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## Table of Contents

Introduction.....	3
1. Organization’s leadership practices adopted by the leaders of the organization .....	3
2. Critical analysis of the leadership practices adopted by the leaders of the organization.....	7
3. New Leadership Style Proposal .....	10
a. Evaluation of the existing leadership style and its importance on the future aspects of the company .....	11
b. Influence of the chosen leadership .....	14
c. Better communication to utilize technologies .....	15
d. Summary of the existing network and its outcome on the future aspects .....	16
Conclusion .....	17
Reference list .....	18

## **Introduction**

Leadership initiatives within an organization play a pivotal role in elevating sales and revenue generation. Effective leadership is essential for guiding the organization toward expansion and prosperity. Employing an effective leadership approach and style can enhance staff motivation and performance, ultimately leading to increased overall productivity. By utilizing various leadership philosophies and strategies, a company can improve its strategies, policies, and decision-making processes to achieve predefined goals. A successful leader must identify optimal leadership practices and styles to engage the workforce and rally them toward common objectives. Additionally, effective leadership techniques can foster a safe and ethical workplace culture, facilitating improved communication and resource allocation across different departments and teams.

### **1. Organization's leadership practices adopted by the leaders of the organization**

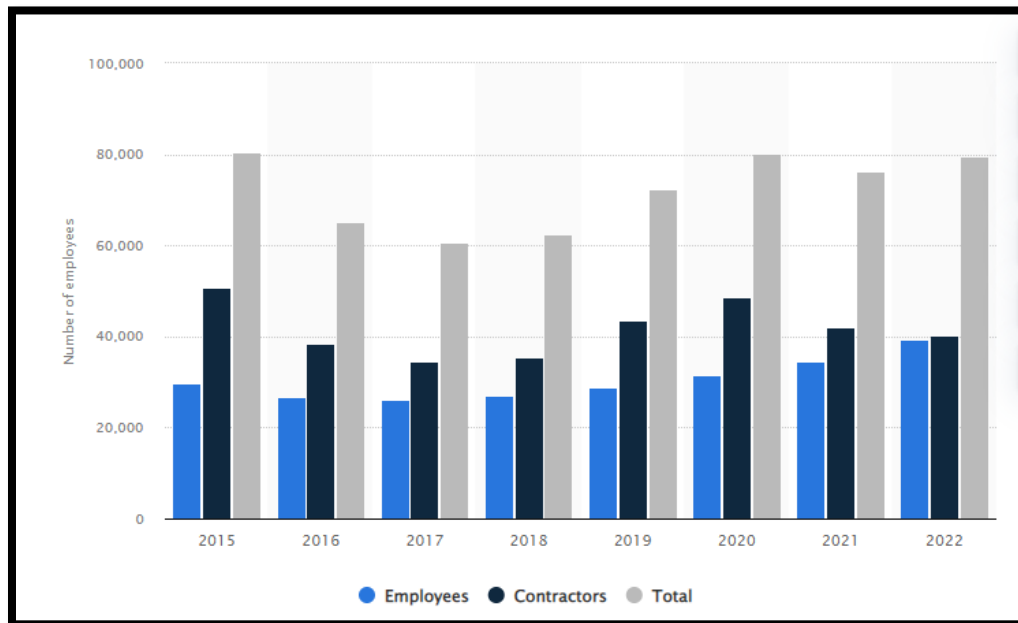
To effectively drive the workforce towards achieving daily tasks and long-term strategic goals, a company must adopt effective leadership practices. Atrizka & Pratama (2022) assert that several essential organizational leadership practices are vital for effective leadership, guiding the business towards growth and success. Organizational leaders must integrate their business acumen with their roles within the organization to become visionary leaders capable of setting future goals and objectives. However, determining which leadership techniques and approaches best align with the business's aims and objectives can be challenging.

As per Williams' theories from 2021, leaders are responsible for ensuring that practices and strategies enhance their decision-making capacity, considering the organization's nature.

Implementing such practices and strategies necessitates strong leadership qualities to guide and motivate staff towards a shared goal, ultimately boosting individual performance, productivity, and team efficiency.

The BHP group is renowned for its successful leadership philosophies that have transformed the business into a thriving enterprise. According to research by Onyeador, Hudson, and Lewis Jr., their leadership style focuses on improving fundamental aspects of the organization through problem-solving, decision-making policies, effective communication channels, enhanced employee relations, and team-building activities. The organization's executives embrace a democratic leadership philosophy, which has upheld these standards. A key aspect of democratic leadership is encouraging participation and involving department heads and managers in the decision-making process to consider all relevant factors influencing the organization's decisions. According to Paais & Pattiruhu's (2020) theories, this leadership style allows the organization to incorporate the perspectives and ideas of every department, fostering participation in decision-making. Moreover, a democratic leadership style creates a productive and healthy environment, leading to increased production and employee retention rates.

The democratic leadership style's objective is to promote involvement and collaboration within the organization, fostering a culture of cooperation that encourages knowledge exchange between management and employees. It also supports team-building efforts and stimulates creativity to enhance organizational performance. Additionally, it enhances employee commitment and morale (Oreg & Berson, 2019). However, this leadership style can be time-consuming due to the need to make decisions and follow procedures based on the input of all managers



**Figure 1: The N of employees in BHP**

The provided graph, sourced from Statista.com in 2022, illustrates the growth of specific employees within the BHP group, a testament to the company's robust leadership practices. In recent years, the company has achieved a remarkably high employee retention rate, currently employing over 79,471 individuals globally. The organization's leadership style empowers its executives to grasp the fundamental...

To cultivate an ethical and integrity-driven work environment within an organization, both businesses and employees must meet specific requirements. This commitment enhances the company's strategic plans and policies, contributing to increased sales and revenue. According to Kivipld, Türk, and Kivipld (2020), effective leadership practices should also focus on identifying and integrating cutting-edge technology into operations, enabling cost reduction and profit increase. These are typical procedures integrated into the organization's robust leadership techniques.

Moreover, the organization's leaders employ transformational leadership techniques to reinforce effective

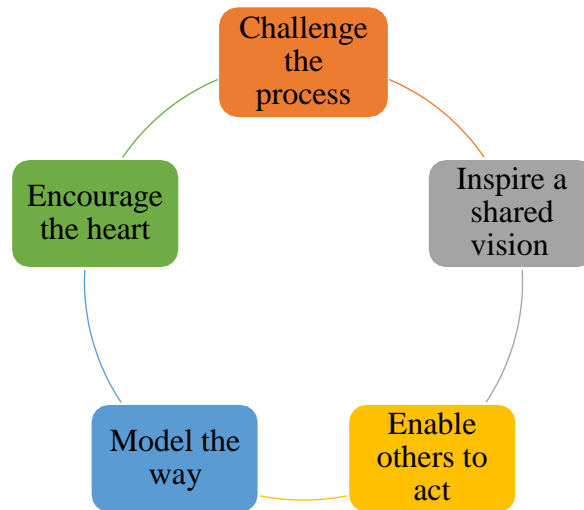
practices and strategies, directing the organization's focus towards core decision-making and the adoption of innovative technological approaches to achieve its goals. This addresses the limitations of the democratic leadership style. As highlighted by Dhar & Mutalib (2020), the transformational leadership style empowers leaders to influence their workforce and employ tactics that motivate and inspire them to enhance productivity and performance. It enables executives to create a vision rooted in the challenges faced by various divisions within the company, motivating and influencing employees to work toward shared goals. The primary objective of transformational leadership is to encourage staff to devise fresh approaches and plans to achieve their objectives, fostering an environment where team members are empowered and inspired to embrace innovative problem-solving approaches

## **2. Critical analysis of the leadership practices adopted by the leaders of the.**

1. Organization Every organization's leaders should consistently strive to enhance sales and profitability through their leadership practices. As suggested by Newstead et al. (2020), effective leadership requires a set of strong qualities that enable leaders to adopt productive practices and winning strategies, ultimately driving the organization toward success. The executives at BHP Group have embraced a democratic leadership approach, which, like any leadership style, comes with its advantages and disadvantages, impacting the organization's operations and activities. The company's objectives and character play a pivotal role in determining the most suitable leadership style to adopt.

By implementing the democratic approach, the organization has fostered improved interactions with its workforce, empowering leaders to influence and guide the company toward shared objectives. This has cultivated a positive workplace culture and atmosphere. Under democratic governance, the business achieved an impressive estimated profit of \$137.97 billion in 2021 (Statista.com, 2021), solidifying its position among the world's top mining companies.

While pursuing profitability, businesses must also prioritize effective relationship-building with their employees. Embracing democratic leadership ensures that every individual's opinions and ideas are valued, contributing to a high employee retention rate. According to research by Sunarsi et al. (2020), it fosters a welcoming atmosphere within the organization. Encouraging strong relationships among team members is essential for businesses, enabling collaboration and the generation of fresh ideas and approaches for achieving daily objectives more effectively. Prioritizing team development is a fundamental aspect of effective leadership. Furthermore, it empowers and motivates employees to express their thoughts and ideas, ultimately enhancing productivity and teamwork



**Figure 2: Leadership practices and policies**

. Despite the numerous advantages associated with a democratic leadership style, there are certain drawbacks that can occasionally impede daily operations and the company's revenue generation. As noted by Waruwu et al. (2020), this leadership style tends to result in a slower decision-making process due to the need to consider various factors and input from leaders across different organizational units. This may impact actions and policies that require swift responses. Additionally, employees may not always perform at their full potential, affecting both their individual performance and overall productivity. The added effort required of leaders to analyze and evaluate ideas and perspectives from different departments can sometimes be overwhelming. To overcome the limitations of such a leadership style, organizational leaders must adopt appropriate strategies and practices rooted in a new leadership approach while preserving its benefits. The methods and techniques employed by leaders to enhance the company's sales and profitability are closely linked to their chosen leadership style.

To extract the best possible performance from their workforce, organizational leaders also have the option of employing transformational leadership. The primary objectives of this leadership approach include motivating employees and reshaping their attitudes toward performance-based



incentives and consequences. According to Oreg & Berson's theories (2019), leaders in this style are primarily responsible for inspiring employees to deliver their best work.

Transformational leadership, as practiced by BHP Group's leaders, helps them fulfill their responsibilities effectively, enabling employees to reach their highest potential. By employing transformational leadership, leaders can earn the respect, loyalty, and trust of their workforce, motivating employees to put in more effort and contributing to a high customer retention rate. This leadership style also provides opportunities for performance-based promotions, bonuses, and salary increases, with subpar performance potentially impacting an employee's standing within the organization. The central tenet of transformational leadership is to elevate employee performance to its zenith.

Furthermore, transformational leadership strives to inspire the workforce to follow leaders in achieving the company's shared objectives. This leadership style empowers organizational leaders to set clear goals and objectives for the company. Other practices and strategies involve motivating employees to deliver their utmost performance and productivity, ultimately leading to increased sales and profits. By influencing and guiding the organization toward the achievement of common goals, leaders drive the company forward. Additionally, it motivates employees to go above and beyond their regular duties in pursuit of greater success and recognition within the organization. This type of leadership is recognized for encouraging organizations to act in their best interests to advance the greater good and prosperity. However, there are also certain drawbacks associated with this leadership approach.

One potential downside is that it tends to emphasize the bigger picture, sometimes neglecting objectives that motivate employees to fulfill their tasks and responsibilities. Additionally, when employees are consistently asked to perform beyond their capabilities, it can lead to feelings of being overworked. Therefore, businesses must take these negative aspects of the leadership

style into account and implement strategies to address them effectively.

### **3. New Leadership Style Proposal**

BHP, an Australian mining company headquartered in Melbourne, operates within a unique dual listing system structure. This structure provides the organization with valuable insights into management changes, staff behaviors, and its customer base. BHP is the result of a joint venture between two renowned corporations from the UK and Australia: the London Stock Exchange (LSE) and the Australian Securities Exchange (ASX). These two entities have merged to form the new BHP, an Australian mining corporation. The merger between such large organizations from different regions presents several challenges, both in terms of the client base and the workforce.

BHP, as a mining-related business, employs various resources to acquire metals, ores, and minerals from the market. This approach was chosen during the company's most recent merger, as highlighted by Da Veiga et al. (2020). While it has disrupted many existing policies, this new strategy has enabled the company to generate substantial profits. The previous organizations had utilized these policies to secure a range of market resources. However, the existing regulations had several shortcomings and bottlenecks that hindered significant earnings. To boost earnings, BHP had to make adjustments to its existing policy framework. Consequently, the company has introduced new policies aimed at fostering market growth and attracting clients. These changes were imperative as the business transitioned into a new phase involving the merger of two sizable yet unrelated organizations with shared objectives.

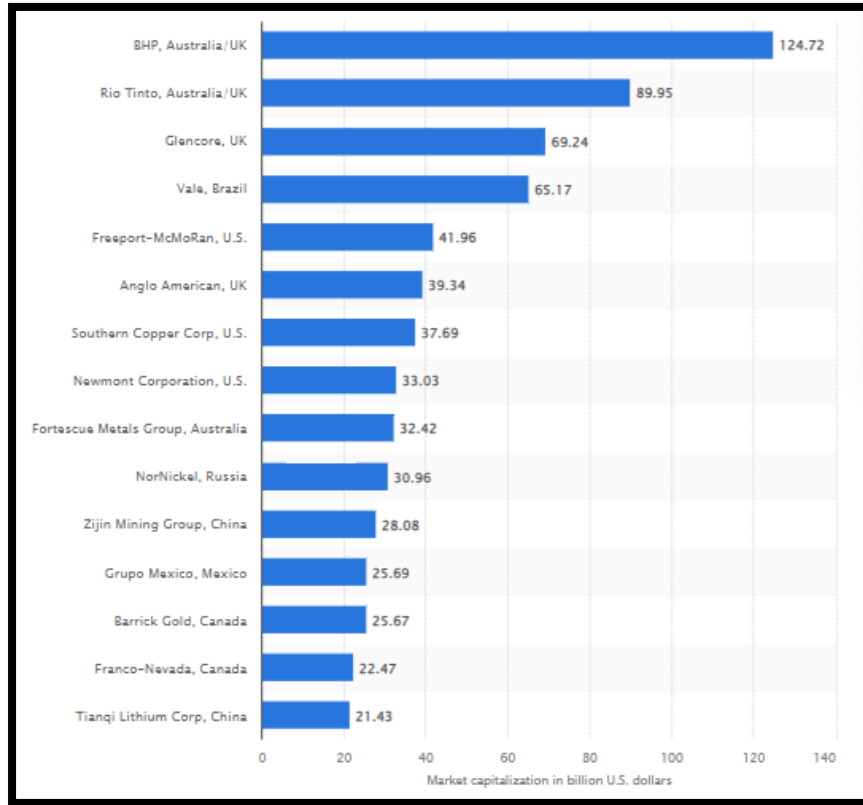
This study delves into various aspects of the adopted policies and explores the new leadership approach and its impact on the organization. It assesses the current policies and evaluates the significance of the chosen leadership style in relation to these policies. Furthermore, the study thoroughly discusses the

influence of the leadership style on the company's overall profitability (Kory & Kanne, 2020)

**a. Evaluation of the existing leadership style and its importance on the future aspects of the company**

BHP, previously a privately held company, underwent a significant transformation in its leadership style following the merger of two major corporations from Australia and the UK. The organization has transitioned to a democratic leadership style, which represents a departure from its previous leadership culture. Despite differences in their respective approaches to resource allocation, the Australian and UK giants joined forces with a shared objective of achieving sustained growth in the company. They have implemented measures to reconcile divergent viewpoints in pursuit of this common goal. As noted by Alzoubi & Ahmed (2019), these structural changes have granted the organization greater flexibility and ushered in a new era of democratic leadership.

This shift in leadership has had a positive impact on the company's overall performance, contributing to its prominent position in the mining industry. The newfound flexibility in the management system has allowed BHP to align its objectives with consumer needs, a strategy that has proven profitable and has increased the company's market capitalization. Following the merger in 2001, BHP experienced exponential revenue growth. According to statistics from Statista.com, the company's revenue collection in 2021 surpassed the previous record set in 2008 by an impressive \$60.8 billion, with the previous high in 2008 being \$59 billion. As highlighted by Schiuma et al. (2022), the "democratic leadership style" has fostered a positive work environment and strengthened internal relationships within the organization. This positive work environment enhances employee morale, contributing to BHP's reputation for being a trusted and reputable employer in the marketplace. A strong reputation is essential for securing a significant market share and generating substantial profits.



**Figure 3: Worldwide leading mining companies**

**(Source: Statista.com, 2022)**

The evidence presented makes it abundantly clear that the company's management system plays a pivotal role in its success within the global mining sector. The adoption of a democratic leadership approach is indispensable for BHP to maintain its position at the forefront of the global mining industry. As emphasized by Kory & Kanne (2020), establishing a strong working relationship between leadership and the workforce is crucial for achieving a prominent presence in the market. This leadership style is of paramount importance for the organization's future success in the industry.

While the company has experienced some minor setbacks, primarily due to technical improvements, it is imperative to scrutinize and address these losses to ensure sustained growth in the future. BHP's

commitment to refining its operations and adapting to changes will be instrumental in overcoming these challenges and maintaining its leadership position in the mining sector

### **b. Influence of the chosen leadership**

The organization recognizes the need to make certain adjustments to its current policies in light of recent technological advancements. These changes are essential to ensure that the organization remains adaptable and can effectively integrate technology into its operations, as highlighted by Lloyd & Payne (2019).

Under the new leadership style, technology should play a pivotal role, influencing not only management behaviors but also the organization's overall behavior.

BHP holds the top position in the global mining industry rankings. Since it resulted from a merger between an Australian and a British company in 2001, it must navigate the challenges of operating across national boundaries. The recommended leadership style for the organization is transformational leadership, and several reasons support this choice.

The primary objective of the company is to align its commercial objectives with prevailing market trends, as argued by Kirchner, Ipsen & Hansen (2021). Transformational leadership is particularly beneficial in achieving this alignment, as it allows for the development of policies that can quickly adapt to market demands. In today's technological era, various products must incorporate technology, and the flexible approach of transformational leadership is invaluable in suggesting and implementing necessary adjustments to meet customer needs.

BHP operates as a mining corporation, extracting various minerals, ores, and metals from the market. The integration of technology is crucial for monitoring raw materials, products, and shipments, thereby addressing production chain-related concerns. Effective communication is equally vital in resolving any internal managerial issues.

Integrity is a fundamental component of the transformational leadership style, and it holds immense value for any organization, including BHP. This approach combines a level of flexibility with some degree of rigidity in the managerial system, allowing for swift implementation of improvements as needed.

### **c. Better communication to utilize technologies**

Effective communication is a cornerstone for any organization's success. It is essential to prioritize and implement improvements to enhance the communication system. As argued by Whysall, Owtram, and Brittain (2019), efficient communication is the most effective means to swiftly address and resolve concerns. For BHP, improving communication at all levels of the organization is critical. This includes enhancing departmental communication to address issues in a more detailed and focused manner.

Implementing the suggested policies at the departmental level allows for a comprehensive examination of difficulties and problems. Improved and more efficient communication between BHP's various departments is imperative, especially as any communication barriers between divisions can disrupt the company's supply chain.

The flexible approach of the chosen leadership style will prove highly advantageous for the organization. It will facilitate the identification of necessary adjustments in different areas to meet customer needs. Given BHP's status as a mining corporation, the use of technology to monitor raw materials, products, and exports is vital for addressing production chain-related concerns, as noted by Lin et al. (2020). Furthermore, better communication within the organization is crucial for resolving any administrative issues that may arise. BHP, being a global mining leader, should focus on improving its communication to provide employees with enhanced problem-solving insights. Effective communication is particularly important in logistics, the primary process for a company like BHP, as it ensures the smooth operation of the supply chain

#### **d. Summary of the existing network and its outcome on the future aspects**

BHP's current strategies have indeed positioned the company as a dominant force in the global mining sector. However, to further increase profitability and meet market expectations, several strategic implementations are required, particularly in the realm of technology integration. As noted by Kory & Kanne (2020), these technological applications are instrumental in providing valuable insights into industry trends. Over recent years, BHP has witnessed significant growth in both its workforce and income.

The merger of two major corporations in 2001 propelled BHP to unprecedented levels of revenue collection. Statista.com reports that BHP's income collection in 2021 exceeded the previous record set in 2008 by a significant margin—60.8 US dollars compared to 2008's 59 US dollars. This remarkable achievement owes much to an effective management system.

To maintain its leading position in the global mining industry, BHP must make specific yet critical updates to its current practices. These upgrades are minor but essential, as highlighted by Whysall, Owtram, and Brittain (2019). The company's management must take swift action to implement these measures.

Firstly, BHP should modernize its existing logistical systems by integrating new technology. This will enhance the tracking and shipping of products, resulting in a smoother product distribution process. Furthermore, the company's communication system requires significant modifications. The adoption of new technology will improve communication between various departments, ultimately enhancing the logistic system, providing detailed tracking information, and boosting



customer satisfaction.

### **Conclusion**

In conclusion, effective leadership practices are crucial for the success of any organization. Embracing best practices and strategies enables organizational leaders to steer the company towards achieving its short-term and long-term goals. The company's executives have implemented democratic and transformational leadership styles, which have contributed to higher employee satisfaction and a reduction in issues and challenges that hinder sales growth and revenue generation. By implementing the proposed leadership style plan, the organization can establish effective leadership practices and establish a robust communication network, ultimately facilitating progress and success.

Effective leadership is the cornerstone of a thriving organization. Beyond achieving financial success, strong leadership practices create a harmonious work environment where employees are motivated, engaged, and committed to a common vision. This synergy of leadership styles, combining the democratic approach for inclusivity and the transformational approach for inspiration and innovation, empowers the workforce and enhances overall performance. The path to success involves continuous adaptation and technology integration, as demonstrated by BHP's remarkable journey in the global mining industry. By fostering effective leadership practices and nurturing open lines of communication, organizations can not only weather challenges but also seize opportunities for growth, ensuring a prosperous and sustainable future in the ever-evolving business landscape.

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