# Transformational Leadership Leading

# to

# Success

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# Introduction:

The act of inspiring others and motivating them to pursue a specific goal are innate qualities of an individual. Many successful organizations across the globe are due to the same qualities of their respective leaders. Leaders have the quality to identifying the needs of the society and conceiving ideas to fulfill those needs not only for their own benefits but for the society as well. leaders are innovative who are in constant pursuit of advanced and unique products or services.

Netflix, is a brilliant example of a leader’s innovative idea, taking leverage of the advanced form of communication introducing a unique version of entertainment. Conventionally, for general public there had been only two major modes of entertainment i.e., TV and cinema. With both the forms people had no choices of their own, they were compelled to watch that is available on both the platforms. A computer science graduate, Reed Hasting, perceiving the inadequacies of entertainment sources and complications for public in opting for their choice of entertainment, started sending the newly introduced replacement of cassettes the DVDs through mails to the customers on rent.

Later on, within a short span taking advantage of Internet technology, Hasting introduced multiple options for watching like movies, dramas, and documentaries to its customers directly to their screens through online streaming technology. It was a massive change of entertainment, superseding the two conventional forms. Netflix as present is among the most widely used entertainment platform across the globe. Credit for the success of Netflix goes to Hasting’s leadership qualities of acknowledging the need of change, developing idea for advancement, communicating his idea and workplan to his team, and motivating them to accomplish his plan.

# Reed Hasting:

Hasting born in America, since the childhood was passionate about making his earnings and doing something innovative. After completing his high school, he got involved in door-to-door selling of vacuum cleaners. Later, Hasting completed his bachelors with majors in Mathematics, from Bowdoin College, Maine, and joined Marine Corps. However, his spirit of adventure and obsession for the needs of the society compelled him to leave his training of Marine Corps incomplete, and join Peace Corps. As stated by Hodgson & Berry (p. 13, 2011) that good leaders are ingrained with traits that allow them to use learned skills in challenging situations. Hasting served in Peace Corps almost for two years, mostly teaching mathematics in Swaziland, South Africa.

Through teaching math to a community of underdeveloped region, hasting sharpened his risk-taking abilities and gained productive experience. The same experience and risk-taking abilities later aided Hasting in establishing Netflix and steering it among the top global companies. Serving at Peace Corps was not the position Hasting wanted to achieve, he returned to America and completed his masters from Stanford University in 1988.

Hasting joined a software company but soon quit his job to establish his own company ‘Pure Software’. The company did quite well and grew rapidly, however Hasting was not comfortable with the growing number of employees owing to his poor management skills. being persuaded by the company’s board to continue with his same position in the company, proved to be an opportunity for Hasting to improve his management skills and develop new ideas to motivate the employees. later Hasting merged his company with Atria Software and shortly due to internal politics resigned from the company.

Hasting conceived the idea of Netflix when he failed to return the rented video cassette and was charged with late fees. Replacement of video cassettes the DVDs were new in market. According to Harnish (2015) that nurturing and cultivation of good leadership is about taking ricks and thinking outside the box. Hasting, developed the idea of getting recorded DVDs from the actual producers and then renting out the same sending through mail. It was a great risk as Hasting didn’t conduct any market research and was not sure that how the people would react to his idea.

Netflix was great hit and attracted a significant number of customers. Later, with addition of live streaming and accumulating a huge collection of movies, dramas and documentaries, Netflix is undoubtedly the biggest entertainment provider at present.

# Leadership Approach:

The working attitude, productivity, and mindset of an individual is the influence of his innate qualities that illustrates his leadership approach. Varied developed leadership theories are differentiated based on the individual mode of management, communication of ideas and developing motivation among the employees being practiced by the leaders. According to Daft (p. 361, 2015) transformational leadership inspires followers to go beyond their own self-interests for the good of the company. Going through the internal culture of Netflix, level of employee’s loyalty with the company and their involvement in decision making procedures portrays Transformational leadership style of Reed Hasting.

# Empowering the Employees:

Hasting rejecting the conventional management styles, implemented a rare management style based on the independence of the employees. Netflix has a company culture called freedom and responsibility (Selvaraj & Selvaraj, 2020). According to transformational leadership theory, employees are free to develop ideas and make decisions in an autonomous setting (Stanwick & Stanwick, p. 81, 2014). Hasting believed that giving employees to take decisions of their own for the best interest of the company makes them more productive, at the same time enhances their loyalty and motivation. Hasting during an interview stated that what we are trying to do is build a sense of responsibility in people and empower them to do things (Quito, 2018). The same statement proves that all information is being shared among all the employees at Netflix, allowing them to equally participate in any decision-making process. Netflix executives are committed to putting information into the hands of the people who do the work and making sure that the information flows up and down to everyone who needs it (Who Wins in a Digital World, 2019)

# Enhancing Employees Loyalty:

Another example of Hasting’s transformational leadership is that Netflix employees can take all the vacation time they want, more precisely all the time they are afforded by the progress of their workloads (Griffin & Moorhead, p. 233. 2012). That is to ease the pressure on the employees, Netflix implemented unlimited vacation policy (Parnell, 2014). Hasting himself takes six week’s vacation every year, he’s of the opinion that staying away from work for some time reboots his energy and energizes his physical and mental abilities. Acknowledging the devotion and hard work of his employees, Hasting considers vacations equally important for his employees.

Moreover, as stated by Schermerhorn (p. 21, 2012) that Perks, compensation, and freedom are mainstays of Netflix’s commitment to hiring and retaining the best people in the industry, only the most competent are hired and to maximize their motivation they are provided with the highest remuneration packages compared to other market companies. Also, average performers can’t stay in Netflix, the company’s motto is ‘adequate performance gets you a good severance package’ (Lawler III, Worley, Creelman, p.232, 2011). Such practice not only develops high morale among the existing employees but also builds a significant company’s reputation in the job & consumers market.

As, the transformational leadership has the effect of giving followers a sense of competence, control and a sense of direction (Marshall, p. 214, 2011), Hasting’s leadership style can justifiably be aligned with transformational leadership theory.

# Challenges of Reed Hasting;

Hasting had been countering with varied nature and level of challenges, since the beginning of his professional career. fortunately, for every challenge his leadership instincts take him out of the situation. The very first challenge Hasting countered with was the management of growing number of employees in his newly established ‘Pure Software’. Though he wanted to shift his position in the company to avoid the employee’s management but staying on the same position gradually Hasting developed management skills and leaded his software company great success.

However, the biggest challenge Hasting faced was the tough competition given by Blockbuster Entertainment Company. Blockbuster was a company with huge investments whereas Netflix was in its early stages but growing fast. Hasting acknowledging the competition of Blockbuster, developed his own strategy to win the competition. Blockbuster’s marketing was not quite effective, also it was charging good amount of late fees from its customers, though market surveys were regularly conducted but Blockbuster’s management were unaware of the customers demand for more convenience, service and values in future (Herhausen, p. 1, 2011). Hasting identifying the weaknesses of Blockbuster and understanding the consumers demand and preferences, as he himself had been a victim of late fee charges, focused more on marketing, lowered the rental rates and offered monthly subscription instead of individual video rentals. Such consumer favored offers gained enormous business for Netflix.

# Conclusion:

Organizations succeed when the interest and devotion of all its stakeholders are towards a common goal. Employees are the main driving force of any organization, if the organizational leader’s vision and objectives of organization are not clear to the employees their productivity would be affected and would not be able to support the organization in accomplishing its objectives. Reed Hasting influenced by his ingrained transformational leadership characteristics devoted his entire focus on aligning his service with the customer’s preferences and taking onboard his employees leaded Netflix among the top companies across the globe.

Through leadership style of Reed hasting it is learnt that all information must be shared with all the stakeholders considering them an essential component of any organizational operational procedures and the success of the organization can be ensured by taking good care of the competent employees.

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