

# Effectively exercise leadership functions



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According to Adair a leader needs to exhibit certain attributes/qualities/characteristics in order to effectively exercise their leadership functions. These are:

Group Influence – a leader must generate willingness to achieve desired goal or objective.

Command – a leader must decide upon a course of action as quickly as the situation demands and to carry through with a firmness and strength of purpose.

Coolness – a leader must remain composed under testing or trying conditions.

Judgment – a leader must possess the ability to arrange available resources and information in a systematic and commonsense way to produce effective results.

Application/ Responsibility – a leader must demonstrate sustained effort combined with a degree of dependability in order to complete a task or achieve an objective (Kermally 2005).

Although leadership trait theories are popular, it is viewed by many as very simplistic. There are those that argue that trait theories attribute the success of leadership solely to his or her personality and physical traits or characteristics without regard to the situational context. The trait approach is considered too simplistic as an explanation of the complex leadership phenomenon.

## Transformational Leadership Theory

One of the most popular theories of leadership is Transformational Leadership theory, which was the focus of the works done by Bennis and Nanus (1985), Tichy and Devanna (1986) and Kouzes and Posner (1987). These writers were interested in leaders involved in major changes, operating from the top of the organization. All three pairs utilized relatively small, nonsystematic and non-representative sampling. Evidence has accumulated that transformational leadership can move followers to exceed expected performance.

Tesco is considered as the most successful retail company in the United Kingdom. The success of Tesco was heralded by the appointment of Terry Leahy as the Chief Executive Officer. Leahy is considered as a visionary leader who led the company into a series of organizational changes that aimed for the company to become more customer-focused and to develop the company's workforce. Terry Leahy is revered as an excellent leader. Leahy was reported to say that he believes that the success of a leader depends upon maintaining a happy workforce. According to him, there are four things that a leader must provide to his workers and followers to satisfy and motivate them. These are:

- v A job that is interesting to do
- v A chance to get on in life
- v To be treated with respect
- v A boss who is some help and not their biggest problem

## Leadership Model: Bases of Power

One of the most popular models of leadership is bases of power. The five bases of power model was introduced by French and Raven in 1959. There are basically two groups of power bases according to French and Raven (1959). These are personal (expert and referent) and position (legitimate, reward and coercive). The French-Raven model attempts to answer the question: What is it that gives an organization, group or individual influence over others (Shannon, 1996).

Coercive power – this refers to the idea that power can be wielded in a manner that creates fear.

Reward power – this is the ability to control rewards or positive reinforcers within an organization.

Expert power – this is power that stems from the leader's possession of special knowledge or expertise.

Legitimate power – this power stems from the leader's position that gives him or her right to exercise power.

Referent power – this power stems from the subordinates' respect, liking or a feeling that the leader can provide psychological rewards or advancement.

Among the five bases of power, there are three bases in which the success of Terry Leahy's leadership is founded. These are legitimate power, expert power and referent power. Legitimate power stems from an individual's position within an organization and their right to require and demand

compliance from subordinate. Legitimate power is a formal authority delegated to the holder of the position. Legitimate power was achieved by Leahy when he ascended as the CEO of Tesco. Through his position, he is able to lead the company's people. Expert power may include communications, interpersonal skills, scientific knowledge and so on. Such expertise is very valuable but specific to a task. It is based on the perception of the leader's ownership of distinct superior knowledge, expertise, ability or skill. Terry Leahy immediately joined Tesco straight after graduating from the University of Manchester Institute of Science and Technology (UMIST) in 1979. He entered the supermarket chain as a marketing executive, was appointed to Tesco's board of directors in 1992 and by the time he was 40 he had worked his way up to become chief executive in 1997. His wide experience in the company makes him very knowledgeable of the company, its customers, and its operations. His years of experience in the company makes him a possessor of valuable knowledge of the company, its operations, customers and industry. Referent power is based on group member's identification with, attraction to, or respect for the leader. It is a leader's charisma and interpersonal skills which causes subordinates to gain a sense of intrinsic personal satisfaction from the identification of being an accepted follower. Leahy is a very popular leader among his follower. This is because he motivates them and constantly empowers them. He is also charismatic.

#### Leadership Model: Action-Centered Leadership

John Adair is one of the most influential leadership gurus. He became the world's first Professor of Leadership Studies at the University of Surrey and is

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regularly cited as one of the world's most influential contributors to leadership development and understanding. Adair's leadership work is written in a hugely rich, detailed and insightful manner that reflects his string academic interest in both modern and classical history. Adair is most famous for his ' Action Centred Leadership' (ACL) model of leadership. The ACL model is represented by three interlocking circles encompassing the following:

1. Achieving the task
2. Building and maintaining the team
3. Developing the individual (Thomas 2005).

Two of the main strengths of Adair's concept are that it is timeless and not culture or situation-dependent. A third strength of Action-Centered Leadership is that it can help the leader to identify which dimension of the organization or team needs to be strengthened in order to achieve its goals (Kermally 2005). One major criticism of Action-Centred Leadership is that it takes little account of the flat structures that are now generally advocated as the best organizational form. Action-Centred Leadership is also criticized for being ' authoritarian', applicable in a rigid, formal, military-type environment, but less relevant to the modern workplace, where the leadership emphasis is on leading change, empowering, enabling, managing knowledge and fostering innovation (Chartered Management Institute 2003). Perhaps one of the weaknesses that the critics of the Action-Centred Leadership is that it does not fit the modern organizations. Action-Centred

Leadership tends to focus on the hierarchical structure of the organization. It is applicable in organizations that are highly authoritarian.

### Impacts of Leadership Styles on the Organization and Its Sub-Units

Leadership style according to Rosen (1989) refers to the characteristic pattern exhibited by a leader on the process of decision-making and exercising authority. There are two types of leadership that I want to discuss. These are autocratic and participative leaderships. In an autocratic style of leadership, the group or organization is managed under the authoritarian leader. The participative leader on the other hand, possesses the same power as the autocratic one. However, a participative leader chooses to exercise his power differently during the policy-making and work-role assignment phases of the group action.

The appointment of Terry Leahy as the CEO of Tesco marked a new era for the company. Leahy adapted a participative style of leadership wherein the employees are given voice in the decision-making process. The CEO also gives emphasis on the importance of appointing many leaders to handle organizational process. The organizational structure therefore became more flat where the roles and responsibilities of everyone are clearly stated. Leahy delegates leadership roles to individuals in the organization in order to ensure that the company, with more than 300, 000 employees, operates effectively. The leadership style that is manifested by Terry Leahy and is imitated by the leaders in the company has changed the structure of the company. The company has adapted an organic form of organization. An organic system is characterized by low to moderate use of formal rules and regulations, decentralized and shared decision making, broadly defined job

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responsibilities, and a flexible authority structure with fewer levels in the hierarchy. An organic structure is more appropriate to those organizations where there is a need to be innovative. The pressure of innovation suggests a structure that can respond to environmental variations rapidly so it is necessarily loosely defined and flexible. The organization tends not to be formalized nor are roles too closely structured (Salaman 2001, p. 106). Organic organizations are stratified primarily in terms of expertise, and leadership accrues to those who are the best informed and capable. There is much more commitment to the organization, with the result that formal and informal systems become indistinguishable. A framework of values and beliefs, much like those characterizing a profession, develops that becomes an effective substitute for formal hierarchy (Miner 2002, p. 449). The company has adapted a simpler and flatter organizational structure.

## Task 2: Current and Future Requirements

### Current Requirements

In order to remain successful in today's highly competitive business environment, many organizations are coming up with strategies to tap the full potential of their human resources. A company's people can be a source of competitive advantage. This is philosophy behind employee empowerment and participative management. Employees are now seen as partners. Because of this, organizations are giving more power and responsibilities to their people. Employee empowerment and participative management will increase productivity, give rise to better decisions, improve employee morale and job satisfaction, elicit greater commitment among



employees, encourage flexibility, make employees adapt to changes faster, improve communication and increase employee trust.

One of the current requirements of leadership in Tesco is the development of participative management skills in leaders. The leaders at Tesco need to possess the necessary skills in order for them to practice participative leadership properly. The skills that the leaders must possess are:

1. Interest and concern
2. Communication
3. Conflict resolution
4. Negotiation
5. Compromise
6. Synergy
7. Flexibility

Participative leadership is a leadership style which involves members of a group, sub-unit or organization identifying essential goals and developing procedures or strategies to reach those goals. Implementing participative management will also help the company to develop people in the organization to become leaders. Through participative management, people in the organization are encouraged to take part in decision-making, express their ideas and to showcase their talents and skills. The discovery of hidden talents and skills will not only help the group, sub-unit or organization reach

their goals it will also alert the organization to people within the organization who have the potential to become leaders.

### Future Requirements

One famous contemporary writer on leadership is Warren Bennis (1994). He believes that a leader must have a direction, he must earn the trust of his followers, he must kindle hope and optimism, and he must be results-driven. On the other hand, James M. Kouzes and Barry Z. Posner (1987) believes that a leader must seek to challenge and improve the process, inspire a share vision, enable other to act, act as s role-model, and encourage the heart of the followers. The future leader must not only focus of achieving the task. He must also learn to develop his people. He needs to learn the value of motivation. The future leader must know how to motivate using monetary rewards and he must also use psychological and emotional rewards to motivate his people. The future leader must find the balance between task-orientation and relationship-orientation. On the one hand, he needs to lead his people in achieving their shared goals and objectives and on the other hand, he must be able to build strong relationships with the people around him. The importance of emotions must also be recognized.

### Task 3: Proposals for the Development of Leadership

#### 1. On-the-Job Learning

The company must recognize that the primary place for leaders to learn is on the job and on the line. In order to the company to help leaders learn within the organization, educational facilities must be established inside the organization. The company needs to appoint educators that will educate and <https://assignbuster.com/effectively-exercise-leadership-functions/>

develop leaders in various countries and places where Tesco is operating. The organization must institute a Corporate Education department that will be under the HRM department. Within the Corporate Education, a Business Leadership Development (BLD) must be established. This group will focus on executive development and overall leadership development, and it will also be responsible for all training specific to leadership. Business Leadership Development should be used to come up with systematic ways to build the capabilities of Tesco's business leaders. The emphasis of the BLD process must be to provide development opportunities at key transition points in individuals' careers. To accomplish this goal, a curriculum must be designed and must be operate under the following principles:

Based on real problems and strategic initiatives

Linked to business objectives and company values

Segmented by customer needs

Sponsored by CEO and senior executives

Comprised of global content and delivered worldwide

Based on validated competencies for success

## 2. Leader Sponsorship

Another strategy to effectively develop leaders is through sponsorship.

Through sponsorship, senior executives in Tesco will sponsor and will actively participate in leadership development. Example of leader sponsorship activities are involvement of senior executives in management

conferences and facilitating dialogue sessions after a leadership development program. Senior executives can also facilitate panel discussions. Through sponsorship, Tesco's successful leaders will be able to share and to instil the characteristics, skills and attributes of effective leaders to the future generation of leaders.

### 3. Leadership Development and Review

In order to identify, evaluate, and develop future leaders, Tesco needs to come up with a list of competencies that is needed to become an effective Tesco leader. These competencies can be used as criteria in leadership development. These criteria will also be helpful in providing content for the leadership and management assessment processes, through activities like self-assessment, multi-score feedback, and assessment simulations. They will help identify and qualify external executive development resources.

### 4. Corporate Universities

It is important for Tesco to realize that their most important assets are human capital and the know-how that reside in the minds of the employees. With this realization, the company needs to establish a corporate university. A corporate university links employee learning to overall company strategy, and as a result a corporate university will become a connective tissue for the organization.

### 5. Developing Emotional Intelligence among Leaders

One important development area which must be focused on is emotional intelligence. Future successful leaders need to recognize and learn to

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influence the emotions of the people around them. An effective leader must have a high level of Emotional Intelligence. Dubrin et al (2006) identifies five factors of emotional intelligence. These are:

1. Self-awareness – the leader of the future must be able to understand his or her emotions and how these affect other people.
2. Self-regulation – the leader of the future must be able control his emotions and react with appropriate emotion in every given situation.
3. Motivation – money or status is not the only motivating factor for a successful leader in the future. He finds fulfillment and satisfaction in performing his tasks.
4. Empathy – the leader of the future responds to the unspoken feelings of others.
5. Social skills – having effective social skills is important. The leader of the future must build relationships and networks of support. He must build positive relationships with the people around him or her.”