

tec.com.au

CEO | 9 common leadership styles

5-7 minutes

There is never a one-size-fits-all leadership style for every business – all companies operate differently and certain traits will be more successful in some environments than others.

However, having a thorough understanding of various leadership styles enables senior executives to not only adopt the correct characteristics for themselves, but also choose better managers throughout the organisation.

Here is a list of nine common leadership styles and a brief summary of their advantages and disadvantages.

Transformational leadership

Often considered among the most desirable employees, people who show transformational leadership typically inspire staff through effective communication and by creating an environment of intellectual stimulation.

However, these individuals are often blue-sky thinkers and may require more detail-oriented managers to successfully implement their strategic visions. For more information on transformational leadership traits, please [click here](#).

Transactional leadership

Transactional leadership is focused on group organisation,

establishing a clear chain of command and implementing a carrot-and-stick approach to management activities.

It is considered transactional because leaders offer an exchange; they reward good performances, while punishing bad practice.

While this can be an effective way of completing short-term tasks, employees are unlikely to reach their full creative potential in such conditions.

Servant leadership

People who practice servant leadership prefer power-sharing models of authority, prioritising the needs of their team and encouraging collective decision-making.

Research by Catalyst has claimed this style, described as altruistic leadership by the company, can improve diversity and boost morale. However, detractors suggest servant leaders lack authority and suffer a conflict of interest by putting their employees ahead of business objectives.

Autocratic leadership

A more extreme version of transactional leadership, autocratic leaders have significant control over staff and rarely consider worker suggestions or share power.

Ruling with an iron fist is rarely appreciated by staff, which can lead to high turnover and absenteeism. There can also be a lack of creativity due to strategic direction coming from a single individual.

This leadership style is best suited to environments where jobs are fairly routine or require limited skills. It is also common in military organisations.

Laissez-faire leadership

More commonly used to describe economic environments, laissez-faire literally means “let them do” in French. This is typically translated to “let it be”. As such, laissez-faire leaders are characterised by their hands-off approach, allowing employees to get on with tasks as they see fit.

This can be effective in creative jobs or workplaces where employees are very experienced. However, it is important that leaders monitor performance and effectively communicate expectations to prevent work standards slipping.

Democratic leadership

Also known as participative leadership, this style – as the name suggests – means leaders often ask for input from team members before making a final decision.

Workers usually report higher levels of job satisfaction in these environments and the company can benefit from better creativity. On the downside, the democratic process is normally slower and may not function well in workplaces where quick decision-making is crucial.

Bureaucratic leadership

Bureaucratic leadership models are most often implemented in highly regulated or administrative environments, where adherence to the rules and a defined hierarchy are important.

These leaders ensure people follow the rules and carry out tasks by the book. Naturally, this works well in certain roles – such as health and safety – but can stifle innovation and creativity in more agile, fast-paced companies.

Charismatic leadership

There is a certain amount of overlap between charismatic and transformational leadership. Both styles rely heavily on the positive charm and personality of the leader in question.

However, charismatic leadership is usually considered less favourable, largely because the success of projects and initiatives is closely linked to the presence of the leader. While transformational leaders build confidence in a team that remains when they move on, the removal of a charismatic leader typically leaves a power vacuum.

Situational leadership

Developed by management experts Paul Hersey and Ken Blanchard in 1969, situational leadership is a theory that the best leaders utilise a range of different styles depending on the environment.

Factors such as worker seniority, the business process being performed and the complexity of relevant tasks all play an important role in what leadership style to adopt for any given situation. For example, situational leaders may adopt a democratic leadership style when discussing commercial direction with senior executives, but switch to a bureaucratic strategy when relaying new factory protocols to workers.

However, many people have a natural leadership style, which can make switching between roles challenging. It can also be difficult to gauge what style is most suitable for certain circumstances, holding up decision-making processes.