

## **How Does Situational Leadership Affect Organizational Success? A Study of Honda**

**Latifa Alobaidan<sup>1</sup>, Daisy Mui Hung Kee<sup>2</sup>, Muhamad Hanif<sup>3</sup>, Muhammad Afifi<sup>4</sup>,  
Saba AlFouzan<sup>5</sup>, Pei Huei Tan<sup>6</sup>, Khai Lyn Teoh<sup>7</sup>, Majdi Anwar Quttainah<sup>8</sup>**

Kuwait University, Kuwait<sup>1,5,8</sup>

Jassem Mohammed Alkharafi Road, Subah Al-Salim University City, Kuwait.

Universiti Sains Malaysia, Malaysia<sup>2,3,4,6,7</sup>

Jln Sg Dua, 11800 Minden, Pulau Pinang, Malaysia

Correspondence Email: daisy@usm.my

### **ABSTRACT**

The purpose of this study is to understand the effect of situational leadership on the success of the business organization in the automotive industry. The study employed secondary data which were obtained from internet articles, research papers and books to further understand the impact of situational leadership in the organization. The findings suggest that different departments need a different style of leadership. This understanding of situational leadership gives Honda management the way to bring success to their organization. This study enhances the importance of situational leadership, which can be utilized by managers/leaders to bring efficiency in their organization.

Keywords: Automotive industry, Honda, Organizational success, Situational leadership

### **INTRODUCTION**

Honda Motor Company, Inc., The Honda Giken Kōgyō KK, the largest producer of bikes and the world's biggest producer of cars. The headquarter of Honda is in Tokyo. In 1946, a Japanese engineer, Soichiro Honda, established the Honda Technological Research Institute near Hamamatsu to build lightweight, powerful internal combustion engines. Incorporated as Honda Motor Company in 1948, it started manufacturing motorcycles in 1949. The Honda C-100, a small-engine motorcycle, was launched in 1953 and was the largest-selling motorcycle in the world by 1959. Throughout 1959, the corporation had set up a U.S. division, the American Honda Motor Company and started manufacturing motorcycles in the United States in 1979 and cars in 1982.

Although Honda Motors is also known for being the world's largest manufacturer and marketer of internal combustion engines, manufacturing approximately 14 million internal combustion engines per annum (Honda Y-E-S Award, 2014). In 2001, the company was ranked as the second-largest Japanese automotive company. Furthermore in 2011, Honda Motors was ranked as the eighth world largest automotive manufacture behind General Motors, Toyota, Volkswagen Group and Ford among others. Most of the organization's annual revenues come from vehicles that the firm started producing in 1963 (Schnell, 2018). Most of the time Honda operates on 4 operating segment, motorcycle business, automotive business, financial services and life creation and other business (Buckland & Tajitsu, 2019). The famous Civic and Accord models were among its lightweight, fuel-efficient passenger cars. Other main commodity fields of the business include agricultural equipment and small engines. Honda is a big automotive exporter to

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the United States and other areas of the world. Honda already has manufacturing facilities in a variety of other countries and is involved in joint partnerships and product license arrangements with other international firms. Honda's vision is to serve people worldwide with me "joy of expanding their life's potential" -Lead the advancement of mobility and enable people everywhere in the world to improve their daily lives.

Situational leadership is a form of leadership that has been developed and researched by Kenneth Blanchard and Paul Hersey. Situational leadership refers to the needs of the chief or boss of an organization to change his personality to suit the level of growth of the employees that he seeks to influence. For situational leadership, it is up to the manager to change his approach, not the employees to conform to the personality of the managers (Rahadiyan, 2019; Cherry, 2019). In the case of situational leadership, the style can adjust constantly to satisfy the needs of those in an organization depending on the circumstance. There are four types of Hersey and Blanchard's Leadership Styles, Telling (S1), Selling (S2), Participating (S3) and Delegating (S4). In Telling, the managers tell what to do and how to do, it is for employees who are lack of knowledge, skills, and willingness to complete the task (M1). While in Selling(S2), this style involves more back-and-forth between managers and employees. Managers "sell" their ideas and message to get employees to buy into the process. It is for the employees who are willing and enthusiastic but lack the ability (M2). In Participating approach (S3), the manager offers less direction and allows employees to take a more active role in coming up with ideas and making decisions because most of his employees have the skills and capability to complete the task but are unwilling to take responsibility (M3). Finally, is Delegating (S4). This style is characterized by a less involved, hands-off approach to leadership. Employees tend to make most of the decisions and take most of the responsibility for what happens. It is only possible if the employees who are highly skilled and willing to complete the task (M4). S stands for style while M stands for maturity level (Cherry, 2019).

There is various kind of firms and enterprises all over the world. Corporations of various sizes belonging to different sectors, offering different goods and services, and representing different customers and clients. All these diverse businesses have different characteristics and operate in different ways, but they share one thing in common. They all need effective leadership to be consistently successful in today's fast-paced business world. With online businesses becoming more and more popular as technology advances exponentially and globalization is becoming more and more challenging, companies must face competition from all over the world. The same goes for Honda, they need this kind of leadership skills to emphasize and to guarantee that they are the best organization in the world to accomplish their target.

Most people in the industry know that Honda is using transformational leadership as the main leadership model (Posky,2019). Transformational Leadership can give huge confident for the subordinates to do their work (Holten et al., 2018). This paper will try to understand whether Honda should change their transformational leadership to situational leadership by analysing a little bit about the strength and weakness of situational leadership for Honda to implement. Whether situational leadership is compatible with Honda, or Honda should just stick with their transformational leadership.

Even though, a lot of research is put into various leadership traits, the responses in relation to traits that can be attributed to effective leadership is vague. Because of that,

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a more realistic concept of leadership which considers the complex situational and environmental factors that influence overall leadership is emerged.

According to Dionne et al. (2014), a research is conducted in the theoretical paradigm of Situational Leadership Theory (SLT) which explained that effective leadership and performance depend upon the situation. Regardless of the acknowledgment of the theory, its bad reputation lies to a great extent in its straightforward character and instinctive interest. The thorough research reveals that a blended support for the theory, ranging from partial to none as the theory lacks empirical validity. Therefore, management researchers have started focusing on the underlying principles of the theory.

According to Larsson and Vinberg (2010), the researchers studied a small group of successful companies to identify basic leadership behaviours and to arrange them into suitable classifications to discuss the theoretical repercussions underlying situational aspects of leader behaviour. The study undertaken reveal that effective leadership practices are related to environment, value, competence and well-being factors. The verifiable investigations included leadership practices which identify outcomes, situational perspectives, competence, productivity, quality, and employment fulfilment (Larsson & Vinberg 2010). But research scholars have particularly criticised the situational leadership theory in the context of empirical validity and some of it calls Situational Leadership Theory (SLT) a gimmick.

The problem with SLT is that only a few research studies have been conducted to defend the theories and propositions set forth by the model. Although many doctoral dissertations address dimensions of situational leadership, most of these research studies have not been published. The lack of a strong body of research on SLT raises questions about the theoretical basis of the model. But nonetheless, the importance of situational leadership can be found in Rahadiyan (2019) research. The key components on what should make a company success is tackled in this theory.

Soichiro Honda is known as one of the productive businessmen that Henry Ford's mechanical engineering needs. Vision and appreciation of the possibilities are the hallmarks of Honda and other founders. Honda's aim is obvious factors that have driven the organization's development and growth. It is Honda's leadership and ambition that has created a prosperous organization in the country. Honda injects enthusiasm and motivation to write to the people around him, and they motivated him to achieve amazing stuff. Soichiro Honda was a transformational figure and working with him was a great opportunity and passion. Soichiro Honda was a real leader who had the potential to build a safe working environment inside the squad. Organization emphasis on Honda and team efforts to accomplish the ultimate target. Efficient teamwork and success. He set simple targets, and everybody embraced them. Honda is a strong leader who meets any challenges with the support of his squad. While the Honda's employees named "Mr. Thunder" because of his outbursts of rage or because of their faults, they cherished and valued him.

### **Literature Review**

A manager's position is usually associated with task performance at the workplace by employees. Managers can motivate employees to be more proactive and adaptive with a clear, compelling, and discrepant view of the future (Griffin & Parker, 2010). However,

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some studies that were conducted by Hackman and Wageman (2005) converged with Griffin and Parker (2010) in the context that managers are most effective when they play an enabling role by setting a strong vision, compelling directions, and a support system among employees. A strong vision manager has a negative correlation with individuals that have low self-role efficacy. Griffin & Parker's (2010) finding stated that such individuals might experience less motivation and proactivity than those with higher self-efficacy having a lower leader vision. These findings suggest that a manager can only become good at one style of situational leadership, it is hard for them to be versatile, but the manager can try to make his style suit the organization policy.

According to Nataly (2014), leadership skills can be learned, good leadership leads to happy employees which in the long run leads to a organization's success, and that applying the Situational Leadership model is beneficial for every organization, but to be able to apply that model as well as motivational techniques correctly, managers must get to know their subordinates and make themselves a part of their teams. Although the topic of leadership has been extensively studied, researchers still struggle to supply a transparent definition of leadership or to develop a concise set of behaviours and designs that every successful leader should follow (Northouse, 2010). Leaders present different views, values, visions, and methods guiding their perception of individual success, and therefore the actions they must pursue to form their teams succeed. Therefore, many various leadership theories have emerged; examples are the trait theory, behavioural theories, contingency theories, leader member exchange theories, and others. all relies on the leaders' ability to influence a team toward a typical goal (Robbins and Judge, 2011). Van Eeden et al. (2008), as an example, argue that the foremost effective leaders display a balanced combination of various styles. Avolio (2011), following an identical rationale, emphasizes the importance of balancing three leadership styles; namely: laissez-faire, transactional, and transformational. Such styles is also positioned on a continuum where the smallest amount people-concerned style is laissez-faire, transactional leadership comprises the logic of exchanging promises of rewards and benefits to subordinates, to market their fulfilment of agreements, and transformational leadership is intended to assist employees achieve their goals by building commitment.

Situational leadership model is one among the best-known leadership characterization models (Yukl, 2006). The Situational Leadership model provides a way to successfully change individuals' working habits through teamwork and interaction to reinforce productivity (Pasaribu, 2015). Effectiveness is maximized by matching the leadership style category to individuals' readiness level. For instance, a M1 individual would perform better under a "directing" leader (S1). As individuals become more mature, their readiness increases and therefore the ideal leadership style changes accordingly. A key assumption of the SL model is that it is possible to see the suitable leadership style in response to individuals' readiness level. While leadership styles seem well understood, assessing individuals' readiness regarding a leadership style tends to be tougher (Thompson and Glaso, 2015). Individuals may accept or reject a pacesetter, whose style flexibility seems to deliver greater performance (Avery and Ryan, 2002).

### RESEARCH METHOD

The study employs secondary data from the past literature review such as internet articles, research papers and books. Besides, the data regarding Honda Motor Company are also collected from Honda's official website and other associated websites.

## **RESULTS AND DISCUSSION**

The paper discusses what leadership style is adopted by Honda and how Situational Leadership can give impacts to the Honda's sales department, management and administration department, service department and parts department as well as what type of Situational Leadership that Honda used for each of the departments (Firstpilotcar, 2018). The four major departments are very important for Honda to sustains in the automotive industry.

### **Honda Ways of Leadership**

According to Hunt (2007), Honda is using transformational leadership as their main leadership style. Hunt added that Soichiro Honda is an innovative leader with a culture of experimentation. He injects enthusiasm and strength to the people around him and they helped him to achieve great things. Soichiro Honda was an amazing leader and work for him it was a marvellous experience and passion (Hunt, 2007).

Nonetheless, Honda participation in the Formula One (F1) is something that the company proud of. Honda provide Aston Martin Red Bull Racing a competitive engine for the team to become a championship contender. According to long time analyst of F1, Mitchell (2019) said that Honda must reduce its spending to stay in Formula 1 because cost is the biggest issue as the manufacturer wants to continue its engine programme after next season. All the decision can be contributed back to transformational leadership.

Transformational leadership can be considered as a leadership style during which leaders encourage, inspire and motivate employees to innovate and build change that may help grow and shape the longer-term success of the corporate. this is often accomplished by setting an example at the manager level through a robust sense of corporate culture, ownership, and independence within the workplace (Holten et al., 2018). Transformational leaders inspire and motivate their workforce without meddling — they trust trained employees to require authority over decisions in their assigned jobs. It is a management style that is designed to convey employees more room to be creative, look to the longer term and find new solutions to current problems (Holten et al., 2018).

Nowadays, most of the company that is using transformational leadership is IT intensive driven. Although the concept of transformational leadership can be applied to any industry, the industry can be healthcare, education, or perhaps government agencies. But the importance in IT is very important as companies needs to embrace digital transformation. Adapting to fast transforming technology requires revolution and strong leadership to stay ahead of the curve and to remain competitive (White, 2018).

According to Mike Jett, Vice President of Honda Precision Parts of Georgia (HPPG) (2014), most of the decision that is made from Japan. As the world keep on growing, higher management of Honda realise that they cannot do that anymore. They must grow an internal, international leadership team in another region. So, in the U.S., a major business market, they are transferring leadership from to North America. Most of the decision that is needed for U.S. market is done by U.S.A. This shows that Honda is not afraid of changes, especially changes that will benefit them in the long run. In North America, Honda should focus on efficiency and reduce unnecessary spending. This is to compensate for Honda Japan big spending. The goals of North America Honda and



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Honda Japan is hugely different. As the transformational leadership will mainly focus on R&D. Thus, North America Honda can try to use new style of leadership because they did not need to worry about R&D of the car. Situational Leadership might be the best choice for North America Honda to adapt to. In Honda, they like their staff to establish a successful friendship with the workforce and the management, so they want their workforce to collaborate with the management rather than work for the management. They believe that if workers were happy at work, productivity and profits would increase, which is why they chose this form of leadership.

Situational leadership is essential for one organization to accomplish and accomplish its mission and aim in the business (Blanchard & Miller, 2007). Situational Leadership is a prescriptive approach to leadership that explains how leaders will become successful in several different styles of organizational environments including a wide variety of organizational activities. This strategy lays forth a paradigm that recommends leaders how they will behave based on the needs of a specific situation. While we know Honda is a strong car manufacturer in the country, focused on their accomplishment in that field, and they have done a lot to ensure that they can remain competitive in the world. Soichiro Honda, the founder of Honda, has brought the successful culture that the company enjoys to this day. Based on our research on the internet, we have noticed several articles that tell positive stuff regarding Honda leadership, so that is one of the explanations why Honda can be a profitable organization in the world. They cultivated a style of leadership among their co-workers and employees to ensure that they could easily achieve their goals. For example, Honda UK provides benefits such as free gym membership, up to 30 days of annual leave, and provides all staff with active marketing involvement. Management refers to Soichiro's philosophy of producing successful and happy workers. They take care of their employees not only as a matter of course but rather as a precious thing. "Respect for the individual is key" is their tag line. As a result, Honda UK claims that 81 percent of its employees are in line with the company's values and principles, while 86 percent say they are proud to work for the company. Such examples have shown that Honda has done a great deal to their staff, and they need to maintain a high structure, and their leadership style must be considered.

Leaders can alter their methods of leadership when they seem appropriate. Evidence of that is that Honda UK provides incentives such as free gym attending trains, up to 30 days of annual leave, and encourages its staff to engage positively in the promotion of the drug. Management needs to do with the Soichiro philosophy of producing efficient and happy employees. Consequently, several Honda UK employees are happy to work there. That is the dynamic form of leadership that is being assigned. Let the others do it. These members are accountable for their employees but provide staff with minimal support or aid to fix issues. They are increasingly be required to assist in decision-making from time to time. Not only does this offer workers a feeling of self-fulfilment of what they are striving to do, but it also leads to increased recognition and a dedication to success that comes from the development of a superior piston in the early days of Honda's work.

The situational leadership paradigm of Hersey-Blanchard indicates that Honda has grown into a 'style one' leader. Although Honda had a major influence on the company's research and growth, he effectively turned over corporate management to his associate, Fujisawa, at the outset. While Honda may have had a higher relationship style in his earlier days, similar to that of the 'style two' form of the Hersey-Blanchard, he understood his shortcomings in this field and spent his energies following his imaginative abilities

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and engine development. The reputation for creativity has drawn highly trained engineers, giving such workers a certain degree of flexibility to carry out their work because of their expertise.

Perhaps the most fitting aspect of Honda's leadership is the transformational style. In his pursuit of creativity and the development of a better commodity, Honda unwittingly attached these principles to those of the Honda. The Honda UK case reflects the idea of a transformational leadership style, as it notes that 87% of workers remain fast to the ideals and beliefs of the company. It fuelled Honda's claim that he had a powerful transformational leadership style as he brought his staff in line with his dream. This epitomized Honda's transformational leadership roots to build an environmentally friendly engine. Not only does this offer workers a feeling of self-fulfilment of what they are striving to do, but it also adds to the understanding of rain and the dedication to success that comes from the development of a superior piston in the early days of Honda's work. This is clear that Honda is embracing this leadership approach to ensure that they accomplish their goal effectively. Honda argued that leadership involved "accommodating a continuously unfolding set of events." Every department in the automotive industry gives a different and unique experience, caters to different needs and requires a different set of skills. However, without even any one of the departments, the whole dealership would fail. Each department in the automotive industry should work with the others to ensure the overall success of the dealership.

### **Sales Department**

The sales department is the bloodline of the organization which connects the products with its customers. The sales department did more than just selling the product, they are tasked to build and maintain the relationship between the organization and the customers. In 2019, Honda sold more than 5.3 million units of the automotive in a fiscal year (Ren, 2020). For a person to be a successful salesperson, one must be willing and motivated to sell the product because most of their income comes from the ability to sell the car and the commission when sales are finalized (McDonald, 2014). Employees who are not willing and motivated cannot be a great salesperson thus making sure that the maturity level of subordinates in Honda sales department falls on to the M3 or M4 categories because they are willing to do the work whether they are capable or not.

According to Steve (2013), there are seven types of managers in the sales department. The mentors (S3), expressive, sergeants, teflons, micromanagers, overconfident and amateurs. Steve (2013) research gives an insight into how the manager of sales department style, but it does not go deeper on the leadership style, and among the 7 styles, only one of its available in the Situational Leadership style which is a mentor or participating (S3). As different customer may bring unique set of challenges, this makes the works of the salesperson much harder. One customer demand might be different from the others. Most of the decision that was done in the process of selling the car must be done by the members of the sales department team, not by the higher up of the department. So, the style of leadership cannot be very rigid because each customer is different, what works for the needs of one customer might not satisfy another customer.

This situational leadership is also extended by Honda to every department in their business, including the sales team. Their organization needs to ensure that their employees feel happy and strive more to meet their revenue goal in their business as each team requires a specific objective and that is why we implement various styles of

leadership. In the sales department, they also ought to make a full commitment in the form of persuading the customers, promoting to customer and so on until they close the sales and that the employee has to make a full commitment and cooperate in the department to assure that they accomplish their goal. Honda's corporate strategy and management practices are directed at achieving the ultimate target, successful collaboration, and performance. Soichiro Honda set simple targets, and everybody embraced them. Soichiro Honda is a strong leader who meets any challenges with the support of his squad. While his employees named him, "Mr. Thunder" because of his outbursts of rage or because of their faults, they loved and valued him. The important thing about situational leadership in the automotive sector is to have detailed direction and tight oversight to ensure that they reach their revenue goals. For example, members take actions and express them to others. They established positions and goals and required other members to follow them. Communication is typically only one direction.

### **Management and Administration Department**

The situational leadership of management and administration in Honda controls all the departments in the organization. The manager must make every decision wisely for the best of the organization. Managers must react to the problem or his leadership of how he wants to influence his employees. Honda's managers have a good philosophy and fundamental beliefs for their employees and their "respect for the individual" and "the three joys".

Respect for the individual has three aspects which are initiative, trust, and equality. Initiative refer to the employees having their creativity and judgment in completing the task, but they are responsible for their actions. Equality is that the managers must be fair to their employees no matter their race, gender, or religion. The last one is trust. Honda's employees have strong trust between each other because this trust reflect the strength of the organization. While in other hand, the three joys are the joy of buying, the joy of selling and the joy of creating.

A manager in management and administration department need to be versatile in choosing their right leadership style, different style may work for different group of employees because employees who lack of experience might need a lot of guidance compared to a veteran in the Human Resources field. A manager might choose selling or explaining (S2) when a newly recruit employees, as he gain more experience and his decision is much more trustworthy, the manager might want to change his leadership style to participating or involving (S3). As he becomes better at handling a unique situation, the manager might want to give more credits to his employees to leverage his experience to complete the task and choosing to delegate leadership style.

### **Service Department**

The service department is also a major department in Honda. Although a good management, administration and efficient sales team are the major bones for the automotive industry, without a service department, a dealership would be nothing. Professionals at the service department are mainly for the success of the dealership. The service department is used to keep the customer base happy by providing fast and top-notch service with little to no error (Lim, 2020). This ensures the customer satisfaction and the reason for them to make another purchase with Honda in the long run. The service department is essential to keep a return customer, it does not matter how good the quality of the car is if the service is unworthy, unenjoyable, and



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uncomfortable, the customer will not return in anytime soon (Springer, 2019). Service technicians are the employees who must have good knowledge of vehicle mechanics, computers, and electronics. In the present fast-paced automotive world, professional technicians should always be updated and must maintain their efficient skills to stay on top of changes in the industry (Firstpilotcar, 2018). In 2017, Truett claimed that the experience the customer facing in the service department "greatly influenced" their likelihood of buying another vehicle from the dealership. It does not matter how good the car is if the service is bad, they would not be returning. The customer wants to feel they are special and irreplaceable if the company does not care about them, why should they care about the company (Truett, 2017).

One of the most outlook cost is the maintenance cost. Most of the organization keep focusing on the upfront cost and neglect the maintenance cost thus piling up the cost in the long run and make it more expensive compared to competitors with the same specifications of the car (Bartlett, 2020). The service department needs to make sure that the price of the maintenance is very clear when they present the final price of the service. This is to make sure that the customer is not confused about how the cost incurred in the first place especially when they come to service their car for approximately 2.7 times a year (Truett, 2017). In the service department, there are 2 types of employees, one is tasked to deal with the customers and the other one is tasked with dealing with the cars. Both need a different type of situational leadership to lead them. The one tasked with the customers can use the sales department approaches which are S3.

Employees who are tasked to service the cars are mostly engineers and have a lot of experience dealing with cars. A newly recruit engineer will be sent to intensive training by Honda which will give them hindsight on the problems that will occur when servicing the cars and how to handle it. It pushes the motivation of the engineer to M3 or M4 which they can do they work but with some support from the manager. The way to solve it by using S3 or S4 approaches. The manager and employees will brainstorm alternatives to mutually establish alignment (S3) or the manager trusts the employees to leverage his or her base of experience to complete the task (S4). Honda used a mix of S3 and S4 approaches that are participating or involving and delegating or entrusting. Honda only has 2 Automotive Engineering Manager onsite and a few dozen cars to attend to in a single day (Bartlett, 2020). This proves that it is impossible for the managers to partake in every decision made in servicing the car. The Automotive Engineering Manager of Honda must believe in his subordinates that they will make the right decision. But at a certain time, the manager must also take concern about his subordinates' decision and interfere with the decision. Truett (2017) also claimed that sometimes a certain decision is made to reduce the quality control of the car just to reach their KPI. Bartlett (2020) also said that the bad time to service a car is during Friday afternoon because the company will reduce the quality assurance just to make sure the KPI of the week or month is fulfilled. According to Palanski and Yammarino (2007;2009), we define behavioural integrity as the perceived degree of consistency of the actions of the service department. There must be consistency in what the department says and do. The actions of organizations may impact an individual's perception of behavioural integrity and consequently transparency and trust repair (Palanski, Kahai, & Yammarino, 2011). So, the manager needs to make sure they are making the right decision whether to chase the KPI or keep the customer's trust.

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### Parts Department

Parts department and service department team should collaborate closely to ensure that the automotive produced are at the best quality. Experts and professionals who work with inventory management, parts order, and distribution to the technicians as well as the public users come under this department (Firstpilotcar, 2018). Most people might consider that parts department and services department of Honda are run by the same management but in fact, almost all the automotive companies separate these two departments. Parts department needs to calculate how many parts are needed and should be shipped to the Honda Authorized Service Centres. If the quantities of parts shipped to the service centres exceed the quantities needed, it would not be used even in the long run. Therefore, this will give a huge impact because one part could cost around \$50. According to Posky (2019), he said that "*Honda has created too many regional models, in addition to an array of types, options, and derivatives for its global models... All that's eating up our profit.*" Furthermore, this miscalculation will cause not only one extra part to be sent to the service centres, but it would send an extra of a few dozen parts at a time (Posky, 2019). With these extra few dozen parts times the number of the service centres Honda have, it would cost around a few million dollars. Reducing unnecessary spending would increase efficiency, thus giving more profits in the long run. This shows how important it is to greatly control the number of parts that are needed to produce thus showing the importance of this department in Honda.

Parts department is excessively big, thus being a manager in a big and very resourceful department could be quite hectic. A manager must be very versatile in this situation because this department required to calculate the quantities of the parts needed for a quarter, the logistic for the parts as well as ways to improve the parts. The manager must have the knowledge and the style of leadership that he needs to tackle every situation he might face. When handling transportation of the parts, the situation is different and unique from time to time, thus forcing the leading style to be not extremely strict. The manager must trust the decision of his employees. The right leadership style for logistics is mostly involving (S3) or entrusting (S4). There is a guideline for an organization to followed and calculate the amount of stock needed for a quarter. So, in this situation, the organization can use any style from S1 to S4 to help develop their employees. The best style to handle employees that do not know about handling stock before are S1 and S2, while employees who have prior knowledge are S3 or S4. In the end, it is up to the manager himself to choose and implement his style of leadership. Choosing the wrong leadership style would impact the motivation of the department consequently making them demotivated in the long run.

### CONCLUSION

Situational Leadership can and will helps bring the success to Honda if it is implemented correctly. North America Honda is a newly established management sites for Honda. As the North America branch lack the needs of doing R & D in a large scale, transformational leadership is not something that they should focus on. It is important for a leader to change their leadership style according to the needs of the team (Lucas, 2019). Choosing a wrong leadership style may affect the employees' morale and therefore leave them demotivated in the long run. Changing leadership style will not be easy, it will take time, money, and a combined effort on the part of many people. The Ken Blanchard Companies is a company that promotes the usage of situational leadership and can help big company such as Honda by teaching Honda leaders how to build meaningful

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connections with co-workers that create exponential impact. When this happens, employees are more productive and engaged. And their organizations excel. As efficiency and productivity of workers increase, the profit of Honda will likely increase. If these programs can be implemented, we will surely see a decrease in unnecessary spending and Honda mission which are improvement of life and improving affordability will be realised.

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