

Effectiveness of Situational Leadership Style in Managing Workplace Crisis

Dr. Qamrul Islam^{1*}, Mr Mohammed H. Juraybi², Mr Yahya Mohammed Alraythi³

¹Assistant Professor, Faculty of Business Studies Arab Open University, Riyadh, KSA

²Lecturer, Department of Business Administration Jazan University, Jazan, KSA

³Lecturer, Department of Business Administration Jazan University, Jazan, KSA

DOI: [10.36348/sjbms.2021.v06i09.001](https://doi.org/10.36348/sjbms.2021.v06i09.001)

| Received: 28.07.2021 | Accepted: 01.09.2021 | Published: 05.09.2021

*Corresponding author: Dr. Qamrul Islam

Abstract

Leadership is referred to the competencies of a manager or senior to influence the subordinates to achieve a goal set by an organization. Effective leadership helps in developing associations between the employees, resolving conflicts between the team members, and ensures that a constructive environment is maintained within the organization. The adoption of the right leadership style helps in mitigating the crisis and risks that are affected by the organization in the competitive markets. It includes the adoption of situational leadership as a situational leader understands the needs of the employees and makes adjustments in his/her management approach to meet the needs of the employees. The situational leader seamlessly switches between different leadership styles to suit the organizational needs and develop trust and confidence among the followers. It encourages the employees to reach the leader and seek guidance regarding the resolution of difficult situations like risk and reduce it considerably. It helps the team to make the rightful decision and mitigate the risk or crisis.

Keywords: Leadership styles, impact, organizational goals, crisis, conflict, situational leadership, crisis management.

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1.0 INTRODUCTION

In the current times, the corporate and organizations these days are facing immense challenges to sustain themselves to high competition in the domestic and international markets. The workings and performance of the company also get impacted by poor management style and improper leadership approach. It leads to the creation of workplace crises such as overload, overwork, burnout, bullying, risks, and others which impedes the productivity and performance of the employees. Under such conditions, it is essential to adopt the right management practices and leadership attributes so that improvements could be brought in the poor organizational efficacy. It includes the adoption of situational leadership style which is a leadership theory based on directive and supportive dimensions. Each dimension in the situational leadership style helps in dealing with different situations that occur in the company management process. The leaders that adopt situational leadership style adopt different traits such as flexibility, coaching, delegating, participating, humility,

and others to ensure that decisions are made as per different conflicting situations faced by the employees, management, or business. The present research provides the effectiveness of situational leadership style in managing workplace crises and highlights the role of leadership in attaining organizational goals. The research also highlights the concept and theory of situational leadership and delineates the impact of both poor and effective crisis management on an organization's overall performance and goals.

2.0 LITERATURE REVIEW

2.1 Comprehending the Role and Importance of Leadership styles

According to Hasan & Rjoub, (2017) leadership is referred to the competencies of a manager or senior to influence the subordinates to achieve a goal set by an organization. Effective leadership helps in developing associations between the employees, resolving conflicts between the team members, and

ensures that a constructive environment is maintained within the organization.

Martin, (2015) examined that transformational leadership style is adopted by the manager to inspire the followers, and delineates each member's duties. A transformational leader directs the employees so that adopt the right approach so that they manage difficult situations like risk effectively by adopting a positive attitude. Soneni & Moreen, (2015) stated that transactional leadership is associated with the identification of organizational objectives and targets so that they could be achieved with effective employee contribution. The transactional leader provides flexibility, motivation, and encouragement to the employees to adopt practical approaches to resolve issues and come out of the crisis.

Apprey, *et al.*, (2014) ascertained that charismatic leadership uses communication, self-monitoring, humility, maturity, substance, listening, and others skills to develop a strong relationship with the employees and team members. All these characteristics help in improving the workplace morale and encourage the employees to adopt creative and innovative measures to resolve task complications and eliminate difficult situations like risk and crisis.

Voon, M. L.Nguil K.S. Ayob N.B. (2011) asserted that a democratic leadership style encourages employee involvement in the decision-making process to resolve work-related issues. A democratic leader adopts a participative and collaborative approach to increase the association between the employees and they could come up with mutual solutions to resolve the task complications and crisis within the organization. It also includes delegating authority, empowering subordinates, and adopting a creative approach for problem-solving purposes. A situational leader understands the needs of the employees and makes adjustments in his/her management approach to meet the needs of the employees. The situational leader seamlessly switches between different leadership styles to suit the organizational needs and develop trust and confidence among the followers. It encourages the employees to reach the leader at seek guidance regarding the resolution of difficult situations like risk and reduce it considerably. Based on the above facts, it can be said that by adopting different leadership attitudes difficult situations like the risk is managed within the organization.

2.2 Unearthing the Situational Leadership Theory

Walls, (2019) examined that situational leadership style is a mixture of several leadership styles in which the leaders adopt any leadership as per the situation demand in the organization. For example, in a difficult situation like risk, situation leadership allows the leader to adopt a flexible attitude and incorporate all the employees to make the best decisions to secure the

position of the organization. This creates a constructive work environment, team collaboration, and identification of resolution to mitigate the risks. On the other hand, the authoritarian leader adopts a stern attitude and delegates work to the employees and do not include them in the decision-making process. Under such conditions, when the authoritarian leader faces difficult issues like risk, he/she succumbs to immense pressure and faces stressful working conditions. This creates an unconstructive work environment, team conflicts, and no resolution is proposed for mitigating the risks.

Thompson & Glasø, (2018) analyzed that transactional leader is not efficient in receiving inputs from the employees and groups efficiently because of lack of flexibility. The transactional leader adopts harsh behavior towards team members which reduces their motivational levels, adversely impacts their overall performance and risk-mitigating abilities. On the other hand, situational leader adopts flexible attitude and acquired valuable insights from both performing and non-performing employees. It allows the leader to develop confidence among the team members and provide effective solutions for risk mitigation and crisis management.

Cote, (2017) analyzed that there is a difference between situational and transformational leadership as the situational leader adopts different approaches such as telling & directing, selling & coaching, supporting & participating, and delegating attitude, while the transformational leader adopts communicative, visionary, and team-first attitude to execute management activities. However, the reach of transformational leadership gets restricted owing to unclear goals and objectives which create an ambiguous situation in the organizational work environment. Due to delusional outcomes, the motivation of the team to execute the task decreases and they lack the enthusiasm to achieve the set goal. On the other hand, in the case of situational leadership, the situational leaders set an achievable target based on the abilities of the employees so that they could achieve them and set new examples of accomplishments for others. Based on the above facts, it can be said that situational leadership has distinct attributes from each leadership style as it seems to adopt the traits of any leadership based on the critical situation in the company.

2.3 Deriving the concept of Crisis Management and its impact on organizations

According to Canhoto, *et al.*, (2015) crisis is known as an unplanned situation in a company that threatens the resource, objectives, possessions, and creates stress among the members of the firm. Crisis creates time pressure and uncertainties over a limited period that adversely impacts the image, performance, productivity, and position of the company in the competitive market.

McIntosh & Ferretti, (2015) analyzed that crisis occur within an organization because of inadequacies that are caused at internal operational levels. It includes situations like organizational rigidity, structure inflexibility, lack of proper communication, and inefficient managers. All these inefficacies and shortcomings lead to a crisis within the company that adversely impacts the firm operations. Leadership style is directly associated with the management of the crisis within a company. A wise leader is capable of identifying the crisis and works progressively towards mitigating the risk or issue. The leader makes a quick decision with the support of senior, subordinates, management, and company to ensure the interests of all the members are validated. For example, if the leader adopts free leadership under a crisis, he/she will not be able to make a quick decision as the collection and analysis of opinions of each member will consume a lot of time and delay the mitigating process. As a result, there will be the adoption of a poor crisis management process that would not help the company to come out of the crisis. On the other hand, if situational leadership is adopted by the leader, he can switch to democratic leadership and quickly consult key decision-makers in concise with other members. It will allow the leader to implement the mitigating measure immediately and reduce the adversities that could have been faced by the company because of delayed decisions or risk mitigation initiatives. Along with situational leadership, democratic leadership could also be adopted by the manager or leader as it is based on the concept of sharing responsibilities and collective participation. When such an attitude is adopted within the organization, the entire firm members work as a single unit to provide resolution ideas and mitigate the risk. Therefore, it can be said that crisis is a dangerous situation and if a poor crisis management approach is adopted, it adversely impacts the good position of the company.

2.4 Research Gap

Crisis management is not a new concept in the academic literature field. There have been several studies that provide relevant information about crisis management within the organization. However, a specific study that relates crisis management with different leadership styles has been limited and created a gap between previous and current literature. Therefore, the current research highly focuses on exploring this aspect and tries to fill the gap by providing valuable insights about leadership styles' impact on crisis management within an organization. Apart from this, there has been limited study related to situational leadership style which created a gap. However, the current research provides relevant information about situational leadership along with its association with crisis management within a firm which helps in fulfilling the gap that existed between previous and current literature.

3. CONCLUSION

Leadership is an important aspect to be taken into account to ensure that the company functions properly and provides benefits to the employees and other company members in terms of productivity and performance. An ideal leadership that sets an example for others to follow comprises attitude and determination in appropriate amounts to motivate people in pursuing goals that ensure the growth and development of the organization. The study examined that the crisis is the shortcoming or risk that is experienced by a company when functioning in a commercial marketplace. The mitigation of risks calls for the adoption of such leadership that could reduce the several problems that are faced by an organization when in crisis. It includes the adoption of situational leadership style so that there is the introduction of proper crisis management strategy and elimination of difficulties such as risk. Situational analysis is known to be a mix of different leadership traits because of which it provides an advantage factor to the leader to switch to any kind of leadership style depending on the need of the organization and intensity of the crisis. The adoption of situational leadership will also help in mitigating the risk that is faced by an organization when operating at domestic and international levels.

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