

# Leadership Styles Workbook

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# The Leadership Styles Workbook

Introduced by Mind Tools CEO, James Manktelow



There are many different ways in which you can lead, some good, some bad.

In this workbook, we'll study three of the most common styles you're likely to encounter in the workplace, and we'll look at their

strengths and weaknesses. These are:

- Laissez-faire leadership.
- Transactional leadership.
- Transformational leadership.

It's a good idea to learn as much about these styles as possible for two important reasons: Firstly, the key to working successfully with a manager, supervisor or any other kind of boss is to understand their particular style and adapt to it. This isn't always easy, but it's essential for a successful career! Secondly, if you're going to succeed as a leader, you need to adopt and use the leadership style that best fits your personality and the circumstances of your job.

If you get this wrong, you risk spectacular failure. However, if you get this right you'll get many benefits:

- Less stress.
- Increased income potential.
- Increased promotion opportunities.
- Greater job satisfaction.

This workbook helps you understand these three leadership styles, and then think about how this applies to you. By the end of it, you'll understand the strengths and weaknesses of your own preferred approach; you'll be able to reflect on whether this approach is appropriate to the situation you find yourself in; and you'll think about changes you may need to make to lead in the best way possible.

A handwritten signature in black ink that reads "James Manktelow". The signature is written in a cursive, flowing style.

James Manktelow, CEO,  
MindTools.com



## Understanding Leadership Styles

Before you get started on studying leadership styles, it's important to recognize that people do not always stick to one style rigidly.

That is, many leaders use a mixture of styles. Seldom will you run into a manager, supervisor or other leader who's exclusively a laissez-faire, transactional or transformational leader. In fact, wise leaders adapt their styles to the circumstances, the organization, and the employees.

The information provided below will help you recognize the preferred leadership style of leaders with whom you work.

### Laissez-faire Leadership

The term "laissez-faire" is a French phrase meaning "leave it be."

It's used to describe a leader who leaves his or her colleagues mostly alone to get on with their work. It's an effective style when a team is generally made up of the individuals who are very experienced and skilled self-starters, and where the leader monitors what's being achieved and communicates those achievements (or lack of them) back to the team on a regular basis.

At the other end of the spectrum, this approach can be disastrous in situations in which inexperienced team members need clear direction. Here's a real-life example involving a laissez-faire leader we'll call "Jim":

*Jim was the manager of a corporate unit with mostly new and inexperienced team members. He'd risen to the position on the strength of his personality and the ability to charm clients. Put bluntly, he "wowed" the company's customers.*

*Unfortunately, he didn't wow his team. Although he possessed an impressive degree and considerable knowledge, as a leader he was vague about goals, indecisive about objectives, and had developed*

*procrastination to a fine and excruciating art. He put everything off to the last moment. Worse, Jim tended to disappear when his decisions were needed the most! The result was that, much of the time, the members of his team didn't know what was going on. They were looking for leadership and found none.*

*You can guess the eventual outcome of this poor form of laissez-faire leadership: Deadlines were missed, and product delivered late. Clients grew unhappy and let Jim's company know about it.*

*Jim was replaced with Deborah, a leader who knew how to work with inexperienced team members. She provided specific goals, communicated those goals clearly, and made her knowledge and experience readily available to all team members. Within short order, she'd turned things around and made everyone happy – clients, team members, and the company.*

Although laissez-faire leadership does have its place, it's rarely as effective as the transactional and transformational styles described below.

### Transactional Leadership

This style of leadership is based on a simple premise: that people are motivated by reward and punishment. It also assumes that systems work best with a clear chain of command.

In essence, transactional leadership says that when you, as a team member, agree to do a job, you cede all authority to the leader. This is part of the "transaction." Your purpose is to do what that leader tells you to do. If you succeed, you'll receive a pre-determined reward. If you fail, the organization has the right to "punish" you if the work doesn't meet a pre-determined standard. This type of leadership boils down to:

- **Reward:** "Do as I tell you, and you'll get a bonus, raise or promotion."

- **Punishment:** “If you don’t do this, you won’t get any more than your basic pay, and might even get fired.”

Although this is a common style, it’s not really a form of leadership: it’s more a style of management, because it focuses on short-term tasks rather than a larger vision or goal.

As you might expect, team members can do little to improve their job satisfaction under transactional leadership. In turn, this is challenging for leaders who want to motivate their teams. The only real method open to them is to give team members some control of their income/reward by using incentives that encourage even higher standards or greater productivity. Transactional leadership is not a good fit for knowledge-based or creative work, because of its focus on short-term tasks.

What’s more, it’s a cold and somewhat-soulless way of managing. In parts of the world where good employees are hard to come by and difficult to retain, it fails to meet people’s needs for job satisfaction, and therefore makes it more difficult to attract and retain good staff.

### Transformational Leadership

By contrast, a person using the “transformational leadership” style is a true leader.

He or she inspires a team with a shared vision of the future. Transformational leaders are highly visible, and spend a lot of time communicating. They don’t necessarily lead from the front, as they tend to delegate responsibility amongst their team. And while their enthusiasm is often infectious, they can often need to be supported by “details people”.

So, what are the characteristics of transformational leaders? Well, according to well-respected researchers (Burns, Bass & Avolio, for example), there are four primary components<sup>1</sup>:

<sup>1</sup> Different researchers highlight different components, depending on perspective and

### Component 1: Being a Good Role Model

Transformational leaders know they’re role models for team members. At a gut level, they realize that those members will behave in the same way that the leader does. To that end, transformational leaders have a clear set of admirable values and live those values in everything they do. This builds trust between themselves and team members.

*Note that we mentioned “admirable” values. The Enron scandal in America is an example of leaders demonstrating horrifically bad values, displaying greed, deception, lying, and manipulation. They were “anti-transformational leaders” and role models in the worst possible way! Everyone paid a heavy price for their behavior.*

### Component 2: Inspiration

Put plainly, transformational leaders know how to motivate people in a powerful fashion. They do this in three main ways:

1. They have **high standards**, and challenge team members to meet or exceed those standards. This provides a strong and unifying sense of purpose.
2. Such leaders are unfailingly, but realistically, **optimistic**. To their core, they know goals can be met and obstacles can be overcome.
3. Transformational leaders **communicate clearly** on every level. They have the ability to paint a compelling picture of the future in such a way that team members know exactly what the goals are, and what their roles are in achieving those goals.

### Component 3: Commitment to ideas and creativity

Transformational leaders know that they hire team members for their brains, not their ability to perform rote tasks. They want creativity from their teams, so they actively seek it and

emphasis. However, these are usually just different ways of looking at the same leadership style.

promote it. Of course, these leaders harness team creativity to the overall goal so that goal gets accomplished in the most effective and efficient way possible. In short, transformational leaders have a “big picture” view and do everything within their power to connect team members, the organization and themselves to that view.

#### **Component 4: Concern for individual team members**

Transformational leaders have the ability to truly listen to the needs and concerns of individual members of the team.

But it doesn't stop there: these leaders know that team members are the future of the team and of the organization; therefore, it simply makes sense to help them grow as fulfilled individuals. Transformational leaders mentor team members to help them gain knowledge and experience. In short, they are leaders who help team members become future leaders.

Truth be told, both transactional and transformational leadership are needed in many organizations. That's because these styles can dovetail together very nicely. Transformational leaders look after long-range initiatives that add value, while the transactional leaders (or managers) ensure that routine work is done reliably.

#### **Note:**

In fact, the best leaders combine both approaches: Leading in an inspiring, transformational way, while managing delivery effectively and reliably. These are different skill-sets, however they can be embodied within one person.

The very name “transformational” tells it all: This style allows you to transform the workplace, your team members, and the

company itself through the introduction of new ideas and by helping team members grow as individuals. That, in turn, can lead to new solutions, increased efficiency, and happy team members. In short, a transformational environment can be an exciting and stimulating place to work. Who could ask for more?!

#### **Tip:**

You don't have to a leader in name to be a leader! Within many organizations, you'll find informal leaders in particular areas. For example, Amy may be an outstanding writer when it comes to putting together a sales proposal. Or Ben may be a whiz when it comes to crunching numbers for a bid. Both these individuals are “informal” leaders. They're the “go to” people in their respective areas. The point: ***you still need to be a good leader even when you're an informal one!***

**Action:** Now that you understand the three primary forms of leadership, it's time to apply the information you just learned to leaders you've encountered during the course of your life. They can be leaders you actually worked under, or they can be leaders you observed heading up different teams. Select one whom you considered successful and one whom you deemed ineffective. Then, answer the questions on the next page with regard to each of these individuals.

#### **Note:**

There are other leadership styles found less often in the workplace than the three we focus on here. For more on these, read our article “Leadership styles, using the right one for your situation” at:

[http://www.mindtools.com/pages/article/newLDR\\_84.htm](http://www.mindtools.com/pages/article/newLDR_84.htm).

The Successful Leader
Leader's name:
What made this leader effective? What made this person so successful?
Which leadership category would best describe this person's style? (check one)
<input type="checkbox"/> Laissez-Faire <input type="checkbox"/> Transformational <input type="checkbox"/> Transactional

The Ineffective Leader
Leader's name:
Why was this leader ineffective? What led this person to be unsuccessful?
Which leadership category would best describe this person's style? (check one)
<input type="checkbox"/> Laissez-Faire <input type="checkbox"/> Transformational <input type="checkbox"/> Transactional

While it won't necessarily be the case that the successful leader used a transformational style and the ineffective one was largely laissez-faire or transactional, in most cases this WILL be the case. If this isn't so, what were the very specific

circumstances that made the successful leader effective *despite* not having a transformational style, or the unsuccessful leader ineffective *despite* having a transformational style? Write these down below.



## Test Your Knowledge!

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**Action:** One of the best ways to confirm your knowledge of leadership styles is to apply this knowledge immediately! So, below we've provided three examples of leadership for you to analyze. Read these examples, answer the questions that follow, and then check out the answers on page 11.

### Example One: "George"

George is the manager of a corporate unit with a lot of new and inexperienced employees. He's a very nice man whom you and all your co-workers like. He gives everyone lots of responsibility and expects them to carry out tasks without bothering him. He can be hard to find when you need a decision and, in fact, tends to put his own decisions off until the last moment.

What leadership style does George display?

What's the likely impact of George's style on you and your co-workers?

What's the likely impact of George's style on company productivity?

### Example Two: "Ann"

Ann is also the manager of a corporate unit. She's available in her office at any time and, in fact, makes it a point to visit with you and your co-workers to find out what you're thinking in regard to assigned projects. When a decision needs to be made, she makes it quickly. She's tough and demanding but fair and enthusiastic and expects her team to be the same. She sets high goals, but gives you every tool you need to achieve those goals.

What style of leadership does Ann display?

What's the likely impact of Ann's style on you and your co-workers?

What's the likely impact of Ann's style on company productivity?

**Example Three: “Chris”**

Like George and Ann, Chris is the manager of a corporate unit. He’s committed to carrying out the goals of the company in the most efficient way possible. He’s a “hands-on” type of person and makes it clear that good performance will bring team members rewards while poor performance will send a below-par team member out the door in short order. Chris has established a very clear chain of command so team members always know exactly what they’re supposed to do.

What style of leadership does Chris display?

What’s the likely impact of Chris’ style on you and your co-workers?

What’s the likely impact of Chris’ style on company productivity?

## Our Answers

### Example One: “George”

George exhibits a loose, “laissez-faire” style of leadership and a fairly bad one at that, given the situation. He’s afraid to make decisions and to take responsibility. So, he lets you and your co-workers make the decisions. Remember, most of the team members are new and experienced, so the likely impact of his style is that no one is exactly sure what is going on in regard to projects and everyone ends up pulling in different directions. The result is frustration, delays, and unhappiness at all levels.

### Example Two: “Ann”

Ann has a transformational style of leadership. She sets clear standards and expects her team to meet them. She also expects ideas from everyone under her leadership and actively

integrates them into projects. Ann is enthusiastic and transmits that enthusiasm to her team. The likely result is high morale, active participation, and superior results.

### Example Three: “Chris”

George is a transactional style of leader. He’s committed to carrying out the goals of the company in the most efficient way possible. He’s a “hands-on” type of person and makes it clear that good performance will bring rewards to team members while poor performance gets punished. The likely impact of his style is that productivity will always remain good, which his company will definitely appreciate. However, Chris’ style may stifle creative members of his team, and this can lead to an exodus of much needed future talent.

## Self-Awareness Exercise

By this point, you understand the three most common leadership styles, and you’ve had practice in evaluating those styles. Now, it’s time for a little honest self-analysis. We said earlier that it’s important for you to know what style fits you best. So, to the best of your ability, answer the questions below in regard to this subject.

Of the three styles (laissez-faire, transactional, and transformational), what style do you feel most comfortable with and why?

What would you like to change or improve about your current leadership style?

In terms of the people you’re now leading, what difficulties have they had (if any) with your leadership style? If they’ve had difficulties, how do you propose to improve the situation?

We asked you the above questions for two very important reasons. The first reason is that it's vital for you to understand your natural style.

This gives you a baseline from which to operate. You may be a person who's highly creative and craves a loose, energetic environment where you can have a lot of input. This tells you that an autocratic or bureaucratic environment is definitely not your cup of tea!

Or you may be an individual who's highly analytical and needs a definite structure so you can be as effective and efficient as possible. If that's the case, then it's likely that you'd be uncomfortable in a laissez-faire organization. In short, this self-awareness can help you find the best fit for both you and a potential employer.

Self-awareness serves a second purpose as well. It helps you adapt to situations where the leadership style isn't a natural one for you. We all change jobs. We all change companies. Often, bosses change! In any of these cases, we have to adapt. With the knowledge provided in this session, you can be as flexible and effective as possible in any new leadership situation.

## Key Learning Points

The first key point is that there are many different leadership styles. Some of the most common ones are:

- Laissez-faire leadership.
- Transactional leadership.
- Transformational leadership.

Of these, the transformational leadership style is often the most effective. Core elements of this are being a great role model, inspiring your team to perform excellently, being committed to using and integrating people's ideas, and having a concern for team members' well-being.

We mentioned earlier that we feel that the transformational leadership style is one of the best for today's competitive market. That's why it's the dominant leadership style taught in the Mind Tools [How to Lead: Discover the Leader Within You](#) leadership program, which is one of the free joining bonuses for members of the career-boosting [Mind Tools Club](#).

However, keep in mind that other leadership styles are appropriate as the situation demands! In other words, there's no "one size fits all" leadership solution. You have to analyze each situation and determine the best fit. To do this, you must consider:

- The skill levels and experience of your team.
- The work involved (routine or new and creative).
- The organizational environment (stable or radically changing, conservative or adventurous).
- Your own preferred or natural style.

Good leaders find themselves switching instinctively between styles according to the people and the work they're dealing with.

The second key point is that in order to become a leader, and work successfully with leaders, you must understand all the advantages and disadvantages of these styles and be able to adapt to them as the situation demands.

A third key point is that you must do some honest self-analysis to identify your natural style, so that you can identify situations in which you'll thrive during the course of your career.

The final key point is to recognize the fact that while transformational leadership is usually the best choice, it's by no means the only choice. A wise leader reads the situation and adopts the leadership style that works best.



## Have you found this e-book useful?

### If so, here are a few ideas for your next steps...

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James Manktelow, CEO, MindTools.com

