

10.12: What Makes an Effective Leader?

Learning Objectives

- Identify the traits of effective leaders.
- Differentiate between task-centered and employee-centered leadership behavior.
- Differentiate between autocratic, democratic, and laissez-faire styles of leadership.

As people have pursued an understanding of what makes an effective leader, their attention has often moved to the key personal traits those leaders exhibit. The idea is that identifying those common traits will help businesses identify effective leaders and help individuals know how to become better leaders. What are some of those common traits?

Research on traits has many critics. One example that follows will illustrate that someone perceived as a leader may not be the most effective leader in the long run. Nevertheless, some companies will use traits or personality in making hiring or promotion decisions.

Leadership Traits



Drive

Leaders tend to be highly motivated individuals. This inner drive is reflected in a number of common ways. They reflect a greater effort level in general, they strive for achievement, they have greater ambition, they work with greater energy, they are often tenacious, and they are more likely to take the initiative rather than wait for someone else to do so.

Desire to Lead

Effective leaders also tend to have a strong desire toward leadership roles and functions. Although others are happier to allow others to take the lead, leaders want to do so themselves.

Honesty/Integrity

The moral aspect of leadership is highly significant. Effective leaders must demonstrate high levels of honesty and integrity. This is essential to inspiring confidence and trust from employees and other followers, without which a leader is not likely to be effective. Dishonesty may not always be revealed at first, but it usually is with time. There are many stories of business leaders who are successful for a period of time but later find themselves in serious trouble due to dishonest or unethical practices. For example, Martin Winterkorn became embroiled in ethical and legal controversy after a period of strong success as CEO of Volkswagen.

Self-Esteem /Self-Confidence

These two elements, self-esteem and self-confidence, are closely related and tend to be prominent in leaders. Perhaps it is best to view these traits in terms of the negative perspective. A lack of self-esteem and self-confidence is very problematic for a leader. When these traits are lacking, doubts arise and insecurities plague a leader's activities. The leader tends to be confident that his beliefs, plans, and actions are correct (hopefully with good reason). This confidence is important in that it enables the leader to persist steadfastly in the right course even when there are obstacles and doubts from others.

Open-Mindedness

At the same time, effective leaders also tend to be open-minded to new ideas and experiences. They recognize that innovation is often valuable, and they also tend to consider ideas and suggestions from others. Self-confidence and self-esteem do not have to conflict with this spirit of open-mindedness. When they do, the result is generally harmful.

Intelligence

One obvious trait that many people look for in leaders is intelligence. Studies have shown that this is indeed an important qualification. It has been suggested, however, that pure cognitive ability is a “threshold” qualification. That is, it is important for the entrance into leadership roles. However, once within the leadership circle, most individuals have relatively high intelligence levels, so mere cognitive ability is not enough to distinguish a leader from other leaders.

Further, pure cognitive ability is only one type of intelligence. Relational and emotional intelligence are also important aspects for leaders to develop. An over-reliance on strict cognitive intelligence can be very inhibiting to effective leadership.

Extraversion



Mark Zuckerberg, Facebook, and Bill Gates, Microsoft.

Another unsurprising personality trait that is commonly associated with leadership is being an extrovert. Leaders tend to be outgoing and social in their personalities, which helps them take the lead and act with initiative. It also helps them with the important aspect of connecting to and inspiring others through relationships.

Though many leaders are extraverts, there are certainly examples of successful leaders who are not. Sometimes other strengths are sufficient to compensate for not being an extravert, or sometimes a leader who is not naturally an extravert is able to train himself to be more outgoing in behavior when needed, though this still does not generally change the leader’s basic personality. Bill Gates of Microsoft and Mark Zuckerberg of Facebook are two prominent examples of extremely successful leaders who are introverts by personality.

? ? Practice Question

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Knowledge of the Business

Another key ingredient in the leadership trait mix is knowledge of the business. Even if an individual has all the natural personality traits desired of leaders, a lack of knowledge and experience is usually impossible to overcome. A leader must be competent in his field, and the most effective leaders are usually experts with deep insight.

Styles of Leadership

Though a trait-based analysis of leaders is a common approach, another way to evaluate leaders is to analyze their behavioral leadership styles.

Task-Centered or Employee-Centered

Most behavioral leadership styles fall within two broad categories: task-centered styles and employee-centered styles.

- **Task-centered** styles of leadership focus on giving instructions and directions to group members to reach achievement and accomplishment goals more efficiently and effectively. The focus is on the objective analysis of what needs done and the specific course of actions that should be taken to meet those needs. Employees are seen as resources to be used to accomplish the goals.
- **Employee-centered** styles of leadership focus less on objective actions or plans and more on building the relationships between themselves and their followers. By encouraging and supporting them, the leader hopes to make them more qualified, confident,

and productive. His focus is on developing his employees and inspiring them to follow the vision he has provided. Employee-centered styles are also often referred to as **people-centered** or **relationship-centered**.

Of course, many leaders would hope to combine qualities from both of these styles, but the tendency is for individual leaders to focus more strongly on one or the other.

? ? PRACTICE QUESTION

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Autocratic, Democratic, or Laissez-faire

A good leader inspires people to have confidence in the leader. A great leader inspires people to have confidence in themselves.

—Eleanor Roosevelt

A leader's style can often be identified by the manner in which he makes decisions, especially the degree to which he involves his employees. This aspect of leadership is often divided into a spectrum with three broad categories: autocratic, democratic, and laissez-faire.

- An **autocratic** leader makes decisions without significant employee involvement in the process. He works from an authoritarian perspective. This approach often corresponds to a task-centered style. This approach can be faster and more efficient than more discursive approaches.
- A **democratic** approach strongly involves the employee team in the decision-making process. This can take a variety of forms. For example, the employees may discuss the issue together as a group, followed by the leader making the final decision. Alternatively, the leader might agree to allow the employees a final vote in the matter. In any case, employees have a significant role to play in the process.
- A **laissez-faire** approach is a very hands-off approach to leadership. Instead, employees make decisions on their own. This approach generally leads to lower productivity, but it may be the best where employees are experts or where creativity is needed.

? ? Practice Question

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