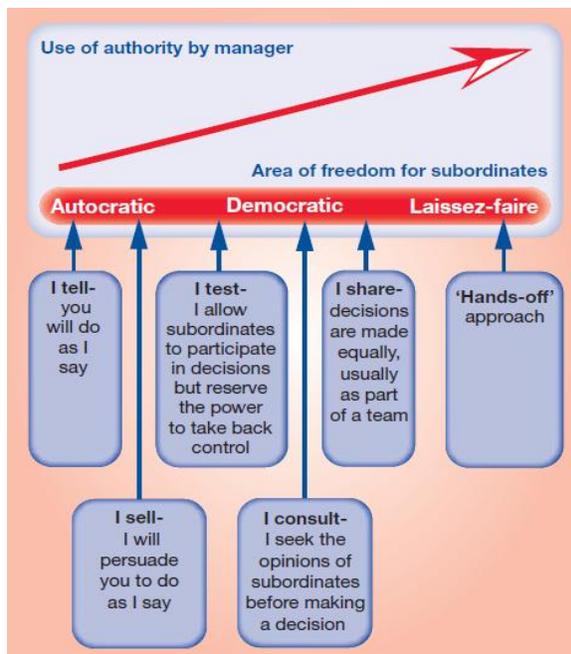




Leadership styles - Tesco

Tesco is a **customer-orientated** business. It aims to offer products that provide value for money for its customers and to deliver high quality service. To keep at the top of its game and to maintain its number one spot in the market, the company needs skilled staff at all levels and in all roles. Tesco aims to develop the leadership qualities of its people throughout the organisation, from administrators and customer assistants to the board of directors.

Leadership is about influencing, motivating and inspiring people. It is about coaching and developing people, treating them with respect but challenging them. Leaders seek to create strong teams, with people committed to the organisations overall goals. The business writers Tannenbaum and Schmidt categorised different leadership styles. They suggested that leadership styles could be explained on a scale ranging from autocratic through democratic to laissez-faire



The autocratic or authoritarian style is characterised by an **± tell** philosophy. Autocratic leaders tell their staff what to do. This can give a business clear direction but it may also lead managers to undervalue or ignore input from their teams. However, an autocratic approach is appropriate in some situations. It is valuable when the business faces a crisis or when an urgent problem arises that requires an immediate response. Stephen is the manager of a medium-sized Tesco store. Stephen's leadership style is usually to allow his managers to make most operational decisions. However, if, for example, an accident occurs in the store, Stephen may take control to ensure a prompt and co-ordinated response.

There are some leadership approaches that participation up to a point. However, the manager reserves the right to make the final decision. Managers adopting an **± sell** philosophy will try to persuade their teams to accept their viewpoint. Managers adopting an **± consult** approach will seek the opinions of subordinates before taking a decision.

The democratic approach is characterised by an **± share** philosophy. Decisions are made within teams, with each member having equal input. Stephen's preferred leadership style is to take a democratic approach. He consults widely as he feels that staff respond better to this approach. For example, when planning a major stock reduction programme, he encourages his managers to put forward ideas and develop plans. This increases team **motivation** and encourages creativity. Some mistakes may be made, but they are used as a learning experience.

Laissez-faire is at the other end of the spectrum from autocratic. A laissez-faire manager takes a **hands-off** approach and trusts teams to take appropriate decisions or actions with broad agreed boundaries. For example Martin, Tesco's Programme Manager for Education and Skills in the UK might leave an experienced departmental manager to develop a training budget. This could be because he trusts that the manager has a good knowledge of the needs of the department and of the business.



THE TIMES 100

BUSINESS CASE STUDIES

Questions

1. What is leadership?

2. List the three different leadership styles commonly used in organisations.

3. Explain the difference between an \pm consult approach and an \pm share approach to leadership.

4. Analyse why some managers may be happy to adopt a laissez-faire style of management.

Task

In a small team create a presentation, either on computer or on flip-chart paper, which explains the different leadership styles. For each style of leadership explain how much control is maintained by the manager compared to the amount of freedom given to subordinates. Also give examples of when they might be most appropriately used.

What have you learned?

You say, we pay. The class is split into two teams. Each team writes as many terms related to the topic of leadership styles on separate mini-white boards or pieces of paper. A volunteer from the first team faces the class while someone from the second team stands behind them holding up the first term for the group to see. The aim is for the volunteer to guess the terms from the explanations given by the rest of their team. As each term is guessed, the person standing behind holds up the next term. They have 60 seconds to guess as many as possible. At the end of the 60 seconds the teams swap. The winning team is the one to have guessed the most correct terms.