

OPEN ELECTIVE
B.C.A/B.Sc/BA IV sem
BUSINESS LEADERSHIP SKILLS
MODULE 4:- LEADERSHIP STYLES

Syllabus:- Leadership styles: (a) Autocratic leadership. (b) Bureaucratic leadership, (c) Democratic leadership, and (d) Laissez faire leadership (e) Transformational Leadership. (f) Charismatic Leadership.

1. AUTOCRATIC LEADERSHIP

Introduction:- The autocratic leader is one who centralizes the decision-making power in himself and gives orders to his employees and also insists that they should be obeyed. He decides policies for the group without consulting the group and also asks the group to take steps as per policies determined by him. He does not delegate authority and runs the whole show by himself. He does not inform the employees the purpose of the orders given to them and does not inform them about the future plans. He expects his employees to obey him blindly and without question and has no regard for them and does not like to seek their suggestions or advice. Such leadership is negative because the followers are uninformed, insecure and afraid of leader's authority.

Meaning:- An **autocratic leader** makes decisions **independently**, with **little to no input** from team members. This leadership style is very **directive and controlling**.

Autocratic leadership can be of two types.

(a) **Strict autocrat:** A strict autocrat is one who relies on negative influences and gives order which must be obeyed by the subordinates without question. His method of influencing subordinate behaviour is through negative motivation, that is, by imposing penalty, criticizing subordinates, etc.

(b) **Benevolent autocrat:** A benevolent autocrat is one who uses a positive motivation style. He disperses rewards to his group. This type is effective in getting higher productivity and in developing good human relationships.

Key Characteristics:

- **Centralized decision-making** – the leader holds all authority.
- **Clear, strict rules and expectations.**
- **Top-down communication** – instructions flow from the leader to others.
- **Little to no group participation in decisions.**
- **Emphasis on discipline and obedience.**

Features:-

1. Autocratic leaders make all the decisions by themselves.
2. They do not entertain any suggestions or initiatives from subordinates.
3. They set goals without consulting the subordinates.
4. Subordinates have to follow the orders given by the leader without questioning.
5. They take up the responsibility of the decision taken.
6. The relationship between the superior and the subordinate is very formal.

Advantages

- (a) Some employees get satisfaction by working under centralized authority situation and strict discipline.
- (b) As the decisions are taken by a single person, it permits quick decision-making.

Disadvantages

- (a) Because of the strictness and negative motivational style, the employees dislike it.
- (b) Lack of motivation, low morale, frustration and insecurity affect organizational efficiency and productivity.
- (c) There is no scope for individuality and initiative.
- (d) Future leaders in the organization do not develop.

2. BUREAUCRATIC LEADERSHIP

Bureaucratic leadership is a structured and rule-based leadership style that emphasizes hierarchy, consistency, and adherence to policies. It is commonly found in government agencies, military institutions, and large corporations.

Key Characteristics

1. Hierarchy-Based Structure: Clear chain of command with defined roles and responsibilities.
2. Rule-Oriented Approach: Leaders prioritize adherence to policies and regulations over flexibility.
3. Standardization: Procedures and workflows are uniform to ensure operational efficiency.
4. Impersonal Decision-Making: Decisions are based on objective criteria rather than personal relationships.

Advantages:

- Ensures accountability and transparency.
- Reduces favouritism by relying on regulations.
- Effective in large organizations requiring structured management.

Disadvantages:

- Limits flexibility and innovation.
- Can lead to rigidity and resistance to change.

3. PARTICIPATIVE OR DEMOCRATIC LEADER

Introduction:- A democratic leader is one who takes decisions in consultation with his subordinates. He emphasizes consultation with and participation of his subordinates and encourages initiative from them. He also seeks their advice and opinions on matters which affect them and their jobs. This style suits to the situation where subordinates are knowledgeable and mature for decision-making.

Meaning:- A **Participative or Democratic Leader** is someone who actively involves their team members in the decision-making process. Instead of making all the calls alone, they encourage open communication, collaboration, and value the input of others.

Key Characteristics:

- **Team Involvement:** They seek input from group members when making decisions.
- **Empowerment:** They empower others to take ownership of tasks and outcomes.
- **Collaboration:** They promote teamwork and shared responsibility.
- **Communication:** Open and honest communication is encouraged.
- **Transparency:** Decisions and processes are explained clearly.

Advantages of Participative Leadership

- (a) It increases the acceptance of management's ideas and reduces resistance to change.
- (b) As the ideas and suggestions of employees are considered for decision-making, they are highly motivated and their morale also is high.
- (c) The decisions are implemented wholeheartedly and the employees productivity is increased.
- (d) It reduces the number of grievances of employees.
- (e) It seeks to evolve a self-regulating and self-disciplining mechanism.
- (f) As the subordinates are involved in the decision-making process, there is a possibility of making better decisions.
- (g) Good relationship between the leader and the followers can take place.

Disadvantages of Participative Leadership

1. Decentralisation of power is used only when consultation is made for taking a decision. Nothing more than that is done.
2. Taking a decision and the implementation of it require more time. The reason is that several members are involved in taking a decision.

3. Followers can dominate the leader.
4. A leader can easily shift the responsibility to his followers for failure in taking and implementing a decision.
5. It requires communicating skill on the part of the leader. If does not have it, unfavourable things may happen in an organisation and the organisation may be financially and status-wise ruined.
6. Lower level of employees may not understand the complex nature of organisation and hence their participation cannot be effective.
7. This style of leadership can at times be very slow and subject to pulls and pressures from different groups.

4. LAISSEZ-FAIRE OR FREE-REIN STYLE

Introduction:- Under this style of leadership, the leader entrusts the decision-making authority to his subordinates. He does not direct and hardly makes any contribution to the overall effort. He avoids using power and leaves it to his subordinates to establish the goals and work out the plan to attain the goals. While the group members provide their own motivation, the manager usually contacts the outside sources and brings information and material which the members of the group require to perform their job.

Meaning: The **laissez-faire** or **free-rein leadership style** is a hands-off approach where leaders provide minimal supervision and allow team members to make decisions independently. This style is built on trust, as leaders believe their team possesses the skills and knowledge to handle tasks without constant oversight.

Key Characteristics

- **Autonomy:** Employees have the freedom to make decisions and solve problems.
- **Minimal Interference:** Leaders step in only when necessary or when guidance is requested.
- **Accountability:** Leaders take responsibility for the outcomes of their team's decisions.
- **Encouragement of Creativity:** This style fosters innovation and independent thinking.

Advantages:

- Boosts morale and confidence among team members.
- Encourages creativity and innovation.
- Allows leaders to focus on strategic, big-picture tasks.

Disadvantages:

- Can lead to low productivity if team members lack self-discipline.
- May result in confusion or lack of direction without proper initial guidance.

5. **Transformational leadership** is a style where leaders inspire and motivate their team to achieve extraordinary outcomes by fostering a shared vision and encouraging personal growth. This approach emphasizes collaboration, innovation, and empowerment.

Key Characteristics:

1. **Inspirational Motivation:** Leaders articulate a compelling vision that motivates the team.
2. **Intellectual Stimulation:** Encourages creativity and critical thinking.
3. **Individualized Consideration:** Focuses on the unique needs and strengths of each team member.
4. **Idealized Influence:** Leaders act as role models, earning trust and respect.

Benefits:

- Boosts team morale and cohesion.
- Drives innovation and adaptability.
- Develops future leaders within the organization.

Challenges:

- Requires strong interpersonal skills and emotional intelligence.
- May not suit teams needing more structured guidance.

6. **CHARISMATIC LEADERSHIP**

Charismatic leadership is a style where leaders use their charm, vision, and communication skills to inspire and influence their teams. This approach often creates a strong emotional connection between the leader and their followers.

Key Characteristics:

1. **Visionary Thinking:** Charismatic leaders often have a bold and clear vision that motivates others.
2. **Exceptional Communication:** They use powerful words, storytelling, and body language to connect with people.
3. **Emotional Intelligence:** They understand and respond effectively to the emotions of their team.
4. **Confidence and Conviction:** Their self-assuredness inspires trust and loyalty.
5. **Personal Magnetism:** They have a natural ability to attract and engage others.

Advantages:

- Inspires loyalty and dedication.
- Encourages high levels of motivation and performance.
- Builds a strong sense of purpose and unity within the team.

Challenges:

- Over-reliance on the leader can hinder team independence.

- May lead to a lack of focus on processes and systems.
