

# LEADERSHIP AND MANAGEMENT STYLES V2 WORKBOOK



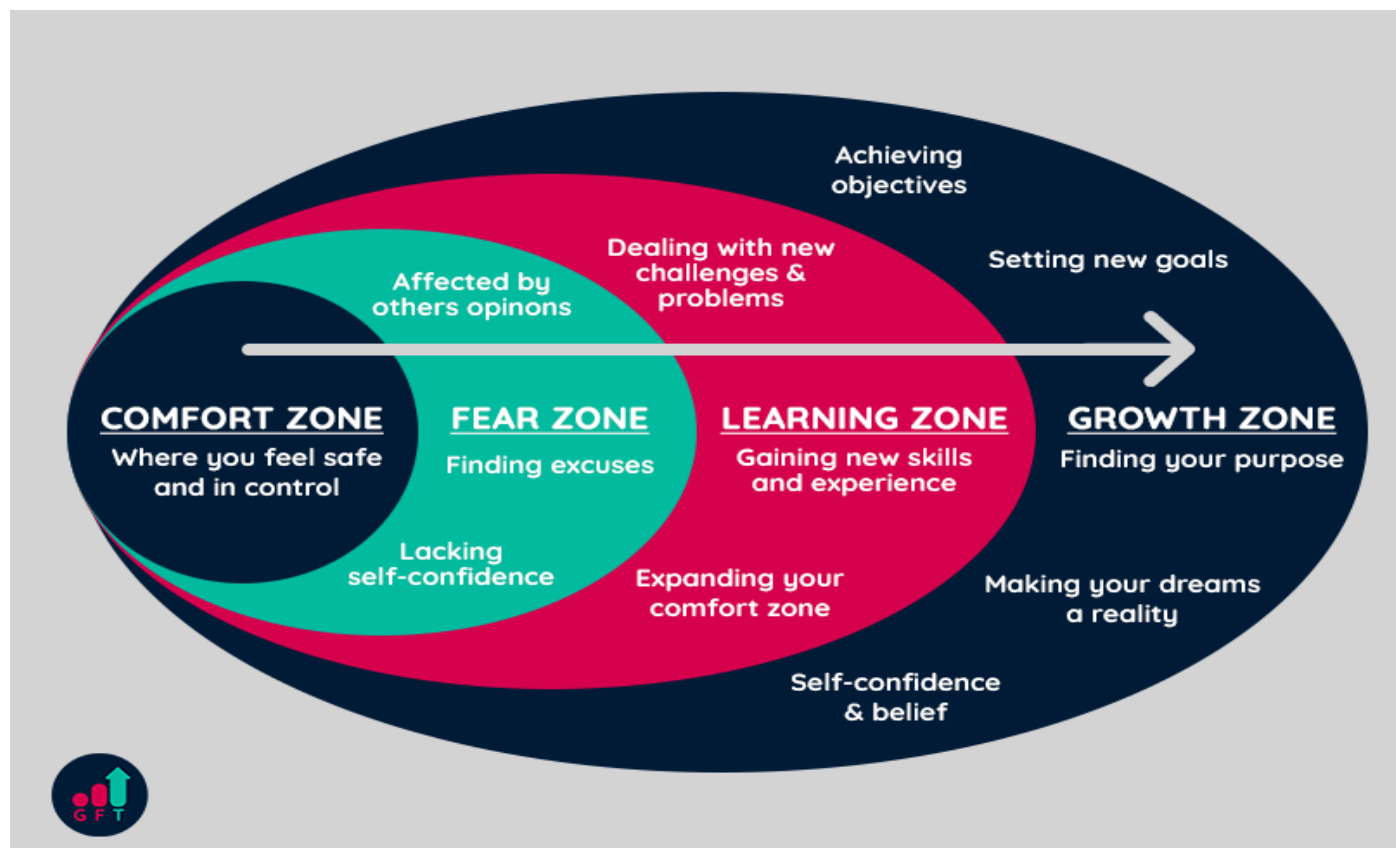
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## THERE IS NO BEST STYLE OF LEADERSHIP

1. The best approach will depend on the situation, the task and the person.
2. Good leaders weigh these variables and select the appropriate leadership style.
3. As you learn about the leadership styles you may experience apprehension and even some discomfort but that is normal.

The goal is to recognise this and enjoy the journey from comfort zone through fear and learning to growth zone and repeat.



James Macgregor Burns wrote a book exploring transactional and transformational leadership and management styles.

Ken Blanchard co-wrote Situational Leadership which enables the leader to be more flexible in their approach combining the first two appropriately.

The last two styles impact on your business and culture.

Identify which style you are in and how you can change when appropriate.

## LEADERSHIP AND MANAGEMENT STYLES



Welcome to the "Leadership and Management Styles" course, where we will explore five distinct leadership styles: Transactional, Transformational, Situational, Charismatic, and Bully. Understanding these styles is essential for developing effective leadership skills and fostering a positive organizational culture.

### **Transactional Leadership**

Transactional leaders focus on structured tasks, rewards, and penalties to manage their teams. This style is effective in achieving short-term goals and maintaining routine operations.

### **Transformational Leadership**

Transformational leaders inspire and motivate their followers to achieve extraordinary outcomes. Key traits include charisma, inspirational motivation, intellectual stimulation, and individualised consideration.

### **Situational Leadership**

Situational leaders adapt their leadership style based on the maturity and competence of their team members. This flexibility allows leaders to effectively address diverse challenges and team dynamics.

### **Bully Leadership**

Bully leadership, characterised by aggressive and intimidating behaviours, is generally considered ineffective and detrimental to organisational health. This style is outdated but still around.

### **Charismatic Leadership**

Charismatic leaders possess a magnetic personality that inspires enthusiasm and devotion among their followers.

## TRANSACTIONAL LEADERSHIP



1. **Transactional leadership is a managerial model that rewards self-motivation and reprimands underperformance.**
2. It aims to hit short-term and long-term goals while maintaining a routine, conformity and the status quo within the company. The rewards or punishments are hence referred to as the “transaction.”
3. The system isn't for everyone, but if you're motivated and goal driven, you could see excellent results personally and within the entire company.
4. Transactional leadership is typically used by middle and upper management in a medium - or large-sized company. In most instances, the company is well-established and not searching for change within the organisation.
5. The organisation also has fixed methods and operations that require little leeway or creativity to get the job done. Companies in sales or manufacturing have little need for change and a single cohesive goal that's met when people perform at their highest levels.



## CHARACTERISTICS OF TRANSACTIONAL LEADERSHIP



The recognition of performance by meeting quotas is common in businesses with transactional leadership. For example, a company with a large sales team might use commissions as a type of transactional leadership method.

In creative fields such as service experience, advertising or marketing, transactional leadership doesn't always work. Creative professionals need the flexibility to come up with ideas, and ways of dealing with different types of customers.

Transactional leadership follows a strict rubric, so it's often at odds with creatives and may reduce morale rather than motivate individuals and they aren't the types of people to look at things from an outside perspective to facilitate change.

1. **Structured and Organised:** They establish clear guidelines and procedures, ensuring that tasks are completed efficiently and within established protocols.
2. **Focus on Short-Term Goals:** Transactional leaders prioritise achieving specific, short-term objectives, emphasising efficiency and productivity.
3. **Use of Rewards and Punishments:** They motivate employees by offering rewards for meeting performance targets and implementing corrective actions when expectations are not met.
4. **Active Management-by-Exception:** These leaders closely monitor team performance, intervening proactively to address deviations from expected standards.
5. **Emphasis on Order and Compliance:** They maintain strict adherence to rules and regulations, fostering a disciplined and predictable work environment.

Not all of the qualities of a transactional leader may seem desirable, but they may work in the right environment.

## ADVANTAGES OF TRANSACTIONAL LEADERSHIP



Although the rigid structure of transactional leadership may seem unappealing to some, it has some advantages over other types of managerial styles. Here are some of the top advantages of transactional leadership in the workplace.

1. **Clear Expectations and Roles:** Transactional leadership sets clear goals and expectations, making it easy for followers to understand their responsibilities.
2. **Structured Environment:** The emphasis on defined processes and procedures can streamline workflows, leading to increased efficiency and productivity.
3. **Timely Feedback:** Transactional leaders provide timely and corrective feedback, helping employees understand where they stand and how they can improve.
4. **Motivation through Rewards:** By linking rewards directly to performance, this leadership style can increase motivation and productivity among team members.
5. **Quick Identification of Issues:** The focus on performance metrics allows leaders to identify problem areas or low-performing employees quickly, facilitating prompt interventions.

## DISADVANTAGES OF TRANSACTIONAL LEADERSHIP



Like any management system, transactional leadership comes with its share of disadvantages. While these disadvantages may not appear in all businesses that employ transactional leadership, they're important for both employees and managers to recognise.

1. **Limited Creativity and Innovation:** The structured approach may stifle creativity and innovation, as employees have little autonomy and are expected to follow established procedures.
2. **Short-Term Focus:** Transactional leadership often emphasises short-term goals, potentially neglecting long-term strategic planning and development.
3. **Potential for Low Employee Morale:** The impersonal nature of this leadership style, focusing on rewards and penalties, can lead to low employee morale and job satisfaction.
4. **Risk of High Turnover:** If employees feel undervalued or restricted by the lack of personal development opportunities, it may result in high turnover rates.
5. **Overemphasis on Compliance:** The focus on adherence to rules and procedures may discourage initiative and adaptability, which are essential in dynamic business environments.

Understanding these advantages and disadvantages is crucial for leaders to effectively apply transactional leadership principles while mitigating potential drawbacks.



TRANSACTIONAL LEADERSHIP PROS AND CONS FROM YOUR POINT OF VIEW

Pros	Cons



Transformational leadership is a leadership style that focuses on inspiring and motivating followers to achieve a shared vision through personal growth and development. Transformational leaders are generally energetic, enthusiastic, and passionate. Not only are these leaders concerned and involved in the process, but they are also focused on helping every member of the group succeed.

This leadership approach encourages innovation, creativity, and personal development among team members, fostering an environment of trust, respect, and admiration. By aligning individual goals with organisational objectives, transformational leaders create a sense of shared purpose that drives collective success.

The concept of transformational leadership was initially introduced by James V. Downton and later expanded upon by leadership expert James MacGregor Burns. Burns described transformational leadership as a process where leaders and followers elevate each other to higher levels of morality and motivation.

In summary, transformational leadership is characterised by a leader's ability to inspire and motivate followers, fostering an environment that encourages personal and professional growth, and driving positive change within an organisation.

## CHARACTERISTICS OF TRANSFORMATIONAL LEADERS.



Transformational leaders possess several key characteristics that enable them to inspire and motivate their teams effectively.

1. **Self-Awareness:** They have a deep understanding of their strengths and weaknesses, allowing them to lead authentically and connect genuinely with their team members.
2. **Openness to New Thinking:** Transformational leaders are receptive to innovative ideas and approaches, fostering a culture that encourages creativity and continuous improvement.
3. **Inspirational Motivation:** They articulate a compelling vision that inspires and motivates their team, aligning individual goals with organisational objectives to achieve collective success.
4. **Intellectual Stimulation:** These leaders challenge assumptions and encourage independent thinking, promoting an environment where team members feel empowered to contribute ideas and solutions.
5. **Empathy and Active Listening:** They actively listen to their team members' concerns and ideas, demonstrating empathy and building strong, trusting relationships within the team.

These characteristics create a dynamic and supportive environment that drives innovation, fosters personal growth, and leads to high performance within teams.

## ADVANTAGES OF TRANSFORMATIONAL LEADERSHIP



1. **Enhanced Employee Motivation and Engagement:** By creating a compelling vision and fostering a sense of purpose, transformational leaders inspire employees to commit to organisational objectives, often leading to performance outcomes that exceed expectations.
2. **Improved Job Satisfaction and Morale:** These leaders emphasise open communication and actively listen to their team members, creating a supportive environment that boosts job satisfaction and morale.
3. **Increased Creativity and Innovation:** Transformational leaders encourage critical and creative thinking, fostering an environment where new ideas and innovative solutions are welcomed, leading to greater creativity within the team.
4. **Professional Development Opportunities:** They inspire employees to grow their skill sets, take on new challenges, and develop professionally, supporting career advancement and personal growth.
5. **Stronger Organisational Culture and Values:** By aligning individual goals with organisational objectives, transformational leaders cultivate a shared sense of purpose, reinforcing a positive and cohesive organisational culture.

This leadership style contribute to an exciting and thriving work environment, driving both individual fulfilment and organisational success.



## DISADVANTAGES OF TRANSFORMATIONAL LEADERSHIP



While transformational leadership can drive significant positive change, it also presents certain challenges and potential drawbacks. These include:

1. **Risk of Burnout:** The high expectations and relentless pursuit of ambitious goals can lead to burnout among both leaders and team members, resulting in stress and diminished productivity.
2. **Potential for Leader Dependency:** The strong influence of transformational leaders may create dependency among followers, leading to challenges in their absence and hindering independent thinking.
3. **Disruption of Established Routines:** Implementing frequent changes to inspire innovation can disrupt existing workflows, causing confusion and resistance among team members.
4. **Overemphasis on Visionary Goals:** A focus on grand visions might overlook essential details and practical considerations, potentially leading to unrealistic expectations and strategic misalignment.
5. **Time-Consuming Decision-Making:** The inclusive approach of seeking input from all team members can slow down decision-making processes, making it less efficient in situations requiring quick action.

Recognising these potential challenges allows organisations to implement strategies to mitigate them, ensuring that transformational leadership contributes positively to their objectives.



**TRANSFORMATIONAL LEADERSHIP PRO AND CONS FROM YOUR POINT OF VIEW**

Pros	Cons

## SITUATIONAL LEADERSHIP®

Situational Leadership® is an adaptive leadership style. This strategy encourages leaders to take stock of their team members, weigh the many variables in their workplace and choose the leadership style that best fits their goals and circumstances.

Along with leadership qualities, Ken Blanchard and Paul Hersey defined four types of development for their people or employees:

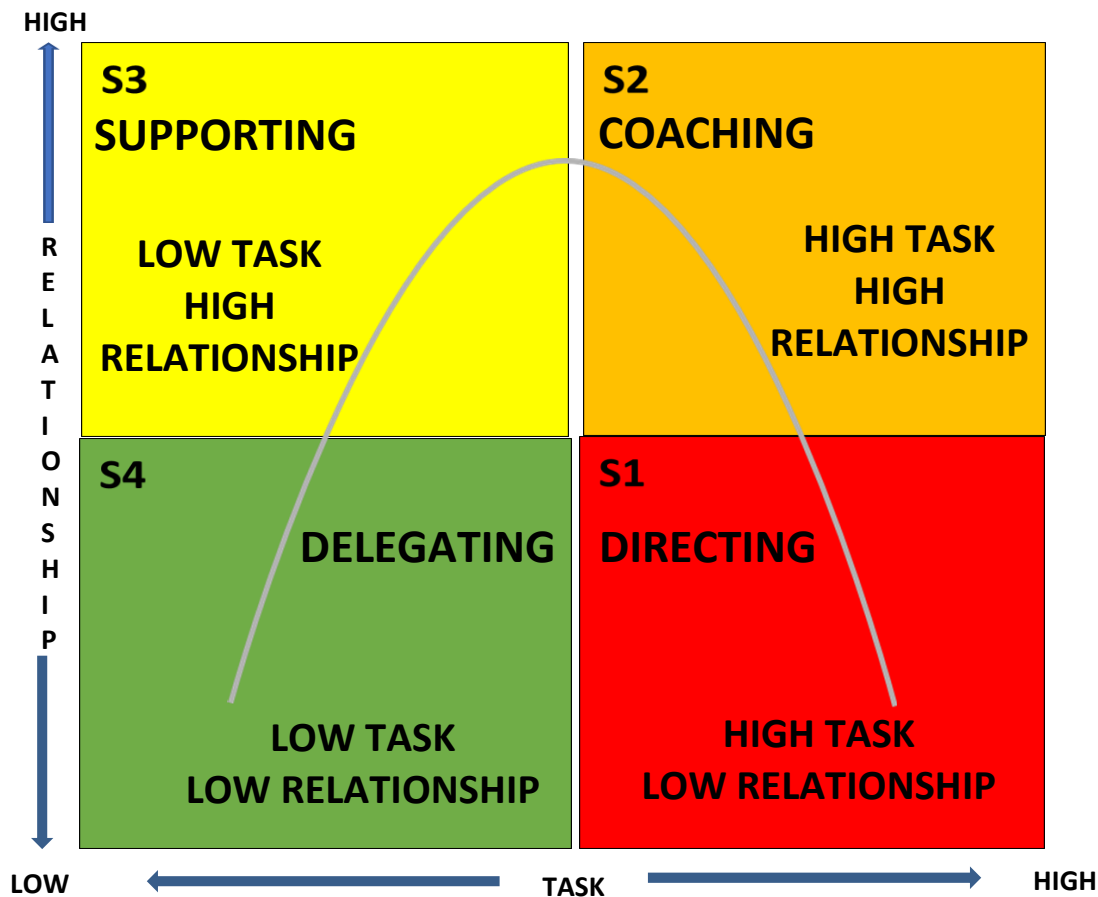


### THE STAGES OF SITUATIONAL LEADERSHIP

#### Differences between Situational Leadership® and other leadership styles

The difference between Situational Leadership® and other leadership styles is that Situational Leadership® incorporates many different techniques.

The style of choice depends upon the organisation's environment and the competence and commitment of its people.



## CHARACTERISTICS OF SITUATIONAL LEADERSHIP

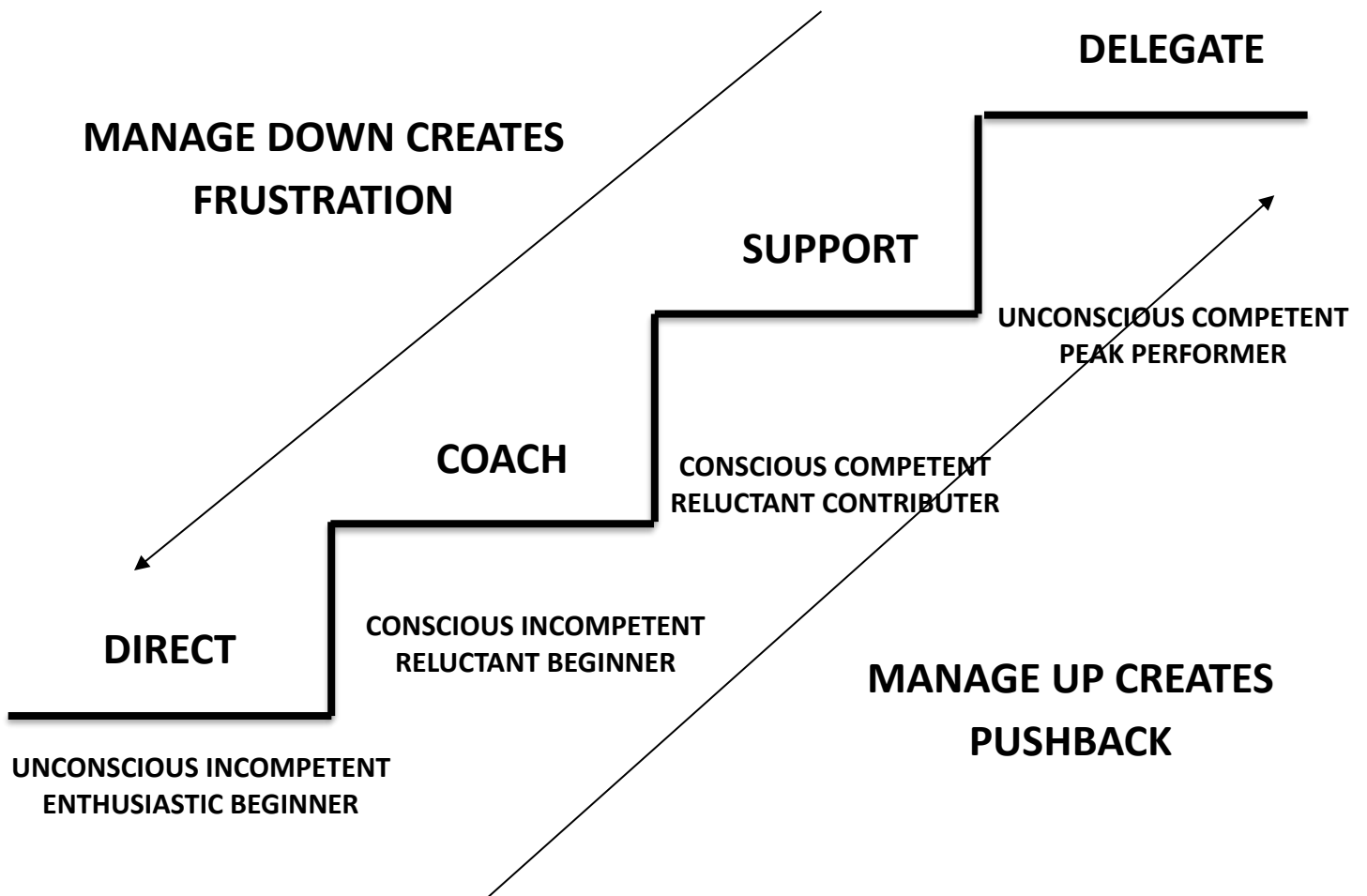


A situational leader possesses key traits that allow them to adapt to different situations and team members.

1. **Adaptability:** They adjust their leadership style based on the needs of their team, shifting between directing, coaching, supporting, and delegating as required.
2. **Empathy:** They understand and respond to the emotions, challenges, and needs of their team members, building trust and motivation.
3. **Decision-Making Skills:** They assess each situation carefully and make informed choices about the best leadership approach to use.
4. **Communication Skills:** They provide clear instructions, feedback, and encouragement, ensuring that employees understand expectations and feel supported.
5. **Coaching Mindset:** They focus on developing their employees' skills and confidence, helping them grow into more independent and capable team members.

This leadership style contribute to a flexible, supportive and transactional environment that give drivers the opportunity to thrive and team members that need a little more the opportunity to learn and develop

## STEPS MODEL



The STEPS MODEL illustrates the reaction from employees when the leadership style is not right.

For example if you try to direct or coach up it can cause some pushback. Imagine a salesperson that has been selling for several years being told they are wrong and trying to be coached.

In saying that peak performers will more than likely be open to new or fresh ideas.

Supporting and delegating to new or inexperienced employees may cause mistakes and frustration.

## ADVANTAGES OF SITUATIONAL LEADERSHIP



1. **Flexibility:** Leaders can adjust their style to fit different employees, tasks, and challenges, ensuring the most effective approach in any situation.
2. **Improved Employee Development:** By adapting to an employee's skill level and needs, situational leadership helps employees grow, gain confidence, and develop new skills.
3. **Better Team Performance:** Matching leadership styles to employees' needs increases motivation, engagement, and productivity, leading to better overall team performance.
4. **Stronger Relationships:** Situational leaders build trust and rapport with their teams by providing the right balance of support and autonomy.
5. **Higher Adaptability to Change:** In dynamic environments, situational leaders can quickly shift their approach to respond to new challenges, market shifts, or organisational changes.

Situational leadership is advantageous because it offers **flexibility**, supports **employee growth**, enhances **performance**, builds **stronger relationships**, and improves **adaptability to change** by adjusting leadership styles based on individual and situational needs.



## DISADVANTAGES OF SITUATIONAL LEADERSHIP



While situational leadership has many advantages, it also comes with some challenges. Here are five disadvantages:

1. **Time-Consuming:** Continuously assessing employees and adjusting leadership styles can be demanding, especially in large teams.
2. **Inconsistency:** Frequent shifts in leadership style may confuse employees if not communicated properly, leading to uncertainty.
3. **Requires Skilled Leaders:** Leaders must have strong emotional intelligence, decision-making, and adaptability skills, which not all leaders possess.
4. **Difficult to Apply in Large Organisations:** Customising leadership for each employee can be impractical in big teams or complex structures.
5. **Risk of Over-Reliance on the Leader:** Employees may become too dependent on their leader's direction instead of developing independence and problem-solving skills.

## SITUATIONAL LEADERSHIP PROS AND CONS FROM YOUR POINT OF VIEW

Pros	Cons

## COMPARISON CHART

BASIS FOR COMPARISON	TRANSACTIONAL LEADERSHIP	TRANSFORMATIONAL LEADERSHIP	SITUATIONAL LEADERSHIP
Meaning	A leadership style that employs rewards and punishments for motivating their people.	A leadership style in which the leader employs charisma and enthusiasm to inspire their people.	A leadership style that operates at the appropriate style depending on the situation and skills of the people.
Concept	Leader lays emphasis on the results of their people.	Leader lays emphasis on the values, ideals, morals and needs of their people.	Lays emphasis of the ability and relationship and needs of their people.
Nature	Reactive.	Proactive.	Proactive and accurate.
Best suited for	Settled Environment.	Developing Environment.	Directing, coaching, supporting and delegating.
Works for	Maintaining the existing organisational culture.	Changing and developing the existing organisational culture.	Maintains and develops the organisations culture whilst developing their people.
Style	Bureaucratic even autocratic.	Charismatic and situational.	Charismatic, situational and flexible.
How many leaders are there in a group?	Only one	More than one	More than one
Focused on	Planning and Execution	Innovation, creativity and motivation	Development, motivation and development
Motivational tool	Reward and punishment	Individual and group development	Individual and group development whilst working in a way to grow their people

WHAT IS YOUR LEADERSHIP STYLE?

## BULLY LEADERS



A **bully leader** uses intimidation, control, and fear to manage others. Here are **five key characteristics** of a bully leader:

1. **Authoritarian Control** – They dominate decision-making, disregard input from others, and expect blind obedience.
2. **Public Humiliation** – They criticise, embarrass, or belittle employees in front of others to assert power.
3. **Manipulation and Gaslighting** – They distort facts, shift blame, or make employees doubt their own judgment to maintain control.
4. **Micromanagement and Unreasonable Demands** – They set unrealistic expectations, constantly monitor employees, and never acknowledge good work.
5. **Favouritism and Exclusion** – They create divisions by favouring certain employees while ignoring or isolating others, fostering a toxic work culture.

Bully leaders believe that they are **rallying the troops, getting everyone on board**. But that is not what happens. The bully leader barks out orders, threatens consequences and uses strong, harsh statements to motivate people to do what the leader wants.

- MY WAY OR THE HIGHWAY.
- DO WHAT I SAY NOT WHAT I DO.
- MANAGES WITH SARCASM AND CRITICISM.
- REPRIMANDS IN PUBLIC.
- EVEN PRAISE HAS A TOUCH OF SARCASM.



## CHARISMATIC LEADERS



1. **Strong Communication Skills:** They are persuasive, articulate, and able to convey their vision in a way that excites and motivates others.
  2. **Confidence and Presence:** They exude self-assurance and have a commanding presence that draws people in and makes them feel inspired.
  3. **Emotional Intelligence:** They connect with people on an emotional level, showing empathy, understanding, and the ability to read social cues.
  4. **Visionary Thinking:** They have a clear, compelling vision for the future and can inspire others to work toward it with enthusiasm.
  5. **Inspires Loyalty and Trust:** Their authenticity, passion, and ability to relate to others create strong, loyal followings among their team or audience.
  6. What sets charismatic leaders apart is that they are "essentially very skilled communicators, individuals who are both verbally eloquent, but also able to communicate to their people on a deep, emotional level.
- HAS FUN WITH THE WORK.
  - PRAISES FAIRLY AND OFTEN.
  - CATCHES PEOPLE DOING IT RIGHT/EVEN APPROXIMATELY RIGHT.
  - GENUINE AND SINCERE.
  - NO TANTRAMS AND EVEN IN THEIR COMMUNICATION.





**CLARITY AND FOCUS:** Clear goals help focus efforts and resources on the most critical priorities, minimising distractions and increasing productivity. SMART.

**ALIGNMENT AND COORDINATION:** When everyone is working towards common goals, it promotes coordination and collaboration among team members.

**MOTIVATION AND ENGAGEMENT:** Clear, challenging goals provide a sense of purpose and achievement, driving individuals to strive for excellence.

**MEASURABLE PERFORMANCE:** By establishing key performance indicators (KPIs) and milestones, teams can track their achievements and identify areas for improvement. This data-driven approach enables teams to make informed decisions, adapt strategies, and continuously optimise their performance.

**ACCOUNTABILITY AND RESPONSIBILITY:** Team goals create a shared accountability among team members. When everyone is committed to achieving the same objectives, it fosters a sense of responsibility for individual contributions towards the team's success.

This accountability promotes transparency, trust, and a culture of high performance, where team members hold themselves and each other accountable for meeting expectations.

## TAKE AWAY

## ABOUT US

Graham (GTE) leads over 100 workshops annually, focusing on leadership, sales, fixed operations, and customer experience. He's the founder of Success Resources International, a Registered Training Organisation based in Brisbane, and the Managing Director of GTE Training and Development in New Zealand.

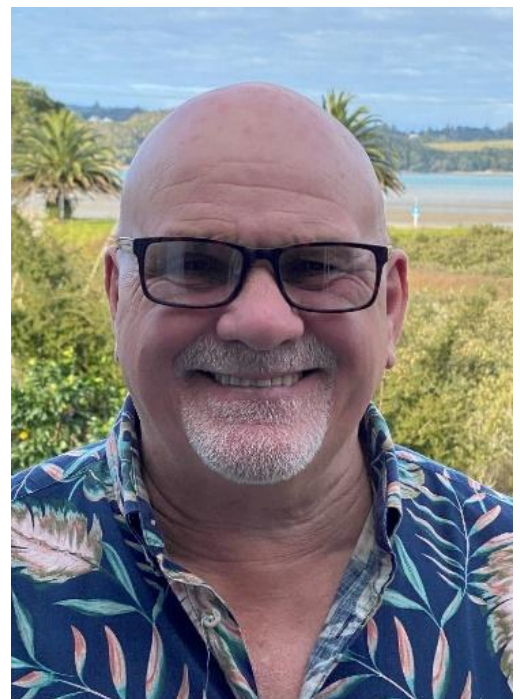
Originally from North Wales, Graham has spent 17 years in Australia (2002 – 2019) after more than two decades in New Zealand. His background includes service in both the Royal Navy and the Royal New Zealand Navy.

He's married to Shelley, a Kiwi from the Bay of Islands, and together they have two children Mackenzie and Gareth, along with four grandchildren: Hudson, Avyana, Reo and Vivienne.

Graham (GT) is a highly regarded coach and workshop facilitator specialising in leadership, sales, service and customer experience. He brings a wealth of expertise with the following qualifications:

- Advanced Diploma of Leadership and Management
- Diploma in Automotive Management
- Diploma of Training and Education and Design
- Certificate IV in Finance and Mortgage Broking
- Certificate IV in Business Sales
- New Zealand Certificate in Marketing
- NLP Practitioner

Graham's diverse skill set quips him to empower individuals and organisations to achieve their goals



GRAHAM TAYLOR-EDWARDS