

LCBB4015

Leadership Styles in Contemporary Organisations: Visionary,
Democratic and Coaching Approaches

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Introduction

Leadership is the activity of influencing others to cooperate willingly in the achievement of a common goal for the organisation. In today's multilevel, digital, and fast-changing world, contemporary leaders do so in an environment that is often subject to technological disruption and changing employee expectations in an ever-changing context. There are six leadership styles visionary (also known as authoritative), coaching, affiliative, democratic, pacesetter and commanding that fit in specific situations, says Goleman (2000). Three of them will be explored in this essay the visionary, the democratic and the coaching styles. It focuses on their features, benefits, drawbacks and suitable business uses and anticipates the emotional intelligence, communication, adaptability, moral reasoning and online skills which are now vital in business leaders. The basic premise is that no one style works in all cases; the ability to 'be effective in the here and now' lies in choosing, and blending, the styles as appropriate to the needs of employees, the objectives of the organisation and the business environment. Great leaders know how to use multiple styles when they are needed at various times, not just one style forever, as Goleman (2000) argues.

Leadership: what is it and why is it relevant today?

According to Northouse (2021), leadership is a process in which one individual is able to influence another group of people to achieve a shared goal. This effect is not just telling people what to do, it's also giving way to folks, urging folks, forming connections, and handling change. There is a distinction between leadership and management. Management is about planning, organising and controlling resources and leadership is about influence, purpose, motivation and navigating change. This distinction is important because leadership has an impact on employee trust, performance, climate within the organisation and most importantly accepting change. Emotional Intelligence plays a pivotal role in this influence, as it is a mandatory aspect for the leaders to be aware of their emotional state and adjust it accordingly, as well as perceive the emotions of other people and act suitably. This emphasizes the need to consider the emotional aspect of leadership alongside its strategic aspects, as research has shown that emotionally intelligent leadership can impact workplace behavior, team attitudes, and business results (Coronado-Maldonado and Benítez-Márquez, 2023).

Visionary leadership

There is a clear and compelling organisational direction as a result of visionary leadership. The leader has a clear vision for the direction the organisation is moving in and the need for change, and links employees' daily activities to the direction of change, allowing them some autonomy to decide how the goals are achieved. Goleman (2000) initially called this style, the authoritative style, but the term visionary is used more frequently to prevent confusion with authoritarian.

There is a lot going for it. During uncertain times visionary leadership gives direction and creates motivation by giving work a meaningful purpose. It can unite departments under shared goals, foster innovation and long-term growth and instill a sense of how their contribution helps the organisation to be successful. But there are drawbacks to this kind of style. It is ineffective when its intent is unrealistic and/or when communication of that intent is poor, and when employees are not involved in a direction they may resent. It can also be overconfident if team members have more specialist knowledge than the leader and if too strong dependence on one individual's vision can be overwhelming and other ideas are not heard.

A case in point is the notional scenario of a traditional retailer launching ecommerce and digital customer service channels. In this scenario, the leader will define the future path of the company, connect each department's role with the new path and, above all, ensure that digital transformation will safeguard the company's competitiveness. This style is appropriate for this situation because during transformation employees require clarity and purpose. Implementation, however, should include consultation and feedback so as to ensure that the vision applies to operational realities.

Democratic leadership

The democratic leadership style welcomes staff input and fosters consultation, discussion and the sharing of knowledge. It respects a variety of opinions and tries to build consensus and real buy-in; the leader is accountable for the team's decisions but invites them to participate.

It's good at engagement and quality. Democratic leadership can help to increase employee ownership, bring in expertise, and boost creativity and ideas. It is useful for establishing trust, promoting collaboration and psychological buy-in, and particularly when a leader requires information from knowledgeable employees. The disadvantages are retention of speed and clarity. Decision-making slows down, consensus is difficult to achieve in discussion and

employees become frustrated when their ideas are continually rejected. The style is unsuitable for crisis; and there may be a lack of the sense of who is responsible for the final decision if it is not managed well.

A company establishing a hybrid-working policy would be a good use case. The leader will advise with colleagues, line managers, HR experts and IT personnel before making a decision. This consultation can reveal operational and wellbeing issues and help to build support for the eventual policy. But, in order to avoid undue delay, it is important that the leader establish a time frame and a well defined decision-making process, keeping the final decision in his hands and at the same time being truly interested in the ideas.

Coaching leadership

Coaching leadership concentrates on employees' long-term development. The leader assists individuals in understanding their strengths and weaknesses, links individual career aspirations with the needs of the organisation, and utilises feedback, mentoring, challenging assignments and development plans. This can be achieved with patience, empathy and good listening skills.

Most of the advantages are in the future. Coaching builds organisational capability, increases employee confidence and competence and helps with succession planning and promotion. This can foster retention and ongoing learning and adaptability as employees feel the organisation is investing in them. However, coaching is time consuming and requires a lot of managerial attention and doesn't necessarily yield immediate improvements in performance. Less effective when employees are not interested in learning and poorly delivered feedback can erode the level of confidence. Generally, in an operational emergency situation that calls for immediate response, coaching isn't the best way to go.

A good example of this is a newly promoted manager who knows the day-to-day work, but is inexperienced in conflict resolution and delegation. The manager agrees to the development goals, offers feedback routinely, and gradually delegates more challenging leadership responsibilities. This not only helps to build capacity of individuals, but also establishes a pool for future leaders. The leader should ensure development is linked to performance by coupling coaching with outcomes.

Leading skills for today's leaders

There are five interconnected skills that underlie the use of these styles. Displays of emotional intelligence, including self-awareness and self-regulation, as well as empathy and relationship management, influence team performance and positive employee attitudes (Coronado-Maldonado, Benítez-Márquez, 2023). The emotional intelligence of the leader also positively contributes to job performance through employee trust in the leader (Lee et al., 2023).

Second, communication and active listening enable leaders to provide clear direction and listen to employees' concerns. This is an important skill in all three styles, and particularly important when things change as uncertainty can cause resistance. Third, leaders who are adaptable have situational judgement, which allows them to assess the context prior to choosing the leadership style to adopt – visionary leadership for a direction, democratic leadership to generate ideas, and coaching leadership for building capability. The main finding Goleman (2000) made is that being effective is not about following one set of rules but about being flexible.

Fourth, leaders need not be technologically savvy, but they do need to be knowledgeable of the impact of digital on employees, customers and strategy. Digital leadership is found to be correlated with innovation, organisational capability and sustainable performance (Khaw et al., 2022). Fifth, and most important, ethical and inclusive decision-making is about weighing the interests of employees, customers, communities and the environment. Ethical judgement secures trust and reputation, and inclusive leadership contributes to the organisation's ability to leverage difference and to provide purposeful avenues for employee participation (Northouse, 2021).

Conclusion and recommendations

Indeed, leadership is about influence and leading others toward achieving a common goal. Each of the three styles analyzed has a specific value: visionary leadership provides a vision and direction, democratic leadership provides for involvement and participation, and coaching leadership provides for future capabilities. But each style has its drawbacks and usefulness will always come down to organisational situation – urgency, employee competence, goals to be achieved, etc.

Several practical recommendations ensue: Leaders need to be trained in emotional intelligence and communication and should first determine the situation of urgency, employee capability and mission of the organisation before selecting the style. Coaching and mentoring initiatives

need to be provided, and leaders need to provide a clear direction of the strategy and involve employees in meaningful ways. Last, leadership-development programmes should include ethics, inclusion, sustainability and the competence to operate in a digital society, to prepare leaders to thrive in a growing digital and complex business landscape.

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