

Course: BBA Part 1

Paper I

Topic: Leadership Styles

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Date: 20/06/2020

Leadership Styles

1. Democratic Leadership

Commonly Effective

Democratic leadership is exactly what it sounds like -- the leader makes decisions based on the input of each team member. Although he or she makes the final call, each employee has an equal say on a project's direction.

Democratic leadership is one of the most effective leadership styles because it allows lower-level employees to exercise authority they'll need to use wisely in future positions they might hold. It also resembles how decisions can be made in company board meetings.

For example, in a company board meeting, a democratic leader might give the team a few decision-related options. They could then open a discussion about each option. After a discussion, this leader might take the board's thoughts and feedback into consideration, or they might open this decision up to a vote.

2. Autocratic Leadership

Rarely Effective

Autocratic leadership is the inverse of democratic leadership. In this leadership style, the leader makes decisions without taking input from anyone who reports to them. Employees are neither considered nor consulted prior to a direction, and are expected to adhere to the decision at a time and pace stipulated by the leader.

An example of this could be when a manager changes the hours of work shifts for multiple employees without consulting anyone -- especially the effected employees.

Frankly, this leadership style stinks. Most organizations today can't sustain such a hegemonic culture without losing employees. It's best to keep leadership more open to the intellect and perspective of the rest of the team.

3. Laissez-Faire Leadership

Sometimes Effective

If you remember your high-school French, you'll accurately assume that laissez-faire leadership is the least intrusive form of leadership. The French term "laissez faire" literally translates to "let them do," and leaders who embrace it afford nearly all authority to their employees.

In a young startup, for example, you might see a laissez-faire company founder who makes no major office policies around work hours or deadlines. They might put full trust into their employees while they focus on the overall workings of running the company.

Although laissez-faire leadership can empower employees by trusting them to work however they'd like, it can limit their development and overlook critical company growth opportunities. Therefore, it's important that this leadership style is kept in check.

4. Strategic Leadership

Commonly Effective

Strategic leaders sit at the intersection between a company's main operations and its growth opportunities. He or she accepts the burden of executive interests while ensuring that current working conditions remain stable for everyone else.

This is a desirable leadership style in many companies because strategic thinking supports multiple types of employees at once. However, leaders who operate this way can set a dangerous

precedent with respect to how many people they can support at once, and what the best direction for the company really is if everyone is getting their way at all times.

5. Transformational Leadership

Sometimes Effective

Transformational leadership is always "transforming" and improving upon the company's conventions. Employees might have a basic set of tasks and goals that they complete every week or month, but the leader is constantly pushing them outside of their comfort zone.

When starting a job with this type of leader, all employees might get a list of goals to reach, as well as deadlines for reaching them. While the goals might seem simple at first, this manager might pick up the pace of deadlines or give you more and more challenging goals as you grow with the company.

This is a highly encouraged form of leadership among growth-minded companies because it motivates employees to see what they're capable of. But transformational leaders can risk losing sight of everyone's individual learning curves if direct reports don't receive **the right coaching** to guide them through new responsibilities.

6. Transactional Leadership

Sometimes Effective

Transactional leaders are fairly common today. These managers reward their employees for precisely the work they do. A marketing team that receives a scheduled bonus for helping generate a certain number of leads by the end of the quarter is a common example of transactional leadership.

When starting a job with a transactional boss, you might receive an incentive plan that motivates you to quickly master your regular job duties. For example, if you work in marketing, you might receive a bonus for sending 10 marketing emails. On the other hand, a transformational leader might only offer you a bonus if your work results in a large amount of newsletter subscriptions.

Transactional leadership helps establish roles and responsibilities for each employee, but it can also encourage bare-minimum work if employees know how much their effort is worth all the time. This leadership style can use incentive programs to motivate employees, but they should be

consistent with the company's goals and used in addition to *unscheduled* gestures of appreciation.

7. Coach-Style Leadership

Commonly Effective

Similarly to a sports team's coach, this leader focuses on identifying and nurturing the individual strengths of each member on his or her team. They also focus on strategies that will enable their team work better together. This style offers strong similarities to strategic and democratic leadership, but puts more emphasis on the growth and success of individual employees.

Rather than forcing all employees to focus on similar skills and goals, this leader might build a team where each employee has an expertise or skillset in something different. In the longrun, this leader focuses on creating strong teams that can communicate well and embrace each other's unique skillsets in order to get work done.

A manager with this leadership style might help employees improve on their strengths by giving them new tasks to try, offering them guidance, or meeting to discuss constructive feedback. They might also encourage one or more team members to expand on their strengths by learning new skills from other teammates.

8. Bureaucratic Leadership

Rarely Effective

Bureaucratic leaders go by the books. This style of leadership might listen and consider the input of employees -- unlike autocratic leadership -- but the leader tends to reject an employee's input if it conflicts with company policy or past practices.

You may run into a bureaucratic leader at a larger, older, or traditional company. At these companies, when a colleague or employee proposes a strong strategy that seems new or non-traditional, bureaucratic leaders may reject it. Their resistance might be because the company has already been successful with current processes and trying something new could waste time or resources if it doesn't work.

Employees under this leadership style might not feel as controlled as they would under autocratic leadership, but there is still a lack of freedom in how much people are able to do in their roles.

This can quickly shut down innovation, and is definitely not encouraged for companies who are chasing ambitious goals and quick growth.