

Outcome 1 – 1.4 Leadership styles

URSULINE HIGH SCHOOL

T Level technical qualification in management and administration



Learning objectives

What do learners need to learn?

- The range of different leadership styles, and how they apply to different tasks and individuals
- When to apply an appropriate leadership style effectively
- How different leadership styles support methods for providing direction, implementing plans and motivating people, productivity and performance
- The differences between transformational and transactional leadership
- The importance of understanding one's own leadership style, and how this translates when working with others

Two different leadership perspectives

Traditional view

Command and control

Decision-making

Modern view

Inspiring employees

Creating a vision

Shaping core values
and culture

Building effective teams

Why leadership is increasingly important in business

Changing organisational structures

- Flatter, with greater delegation
- Teamwork and focus on quality assurance
- Coaching, support and empowerment

Rapid change

- Change is becoming a constant feature of business life
- Soft skills of leadership and management are increasingly important

Traditional classifications of leadership style

Authoritarian

Paternalistic

Democratic

Laissez-faire

Democratic/participative

A democratic manager will strive to involve their employees in the decision-making process. A democratic manager

- will make employees feel included
- will use initiatives, such as suggestion boxes
- will listen to suggestions and act on them
- will ask for feedback on decisions
- will share the rewards of success with colleagues
- will delegate tasks to colleagues based on their strengths.

.What are the advantages and disadvantages of this style?



Autocratic

An autocratic manager ensures that employees work to the manager's expectations and instructions at all times. An autocratic manager

- will be highly authoritarian
- will often micromanage employees to ensure they are following instructions
- will not ask for the opinions of others
- will set strict targets
- will use disciplinary procedures
- will have a clear vision for the direction of the business
- will have a 'my way or the highway' attitude.

In what type of business would this style be effective? And where would it be ineffective?



Autocratic leadership: case study



Ferdinand Piech, Porsche patriarch and VW saviour, dies at 82

During his nine-year tenure, Piech turned a loss equivalent of €1bn (\$1.11bn) into a €2.6bn profit, while spearheading VW's expansion into a 12-marque empire that includes the Seat, Skoda, Bentley, Audi, Porsche, Bentley and Ducati brands, in addition to MAN and Scania trucks.

While working as a 31-year-old development chief at Porsche in 1968, he invested two-thirds of Porsche's annual racing budget to build 25 Porsche 917 race cars with an untested radical 600 horsepower air-cooled 12-cylinder engine design.

Family members accused Piech of being irresponsible by risking the company's budget, but the Porsche 917 went on to become one of the most successful race cars in history.

"It is not possible to take a company to the top by focusing on the highest level of harmony," said Piech, who has 12 children with four different women.

While working as development chief at Audi, Piech decided to keep his top engineers in the dark about the aerodynamic qualities of the Audi 100, by using wind tunnels in Hamburg, Stuttgart, Wolfsburg and Turin to develop the vehicle. That way no single engineer could defect to a rival with crucial know-how.

<https://www.tutor2u.net/business/blog/former-vw-boss-ferdinand-piech-dies>

Paternalistic

A paternalistic manager creates a 'family' culture within the organisation. The manager acts as matriarch or patriarch of the team, and promotes:

- loyalty and trust
- obedience
- honesty
- the employees' best interests
- employee contributions to decision-making (although the manager still has the final vote)
- rewards for hard work.

What kind of businesses would suit this management style?



Laissez-faire

‘Laissez-faire’ translates as ‘leave to do’. A manager following this style will:

- be highly relaxed
- struggle to implement deadlines
- find it difficult to discipline employees
- not have a structured approach
- have a chaotic workplace
- give employees more creative freedom

Where would this management style be effective? What are the potential benefits and drawbacks of this style?



Transactional

A transactional manager is highly focused on results. They will reward employees for their hard work and punish employees who do not achieve their targets. A transactional leader

- will take a highly structured approach
- will manage through targets and goal-setting
- will expect employees to work hard for their salary and bonuses or face sanctions
- will have a 'What can you do for me?' attitude
- motivates employees extrinsically.



Transformational

A [transformational manager](#) seeks to make changes in the name of progress and innovation.

[Transformational managers](#)

- will take risks
- are willing to invest in projects
- will be willing to make significant changes
- will seek creative employees
- will inspire employees to work hard to achieve the bigger picture.

Which industries would transformational managers thrive in? Are there any industries that these managers would find it difficult to work in?



4 Elements of Transformational Leaders



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Transformational
Leader

Idealized
Influence

Inspirational
Motivation

Intellectual
Stimulation

Individualized
Consideration

PROJECTMANAGER

Charismatic

A charismatic leader manages their team by exuding influence on their employees. A charismatic leader

- has an engaging personality
- will be well liked
- will influence employees to work hard
- will persuade employees to carry out tasks.

What are the benefits and drawbacks of this approach to management?



Task

For the following case studies, explain which management styles would be effective and which ineffective, justifying your decisions.



Case study 1

Regal Riches is a high-end fashion store, based in an exclusive area of London. They offer a bespoke personal-shopping service selling clothing, jewellery and other items.

The business has been in decline and the owner of the store has fired the existing manager for poor performance. The owner of the store has set ambitious sales targets and has a reputation of being difficult to please.



Case study 2

A large discount retailer is looking for a new manager. They are a large chain, with more than 300 stores in the UK and Europe. The stores are well known for their fast-paced and demanding working conditions. Workers are paid well but have limited perks. The town has a large number of supermarkets, giving customers a wide choice of outlets.



Case study 3

TechAngel is a cutting-edge technology business, which specialises in experimental medical equipment. Their project costs often run into billions of pounds and projects can take years to complete. The share price is rising, as a result of a new product that will revolutionise how medication is produced.

The new manager will be in charge of international operations in more than 40 countries, and will command a workforce of 16,000 employees.



Case study 4

Artspiration is a local business specialising in a social art scene, where local businesses pay artists to create work in their corporate spaces. The business is expanding into setting up cafes where the public can be creative while buying food and drink.

The new manager will be in charge of four cafes across the Greater Manchester area, and will be tasked with creating a strong brand identity that is also profitable.



Business review, September 2020

The changing role of the CEO, pages 2-4

Thinking-hard challenge: reduce the article to no more than 400 words, answering the following question:

How has the role of CEO changed over time?

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