Leadership styles and when to use them

Running your own business — and the many hats you’ll wear — means how you lead may need to change weekly, daily or even by the hour. Identify your go-to style and learn when to use different ones.

Overview of styles

In a three-year study of more than 3,000 business leaders, behavioural scientist Daniel Goleman observed six main leadership styles. Goleman found when leaders used several different leadership styles their businesses performed better than when they used just one or two.

<table>
<thead>
<tr>
<th>Leadership style</th>
<th>Behaviours of this style</th>
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<tr>
<td>Authoritative</td>
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<td>Authoritative leaders:</td>
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<tr>
<td></td>
<td>• Make time to find new and better ways of doing things.</td>
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<td></td>
<td>• Show people the part they play in bringing the business vision to life.</td>
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<td>• Rally people to achieve their goals</td>
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<td>• Take a step back to work on the big picture.</td>
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<td>Pace-setting</td>
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<td>Pace-setting leaders:</td>
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<td></td>
<td>• Expect immediate results.</td>
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<td>• Work quickly and to a high standard, and expect others to do the same.</td>
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<td>• Are quick to point out weaknesses — in people and processes — and demand more.</td>
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<td>• Are more likely to set employees new goals to work on than stop to offer feedback or rewards.</td>
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<td>Leadership Style</td>
<td>Characteristics</td>
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| **Affiliative**  | - Put people first.  
- Focus on building strong emotional relationships and trust.  
- Make sure they have processes in place to support their teams.  
- Create teams who get on well and look out for one another. |
| **Democratic**   | - Listen first, act second.  
- Encourage their people to work together.  
- Solve problems by consensus.  
- Make sure everyone’s voice is heard.  
- Won’t impose their own decisions.  
- Make sure no-one dominates meetings. |
| **Coaching**     | - Recognise employees’ strengths and weaknesses.  
- Support their personal and professional development.  
- Readily delegate and give people constructive feedback on how they’ve done.  
- Encourage people to establish long term goals and plan how to get there. |
| **Coercive**     | - Give a lot of orders.  
- Tend to take charge.  
- Tell team members exactly how to do tasks.  
- Make decisions without consulting the team. |

Goleman sets out more on these leadership styles in this article.

[Leadership that gets results (external link)](https://hbr.org/product/leadership-that-gets-results/an/R00204-PDF-ENG) — Harvard Business Review

Find out which leadership style you lean towards:

[Self-assessment: Which leadership style is your go-to? (external link)](https://www.skillsyouneed.com/ls/index.php/325444) — Skills you need

Different situations need different styles
No leadership style is effective one hundred percent of the time and in all situations. The key is knowing your default setting and being able to adapt it based on what’s needed at the time.

**Choosing your style**

Ask yourself:

**Who am I working with:** What are their motivations, personality traits, knowledge and skill?

**What’s required:** What are my business objectives, what do I want to achieve?

**How often do I see them:** Do I see them regularly? Am I often away from the workplace? Are they? (For example, coaching someone who works remotely may be hard)

**When do I want the work done:** Do I have a tight deadline? Is it a crisis, a long-term plan, or somewhere in between?

Next think about which style best suits your situation. Use the case studies and pros and cons of each, below, to decide what would work best for you.

[Motivating people](https://business-performance/management-and-leadership/how-to-motivate-your-staff/)

**No leadership style is effective in all situations and 100% of the time.**

**Authoritative**

**Hallmark:** Inspiring people to fulfil a vision.

**Pros**

- Useful when you need vision and a clear path for getting there.
- Works well in almost any business situation.
- Especially effective when the business is entering new territory (markets, products).
- Most effective for getting people behind ideas, to perform well and act with integrity.
- Motivates employees by giving their work a sense of worth.
- Gives employees flexibility — the business vision and goals are clear and employees are free to find their own way to meet them.

**Cons**

- Less effective if you’re working with a team of experts, or with people who are more experienced than you.
Case study

Authoritative leadership in action

A Christchurch coffee shop has been losing trade. The menu is dated, service has slipped, and the venue is shabby. New manager Tracy sets about re-energising the café and its team.

Tracy leaves the day-to-day management to staff, while she works on her vision. In the next few weeks, she shares plans with the team.

She creates mood boards of colour palettes and fabric swatches, bringing to life plans for the physical space. When discussing plans to exhibit local art, she invites a local artist to share the inspiration behind her work. Designers present new versions of the menu and signs. And she hosts a menu-sampling evening for staff, with local musicians lined up to boost quiet, weeknight evenings.

Tracy’s enthusiasm is infectious. Staff are motivated by her energy. They’re stoked to be given the chance to contribute to the project, adding their own ideas to the suggestion box she’s set up in the staff room. Before long the café is running with a hum.

Pace-setting

Hallmark: Expecting excellence, hard work and self-direction.

Pros

• Can work well when people are highly motivated and competent.
• Well suited to times when you have a lofty goal and very short timeframe to achieve it.
• Useful for situations when competition is fierce or when decisions and actions needs to be made quickly.

Cons

• Can only be sustained for relatively short periods — employees can feel overwhelmed by demands and burn out trying to keep pace.
• Tends to hurt culture, motivation and employee performance.
• There’s no room for employees to develop.
• People can feel lost if the leader leaves.

Case study

Pace-setting leadership in action

DigiTron Games Expo is just three months away. It’s big news for Geoff and his team — make or break. The start-up gamers have been working on Hoki Moki Magic for two years. Geoff’s been the driving force, but the team’s been living and breathing the app,
too.

The DigiTron Expo means upping their game. It’s a chance to get the app to a big market. They’ll be competing against hundreds of world class acts. They need to shine.

Geoff’s been putting in extra hours, polishing their presentation. As Managing Director, he’s been clear that over the month, all hands are on deck. Until DigiTron’s in the bag hours will be long, work intense. Professional development, coaching and leave are also on hold.

Geoff’s team want to see the app succeed as much as he does. They don’t mind burning the candle at both ends, and can see their boss does more than his fair share. But Geoff will need to make sure he doesn’t expect this pace for more than a month. His team may become resentful, or simply burn out.

Affiliative

Hallmark: Focusing on relationships and team bonds.

Pros

- This style works when you’re facing conflict or turbulent times.
- Builds strong team relationships and trust.
- Employees feel loyal to the business.
- People feel confident experimenting and are more likely to be innovative.

Cons

- Always looking for agreement can mean you avoid conflict or making hard decisions.
- Focusing on relationships can leave employees wondering what tasks they’re meant to be doing.
- This style isn’t helpful when you just need to get things done.
- May not work well in a time of crisis or when something is urgent.

Case study

Affiliative leadership in action

When Priya takes on a Dunedin travel agency morale is at an all-time low. The business has been run into the ground and the five agents have been through a lengthy unfair dismissal case that has affected their trust in the business and its leaders.

Priya has grand plans for the business, but before she gets down to planning and setting KPIs, she knows she needs to rebuild the team.

First, she arranges a team trip to Auckland to visit one of their biggest hotel partners. It’s a great chance to get to know her team, and also great background for selling to
customers. She plans fun activities and helps team members discover new things about their colleagues.

Back in the office, she schedules regular morning teas. She asks employees to take it in turns to present on a different travel location to their team mates. She also introduces a buddy system to encourage team mates to help solve each other’s work challenges.

After a couple of months, the agency is a-buzz. Priya knows she can ease off team building and start getting the team involved in working on strategy.

Quiz

Quiz: Which leadership style?

When it comes to leadership, no one size fits all. From affiliative to authoritative, coercive to coaching. Take this quiz to find out which leadership style works best in different situations.

Democratic

Hallmark: Asking what people think.

Pros

- Helps people take ownership of projects.
- People are more likely to have a vested interest in the project.
- Talking things through helps you uncover ways to keep staff motivated.
- Helps shape or establish a collective vision.
- Ensures people have a voice.

Cons

- May be difficult for people who aren’t used to having a say in things.
- People can end up frustrated and unclear what they’re responsible for doing.
- Meetings can go on with no clear outcome.
- Can be time-consuming especially if it involves multiple stakeholders.
- Employees with limited communication and interpersonal skills may feel left out.
Case study

Democratic leadership in action

Rob runs a scaffolding business with six employees. Rob regularly gets staff together to talk health and safety. He knows it’s not only best practice, but required by law. To keep his workplace safe, he needs staff 100 per cent behind health and safety.

Rob organises regular meetings. He allows plenty of time for staff to discuss safety concerns, and is careful to ask apprentices and new recruits directly what they think—his more experienced team members are quite vocal, and can be intimidating.

Once everyone’s had their say, they come up with ideas to address the safety problems they’ve identified.

He then asks for volunteers to take responsibility for each aspect of their plan — updating the health and safety board, and keeping the risks whiteboard up-to-date.

Giving his team shared responsibility for health and safety means Rob can benefit from their ideas. It also makes them much more likely to consider other people’s workplace safety, than if he’d dictated exactly what they could and couldn’t do.

Get workers involved in health and safety (/risks-and-operations/health-and-safety/worker-engagement-and-participation/)

Coaching

Hallmark: Helping people develop and grow.

Pros

- Encourages employees to take ownership of how they perform.
- Creates an environment where people are supportive and happy to give each other constructive feedback
- Ongoing dialogue helps build relationships and communicate your expectations and purpose.
- Good for developing employees’ skills as it helps them to perform well long-term.
- Positively affects your business long-term.
- Eventually frees up your time.

Cons

- May be problematic when the person is unskilled and has never done the task.
- Not useful in a time of crisis or when things need to be done quickly.
- Feedback needs to be motivating and positive to avoid micromanaging.
- May not work when people are resistant to change.
- You need to be ready to accept short term failure to achieve long term learning.
Case study

Coaching leadership in action

Mike of Mike’s Motors is the face of his business. But after 30 years in the trade, he plans to spend less time fixing cars and more time fly fishing. His junior mechanic, Bryce, is hard working, sociable and keen. It’s time to let him step up and take on more.

Mike asks him to start taking charge of customers when they bring in and pick up their cars. Sometimes Mike watches from a distance, but is careful to make sure Bryce doesn’t feel that he is being checked up on. He chats to Bryce about how certain conversations have gone. He’s available if Bryce ever feels out of his depth, letting him know what sometimes works for him. When Bryce does a great job of handling a tricky customer, he makes sure Bryce knows.

Bryce is pumped Mike trusts him with customers. He takes on Mike’s advice and really grows. Mike notices the standard of Bryce’s work even goes up. In a few months, Mike feels confident leaving his business in Bryce’s hands, while he ducks out to the local river.

Coercive

Hallmark: Demanding people do what you say.

Pros

- Benefits employees who need close supervision and direction.
- Highly effective in an emergency or crisis.
- Useful when working towards tight deadlines.
- Allows the leader to demonstrate their talents and expertise.

Cons

- Needs to be used with caution as can alienate employees.
- May stifle creativity and stop employees from expressing their own opinions and ideas.
- Can stops people from using their initiative.
- May make employees feel they have no independence in their work.
- Can negatively affect motivation.

Case study

Coercive leadership in action

It’s the morning of a big budget wedding, and Mia is two staff down. Six months in the planning, her company has pulled out all the stops to give the couple exactly what they want.
Mia has a lot to lose if her clients don’t get their dream day. And besides, she’s never yet let a client down — and doesn’t intend to start now.

With two agency staff on board to help, at 7.00am, she pulls the team together for a briefing. She’s revised the run sheet for the day — responsibilities have been rejigged and tasks reassigned, based on the skills available today. No discussion, no negotiation. There’s very little time and a lot to be done.

Armed with clear instructions, the team feels relieved to know exactly what they’re doing. Before the briefing, they’d felt jittery they wouldn’t pull the day off with a skeleton team.

Mia was right to take charge and prescribe what each staff member needed to do, and when. The day ran like clockwork and her, mostly inexperienced, team were grateful she hadn’t dropped them in at the deep end.

How to be a good leader

(/business-performance/management-and-leadership/how-to-be-a-good-leader/)

Fine tuning your leadership skills is a win for your business and your people. Trust and fairness are a good start.
How to communicate and give feedback

Get it right so you and your staff can achieve more. Give clear briefs, and learn how to give and take feedback.

Shaping your work culture

Different businesses need different cultures. Shape yours to support your strategy, market and long term goals.

How to motivate your staff

Find out what motivates employees. Identify personality types and what people care about to help them achieve more.