

Leadership styles

This section explores the five categories of leadership style, which are:

- **Autocratic.** This leadership style is characterised by a domineering and possibly tyrannical approach. It is strong and rule-oriented.
- **Paternalistic.** With this leadership style, the organisation's interests and its employees are looked after as if they were family.
- **Laissez-faire.** From the French term which can be translated roughly as 'hands-off', this leadership style is characterised by a lack of interference from the leader of an organisation.
- **Democratic.** This leadership style values inclusiveness and employees' input. It is the opposite of autocratic.
- **Situational.** This leadership style is not easy to define. The best way to think of it is as a style that someone adopts for a particular situation.

Autocratic leadership

Autocratic leadership is a style of leadership where the leader concentrates virtually all decision-making in their own hands. Usually, autocratic leaders neither seek input from subordinates nor value input that subordinates might try to provide.

In a work environment, the autocratic leader dictates orders, and employees follow these orders without question. There is a high degree of clear and detailed instruction and employees are closely supervised to ensure that results are achieved. This eliminates any guesswork on the employees' part as they understand exactly what is expected. Employees may even appreciate this no-nonsense approach. 'Follow orders' could be the mantra of this type of leader. Autocratic leadership is more common in large organisations, such as in the military forces, where everyone is required to do exactly as they are told. When a timely decision is needed, this type of leader can readily make it.



Figure 1. Autocratic leadership.

A disadvantage of autocratic leadership is that employees' ideas and feedback may not be sought or welcomed. Innovative ideas and creativity may be stifled as there is no mechanism for employees to voice or act on their ideas. In this 'top-down' approach, orders come from the top and are carried out by subordinates (senior managers, middle managers and so on) to the letter. This style of leadership depends on very closely defined instructions and orders, and there will be problems if there is scope for different interpretations. These disadvantages can lead to a high turnover rate in the labour force and low motivation levels.

Paternalistic leadership

Paternalistic leadership is a style of leadership whereby the head of an organisation treats employees warmly, as a parent would their children; as though they were part of their family. In return, the leader expects loyalty and obedience.

The word 'paternalistic' derives from the Latin word 'pater', meaning father. In this leadership style, a family-like atmosphere is created to provide a sense of security, loyalty and bonding. The fact that there is a strong central figure, with much power and the control over decision-making, means that there is some commonality with autocratic leadership. However, it feels different. Paternal leaders treat their employees like family, care about their concerns and interests outside work and attempt to generate an overarching connection to their organisation. This can create great pride in and devotion to the organisation; people may remain employed in such an organisation for many years.



Figure 2. Paternalistic leadership.

There are many benefits to paternalistic leadership. It creates a sense of belonging, which leads to loyalty and length of service. Decisions are made with employee happiness in mind, not just profits. This understandably leads to trusting familial working conditions that can be beneficial for productivity.

Paternalism can also have disadvantages. When there is a deep loyalty to the company, both the leader and the employee sometimes fail to see that the best interests of the company are not being addressed. If the company experiences hard times, difficult decisions will have to be made and employees let go. This can cause great disruption to a business.

Laissez-faire leadership

Laissez-faire leadership is a style of leadership whereby the leader ‘lets go’ of decision-making and allows members of the group or team to make decisions.

Warren Buffett, CEO of the investment company Berkshire Hathaway, is a good example of a leader with a laissez-faire style. With an amassed fortune of over 116 billion USD, Buffett believes in surrounding himself with capable people and allowing them to do their work. He once remarked, ‘It’s better to hang out with people better than you’. Competent and confident employees are necessary for this model to work, but Buffett seems to have made laissez-faire a successful leadership style.



Figure 3. Laissez-faire leadership.

Laissez-faire leadership gives employees autonomy in making decisions and accomplishing an organisational objective. This can be very motivating, as you will learn in [Subtopic 2.4 \(/study/app/y12-business-management-a-sl-may-2024/sid-352-cid-174703/book/the-big-picture-id-39559\)](https://study/app/y12-business-management-a-sl-may-2024/sid-352-cid-174703/book/the-big-picture-id-39559). So, a business might have a goal to maximise sales by 10%. Instead of the leader telling the sales people how to accomplish this, it is up to the sales force to find a way to reach the goal. Essentially, the leader sets the objective and says, 'Here are the resources; now achieve!' This can build great energy and drive among employees because the leader is demonstrating implicit trust.

Having competent employees that are independent-minded is a great advantage for a laissez-faire leader and essential to the organisation's success. Employees' education and competency are important for this leadership style to succeed. If a sales force cannot function independently to reach the 10% goal because of a lack of training or creativity, the business will suffer. Similarly, this style of leadership will not suit all employees. If a business recruits an inexperienced person who does not know how to achieve the objective, they will feel lost when nobody tells them what to do. An employee like this may function better under a paternalistic or autocratic leadership style.

Democratic leadership

Democratic leadership is a style of leadership whereby the leader actively seeks input from members of the organisation and encourages their participation in decision-making. While an autocratic leader aims to increase the distance between the executives and the employees, a democratic leader tends to remove this distance.

The democratic leader is comfortable with trusting employees to carry out important jobs within the organisation. Another important characteristic is the ability to listen to employees and understand their questions or concerns – literally to work with them to solve an issue or problem. Depending on the size of the organisation, the democratic leader will be able to consult employees regularly to seek input and understand concerns. This can boost motivation because employees feel involved and looked after.



Figure 4. Democratic leadership.

Democratic leadership may not be a good option for military tactics and in times of crisis. In these situations, the leader may not have time to consult everyone and sometimes people just need to do what they are told to get the job done. Democratic leadership can be hard to maintain throughout the business as everyone has varying degrees of ability to lead in this manner. As the old saying goes, ‘time is money’, and democratic leadership and decision-making may take more time. That could be very costly in businesses that have time-sensitive issues to resolve.

Situational leadership

Situational leadership occurs when the leader adapts their leadership style for the place, time, people and the nature of the task or project. A situational leader adopts the right approach for the place, time and people involved.

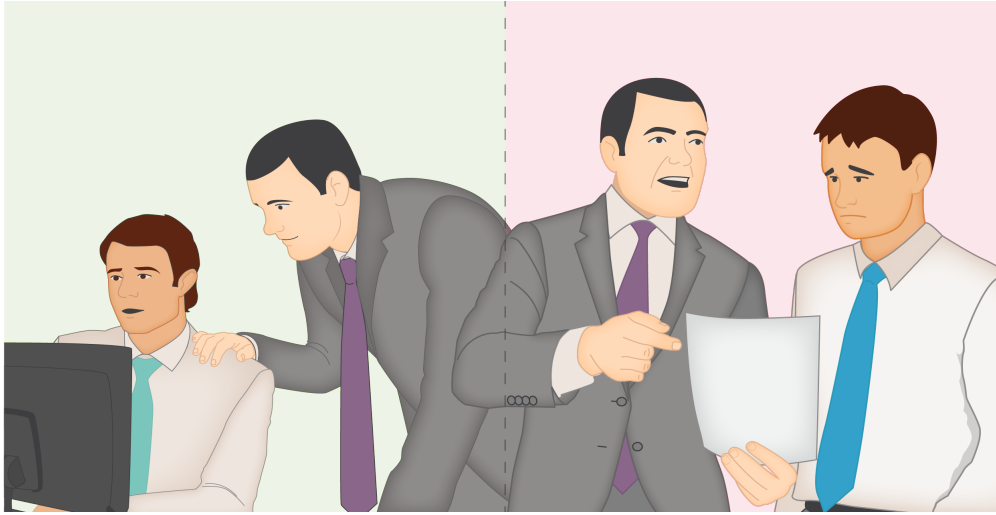


Figure 5. Situational leadership.

Situational leaders are able to employ different leadership styles at different times in order to adapt to a particular circumstance. This might mean having to demand that employees follow the rules without questioning them (autocratic leadership style) so as to achieve a result or manage a crisis. Or it might mean employing a ‘we’re all in this together’ approach (paternalistic leadership style) to reach an objective. There may be times when a situation calls for managers to let employees make mistakes and learn from them or take chances and grow as an employee and as an individual (laissez-faire leadership style). Or, finally, a situational leader may ask employees to take part in decision-making and take ownership of their role in the business (democratic leadership style).

Situational leadership is a powerful leadership style as it demands that the leader adapts to any situation and is competent and confident to make the ‘right’ decision. This leadership style is useful when leading a large organisation with diverse needs. For example, the principal or director of your school is likely to face parents, students, other teachers and the community in normal operations and in times of crisis, and may adapt their approach based on the situation and the group.

Making connections

In [Section 2.5.5 \(:sectionlink:113415\)](#), HL students will learn about Hofstede's cultural dimensions.

Hofstede and other researchers studied different countries and how values in the workplace are impacted by national culture. For example, if a country exhibits a rigid, controlling and ‘know your place’ societal structure, a laissez-faire approach to leadership and management may not work well. On the other hand, in a free, tolerant ‘live-and-let-live’ societal structure, an autocratic or even paternalistic manager or leader would find it difficult to move a business forward.

The trick is for a leader or manager to know which leadership style fits best, especially in the expanding globalised marketplace.

Concept

Creativity

Many companies boast their 'startup culture'. The leaders in such organisations tend not to create distance between themselves and the employees, but instead listen to the employees' concerns and ideas. Generally, these employees are managed using a laissez-faire or a democratic leadership style, and such environments tend to be conducive to fostering creativity. Creative solutions are welcomed and actively solicited, and employees are expected to evaluate the processes and contribute to their improvement. Of course, an organisation needs to have a very competent staff and an appropriate corporate culture to adopt these leadership styles.

Activity

Learner profile: Communicators

Approaches to learning: Communication skills

Consider your teachers and coaches this year and think of which leadership style each one of them represents.

- Think of two characteristics of the leadership style you chose for each teacher or coach.