

FACTFILE: GCE PROFESSIONAL BUSINESS SERVICES

UNIT A2 2: LEADERSHIP STYLES



Learning Outcomes

Student should be able to:

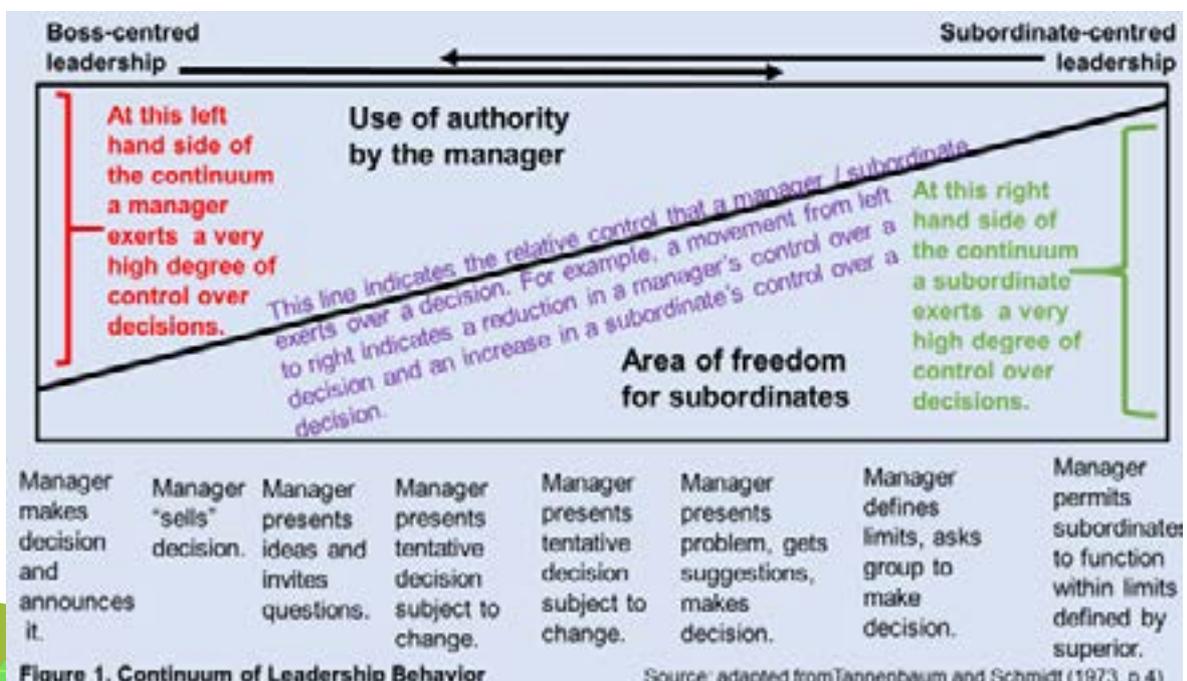
- Use Tannenbaum–Schmidt’s continuum of leadership to identify and explain the following leadership styles:
 - autocratic;
 - democratic; and
 - laissez-faire
- Evaluate the impact of leadership styles in a given context



Tannenbaum and Schmidt Continuum

Tannenbaum and Schmidt had their ‘Continuum of Leadership Behaviour’ model published in the Harvard Business Review in 1958. This model is still widely cited in publications covering leadership and is used to illustrate and explain how different styles of leadership could be employed within an organisation context. Note: contains American spelling of words.

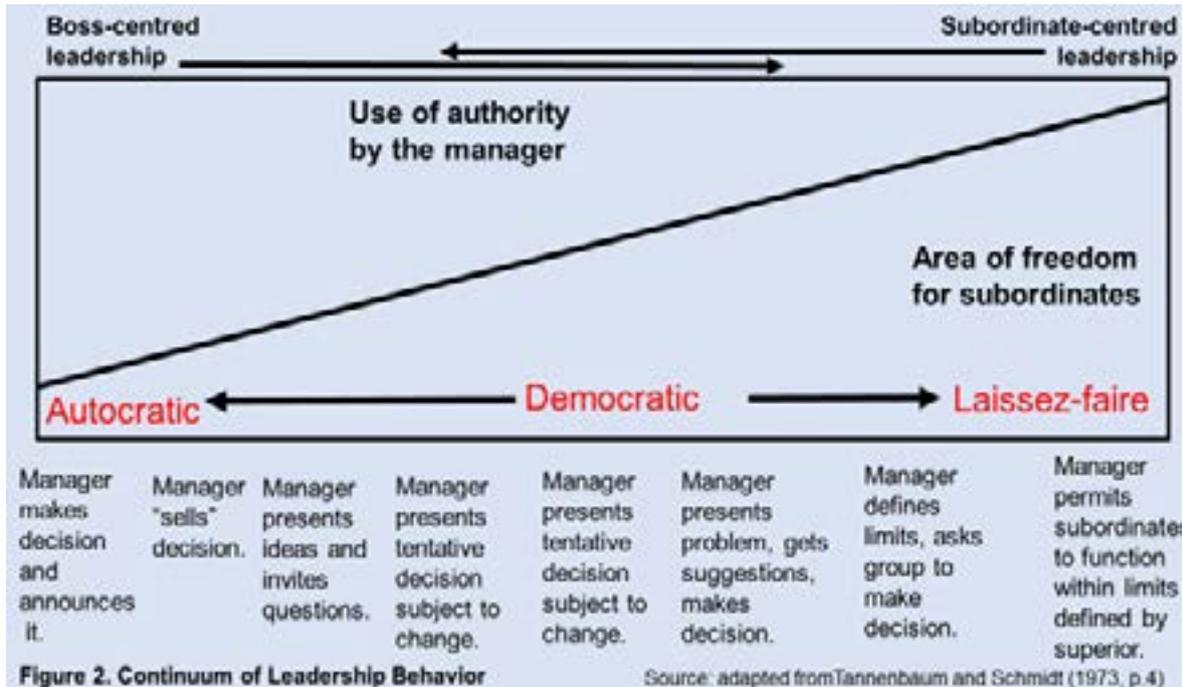
Figure 1. shows the Tannenbaum and Schmidt model. The vertical axis on the left hand side measures the level of Boss-centred leadership exerted by a manager i.e. the level of control exerted by a manager. The



vertical axis on the right hand side measures the level of Subordinate-centred leadership exercised by a subordinate i.e. the degree of control exercised by a subordinate. Movement along the horizontal axis from left to right or vice versa, represents movement along the 'continuum of leadership behaviour'. Different points on this 'continuum' indicate that a type of leadership behaviour is being employed by a manager. On the left hand side of the model the manager exerts a high level of control over decisions made. As you move from left to right along the 'continuum' the manager exerts less and less control over decisions because more and more control is being given to subordinates. For example, a manager may initially exert a high degree of control over decision-making and 'announce' their decision. However, over time, a manager may wish to give employees more control which involves making decisions. In this instance a manager may move towards the right hand side of the continuum and 'permit subordinates' to make decisions 'within limits' defined by them. Conversely subordinate control over decisions is reduced if you move from right to left on the 'continuum'.

Autocratic leadership style

Autocratic leadership is also known as authoritarian leadership. An autocratic leadership style, in a business context, exists where a person or manager exerts control over all decisions and receives very little or no input from employees or group members. Autocratic leaders usually make decisions based on their own thoughts and judgments and rarely seek advice from others. Figure 2. illustrates Tannenbaum and Schmidt's (1958) model where autocratic, democratic, and laissez-faire leadership styles have been added along the horizontal axis. The autocratic leadership style is situated on the left hand side of the horizontal axis. In this instance, a manager wields a high level of control over the decision that is made by them. This point on the 'continuum' also highlights the small degree of control exerted by employees. Managers may adopt an autocratic leadership style in making a decision if they are working to an impending deadline and do not have sufficient time to consult employees or they are the only person with required technical / business knowledge in relation to the work matter requiring a decision.



The Manager descriptor in this model beneath 'Autocratic' states the 'Manager makes decision, and announces it' which is similar to the description of autocratic leadership.

Democratic leadership style

Democratic leadership is also referred to as participative leadership. When a manager adopts a democratic leadership style they allow their employees to have a more participative role in the decision-making process. For example, employees may be asked for their thoughts and ideas on how to address a work matter or how to improve a product or service. This participative leadership style by a manager may increase the level of engagement of employees as they have more say about factors that may affect their work. Figure 2.

has the democratic leadership style placed around the centre of the 'Continuum of Leadership Behaviour' model. The Manager descriptor in this model below 'Democratic' notes the 'Manager presents problem, gets suggestions, makes decision' which also fits with the description of democratic leadership.

Laissez-faire leadership style

Laissez-faire leadership may also be referred to as delegated leadership. This is a style of leadership where the leader does not engage in decision-making but instead gives a degree of power and authority to employees or group members to make decisions. The laissez-faire leadership style gives employees more control over their work and may also increase employee engagement in work. Figure 2. has the laissez-faire leadership style placed at the right hand side of the 'Continuum of Leadership Behaviour' model'. The two Manager descriptors in this model under 'Laissez- faire' state the 'Manager defines limits, asks group to make decision' and the 'Manager permits subordinates to function within limits defined by superior' and they closely match with the description of democratic leadership.

The style of leadership adopted by a manager may be influenced by the context in which they have to manage. The context can be in relation to industries including: health care; education; pharmaceuticals; sport; hospitality. The manager needs to reflect on: their own experience, knowledge, and skills; the capabilities and expertise of their employees; the situation in terms of business objectives, the state of the organisation, the characteristics of the work group, the structure of tasks, time constraints, external environmental pressures. The evaluation of a leadership style may be undertaken by considering the strengths and weaknesses of a style, as noted in Table 1, Table 2, and Table 3 and by using the criteria noted in Figure 3. The measurement and evaluation of a leader's impact will be influenced by: the timescale chosen, that is, start date and finish date regarding metric use; the metrics within each criterion; non-leadership factors (exchange rates, weather, public sector expenditure cuts; inflation) which the leader has no direct control over.

The advantages and disadvantages associated with autocratic leadership style are in Table 1.

Table 1. Advantages and Disadvantages of Autocratic Leadership Style

Advantages	Disadvantages
Enables leaders to retain control over employees.	Does not give a voice to employees regarding decision-making which can frustrate and possibly demotivate employees.
Leader may be the only person who has the skills and knowledge to make an informed decision.	Ignores employees' ideas and opinions which may result in a better decision being made are not considered.
Decisions may be taken quickly if one person (leader) is responsible.	Limits the opportunity to develop employees.
Employees may not want the responsibility of making-decisions.	

The advantages and disadvantages associated with a democratic leadership style are listed in Table 2.

Table 2. Advantages and Disadvantages of Democratic Leadership Style

Advantages	Disadvantages
Employees are consulted and participate in the decision-making process. This participation may make employees feel valued and they may become more engaged with their work.	Time taken consulting with employees may delay decisions being made on time.
Employees informed about what is happening with the organisation and are better placed to see the big picture.	Leader may be perceived as being indecisive if they consult employees for their advice/ opinions.
Knowledge, skills, and capabilities of employees are utilized more as they are involved in decision-making.	Leader loses an element of control over decision making by allowing employees an input into the decision-making process.

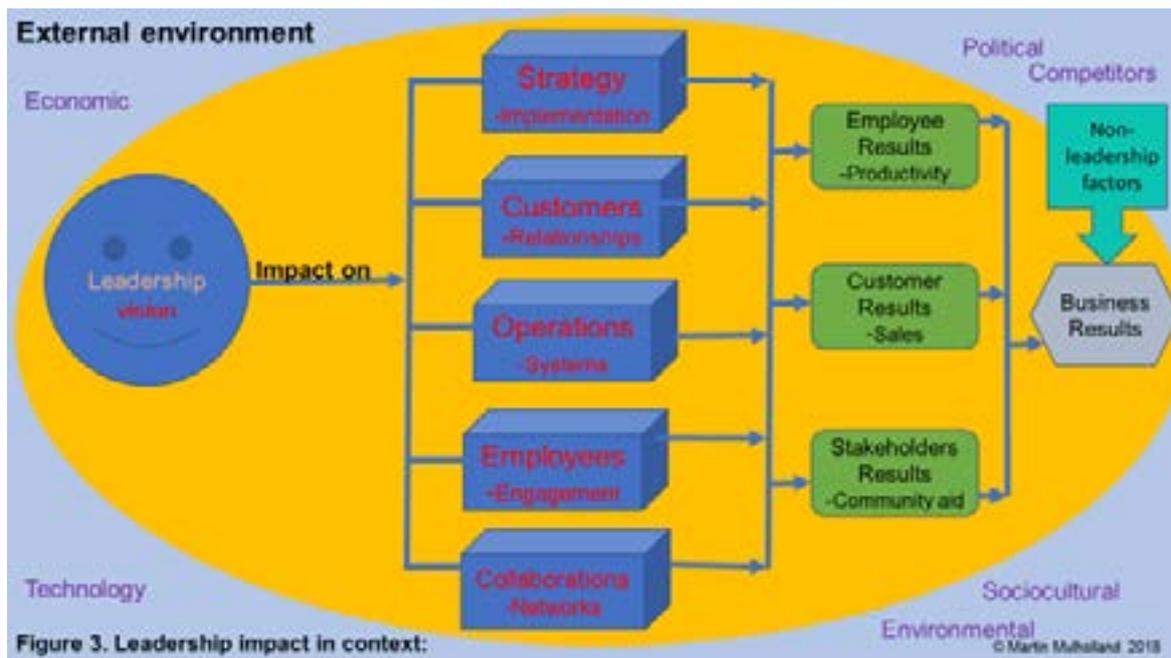
Seeking the thoughts and ideas of employees and group members may help develop a more creative environment as alternative views and ideas are considered by the leader.	Employees may not have the knowledge, skills, and capabilities engage in the decision-making process.
Sharing of information and including employees ideas and thoughts in decision-making may enhance a team culture of trust and respect and result in a better decision- being made.	Employees may be reluctant to engage in the decision-making process as they do not want to be held responsible for the decision made.

The advantages and disadvantages associated with a laissez-faire leadership style are included in Table 3.

Table 3. Advantages and Disadvantages of Laissez-faire Leadership Style

Advantages	Disadvantages
Leader delegates the responsibility to take decisions to employees / group members which frees up the leader's time for other matters.	Employees may be uneasy / reluctant to take on the responsibility given to them
Demonstrates the trust the leader has in his employees / group members to make the right decision.	Leader may be perceived as being incapable in making decisions by conferring decision-making control to the employees / group members.
Delegated responsibility and control to employees / group members to make decisions may engage the employees / group members with their work which may increase their level of motivation.	Leader loses an element of control over decision-making as they have given employees control over the decision-making process.
Utilises the thoughts and ideas of employees and group members which may help develop a more creative environment.	Employees may not have the knowledge, skills, and capabilities to make the right decision.
Employees may gain a better understanding of the connections of organisation work process to their work processes.	Employees may feel they are being exploited by the leader as they have been given more work and responsibility but no extra pay.
The knowledge, skills, and capabilities of employees / group members are utilised more as they are involved in decision-making.	
Creates learning and development opportunities for employees / group members as they may expand their knowledge and skills through taking on new work.	
May help to enhance employees / group members career opportunities and they are taking on new types of work and have widened their area of responsibility.	

An evaluation of the impact of a leadership style may also be undertaken with the aid of Figure 3. For example, if a chief executive officer (CEO) in an organisation is chosen to represent a particular leadership style, then their impact could be evaluated over a three-year time frame. Their impact, as illustrated in Figure 3, could be measured against: how well the strategy was implemented; the relationships formed with customers; the development and utilisation of processes and systems; the influence over employee engagement and behaviour; the development of partnerships and external networks; employee results (productivity, investment in learning and development, absenteeism, employee turnover, reward and remuneration); customer results (number of customers, customer growth rates; customer retention rates; income streams); stakeholder results (number of people supported in a community); business results (income, expenditure, profits, return on investments).



A leadership style clearly has a number of areas where it can impact on an organisation and affect business results. The level of impact on an organisation will be dependent on the type of leader chosen, the specific organisation, the timescale of the evaluation, and the metrics employed. The availability and access to information on the leader and the organisation along with the non-leadership factors should be given some consideration as these elements may affect the evaluation of the leader' impact on the organisation and the wider community.



References

Tannenbaum, R. and Schmidt, W.H. (1973) How to Choose a Leadership Pattern. Harvard Business Review. May – June. Available at: <https://hbr.org/1973/05/how-to-choose-a-leadership-pattern> [Accessed on 22 January 2018].

