

Semester “Fall 2011”

“Organization Behavior(MGT 502)”

Solution Assignment No. 02

“Leadership”

Mr. Ali is a CEO at AL-FLAH international, an electronics manufacturing industry. Two years earlier this organization had to go through very difficult phase. One of its competitors adopted innovative technology and captured a huge market share of AL-FLAH international while AL-FLAH was operating on its previous old methods of manufacturing. Higher management tried to change its processes by adopting new technologies but it was a huge failure as employees did not support that system. Top level management was unable to control this downfall in company's profits resultantly the overall condition at organization became worse. At that time Mr. Ali was hired as CEO. He had a working experience of 20 years in the same field and had a good rapport among business blocks. He was famous for changing losses into profits. New entrants in this field idealized him and tried to follow his ways. After his joining, the very first task he did was to raise the awareness of people regarding certain rewards and the ways to achieve them. He made people look beyond their self interests and helped them in understanding the need for change both emotionally and intellectually. He adopted a long-range perspective to resolve current organizational issues. The higher management was very hopeful that with his leadership qualities he would be able to bring AL-FLAH international at the top place soon.

Looking at the above scenario, answer the questions below:

Question No.1:

Which power bases became the reason of his selection as CEO by top level management?

Explain. (15 marks)

Answer:

The Power bases that became the reason of his selection as CEO were:

- Expert power
- Referent power

Question No. 2:

Which leadership style Mr. Ali has exhibited (Transactional or transformational)? Do you think his leadership style and power bases are interrelated? Give logical reasons to support you answer. (15 marks)

Answer:

In the given scenario Mr. Ali has exhibited transformational leadership style. A transformational leader is expected to move a firm from a crisis mode to high grounds. Power bases and leadership are interrelated as transactional leadership is more related to legitimate power while transformational leadership is more related to personal power.

Transformational leadership is depicted as the influence a leader acquires through being admired and respected by group members. Leaders who behave in transformational manner show positive correlation with referent power.

Note: **This solution is a general guideline; students' answer can be different.**