Leadership Styles And Its Impact On Organisation

Leadership has been cited as a key factors associated with the success or failure of an organisation (Al Khajeh 2018). Leadership style is the way in which people delegate or influence others to achieve the organisations goals and objectives. It is important for leaders to adopt an appropriate style that enables managers to establish rapport, trust and respect, engage their team members and build good working relationships. Conversely, adopting a style that is unsuitable may lead to employees becoming disengaged or demotivated. Similarly, those who adopt a style that is at odds with the ethos of their organisation are unlikely to be successful (Institute of Chartered Management 2015).

The use of the term ‘leadership style’ has become much more common in recent years and has largely replaced the term ‘management style’, although the differences between the two are not entirely clear. Henry Mintzberg (2009) in his book ‘Managing’, suggests that although management and leadership are conceptually distinct it is difficult to separate the two in day to day practice.

There are a number of theories about management/leadership style, one early example is that of Likert (1961) he identified four different styles:

- exploitative/authoritative – the leader has little trust or confidence in his subordinates, manages by issuing orders and uses fear and punishment as motivators
- benevolent/authoritative – the leader has some trust in his workers but treats them in a condescending and paternalistic manner
- consultative – the leader shows trust and confidence towards subordinates, seeks their opinions and ideas, but retains decision-making power
- participative – the leader trusts his subordinates completely, seeks and acts on their ideas and involves them in setting goals

Likert (1961) suggested that consultative and participative styles were more effective styles of leadership, but he did not consider the context.

Tannenbaum and Schmidt (2009) in the 1950s looked at the extent to which a manager exerts authority or control and the degree to which employees have freedom to act on their own initiative. They proposed a ‘leadership continuum’ consisting of seven stages moving from a situation where the manager makes all the decisions to a context where the manager permits team members make decisions independently within pre-designated limits. They believed that a good manager will be able to judge the capabilities of the team and move between points on the continuum accordingly. Over time the manager may choose to accord a greater level of freedom while retaining overall responsibility for the work. This is also known as democratic leadership. This style of leadership has been identified as motivating employees to perform better as their views and opinions are valued and there is a shared sense of responsibility.

Blake and Mouton (1978) developed the a nine by nine grid. This showed five basic management styles:

1. Impoverished management – little concern for either the task or the people. This style involves going through the motions, doing enough to get by.
2. Authority-obedience – high levels of concern for task and low for people. This represents a controlling style and runs the risk of damaging human relationships.
3. Country club leadership – high levels of concern for people and low for task. This is seen as accommodating – it may create a warm and friendly working environment but at the cost of getting the job done efficiently.
4. Team management – high levels of concern for both task and people. This is seen as the most effective style with the potential for high achievement.
5. Middle of the road management – moderate level of concern for task and people.

This achieves a balance between task and performance but may perpetuate the status quo rather than achieve success.

McGregor (2006) working in the 1960s, believed that management style was determined by the manager's assumptions about human nature. He identified two broad sets of beliefs which he labelled theory X and theory Y. Theory X suggests that human beings have an inherent dislike of work and need to be controlled and directed if they are to achieve objectives. This leads to autocratic and paternalistic management styles. Theory Y sees work as a natural part of life from which people gain a sense of satisfaction. Workers can be motivated to give their best by respect and recognition. This leads to more consultative and participative management styles. McGregor believed that while both styles could be effective, theory X management could lead to demotivation and low levels of performance, whilst conversely, theory Y management could produce high levels of motivation and performance.

Goleman (2000) identified six distinct leadership styles, each emerging from varying elements of emotional intelligence:

- coercive leader – one who demands the instant compliance of others
- authoritative leader – one who marshals others towards their vision
- affiliative leader – one who creates emotional connections and seeks harmony
- democratic leader – one who seeks consensus achieved through participation
- pacesetting leader – one who expects excellence from others; encouraging self-direction
- coaching leader – one who seeks to develop and equip others for the future

Goleman believes that leaders need different styles to fit the context at any given time, with an ability to adapt when necessary, the notion of the manager as a chameleon. However, managers should be mindful that a constant switching of styles can confuse those they are trying to lead.

Goleman (2000) believes that emotional intelligence is key to management and leadership, that it is more effective to engage employees rather than use coercion. The development of 'soft' skills such as empathy, honesty, listening and trust- building are seen as the lynchpins for success today.

In conclusion leadership is viewed as the process of motivating or influencing people towards attaining an organisational goal. There are many different leadership styles in the theory, they describe certain behaviours, characteristics or traits that indicate a particular style. The evidence suggests that each leadership style has advantages and disadvantages and different

styles may be more effective in different situations. Autocratic or authoritative leaders retain all decision-making, they force followers to do things their way without little or no collaboration or discussion, this can have a negative impact on how motivated and satisfied employees are and ultimately how successfully goals are achieved. It is important for leadership styles to offer opportunities for employees to have a sense of belonging, allowing them to participate in the decision-making. Therefore, transformational and democratic styles may be appropriate to encourage this involvement. In summary leaders who adopt an appropriate style, that is linked to the organisation culture/ethos are more likely to be able to accomplish organisational effectiveness. Leadership style has a consistent relationship with organisation effectiveness and performance.