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SKILLS OF SITUATIONAL LEADERSHIP EXPERIENCED BY THE LEADER AND LEADED: NEW CHALLENGES FOR MAX AND RAFAEL

COMPETÊNCIAS DA LIDERANÇA SITUACIONAL VIVENCIADAS PELO LÍDER E LIDERADO: NOVOS DESAFIOS PARA MAX E RAFAEL

HABILIDADES DE LIDERAZGO SITUACIONAL EXPERIMENTADAS POR EL LÍDER Y LÍDER: NUEVOS DESAFÍOS PARA MAX Y RAFAEL

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ABSTRACT

Dilemma: The present teaching case presents the dilemma of Max (leader), Managing Director, concerning the development and future of Rafael (his subordinate) who works as a Trainee as a Commercial Manager in one of the companies of the Master Group. **Educational Goal:** To provide a diagnosis for the different Levels of Development of Situational Leadership. It is expected, through its conduction in the classroom, both presentially and remotely, to provide students with the opportunity to work with the diagnostic phases, as well as to propose strategies for the professional profile appropriate for the situation presented. **Background:** Rafael, who has worked for 6 years as Logistics Manager in one of the companies of the Master Group, has the opportunity to take on the position of Commercial Manager in the largest company of the group, as a trainee. Within a year, if he could not meet the expectations, he would be automatically fired, and would not be allowed to return to his previous position. **Main Theme:** Situational Leadership. **Audience:** The case was elaborated to be used by undergraduate and graduate students in disciplines related to People Management and Leadership, either in person or remotely. It was remotely applied in a graduate class of the Production and Quality Engineering course, in the subject Management Development. **Originality:** This is an adaptation of a real situation, which occurred in a business group located in the north of Santa Catarina, in which the consultant who provided services is one of the authors of the present case.

Key-words: Situational Leadership, Leader, Led, People Management.

RESUMO

Objetivo educacional: O presente caso de ensino tem por objetivo proporcionar um diagnóstico para os diferentes Níveis de Desenvolvimento da Liderança Situacional. **Tema principal:** Liderança Situacional. **Dilema:** Para tanto, apresenta o dilema do Max (líder), Diretor Administrativo no processo decisório relacionado ao Rafael (liderado) que estava na posição de Trainee como Gerente Comercial em uma das Empresas do Grupo Master, do qual ambos fazem parte. **Contextualização:** Rafael precisava ser preparado para assumir esse novo cargo e junto com ele vários novos desafios. **Público:** O caso foi elaborado para ser utilizado por alunos de graduação e de pós-graduação em disciplinas relacionadas à Gestão de Pessoas e Liderança, de forma presencial ou remota, tendo sido aplicado, remotamente, em uma turma de pós-graduação do curso de Engenharia de Produção e Qualidade, na disciplina de Desenvolvimento Gerencial. Espera-se, através de sua condução em sala de aula, tanto de forma presencial quanto remota, propiciar aos alunos a oportunidade de trabalhar com as fases de diagnóstico do Nível de Desenvolvimento para Liderança Situacional, assim como propor estratégias para o perfil profissional adequado para a situação apresentada. **Originalidade:** Trata-se da adaptação de uma situação real, ocorrida em um grupo empresarial situado no norte de Santa Catarina na qual o consultor que prestou serviços é um dos autores do presente caso.

Palavras-Chave: Liderança Situacional, Líder, Liderado, Gestão de Pessoas.

RESUMÉN

Dilema: El presente caso de enseñanza presenta el dilema de Max (líder), Director Administrativo, respecto al desarrollo y futuro de Rafael (su subordinado) quien se desempeña en el cargo de Trainee como Gerente Comercial en una de las Empresas del Grupo Master. **Objetivo educativo:** proporcionar un diagnóstico para los diferentes Niveles de Desarrollo del Liderazgo Situacional. Se espera, a través de su conducción en el aula, tanto presencial como en línea, brindar a los estudiantes la oportunidad de trabajar con las fases de diagnóstico, así como proponer estrategias para el perfil profesional adecuado a la situación presentada. **Antecedentes:** Rafael, quien se ha desempeñado durante 6 años como Gerente de Logística en una de las empresas del Grupo Master, tiene la oportunidad de asumir el cargo de Gerente Comercial en la empresa más grande del grupo, en el puesto de trainee. En el plazo de un año, si no cumplía con las expectativas, sería despedido automáticamente, no pudiendo volver a su puesto anterior. **Tema principal:** Liderazgo Situacional. **Público:** El caso fue diseñado para ser utilizado por estudiantes de grado y posgrado en asignaturas relacionadas con la Gestión de Personas y Liderazgo, de manera presencial o remota. El mismo se aplicó en línea, en una clase de posgrado de un curso de Ingeniería de Producción y Calidad, en la asignatura de Desarrollo Directivo. **Originalidad:** Se trata de una adaptación de una situación real, que ocurrió en un grupo empresarial ubicado en el norte de Santa Catarina en el cual el consultor que prestó los servicios es uno de los autores del presente caso.

Palabras clave: Liderazgo Situacional, Líder, Seguidores, Gestión de Personas.

INTRODUCTION

Many imagine that the routine of a director of a large company is full of meetings, negotiations, shareholders, customers, employees, reports involving numbers, and analysis of performance charts. While all that is true, it is often forgotten that the director is also responsible for managing and developing his work team. The director is the formal leader, and the employees his followers. It is not about managing the routine activities of the people management area, but about exercising his or her function as a leader, making decisions that are not based solely on technical criteria, but about being able to adapt his or her leadership style, in order to lead people with differing levels of competence and commitment.

It is common for the leader, in the position of director, to be less involved in operational and tactical activities, and to focus more on strategic ones. Hence, the leader's direct subordinates – the staff managers – become team leaders, requiring appropriate leadership skills. The director must monitor his or her managers, and evaluate their actions and behavior to observe how they face challenges, and the level of experience and personal commitment of everyone in this group, as they are key to enabling the rest of the employees to develop a sense of awareness.

In this case study, we present the adaptation of a real situation involving a dilemma experienced by Max, a director who is following the career development of his subordinate, Rafael. Rafael has recently left his position as Logistics Manager to take a one-year trainee placement in the position of Commercial Manager of a larger company in the Group they both work for. If, during this period as a trainee, Rafael fails to meet the expectations placed on him, he will automatically be fired, and will not be able to return to his previous position.

At the end of the one-year period, Max reports to his superior on his evaluation of Rafael's performance. Rafael's performance was not as positive as expected, and they now have to consider whether he should be hired on a permanent basis. But Max is challenged with some important and unexpected feedback from his superior, Geraldo, who advises him to: *"Think about whether you really gave Raphael all the necessary support, especially in moments that for you might be trivial, but for him are fundamental for his development"*. Faced with these comments, Max begins to reflect on his performance as a leader, and realizes he has been at fault sometimes. But now, what decision should he make concerning Rafael?

WHERE IT ALL BEGAN

Max is about to turn fifty years old. With a Master's degree in Business Administration with emphasis on management, logistics and internationalization, he has a solid career background in the companies of Master Group, where he still works today. He started working for the group as a trainee, more than thirty years ago, and has gradually risen in his career. His first promotion was to administrative assistant. At that time, Max was still at University studying Business Administration, and all these issues of the corporate world were still new to him. Soon afterwards, he became an analyst, a position he held for four years, until being promoted to his first leadership position as Financial Coordinator, coinciding with the conclusion of his MBA in Financial Management.

Some time later, Max was promoted to manager of the company Blue, also part of Master Group, and then to Administrative Director, also with responsibility for the company Black. Master Group was founded in 1983. It has an average monthly turnover of 7.1 million Brazilian reals, and 467 employees. It is composed of five companies operating in import and export, logistics, storage and distribution, with activities in Brazil and other countries of South America, including Argentina, Paraguay, Uruguay and Colombia. The Master Group companies are: Blue Import and Export, Black Logística, Gray Armazenagem, Gold and White distribution. Each director of Master Group manages one or two companies. Among the companies that Max manages, Black is the one that presents the best results. And it was during this phase of his career that he met Rafael, one of those he led at Black.

Rafael has just turned thirty-nine and has worked in logistics for twenty years, i.e., practically his entire professional life. Throughout these years, Rafael graduated with a degree in Logistics, and took MBAs in Commercial Management and People Management. He has progressed in his career by gaining better positions in the companies he has worked for, thanks to his competence and full commitment to his work, which has always been noticed by his superiors.

Unlike Max, Rafael has held two other positions in the area of logistics; fourteen years ago, he started working as Logistics Analyst at Black, where Max is the current Administrative Director. Rafael was promoted about six years ago, and is now in a leadership position, having been invited to apply for the position of manager that had become vacant. For Rafael, this was the opportunity of a lifetime, as he had always thought he would excel in a leadership role.

When recommending Rafael for that leadership position, managing the team that would be made up of his colleagues, Max's main criteria were that Rafael had been with the Company longer; that he had a degree in Logistics, and that one of his MBA courses was in People Management. Another point that weighed in the director's decision was Rafael's focused attitude, always delivering tasks with excellence and on schedule. Another criterion he observed was that Rafael had an in-depth understanding of the entire process, so that he would be able to train any new recruits very well. And Rafael ended up doing just that with Marcia, who came to be considered Rafael's right hand woman in all matters, including covering for Rafael in his absence.

Over time, Max's decision proved to be the right one. Rafael met all the procedural requirements for a manager at Master Group, for Max, the fact that Rafael had an MBA in People Management was indicated that he would be capable of managing his colleagues, who would be under his responsibility. At that time, a new leader had to be found urgently, so Max needed to make a decision quickly, and decided to go with his hunch. His instinct proved to be right, and Rafael was accepted by his colleagues as leader, because he understood the processes well. Thus, at Black, everything flowed naturally, with Rafael at the helm, providing services to the other companies in the group.

Some time passed, and Rafael's results continued to be satisfactory at Black. As manager, he led his small team of eight people in their tasks related to logistics operations. All his subordinates had worked for more than seven years at the company, except for Marcia, who had only recruited four years earlier. Everyone on the team was highly competent in their work, and fully committed to their activities. Rafael put this down to the good job satisfaction of his team members, the salaries, which were above market average, and the attractive benefits package for employees.

SWITCHING TO ANOTHER DEPARTMENT: A POSSIBILITY FOR RAFAEL?

One day, after about eighteen months, Geraldo, CEO of Master Group, called all the directors of the group, for a strategic meeting. Geraldo had taken over as CEO nine years earlier, having worked as a consultant for five years, as well as having fourteen years of experience in the operations of all the group's companies, working closely with people related to strategy.

At the meeting, Mr. Geraldo mentioned that the sales area manager of the company Blue was to be dismissed, as he was not delivering the expected results and had not met his sales goals for five months. Max thought to himself: *"What positions will be swapped now? Who is going to take over this position?"* Max knew it was normal for leaders at managerial level within Master Group to exchange ideas. The objective had always been to combine skills by sharing experiences.

Max turns his attention again to Geraldo, who was telling him that the results of all the companies in the Group had been analyzed and the company Black had been generating excellent results for the past fourteen months in a row. Max knew that this result was largely down to the actions of Rafael, and thought, "My God! Could it be?" It didn't take long for Geraldo to think of Rafael's name as a possible candidate for the management of the sales area of Blue, although he was aware that Rafael had no experience in sales.

Max thought it was a bad idea, not only because of Rafael's lack of experience, but also because it would mean that he would have to train two new people in strategic positions: one at Black, to replace Rafael, and the other at Blue, i.e. Rafael himself, who had little experience in the new role. Max's biggest concern was whether he would find a replacement for Rafael who would continue his work and deliver the same results. And how would Rafael cope in the new position? Max worried about whether he would do well as Sales Manager. Would he be able to deliver the results that the CEO was hoping for?

Max knew that Rafael had an MBA in Sales Management. But on the other hand, he had only worked with logistics throughout his career at Black, and because it only provided services to the other companies in the group, it had no sales department. This concern of Rafael's CEO was justified because the operational issues in each of the companies of the Group were totally different. The CEO's idea was that Rafael would lead the sales team of Company Blue, consisting of 17 people, out of a total staff of 323 employees, being the most profitable company of the Group.

Mr. Geraldo emphasized the need to get it right when choosing the new Sales Manager, as it was important to ensure that the largest and most profitable company in the Group generated the expected results. According to the CEO, this had been the main agenda of the last two meetings he had held with the main shareholders and board members of Master Group.

After the meeting, in a private conversation with the CEO, Max agreed to the idea of Rafael being transferred to the sales area of Blue, but asked for 30 days to first try and find a replacement for Rafael, as he was a key employee in

the operational process of Black. After all, he knew all his functions, had good competencies, and was fully committed, all of which had been built through a learning process, over time. In addition, Max and Rafael would need to structure and implement a development plan for Blue.

After his conversation with Geraldo, Max called Rafael and told him about the meeting with the Group CEO. He told him that because he was one of the managers that brought the most results to the group, his name had been mentioned to take over as Sales Manager of Blue. Rafael was very happy. He fancied the challenge even more when the director mentioned that he would have a 25% salary increase, as well as being part of a profit-sharing scheme. At this point, his enthusiasm was very high, even though Rafael knew that the processes were totally different from what he was doing at that moment.

Max knew he had no experience in sales, despite having studied the subject as part of his MBA. On the other hand he was confident that Rafael would be fully committed to overcoming the challenges facing him, as he had done at Black. Max then informed Rafael of the company's proposal:

- Rafael, if you move over to Blue as Sales Manager, you'll be a trainee again, and as you know, if you don't produce the expected results within one year, you'll be cut off from the group, and I won't be able to bring you back into Black again. Therefore, as Black is running well at the moment, I'd like you to think about it and give me your answer tomorrow. And there is another situation. If you accept the challenge, I'll need your help to find and train a replacement. What do you think?

Rafael, without hesitation, full of enthusiasm and excited about the possibilities that lay ahead of him, replied:

- Wow, I've been waiting for an opportunity like this. I promise I won't let you down. And to answer to your question, I don't have to think about it. When I took my MBA in the area of sales, I was already thinking about working in this area. So I accept the challenge. As for my replacement, I've found good potential in Marcia, who is already a member of my team, and I've been preparing her for eight months. Marcia is totally capable of taking over my position and she proved this three months ago, when I was on vacation, demonstrating total commitment and competence.

Max, still hopeful that Rafael would refuse his proposal and make his life as a manager easier, looked at the young man and replied:

- Great, I like people who surprise me and who decide quickly, but know that you'll be under assessment, the whole time, not only by me, but also by Geraldo, who you'll be in contact with on a daily basis. And remember, you'll only have a year to really prove yourself. I hope you understand that, because you were the missing piece at Black. I hope you're studious; you took an MBA in the sales area, but they are very different areas, I hope I won't regret it.

Rafael, full of confidence and very happy about the news, promptly replied:

- I'll do whatever it takes to exceed over and over again. Thank you for giving me the opportunity. I am aware of how the Trainee program works, and although you don't know it, I was hoping for an opportunity like this, within the Group, so I prepared Marcia without telling either her or you that I was doing it.

Despite all Rafael's confidence, Max was still unsure, but Rafael was very persistent about what he wanted, which allayed his fears a little. Thus, after twenty-six days of preparing Marcia to take up her new function, and having made a planning and development plan with Max to face the new challenges that awaited him, Rafael assumed the management of the commercial area of Blue as a Trainee, under the tutelage of the director, Max. Rafael would have twelve months to prove to the CEO and the director that he deserved to stay on as Sales Manager. But Max was apprehensive about the situation, and was not sure whether he was doing the right thing.

WHAT NEXT

Nine months had now gone by. Rafael, still a Trainee phase, continued in the sales area at Blue, under Max's guidance. Often, Rafael's commitment was variable commitment, possibly because he had not fully mastered all his day-to-day tasks, which could be explained by some small mistakes during this training process. However, Rafael was growing and evolving. After implementing several actions coordinated by him, with the director's approval, following the first actions of the planning they had done together, Blue started to generate good results again; the results were still below shareholders' expectations, but everybody understood that it would take time.

Rafael needed more business acumen, but had excellent communication skills, which he had developed over time. His friendly manner made him popular among his peers and subordinates. He had good persuasion skills and

negotiated very well with his team when he was motivated. He also proved capable of making decisions on his own when he felt confident, but at times, he needed information which to Max, seemed trivial, but to Rafael, was of the utmost importance for his job. One day, Rafael called Max and said:

- Max, it's Rafael, I need to talk to you about the new price list for Asian customers, can I come over?

Max responded:

- Yes Rafael, of course.

As Rafael made his way to the office, Max thought to himself: *"I wonder why Rafael wants to talk about the new price list for Asian customers, because it's all very clear in the informative email that was sent out"*.

Rafael arrived in Max's office, asks if the new price list changes were to be applied to all Asian customers, because some customers were demanding that the old price list be kept until the end of the year, as had been done in previous years. Max says:

- Rafael, you can sort out that situation with those customers, but the rules have changed, as explained in the email you received.

Max, paying more attention to his computer screen than to Rafael, asked him if he has any more questions. Rafael said no, and leaves Max's room confused, not really understanding how to handle the situation. What he had expected from his conversation with Max was some guidance to help him resolve the situation.

One another occasion, due to a recent restructuring at Blue, Rafael, after a meeting with the directors of Master Group, received new guidelines for his work. From this moment on he was face with some very particular and specific tasks in his area, in addition to those related to his own responsibilities. Now, besides leading and coordinating his sales team, Rafael would have to answer directly to the CEO in some points, and to his peers in the Group. This made Rafael a little uncomfortable, as he was already having some difficulties, but he understood that it would have to be this way. Everyone believed that these new demands should be attributed to the Sales Manager and knew that Rafael was going through a process of maturing and developing new skills.

Soon after, Rafael was asked by the CEO to prepare a sales plan for Blue for the coming year. Even as a Trainee, this was the Sales Manager's task, and the CEO believed Rafael should show more of his work. This would be a complex and challenging task for Rafael, as he would now not only have to consider the performance of the team directly under him, but would also need to carefully plan other activities that were the responsibility of the company's sales area. Rafael felt frustrated and felt he lacked essential information and experience about some important customers, not to mention the short deadline he was given to complete the task.

After a routine meeting during the week, Rafael told Max about his difficulty with the implementation of the business plan:

- Max, I have a few questions about the business plan for next year. Do you think I should talk to Geraldo, or can you help me?

Max responded:

- BUT IT IS SIMPLE RAFAEL, all you have to do is follow the latest plans and consider the company expansion mentioned in the business planning for next year. I imagine this will be simple for you, right?

Rafael responds:

- Yes, yes, I will consider these issues and if I have any questions, I'll talk to you.

Max noticed that Rafael was insecure about whether to discuss these issues with the CEO. This situation, among others, worried Max, because for him, it was something simple, and Rafael already had enough experience to do the task.

On another occasion, Rafael was asked by Max to accompany him and represent Company Blue at an international conference on innovative business solutions. This would be an excellent opportunity for Rafael to demonstrate to Max that he was up to the new position. However, he had never done anything like this before in his career. During the presentation Rafael realized that he should have gathered more information in order to give an outstanding presentation at the level his director expected. Mas had been obliged to interject, complementing Rafael's presentation at the event in an impromptu way.

Three weeks later, Rafael received an assignment from the Group's People Management Manager to implement a training and development plan for his team, as this was part of the company's strategic planning. Rafael's team was

made up of mature professionals whose development needed to be recycled. Even knowing that this action was foreseen in the strategic planning and that it was his responsibility, as a manager, to implement the training plan, Rafael communicated to the People Management Manager that it was not the ideal time for this, as he was very busy and that the People Management Manager herself should draw up the training plan and then pass it on to him.

Finally, in the last month of his period as a trainee, Rafael was appointed by Geraldo as a team member for an international sales project, because the CEO had future goals, and the overall objective was to offer more coherent conditions for the company's multinational clients. Rafael knew a lot about each of these customers, as he had interacted with them during his time as Sales Manager. Therefore, Geraldo thought he would be able to make a valuable contribution to this project. But Rafael was skeptical, and after the meeting, he commented to the Financial Manager that he had already told his director about the inefficiency of most of the people in the international sales team, and that this project would probably not be successful.

The Financial Manager, more experienced in his position and in the company, advised Rafael to continue talking with his director and explain to him his views and suggestions, since the latter did not want to give his opinion right away at the Project team meeting. Encouraged, Rafael explained to Max that in his view, a necessary condition for the success of the Project was to provide training for the international sales team. Otherwise, there would be no point in offering advantages to customers if the sales team didn't know how to explain the necessary procedures and deadlines. The international customers would be frustrated and would think badly of the company if they did not receive their products within the expected delivery times.

After Rafael's explanation, the conversation moved on to a discussion of other issues of the project. The atmosphere remained very professional, and Max was surprised by Rafael's commitment and knowledge in the Sales area. In this specific situation, this caught Max's attention, and he wondered why Rafael could be excel in some situations yet be disappointing in others,

DECISION TIME

The one-year period as Trainee was coming to an end, and Max was still unsure about whether to hire Rafael for the position, given that he performed well in some tasks, but not in others. With this in mind, Max decided to schedule a meeting with Geraldo, as it had been his idea to bring Rafael into the Trainee program and take over the sales management of Blue.

At the meeting, Max presented to Geraldo all the issues he had witnessed concerning Rafael's performance over this past year; with some surprisingly good results and others that left a lot to be desired, as the CEO himself had observed.

Geraldo listened attentively to everything Max was saying. In the last few months, he had followed not only Rafael's performance, but also Max's performance in guiding Rafael and developing him within the organizational culture of the group, following the development plan created by them. Geraldo had also analyzed how Max was working to develop the expected core competencies that a manager in Rafael's position would need.

During this period, the had CEO observed that when Rafael did well, it was probably due to his natural skills, developed over time. But when something went off track, it could be related to his commitment, which was sometimes low or wavering, generating results below expectations, but these issues could have been observed and adjusted by Max.

After a few seconds of silence, Mr. Geraldo said:

- Max you are one of our best directors. You always deliver the expected results. I ask you to take this feedback and reflect on what I am going to tell you now; do you think it is fair to fire Rafael, and do you believe that Rafael is entirely responsible for not having successfully completed the Trainee program? After all, he was under your tutelage and it was your responsibility to develop him. If you choose to fire him, then you must be very clear to yourself about the reasons for this decision.

However, if you think the best thing to do is to hire Rafael, do you believe that he is really ready for the position that you have been supervising for a year, following everything that was planned in the development program? Consider whether you really gave Rafael all the support he needed, especially at times that for you might have been trivial, but that for him, were fundamental for his development.

After a short pause the CEO continues:

- *If you decide to hire him, it is essential that you structure a new development program, like the one that existed when Rafael started as a manager, but from what I could see, little or almost nothing was used of this program, which is rather lax, isn't it?*

Mr. Geraldo stops talking, as though giving Max some time to process everything that he has said. After a short silence he continues: *I won't try and make the decision for you, but I believe you need to think about everything we have talked about.*

Max was somewhat taken by surprise by Geraldo's comments. The next few seconds seemed minutes, as he replayed the events of the last year in his mind.

After this brief but profound moment of reflection, Max looked at Mr. Geraldo and said:

- *You are absolutely right. Rafael has always shown himself to be a committed employee, perhaps that's why I've neglected the development plan that we created together, me and him. I confess that I've often observed that he did not feel confident about something that he needed to do, he left a lot to be desired, even if these times were few and far between. Thinking back, I see that I neglected my role in this process, leaving Rafael to resolve issues alone when I could have given him more guidance on what should be done or how he should proceed.*

Max took a deep breath and added:

- *I am probably partly to blame for not having helped Rafael in the best way possible, that's as may be, but now I have to consider all Rafael's results over the last year. I know that it is clear to him that if the managerial position didn't work out, he would be fired, but he was the one who most wanted to take up the challenge, because if it worked out well, it would be a great boost to his career.*

Geraldo looked at Max with a smile on his face and said: *"I know you will make the best decision for the Group, I trust you"*. Max thanked Mr. Geraldo for the feedback, said goodbye, and returned to his office. Sitting in his chair, he looked at the notes he had made about Rafael's performance and reflected on his conversation with Mr. Geraldo... *"What do I do now? Which way should I go?"*.

TEACHING NOTES

SOURCE OF DATA COLLECTION

This case is adapted from a real situation, which occurred in a company located in the north of the state Santa Catarina, in the South of Brazil. The names of the companies and the characters have been changed, to maintain the confidentiality of the data source. The consultant who provided development services to the leaders of the group's companies in 2019 is one of the authors of the present case.

LEARNING OBJECTIVES

This teaching case aims to provide a diagnosis for the different Levels of Situational Leadership Development. Thus, the student should be able to:

- ✓ Identify the level of development of each of the leaders portrayed in the case, based on their attitudes and behaviors (i.e., D1, D2, D3 e D4);
- ✓ Analyze the situations of the environment and Development Level, considering competence and commitment as parameters for decision-making;
- ✓ Relate the theory of Situational Leadership to practical day-to-day experiences;
- ✓ Perform a self-analysis of the four levels of development of Situational Leadership.

This case was designed for use as an auxiliary teaching tool in undergraduate and graduate courses, in disciplines related to the areas of People Management and Leadership.

SUGGESTED TEACHING PLAN

The following suggestions are made for the application of the case:

- a) Classroom explanation of Situational Leadership Theory, either by the teacher in the form of a lecture, or as a student presentation on leadership theories, in a seminar context;
- b) The students should be asked to read the teaching case in advance, so that the time in class can be dedicated to discussion of the proposed questions and presentation of the results of the discussions;
- c) Application of the teaching case, starting with a brief reminder of the main points. The students can be encouraged to briefly relate the story, or it can be done through a quiz. The dilemma that is the focus of the case must be made clear to the class;
- d) Discussion of the following questions with the proposed activities: forming groups of 3 to 5 students, making proposals, presentation, and discussion;
- e) Closing with the main conclusions of the class about Situational Leadership, and about the dilemma described in the case.

QUESTIONS FOR CLASS DISCUSSION

Below are some suggested questions that can be discussed, concerning the case:

- 1) From the perspective of Situational Leadership what is Rafael's level of development as a Logistics Manager? Please explain your answer.
- 2) From the perspective of Situational Leadership, what levels of development did Rafael go through. What were the key moments in this development?
- 3) Within the context of Situational Leadership, is it possible for a subordinate's level of development to increase or decrease? Did this happen to Rafael? Please explain.
- 4) Should Rafael's Director appoint him as Sales Manager of the company Blue, even without extending the Trainee Program? Please give your reasons for your decision?

- 5) Max could extend the Trainee Program for longer, but wouldn't he be in doubt about how to proceed so as not to make the same mistakes again, enabling Rafael's development and achieving the results expected by the shareholders. But what was the best decision? The challenge is now in the hands of each group.

SUGGESTED SCHEDULE OF ACTIVITIES

Considering the steps suggested in the Teaching Plan and the topics for discussion in class, Table 1 gives a suggested schedule of activities, with the respective execution times and the format for application in class, both in person and remotely.

Table 1.

Schedule of activities for classroom application

Time	Activity	Driving and specific objectives
20 minutes	A Quiz with the students.	Apply an short, 8-question quiz with the class to recap the main points discussed in the case. Suggestion: use software such as Edupulses and Mentimeter.
15 minutes	Present the chart showing the Four Leadership Styles, from the Situational Leadership Theory.	Recall the Situational Approach Theory worked on in a previous class.
15 minutes	Work through the following questions: 1. Considering the Four Leadership Styles chart, what is Rafael's level of development as a Logistics Manager? Justify. 2. As a Commercial Manager at what levels of development, according to Situational Leadership, did Rafael transition. What were such moments and at what level was he?	Conduct this activity based on the Four Leadership Styles chart. Ask the students the questions. The different answers can be written on the board (or overhead) to guide the discussions.
15 minutes	Work through the following questions: 1. Within the context of Situational Leadership, is it possible for a subordinate's level of development to increase or decrease? 2. Did this happen to Rafael? 3. Explain?	Ask the students to answer this question through three activities in an interactive application such as Edupulses or Mentimeter). Questions 1 and 2 are multiple choice questions, while question 3 is responded to in text form. The answers will appear in real time on the presentation screen for discussion.
60 minutes	Group Activity 1, to identify levels of development.	Randomly divide the class into groups of 3 to 5 students. Each group will be assigned a development level (if there are 8 groups, 2 groups will be assigned the same development level). Each group is asked to identify the periods that the characters went through in terms of their level of development, and explain why. The groups will have 20 minutes to draw up a presentation, then each group will have 10 minutes to present the results to the whole class.
85 minutes	Activity 2, carried out in groups, to draw up the plan to extend the trainee program.	It is suggested that the class be again be randomly divided into groups of 3 to 5 students. Each group is given 30 minutes to create a development plan. Divide the remaining time by the number of groups, so that each group can present their results to the whole class.

This schedule was validated through the application of the case in a graduate class of a Production and Quality Engineering course, within the subject of Management Development. The proposed activities are suitable for classes in both face-to-face and remote (online) formats, using interaction platforms in the case of the latter.

ANALYSIS OF THE CASE

Although study of the subject of leadership is not recent, there are still many points to be explored. Some of the existing theories seek to demystify the ideal profile of a leader; considering that people are different, those they lead have different behaviors, knowledge, and attitudes. The situations in which the leader operates are also different. Therefore, the performance of leadership is always full of dilemmas in the professional careers of leaders and led.

This Teaching Case was designed to give students an understanding of revised Situational Leadership Theory, updated by Blanchard, Nelson and Zigarmi (1993). The Theory refers to the Leadership Life Cycle; the first article on the subject was published in 1969 in Training and Development Journal. Other authors also contributed to the theoretical foundation for the analysis of the case.

The subject of leadership usually includes the importance of the leadership role, and leadership styles. Several authors have portrayed, in detail, the autocratic, democratic, and laissez-faire styles. From 1969 the Leadership Life Cycle Theory appears, defended by Kenneth Blanchard and Paul Hersey, who republished the article 1979, updating it and presenting the Situational Leadership model.

Many authors have emphasized that there is no one best leadership style. But they reiterate that a leader must be able to adapt, in respect to the situational aspect of the Situational Leadership theory, in a context of contingency management. According to the authors, leadership is understood as a dynamic process, changing from one situation to another, as a result of changes in the leader's conduct, those led, and the context (BIRCHA; VILELA, 2013; HAKIM; FAIZAH; MAS'ADAH, 2021; SOARES, 2021).

The importance and relevance of Situational Leadership are emphasized by Gonçalves and Mota (2011), who mention its innovative nature in their consideration of the behavioral aspects of leadership, and by Duarte and Papa (2011) who mention that this is a proposal for changing the traditional hierarchical theory, consistent with the current context of the knowledge era. For the authors Blanchard, Nelson and Zigarmi (1993), leadership is a process of influencing the activities of a led person or group of led people, and the leader adapts according to the situation. Twenty-five years after the first publication on Situational Leadership, the authors have found that a leader who adapts according to situations needs to be concerned with how to adapt to certain behaviors in order to support and help those being led to successfully complete tasks. For the authors of the old model, the main focus was on the leader's behavior in relation to his or her execution of tasks. In the updated version of the model, the authors propose that an effective leader is one who, besides being able to adapt to a given situation, also provides emotional support to those they lead, regardless of the task being performed.

In this context, an effective leader must be able to adapt their leadership style according to the needs of the situation or the level of development those they lead. The leader should use a specific type of behavior for each type of task, such as defining roles, clarifying standards and procedures, directing the work, and monitoring progress. As the maturity of the protégé increases, the leader can decrease the amount of task-oriented behavior and increase the focus on relationship-oriented behavior with them. When leading those with greater developmental maturity, the leader should know how to delegate, and should provide only limited support, as a mature subordinate should be able to work without much guidance or monitoring from the leader (YUKL, 2013; HAKIM; FAIZAH; MAS'ADAH, 2021).

Such was the case with Rafael as Logistics Manager. He had a high level of competence and commitment, and everything was flowing very well. Rafael developed his team in the same way he did. Perhaps this was one of the reasons for the dilemma of Max, his director: the fear of taking a trained, prepared person, with a high level of development, and placing them in another company of the Group in an unknown area, and tasking them with leading people they did not know, with high demands from all sides.

For Blanchard, Nelson and Zigarmi (1993), even a highly developed leader can regress, becoming less stable. Such a situation requires the leader's perception and flexible adjustment to the persons behavior. The authors state that issues such as a tragedy, the death of a loved one, or simply too much pressure, can cause a highly motivated and engaged leader to regress. In these moments, or in anticipation of them, the leader must be aware of what is going on in order to intervene, and help their subordinate be restored to their former level of functioning.

This type of behavior is involuntary, and it is the leader's responsibility to be aware of such situations. Such was Rafael's case; when first promoted, he was highly motivated due to the promotion, the salary increase and the profit sharing scheme, but when he assumed the position of Sales Manager, albeit in the role of Trainee, he became less motivated, committing several errors, which could be considered usual as he was still in a process of adaptation and did not know the new area as well as he had known his previous one. On the other hand, Rafael had good business sense and brought

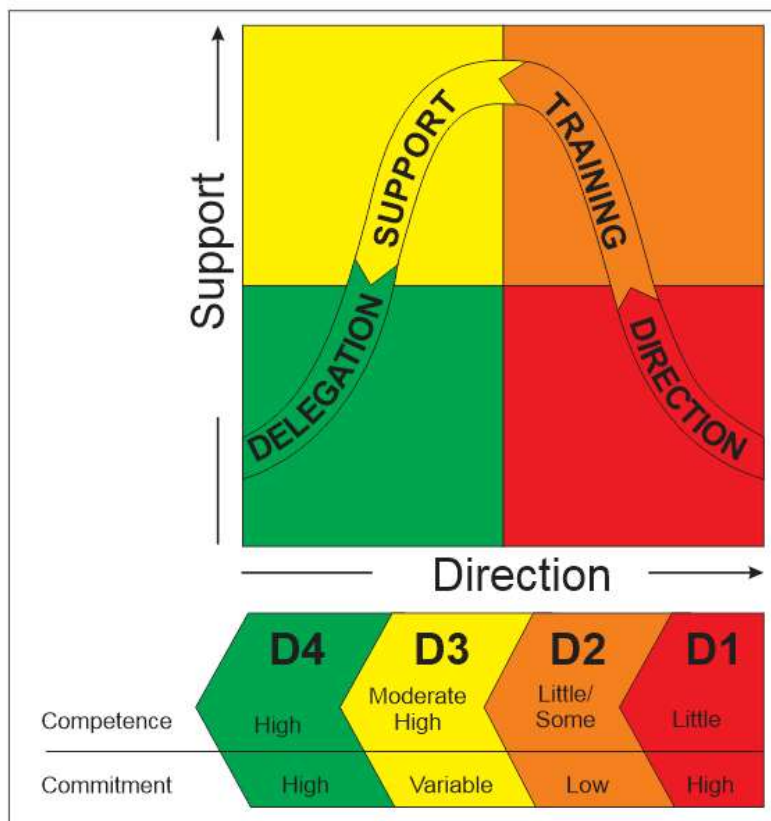
significant results for the company in the first few months of work. However, at times Rafael showed himself to be unmotivated, which was totally contrary to his behavior as Logistics Manager at the company Black.

For Yukl (2013) and Hakim et al., (2021) the focus of Situational Leadership is related to the leader's behavior, thinking about short-term changes, so that over time, the leader helps his or her subordinate to develop in their level of maturity, making the necessary adjustments according to the situation, through continuous feedback and development, which generates a relationship of trust between leader and led. For Yukl (2013), the time to increase the employee's maturity will depend on the complexity of the task and the initial ability and confidence of the subordinate; it may take days, or years, to develop them to reach higher levels.

This was the case with Rafael; as he was developing as the Logistics Manager at Blue, little by little, his manager stopped focusing on the tasks and started focusing on Rafael himself. In the same way, when Rafael decided to move to the sales area, months before the opportunity even arose, he started developing Marcia, his subordinate, and she proved to have high levels of commitment and skill, to take over when Rafael was away on vacation. Both are examples of situations demonstrated Rafael's ability for the position of Sales Manager at Blue, and influenced his director's decision to promote him.

Figure 1 presents the four styles of Situational Leadership:

Figure 1.
The four leadership styles



Source: Adapted from Blanchard, Nelson and Zigarmi (1993)

According to Blanchard, Nelson and Zigarmi (1993), the leader adapts his or behavior into one of four types, in which the variables behavior and competence are associated with the level of development, as described below and as summarized in Figure 1:

Level of Development 1

Low competence and high commitment. This refers to how the followers are perceived at Development Level 1 (D1). Many leaders hire or promote people with low competence (knowledge, skills and attitudes), but who have high

commitment because of their initial motivation and willingness to learn. Therefore, those led at the initial level of development have high commitment and low competence.

Rafael's D1 level of development is demonstrated to his director when the Director calls him to go with him to represent Company Blue at an international conference on innovative business solutions. This would be an excellent opportunity for Rafael to demonstrate to the Director that he was up to his new position (High commitment). However, he had never performed something like this before (Low competence in the task). Perhaps this is why, during the presentation, Rafael realized that he should have gathered more information to give an outstanding presentation at the level his director expected.

Level of Development 2

Little or some competence and low commitment. At Developmental Level 2 (D2) the subordinate has developed some competence, but has little commitment. The leader needs to observe this decrease in commitment and adjust his or her leadership style, bringing in more supportive behaviors, such as giving feedback, listening to any concerns, and encouraging the involvement of the subordinate in decision-making, while emphasizing behaviors on important issues.

Rafael's Development Level 2 (D2) was perceived by his director when he asked for help to prepare a business plan for Company Blue for the next year. This was a complex and challenging task for Rafael (who had little or some competence), contrary to the perception of the CEO and his Director. He realized that at this point, he would not only have to consider the performance of his direct team but would also need to carefully plan other areas of responsibility of the company's sales department. Rafael started to feel frustrated because he lacked essential information and experience about some important customers to prepare the commercial plan requested by the CEO (low commitment), not to mention the short deadline he was given to complete the task.

Level of Development 3

Moderate or high competence and variable commitment. The authors Blanchard, Nelson and Zigarmi (1993), present the final change in the revised model: Development Level 3 (D3). The revised model describes D3 as high competence with variable commitment. The old model describes D3 as capable but unwilling. The authors made this revision for the following reasons:

- Some leaders like to be given responsibility for day-to-day decision making, which happens when they move through levels D2 to D3. These followers like the recognition from the leaders, but even so, they can sometimes become less committed, even if they have the necessary competence. The confidence and motivation of these subordinates may vary from one day to the next. Leaders in such a situation need to listen more, help these followers solve problems, and share more information about the organization's operations.
- In specific cases, the subordinates may be competent but fear new responsibilities. They feel insecure, unwilling, and dependent on other team members and may lack confidence. They may need reassurance and encouragement from the Leader.
- Sometimes, the subordinate may become unmotivated or dislike specific tasks and need the leader to help them become more motivated. Motivation or trust can result in variable levels of commitment.

Rafael proved to be at this level of development in his last month on the Trainee program and, in this case, when he was nominated by the CEO of the Master Group to become a member of the international sales team, because the CEO had future pretensions for the business Group and the main goal was to create more coherent conditions for the company's multinational clients.

Rafael knew a lot about each of those customers (moderate to high competence), because he had dealt with them during his time as Sales Manager, in addition to his ability to make valuable contributions to this project. But Rafael was very skeptical. When he realized that the project had flaws and that it would not give the expected results, he commented to the Financial Manager, who told his director about the lack of efficiency of most people from the international sales team and that this project would not work, and for this reason he did not want to participate (commitment variable).

This pattern of behavior was repeated with Rafael when the People Management Manager asked him to implement a training and development plan for his employees. Rafael knew the strengths and weaknesses of each

employee (moderate or high competence). But he said it was not the time for the training, and that he was also very busy (variable commitment).

Level of Development 4

High competence and high commitment. At Developmental Level 4 (D4), the subordinates expect the leader to delegate. At this level of maturity, those being led will have the ability and willingness to take responsibility. A more discrete style of delegation, which gives little direction and little support, is the one most likely to be effective. Although it may still be the leader who identifies the problem, the responsibility for executing the plans lies with these mature leaders, who themselves develop the project and decide how, when and where to perform the tasks. As these subordinates are already mature, they do not require extensive two-way communication or support. Therefore, the leadership style is marked by a less close relationship and low task behavior.

When encouraged by the Financial Manager, Rafael changed his attitude and was able to talk to his director about the international sales project, to demonstrate his knowledge about the customers, and to connect his experience with the logistics area. What he considered an important point for the success of the project and became interested in the project.

This is the case of Max, the Director, and Rafael, the subordinate: while he was the Logistics Manager at Company Black, Rafael had little contact with his director, but was so prepared for his function that everything flowed very well: processes, engaged team and, especially, results. This level of development called the attention of the CEO of the Master Group, to the point of suggesting to bring Rafael from Black to take on the management of the commercial area at Blue. Which in fact happened. However, several problems along the way, feared by Max, his director, effectively occurred, until Rafael began to demonstrate competence for the new position.

The exercise on the use of Situational Leadership demonstrates that even at higher levels of management, there is always room for professional growth. The role of leadership, hierarchically superior, will always be fundamental to guide, motivate, prepare, according to the situations presented at each moment.

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