

16.6: Reading- Leadership Styles

Leadership Styles

Leading an organization can be compared to conducting an orchestra. The leader directs the various parts of the orchestra—the string, brass, woodwind, and percussion sections—indicating when and how they should play. It's fairly easy to pick up a baton, cue each section, and strike up the band. But it doesn't follow that the music will be good.



What if your cues are ambiguous, ignored, or misinterpreted? Or what if your musicians don't like your approach to the music and decide to walk away? On top of everything else, you don't simply want to make music: you want to inspire your musicians to make *great* music. How do you accomplish this goal? How do you become an effective leader? What style or approach should you use to motivate others to achieve organizational goals? Unfortunately, there are no definitive answers to questions like these. Over time, every manager refines his or her own leadership style or way of interacting with and influencing others. Despite a vast range of personal differences, leadership styles tend to reflect one of the following approaches to directing and motivating people: the *autocratic*, the *democratic*, or the *laissez-faire*. Let's see how managerial styles reflect each of them in a work situation.

- *Autocratic style*. Managers who have developed an autocratic leadership style tend to make decisions without soliciting input from subordinates. They exercise authority and expect subordinates to take responsibility for performing the required tasks without undue explanation.
- *Democratic style*. Managers who favor a democratic leadership style generally seek input from subordinates while retaining the authority to make the final decisions. They're also more likely to keep subordinates informed about things that affect their work.
- *Laissez-faire style*. In practicing a laissez-faire leadership style, managers adopt a "hands-off" approach and provide relatively little direction to subordinates. They may advise employees but usually give them considerable freedom to solve problems and make decisions on their own.

At first glance, you'd probably not want to work for an autocratic leader. After all, you certainly don't want to be told what to do without having any input. You probably like the idea of working for a democratic leader; it's flattering to be asked for your input. Though working in a laissez-faire environment might seem a little unsettling at first, the opportunity to make your own decisions is appealing. In general, your assessments of the three leadership styles would be accurate. Employees generally dislike working for autocratic leaders; they like working for democratic leaders, and they find working for laissez-faire leaders rewarding (as long as they feel they can handle the job). But there are situations when these generalities don't hold. To learn what these situations are, let's turn things around and pretend you're the leader.

To make it applicable to your current life, we'll say that you're leading a group of fellow students in a team project for your class. Are there times when it would be best for you to use an autocratic leadership style? What if your team was newly formed, unfamiliar with what needs to be done, under a tight deadline, and looking to you for direction? In this situation, you might find it appropriate to follow an autocratic leadership style (on a temporary basis) and assign tasks to each member of the group. Now let's look at the leadership style you probably prefer—the democratic leadership style. Can you think of a situation where this style would *not* work for your team? What if the members of your team are unmotivated, don't seem interested in providing input, and aren't getting along? It might make sense to move away from a democratic style of leadership (temporarily) and delegate specific tasks to each member of the group that they can do on their own. How about laissez-faire leadership? Will this always work with your group? Not always. It will work if your team members are willing and able to work independently and welcome the chance to make decisions. Otherwise, it could cause the team to miss deadlines or do poorly on the project. The point being made here is that no one leadership style is effective all the time for all people. While the democratic style is viewed as the most appropriate (as is

the laissez-faire style, to a lesser extent), there are times when following an autocratic style is better. Good leaders learn how to adjust their styles to fit both the situation and the individuals being directed.

Transformational Leadership

Theories on what constitutes effective leadership evolve over time. One theory that has received a lot of attention in the last decade contrasts two leadership styles: *transactional* and *transformational*. So-called transactional leaders exercise authority based on their rank in the organization. They let subordinates know what's expected of them and what they will receive if they meet stated objectives. They focus their attention on identifying mistakes and disciplining employees for poor performance. By contrast, transformational leaders mentor and develop subordinates, providing them with challenging opportunities, working one-on-one to help them meet their professional and personal needs, and encouraging people to approach problems from new perspectives. They stimulate employees to look beyond personal interests to those of the group. So, which leadership style is more effective? You probably won't be surprised by the opinion of most experts. In today's organizations, in which team building and information sharing are important and projects are often collaborative in nature, transformational leadership has proven to be more effective. Modern organizations look for managers who can develop positive relationships with subordinates and motivate employees to focus on the interests of the organization.^[1]

KEY TAKEAWAYS

- A manager's **leadership style** varies depending on the manager, the situation, and the people being directed. There are three common styles.
- Using an **autocratic style**, a manager tends to make decisions without soliciting input and expects subordinates to follow instructions without undue explanation.
- Managers who prefer a **democratic style** seek input on decisions.
- Exercising a **laissez-faire style**, the manager provides no more guidance than necessary and lets subordinates make decisions and solve problems.
- One current leadership theory focuses on two contrasting leadership styles: transactional and transformational.
- Managers adopting a **transactional style** exercise authority according to their rank in the organization, let subordinates know what's expected of them, and step in when mistakes are made.
- Practicing a **transformational style**, managers mentor and develop subordinates and motivate them to achieve organizational rather than merely personal goals. Transformational leadership is effective in organizations that value team building and information sharing.

Check Your Understanding

Answer the question(s) below to see how well you understand the topics covered in this section. This short quiz does **not** count toward your grade in the class, and you can retake it an unlimited number of times.

Use this quiz to check your understanding and decide whether to (1) study the previous section further or (2) move on to the next section.

<https://assessments.lumenlearning.com/assessments/201>

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1. See Karen Collins, *Accountants' Management Styles and Effectiveness*, American Woman's Society of Certified Public Accountants, 1997.↵

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