

## **Leadership in Business**

### **Objective 5: Outline the essential Characteristics of a good leader**

A leader is a person who leads or commands a group, organization or country. Effective leaders are able to motivate or influence others to complete a task successfully. A good leader is transformational. They are able to inspire change where change is necessary and may also be charismatic. A leader may display behaviour, mannerisms, and a sense of style that team members admire, and seek to develop within themselves. Characteristics of a good leader may include: honesty, flexibility, focus, trustworthiness and ability to make intelligent decisions.

### **Activity 1: Read the scenario below and answer the questions that follow.**

S. McLean has worked as the head of the business department of Vauxhall High School for over fifteen years and was recently voted Head of Department of the year by the school board and general staff. Before presenting the award to Mr. McLean at a lavish staff ceremony the principal gave a speech highlighting the reasons why the staff agreed that he deserved this prestigious award.

“Mr. McLean is one of the most self-driven, self-motivated person that I have come across. He shows such passion and enthusiasm for his job, and always goes above and beyond the call of duty. Mr. McLean is always seeking innovative or creative ways to solve problems that he encounters on the job. More importantly, he is admired greatly by the members of the business department. They describe him as respectful and says he treats them as equals. Other members of staff also expressed that they trust him fully as he is honest and shows no bias or

preference to any employee at the institution. The members of the administrative department praised him for being an attentive listener- willing to listen to their ideas as well as their problems and take prompt actions where necessary. Although Mr. McLean actively listens to the ideas presented by his co-workers, and encourages their inputs in the decision making process, I know that he is no pushover! He exercises authority and stand his ground when necessary. Time and time again, he has demonstrated the ability to maintain his cool under her stressful and trying circumstances. Mr. McLean always remain calm and diplomatic and communicates respectfully and professionally with others.

Mr. McLean, we are so proud to have you as part of this institution and it is with great thanks that I present you with this award of our appreciation. Bravo to you Mr. McLean

**Questions:**

1. Identify the key words or terms that characterise Mr. McLean as a good leader.
2. Identify **FOUR** other characteristics of a good leader.

**Objective #6: Discuss the different leadership styles.**

## **Leadership Styles**

Managers all have different personalities and values which can influence their leadership. A good leader will often use a mixture of leadership styles, depending on the situation and the skills and attitudes of those they report to or manage.

The types of leadership styles include:

1. Autocratic Leadership
2. Democratic Leadership
3. Laissez-faire Leadership

### **Autocratic Leadership**

An autocratic leader tells employees what to do, and expects orders to be followed without questions. This is a good style in emergencies and other situations when decisions need to be made and actions taken quickly. However, if a manager is always autocratic, employees may become dissatisfied, because they are unable to contribute ideas or challenge decisions they think are wrong.

### **Characteristics of an Autocratic Leader**

1. All decisions are made by the leader. There is no consultation with subordinates.
2. Managers mainly use top-down or formal lines of communication to issue orders.

Feedback from subordinates is not desired.

### **Advantages**

1. Decisions are made quickly as there is no consultation with subordinates.
2. There is a clear chain of command; employees are not confused as to who they are to report to.
3. New employees can be provided with clear directives to follow.

### **Disadvantages**

1. Employees may lack a sense of belonging within the firm as they are not involved in the decision making process.
2. Employees may become resentful towards the manager and may retaliate by not giving their best on the job.
3. Worker creativity and innovation may be stifled as their ideas are not sought by the leader.

### **Democratic Leadership**

A democratic leader consults other managers and employees and involves them in problem solving and decision making. Information and ideas about work and the future of the business are shared and discussed openly, before the manager makes an informed decision on what action should be taken.

This type of leadership style is important when decisions can affect the job and working conditions of others, for example when an organization has to cut workforce, change working hours, introduce new machinery or relocate. Employees may not like the outcomes, but may accept it better if they feel they were consulted, and if their views are listened to before such decisions are made.

### **Characteristics of a Democratic Leader**

1. Employees are encouraged to participate in the decision making process.
2. There is delegation of authority.
3. Managers use a two-way flow of communication with a balance of the top-down and bottom-up approaches.
4. Very flexible.

### **Advantages**

1. Employees may feel a greater sense of belonging within the firm, as they are actively involving in the decision making process.
2. Teamwork is encouraged.
3. The leader provides scopes for development of worker creativity and innovation, and sources the team's ideas.

### **Disadvantages**

1. The decision making process may be slow.
2. Employees may influence decisions that are more in line with their personal preference and skill rather than the goals of the organization.

### **Laissez-faire Leadership**

A laissez-faire leader is a 'hands off' manager. They communicate aim and objectives to employees, and then leave them to organize their work and make their own decisions about how best to achieve this. They believe that people are more motivated and productive when they are able to fulfil responsibilities and obligations on their own way, with minimal

direction.

This leadership style encourage employees to be independent, creative and more actively involved in the operations of the business. This is important when you are looking for new ideas and innovations, for example when researching and developing new products, production processes or marketing campaigns.

### **Characteristics of a Laissez-faire Leadership**

1. Employees are largely left to make decisions on their own.
2. The leader is hardly involved in the decision- making process, assuming a more passive role.
3. Employees work with little or more supervision or guidance.
4. Horizontal or lateral communication between employees dominates.
5. There is rarely any top-down or bottom-up communication.

### **Advantages**

1. Employees may feel greater sense of belonging and accountability within a firm as they are largely left to make decisions on their own.
2. Teamwork may be encouraged as, with little guidance from the leader, workers may find it best to rely on each other's input to complete tasks.
3. It's provides a scope for development of worker creativity and innovation as employees are largely left to implement their own ideas.

### **Disadvantages**

1. The decision process may be slow.
2. With little supervision or input from leader, employees may make decisions that are more in line with personal preferences and skills rather than the goals of the organization.
3. With little supervision, workers may also become laissez-faire and unproductive on the job.

### **Activity 2: Read the scenario below and answer the questions that follow.**

Mr K. Hawkins recently inherited a beauty salon from her mother. She believes that it is time to make some changes in how the business is managed. ‘My employees have worked for my mother long enough,’ she says. ‘I shouldn’t have to host regular consultation meetings with them. They should be able to make their own decisions without my input constantly.’ Hawkins knows that there are some risks in adopting this management style but thinks benefits of implementing it far outweighs the risk.

### **Questions**

1. What leadership style do you believe K. Hawkins mother originally used in the business?
2. What leadership style is Hawkins seeming to implement?
3. What are the risks she is likely to encounter by using the leadership style you identified above?
4. Identify two benefits that Hawkins may experience as a result of implementing the leadership style you identified.