W. L. Hill, Gareth R, Jones (2003) democracy trend in china is very low and that is the reason that leaders in china usually take care of their employees. In fact, China believes on high group orientation, where the leadership strategy works less rather team working is preferred more. We can say that in China paternalistic strategy work more in which the employees are considered as partners. Above all, the china though does not prefer leadership, but do not allow the MNE's of international firms to lead the china employees in their showroom and firm. McDonald working in China can not adopt leadership strategy to lead the Chinese employees in their

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country and thus found many problems. Chinese usually adopt the variety amplifier strategy in which the uncertainty increases as the Chinese manager usually seek different alternatives, evaluate them for their further future use. Chinese leaders are the problem seeker; they believe that solving different problems within the firm can reduce uncertainty and increases efficiency while seeking the opportunities. They believe that solving the existing problems while seeking the new opportunities is more important for the firm to work in the future. The individual behaviour in the McDonald working in China is different from that of USA. The individualism is not a belief of China rather they believe on group dynamics. The organizational behaviour in Chinese McDonald is basically depending on team working and on paternalistic in which a system works on define pattern. Authority and major decision are in the hand of top management, not believe on individualism rather work in teams or groups to solve different problems.

While working in US and China, McDonald faces different problems as what type of leadership strategy they must adopt in order to achieve the goals and objectives. A detail theory and concept is provided that will suggest that what type of strategies the firm must adopt to deal with this leadership in these two countries. The very first section deals with contingency design theory and the other section will deals with structuration theory.

### Contingency theory

Al Dunlap experience shows that different leadership strategies must be adopted by the firm when working at global level. The reason is that different countries culture and tradition highly affect the leadership in countries. Some

people do not love to lead while some people love to get supervision from the top to know that what should be their next step. Therefore, contingency theory suggests that different leadership strategies should be adopted according to the country type. In this contingency theory, different concepts and strategies are used and these will be the part of paper description.

### Fielder Model

According to fielder contingency model, the group performance can be made better if the proper matching of leader style and situation is gained by the leader. This is actually a proper matching between the leader style and type of situation. Different situations required different styles of leadership. For this the leadership style is required to be identified according to the situation. To know that what actually the style should be Fielder developed last preferred co-worker questioner. This questioner will help the leader to know that either their employees are task oriented or relationship oriented. Fielder develops a 16 pager questioner in which he ranked questions into two categories, task oriented and relationship oriented. These questioners are then circulated within the employees who then elaborate that what type of leadership strategies are required by the employees. Similarly the McDonald should adopt the similar way of questioner before operating in any country to know that what type of leadership strategy they want in the company, either want task oriented leadership or relationship oriented leadership. While working at global level, such mechanism won't work as the number of employees is huge and taking view of each employee at each region would not be possible by the McDonald.

Later fielder has developed three contingency dimensions which should be taken in consideration as these will define the key situational factors of any firm. These three contingency dimensions are given as

- Leader-member relations: this defines the relationship within the employees and their leaders. This dimension also shows the degree of confidence, respect and trust the members have on their leaders.
- Task structure: this dimension enables the leader to know that which job assignment should be structured and which should not be structured.
- Position power: this dimension describes the power of the leader such as power of hiring, firing, promoting and salary increase.

According to fielder view, the more the better relation within the leader and the employee, better will be the structure of an organization. The stronger the position of the leader in the firm, the more he/she will has control over the employees. In matching leaders and situations, the fielder proposed that task-oriented leaders can work better in situation in which the circumstances enhance the task orientated nature of the leaders. For instance fro task oriented leaders, a better structured and manages system will work better. Moreover, the more the power given to the task-oriented leaders, the more they can achieve their task efficiently and quickly.

Cognitive resource theory

Fielder with his co-worker Joe Garcia re-conceptualized the above mentioned theory and suggests a new theory that is named as cognitive resource theory. According to this theory, they two suggest that the stress actually

influence the situation and leadership quality but experience and intelligence can lower this stress that influences the leadership quality. Rationality actually affected by this stress because this affects the logical and analytical thinking of the leaders. But they also suggest that the intelligence and experience of the leaders can help them to minimize this stress. According to this concept they suggested three conclusions

- Directive behaviour result the good performance only when the high intelligence is linked with the low stress.
- In high-stress situation, the link between the job experience and performance become very positive and strong
- The intellectual abilities of the leaders when matched properly with the group performance, it leads to a low stress situation.

Hersey and Blanchard's situational theory

This theory was developed by Paul Hersey and Ken Blanchard and is named as situational leadership theory.

According to Stephen P. Robbins (2001) " Situation leadership is a contingency theory that focuses on the followers. Successful leadership is achieving by selecting the right leadership style, which Hersey and Blanchard argue is contingent on the level of followers, readiness." Book: (organizational behaviour, 9th edition) p. 322. The main emphasis is on focusing the followers and readiness. Focusing on followers means that actually the leadership style depend on the followers, what type of leadership style they want. Readiness means the willingness and ability of the followers and people to accomplish any task.

Hersey and Blanchard developed four leader behaviours that are from highly directive to highly laissez-faire. Whereas according to them the most effective behaviour always depends on the follower's ability and motivation. According to these two studies, when the followers are unable and unwilling, then task-oriented behaviour and leadership is required that lead such followers to accomplish different tasks. But on the other hand, when the followers are willing to do work and are able than the relationship based leadership would be a better choice. Taking McDonald in consideration, the Chinese employees are very able and willing to work hard; therefore, the relationship strategy would be a better choice for the McDonald chain in the china. Where as in US the McDonald has to seek the types of employees in different regions as not all the employees and followers in US are able and willing to work hard.

#### Leader-member exchange theory

According to this Fred Luthans (2001), leader usually under pressure form different in-group and out0group. In0group followers are those which are preferred by the leader more, they are more close to the leaders as these people are more efficient. With time, the leaders come to know that which of the followers are more efficient, have competencies and are more able than other. This helps the leaders to form the in-group and out-group formation. In in-group followers the relationship of the leaders are different than out-group. The leaders are more friendly and dependent on the in-group and have relationship leadership. Where as, with the out-group the leaders usually adopt the task-oriented leadership behaviour. These in-group people have personalities and are efficient to provide higher performance, more

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output and extra working rather out-group people. This differentiation of eladers helps the leader to adopt different leadership strategies with these followers. This situation is mostly seen in different organization. Therefore, it is advisable for the McDonald to adopt such behaviour in US but when working in China, such behaviour is not advisable as this work on equality and hypocrisy is what Chinese hates. Therefore, it is advisable for the McDonald to achieve the in-group and out-group strategy in US but working in china, the McDonald has to take care of their employees and must provide efficient relation with all employees.

### Path Goal Theory

Robert House path goal theory in contingency model provides an efficient way for the leaders. According to this theory, the leader must provide efficient assistant to the followers so that they can achieve the goals according to the firm objectives. The leaders must lead the followers efficiently to keep them on the track for achieving the particular goals. According to Robert House, there are four different styles of leadership that a leader must adopt

- Directive leaders: the strategy states that the leaders should direct their followers efficiently so that their sub-ordinates and followers can achieve the specified goals. They should provide them efficient schedule and guidelines to accomplish their tasks
- Supportive leader: according to this, the leaders must be supportive for their followers so that they can be friendly enough to support them at their difficulties.

- Participative leader: the leaders should take suggestions from the followers and sub-ordinates so that they together can make a better decision.
- Achievement -oriented leaders: these are the leaders that provide challenges to their followers and expect from them that they can provide the high level performance to these tasks.

According to Robert, environmental contingency factors and subordinates contingency factors affect on these four leadership styles. The leaders can adopt different leader's styles among these four styles according to the environmental factors and subordinated factors. The leader can choose different strategies among these according to the situation. A leader must have these styles that can be changed with time and situation.

This white paper suggest that the McDonald top management should also adopt this strategy in which different leadership styles can be adopted with time and situation while working in china and America.

#### Leader participate model

Philips Kotler (2003) argued that leader participate model describes that leader should participate in any problem and decision making when required. It is advisable that the leaders can provide a set of rules and followers should adopt these rules. While major problem solving and decision making must be given to the middle level and lower level managers. This is suitable for the top management. The top management of McDonald are advised that they can provide the set of rules but rest of decision making and problem solving authority should be given to the managers so that they can decide

accordingly. It is noticed that leaders are some time irrelevant in aiming decision making. Moreover, in globalization of firm, the top management can not understand the situation at each step and at each region.

### Structural theory

Peter Ferdinand Drucker (2007) stated that structural theory describe that what type of structure a firm must adopt while working at global level. Either too many hierarchies would be a better choice, or a flat organization. A simple organizational structure is better than a bureaucracy. Team working would a better choice or the centralized decision making would be the better choice.

Weber describes that when a firm working at global level than the bureaucracy would be the better choice. In bureaucracy, division of labour clearly defines rules and regulations and impersonal relation ship is used to from a clear structure. Therefore, McDonald is advised to adopt the bureaucracy structural model when it seeks that the employees are not able and unwilling to do work. In such situation bureaucracy is the better choice.

While working in China, it is preferable to adopt team working organizational structure in which the leadership strategy must be based on relation ship. Different teams should be made at each department and level that together work for the organization. A complete structure of the organization defines that how much power should be given to each employee, how the conflict will be solved and who will solve this, what will be the matrix of the organization.

## Conclusion

McDonald while working in China must consider their ethics and values and most adopt the strategies that they usually used. The firm while working in UIS or china should adopt leadership strategise according to the region in which they are working. The more they are according to the employees expectations, the more they will gain the satisfaction. The above mentioned four leader's styles must be adopted by their leaders in order to provide sufficient leaders qualities with change in time and situation. References

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