

The various leadership styles and theories



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1. Introduction:

This study focuses on the various leadership styles and theories developed over the years. In this report, an attempt has been made to study the leadership style of Willie Walsh, CEO of British Airways. The analysis highlights a number of limitations in his leadership and hence there is scope for improvement.

Company's success is purely based on the type of leadership it acquires. A good leader leads its organization towards its mission with this leadership skills and thinking power. According to Kouzes and Posner (2003), leadership is a reciprocal process between those who aspire to lead and those who choose to follow. They talk about the leader possessing the following ten commitments. (Kouzes and posner, 2003, p no. 22)

1. " Find your voice by clarifying your personal values.
2. Set the example by aligning actions with shared values
3. Envision the future by imagining exciting and ennobling possibilities
4. Enlist others in a common vision by appealing to shared aspirations
5. Search for opportunities by seeking innovative ways to change, grow and improve
6. Experiment and take risks by constantly generating small wins and learning from mistakes
7. Foster collaboration by promoting cooperative goals and building trust

8. Strengthen others by sharing power and discretion
 9. Recognize contribution by showing appreciation for individual excellence
 10. Celebrate the values and victories by creating a spirit of community".
- (Kouzes and posner, 2003, p no. 22)

British Airways: British Airways is the flag raising carrier airline of the United Kingdom. Its headquarters are located in Waterside near London Heathrow Airport and London Gatwick airport. BA is the largest airline in the UK based on the number of international flights, international destinations covered and the fleet size. BA celebrated its 90th anniversary on 25 August 2009 (1, [www. britishairways. com](http://www.britishairways.com), 2nd Dec 2009). Currently, the company is facing the toughest time in the history. BA is currently facing severe financial crises since inception and putting its best effort to overcome from this situation.

Willie Walsh: Willie Walsh is currently the CEO of British Airways. He succeeded Rod Eddington in May 2005 as Chief Executive Designated. He also holds a number of positions on Honorary Board Member of Flight Safety International, President of the Heathrow Branch of the Royal Aeronautical Society, an honorary Member of The Aviation Club and a Member of the Chartered Institute of Logistics and Transport (UK). (2, [www. bashares. com](http://www.bashares.com), 2nd Dec 2009)

Willie Walsh started as a pilot trainee at the age of 17 with Aer Lingus in 1979. He earned his degree from Dublin's Trinity College in Business Administration. He was promoted from the position of cadet to captain, and eventually turned himself to don a business suit by turning around the

airline's troubled Spanish charter operation, Futura. He was elected as Aer Lingus' chief operating officer in 2000 and then became CEO the year after (4, [www. businessweek. com](http://www.businessweek.com), 2nd Dec 2009). When Aer Lingus was making huge losses in 2000, Willie Walsh returned as the CEO of the company. He took a number of decisions which not only brought company back to profit but also establish as a leading airline company standing with rivals such as Ryanair and Easyjet. But soon after his departure, the company again went down.

2. Business Context:

British airways was started on 25th August 1919 with the forerunner company named Aircraft Transport and Travel Limited (AT&T), and launched a world's first daily international scheduled air service between London and Paris. British Airways went through a long time of reformation and finally a group was formed in 1974 named as British Airways (4, [www. britishairways. com](http://www.britishairways.com), 05 Dec 2009). Willie Walsh joined BA in Oct 2005 and company made good profits under him. However, BA was reported as having lost most luggages as compared to the other European airlines in the same year. In 2007, BA was involved in the fuel surcharge price fixing and BA was fined £270 million for the same. As a result, BA's image took a beating but in spite of this, BA saw profit of £875 million and achieved the long held goal of a 10% operating margin in 2008. He was offered a bonus for the same which he publically rejected.

In the current financial year, BA has reported loss of £358 millions. The graph shows the performance of BA's under Willie Walsh leadership (British Airways Annual reports, 2004-2009).

Currently BA is facing toughest time in the aviation history and being the CEO of the company, Willie is expected to lead the company out of this current situation as he had successfully done at Aer Lingus.

3. Literature Review:

Due to high rivalry in business, it is necessary for the companies to have effective leaders which can lead the organization successfully. There are various leadership theories which are developed over the years by different researchers. These theories are Contingency theory, Great Man theory, Trait theory and Michigan theory, Transformational and Transactional Theory. An attempt has been made to explain these theories.

Contingency Theory: This theory states that there is no best and ideal way to lead the organization since one best leading style is some time not effective “ in other situation. This theory is similar as the situational theory. “

Leadership effectiveness is dependent on the leader’s diagnosis and understanding of situational factors, followed by the adoption of the appropriate style to deal with each circumstance”. (Ogbonna and Lloyd, 2000, p. 767). Only difference is that view of contingency theory is much broader however, situational theory focus more on the behaviour that leader should adopt. The leader’s ability to lead does depend upon various situational factors and leader should adapt to the situation according to the organizational environment.

Trait Theory: This theory states that some people are born with traits and have certain innate qualities which differentiate them from other non-leaders. This theory is identified by Stogdill in 1974 and he identified traits

and skills as to critical leaders. According to (Stogdill, 1974), these qualities are perfectly suited for leadership. Following are the traits and skills identified by Stogdill.

- Adaptable to situations
- Alert to social environment
- Ambitious and achievement-orientated
- Assertive
- Cooperative
- Decisive
- Dependable
- Dominant (desire to influence others)
- Energetic (high activity level)
- Persistent
- Self-confident
- Tolerant of stress
- Willing to assume responsibility
- Clever (intelligent)
- Conceptually skilled
- Creative
- Diplomatic and tactful
- Fluent in speaking
- Knowledgeable about group task
- Organised (administrative ability)
- Persuasive
- Socially skilled

source: Stogdill (1974)

McCall and Lombardo (1983) have researched on both success and failure and have found following four primary traits for success or 'derail' of leaders:

- " Emotional stability and composure: Calm, confident and predictable, particularly when under stress" McCall and Lombardo (1983)
- " Admitting error: Owning up to mistakes, rather than putting energy into covering up" McCall and Lombardo (1983).
- " Good interpersonal skills: Able to communicate and persuade others without resort to negative or coercive tactics" McCall and Lombardo (1983).
- " Intellectual breadth: Able to understand a wide range of areas, rather than having a narrow (and narrow-minded) area of expertise" McCall and Lombardo (1983).

Great man Theory: Great man theory describes that the leaders are not made, they are born. It states that the leader will arise when there is need of them. The examples of the same are people like Jesus, Moses, Mohammed and the Buddha who had ability and charisma to motivate the people. They are adopted by the people without any interruption. These types of leaders are already having the power of being motivational and they know how to lead people.

Michigan Theory: According to Michigan studies conducted in 1950 in Michigan University, Leaders could be divided in to three types: (1) Task

oriented behaviour (2) Relationship Oriented Behaviour and (3) Participative Behaviour.

Task oriented behaviour- In this category; leaders concentrated more on arranging, dividing the work among their subordinates rather than making relations with them. They concentrated on the activities like planning, arranging resource and planning the tasks for their subordinates.

Relationship oriented behaviour- The leaders who fall into this category not only concentrated on the task to done but also on making relationship with their subordinates. They took interest in solving the personal matters and helped them to set goal for their career of their subordinates.

Participative leadership- The Participative leaders included their peers into their decisions like team members. These leaders are observed as good leaders and found facilitative rather than directive in solving problems. These kinds of leaders are more effective for teams instead of individuals.

Transformational and Transactional Leadership: Transactional leaders are known to be as 'instrumental' and regularly focus on exchange relationship with their peers (Bass and Avolio, 1993). Burns (1978) was the first who bring transformational and transactional theories in focus. This style of leadership is adopted by the leaders who want to see people working with full enthusiasm. The leaders who fall in this category motivate the employees and subordinates. These leaders are enthusiastic, energetic and they have a passion for their profession. They care about the people working under them and want them to succeed. However, according to Yukl (1999), Organizational processes get insufficient attention in most theories of

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transformational leadership. Transformational leaders seek to transform themselves and motivate the colleagues and work towards the changing the organizational culture in line with their vision (Bass, 1985). Whereas, Transactional leaders are argued to be visionary and enthusiastic, with an inherent ability to motivate subordinates (Bycio et al., 1995; Howell and Avolio, 1993) under this style of leadership, people are motivated by rewards and punishments depending on their performance. Transactional leader simply wants the people to take full responsibility of their work. If we compared transactional style to transformational style then it can be said that transformational style is selling style but transactional is the telling.

4. Critical Analysis

Willie Walsh has taken some decisions which lead the company to growth. He leads BA with his own decisions and he tries to turn the company on his own way. For example, he took decision to open T5 but this lead to complete havoc on the first day. His decisions made lead organization to pay for it. According to the contingency theory, a good Leader should adopt the situation and according to transformational theory, an ideal leader should accept the participation of the subordinates. Since Willie Walsh takes his decision alone, he falls into the category of transactional leader and according to our group study and analysis about Willie Walsh, he as adopted all characteristics of transactional style of leadership. He expects more from his subordinates and tries to take the decision on his own and he don't involve his sub ordinate into his decisions in odd situations. He makes them work with rewards and punishments.

Despite of that, It doesn't mean that Willie Walsh is a bad leader or is a type of leader that a organization should not have. According to the trait theory, Willie Walsh has some traits and skills which a leader should have. E. g. he is always alert about social environment, he is ambitious and achievement oriented, he is assertive, decisive, dominant, energetic, self-confident and tolerant of stress. With this, he has got the some skills which a leader should have. E. g. he is clever, intelligent, creative, diplomatic fluent in speaking, socially skilled. This make is as an exception of the leaders.

As per our observation, Willie Walsh is leading the organization with his transactional style. It has been observed that the transactional leadership doesn't work for long time. It is true that Willie Walsh made Aer Lingus from loss making air lines to as most profitable air lines in only one year with his style and own made decisions but if we see the annual data of the Aer Lingus then it clearly shows that Aer Lingus didn't make that profit in continues years. By cutting the cost, job cuts, selling company core assets and making the air line a low cost air line would be the best way to make it profit at that moment but it didn't last for long time. Below is given a chart for data for Aer Lingus as evidence (Aer Lingus Annual reports, 2000-2006).

Figure 2: Performance graph of Aer Lingus from 2004 to 2009 (data taken from Aer Lingus Annual reports, 2000-2006)

It is clear that Aer Lingus made profit in 2002 and 2003 but after that it made very low profit in 2004.

5. Conclusion:

To conclude the whole discussion, I would like to say that Willie Walsh's working style is a mixture of various leadership styles and there is not such way to explain this type of style. Sometime his decisions take the company on the top but sometimes company has to pay for that. He has the ability to take British Airways to overcome the loss it is currently making. Currently his style of leadership is autocratic who does not involve others into his decision and he believe on himself. Willie Walsh currently has an autocratic image in public and known to be as Darth Vader. He needs to change his leadership style and way of working. We see a good and charismatic leader in him but he needs to improve himself so his sub ordinate can support him in order to make the British Airways success. He needs to bring all other employees into the consideration so that decisions can be made by involvement of all the employees.

He took some decision to make the company profit by selling old assets and making Aer Lingus a low cost flight, but it has been observed that that success was for a short span of time. After some time Aer Lingus went into the loss. His decision not always make profit for the organization, sometime company has to pay for his transactional decision. We see sometime leader who takes the harsh decisions can be the good leader but those are successful in some particular cases only. Willie Walsh also falls into this category since he had made Aer Lingus a profitable organization in the past. But this style is not relevant for all kind of situations. He has to adopt the style of situational leader or transformational leader in order to tackle the current situation in British Airways. He needs to change himself according to

the required situation. Currently British Airways needs a leader or a leadership style that can bring whole company together and take to the peak of success. In my point of view, an ideal leader is the one who know how to make all of his subordinate work together and how to make the company making success.

According to me, Willie Walsh needs to change himself to understand the emotions of his peers so that a good and brave decision can be implemented to make the British Airways success.

6. Reflections:

If I Compare Willie Walsh with my previous manager then there is very much difference in the working style of leadership which both acquire. My previous manager's style of leadership is a mixture of transformational and situational leadership. He changes himself according to the situation then makes wise decisions to make the team success. Willie Walsh does not involve his subordinates into his decisions, whereas, my previous leader used to involve his entire subordinates into his decision through team meetings. There was a very transparent working hierarchy in the team and organization I worked for.

His way of treating the team members amazing and he used to communicate with them in a regular interval of time. He is a situational leader since he proved this by taking some decision according to the situation to make success and those decisions were proved to be the best decision sometimes. He always involved his colleagues by meeting with them and arrange meeting for project discussion. My previous company has many centers in

India and sometime employees have to work from different locations. In that case also he used to arrange the meeting over voip calls so that we can bring our views in his notice.

My previous manager has some qualities of charismatic leaders and he always comes in to public to confess his mistake. He was a strong and brave manager like Willie Walsh and he took his decisions without any fear like Willie Walsh but leadership style of both very different.

In this study I understand how leadership styles changes leader to leader and organization to organization. I understand that the leader will play a very important role in making a organization success and if leader is ready to change then it is possible to take a company from feet to the peak of success.

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