

A Comparative Analysis of Leadership Styles Across Four Sectors: Implications for Organizational Success

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Abstract

The effectiveness of leadership styles—autocratic, democratic, and laissez-faire—is explored across four sectors: technology, healthcare, education, and manufacturing in this research paper. Sector-specific challenges and outcomes are analyzed to highlight the importance of adapting leadership approaches to organizational contexts. Trait and behavioral theories are drawn upon, and the role of situational and ethical leadership in achieving sustainable success is emphasized. It is revealed that innovation and employee satisfaction are fostered by democratic leadership, while autocratic leadership is found to be effective in high-stakes scenarios. Recommendations are given at the end.

Keywords: *Leadership styles, sector-specific leadership, organizational success, comparative analysis*

JEL Classification: M12, M54, L20, O15

Introduction

Leadership is defined as a method where an individual or a group are being influenced to accomplish a shared goal or objective (Northouse, 2012). Similarly, Zaccaro (2001) states that leadership directs organizational human resources towards achieving strategic objectives aligned with the external environmental impacts. Moreover, Zeitchik (2012) states that leadership encourages others to follow the leader's vision contained by the strictures set by the leader. Nevertheless, leadership influences followers to achieve collective objectives willfully instead of using power. Furthermore, However, Bass & Riggio (2006) state that leadership is essential for organizations to perform exceeding expectations.

Leadership style is a leader's method to deliver guidance, executing plans, and motivating followers. Accordingly, there are three main styles of leadership identified, i.e., Autocratic (Authoritarian), Democratic (Participative) and Laissez-Faire (Delegative). Autocratic leaders' decision making is based on their own thinking and beliefs. They do not consider advice or input

of others for their decisions. Democratic leaders encourage their peers to input ideas and opinions for decision-making. However, the final call on the decision is made by the leader. Laissez-faire leaders have a mindset of belief and dependence on their followers. Thus, group members are given the freedom to resolve their own problems. Nevertheless, some research states that Laissez-faire drives the lowest productivity among a group. On the other hand, Kaur et al. (2024) commenced research on effective leadership styles in project management for organizational success. Their study concluded that leadership is a cornerstone of organizational success, influencing strategic outcomes, employee motivation, and organizational culture. Defined as the process of influencing individuals or groups to achieve shared goals, leadership plays a pivotal role in navigating complex challenges and driving innovation (Haque et al., 2015). However, the effectiveness of leadership styles varies across sectors due to differences in organizational structures, goals, and external environments.

The application and impact of leadership styles—autocratic, democratic, and laissez-faire—are examined across four sectors: technology, healthcare, education, and manufacturing in this paper. Sector-specific challenges and outcomes are compared to providing insights into how approaches can be adapted by leaders to achieve optimal results. An analysis of leadership theories, sector-specific case studies, and a comparative evaluation of leadership styles are part of the scope, reflecting contextual specific body of knowledge enhanced. The significance of this study is also evident in its contribution to understanding how leadership practices can be tailored to address sector-specific demands, ultimately leading to the enhancement of organizational performance and employee well-being. The research is about depth rather than width (Faizan et al., 2022; Kaur & Haque, 2024). Hence, the focus is confined to only three styles and four sectors.

Therefore, the aim of this systematic review is to draw comparison between leadership styles in four different sectors.

Literature Review

There are many different leadership theories but keeping the scope of the manuscript in mind, only selective theories and styles are discussed in this paper.

Trait theory of leadership

It is posited by trait theory that common characteristics such as intellect, emotional intelligence, and openness to experience are shared by effective leaders (Northouse, 2012; Luthans et al., 2021). Zaccaro (2001) argued that followers are inspired and aligned with organizational goals by these traits. A strong correlation between leadership effectiveness and traits such as extraversion, conscientiousness, and emotional stability was found by Judge et al. (2002). Some traits are supposed to be acquired by experience and training, whereas others are thought to be innate (Kirkpatrick & Locke, 1991; Luthans et al., 2021).

In other words, this theory states that effective leaders share a set of common characteristics and qualities. According to research there is a positive association between individual qualities such as intellect, sociability, conscientiousness, self-efficacy, and openness to experience. These qualities enable the attraction of followers towards a shared vision. Accordingly, individual skills and knowledge, personality, behavioral and thinking patterns have a direct relationship with his/her leadership style. Research suggests that some traits are received through inheritance and there are attributes that can be developed.

Behavioral theory of leadership

The focus is shifted by behavioral theorists from innate traits to learned behaviors, suggesting that leaders are made rather than born (Stogdill, 1948; Luthans et al., 2021). In other words, behavioral theory of leadership focuses on behaviors of leaders instead of characteristics and abilities within an individual. Hence this school of thought suggests that behaviors can be learned more easily than traits and leaders can be made rather than born. Two dimensions of leadership behavior—consideration (building trust and respect) and initiating structure (defining tasks and roles). In other words, consideration refers to establishing mutual respect and trust with followers. Initiating structure refers to defining tasks that group members should be doing. Similarly, University of Michigan Studies has recognized two styles of leadership. Namely, employee centered leadership and job centered leadership (Fleishman, 1953; Luthans et al., 2021). In other words, employee-centered or people-oriented leadership gives preference to people over task while job-centered leadership styles have higher concern for task than employees, as highlighted by the University of Michigan Studies (Luthans et al., 2021). These dimensions were further developed by Blake and Mouton’s Managerial Grid (1964), which mapped leadership styles according to concern for people and concern for results (Luthans et al., 2021). Figure 1 below shows the various leadership styles depicted from the Blake and Mouton’s Managerial Grid. However, keeping the scope of paper in mind, the paper focuses on autocratic leadership – ‘authority-compliance-management’ (9,1), democratic leadership – ‘middle-of-the-road management’ (5,5), and laissez-faire leadership – ‘country club management’ (1,9).

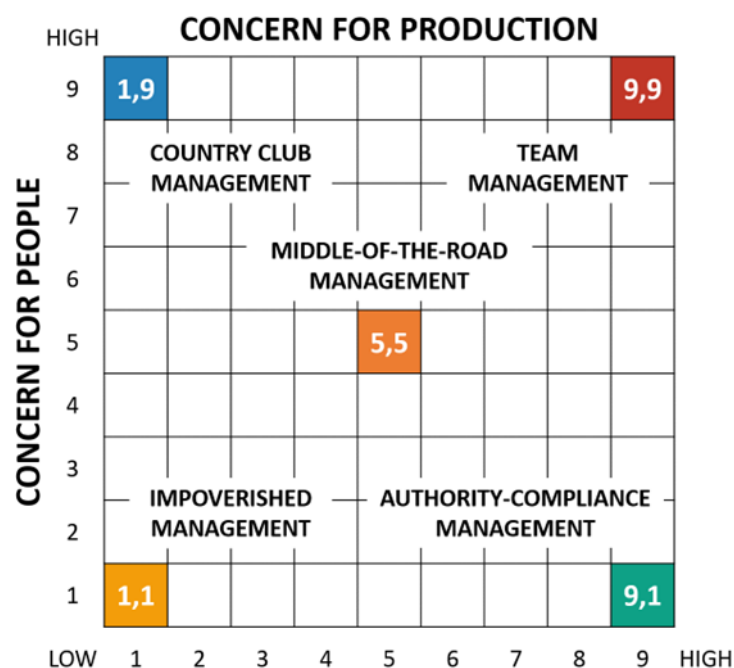


Figure 1: Blake and Mouton’s Managerial Grid (source: Blake et al., 1962)

Leadership Styles

Some of the prominent leadership styles are discussed below in Table 1:

Table 1: Summary of leadership styles considered in this study

Leadership Style	Key Concepts	Reference
Autocratic Leadership	Centralized decision-making, suitable for high-stakes or crisis situations but often	Kaur et al. (2024).

	demotivating for employees	
Democratic Leadership	Encourages employee participation, fostering innovation and engagement but may slow decision-making.	Haque et al. (2015)
Laissez-Faire Leadership	Promotes autonomy and creativity but risks lack of direction and accountability	(Haque et al., 2015; Kaur et al., 2024)

Source: *authors' illustration based on literature review*

As evident in Table 1, these are common styles found in most of the sectors. Autocratic leadership refers to the style of leadership where leaders make decisions completely on their own using their power and authority. Thus, the decisions they make, and the outcomes completely rely on their judgement and intuition. Moreover, autocratic leader controls employees on what tasks should be achieved, the methods of achieving them, people involved and time frame. Leaders who follow this style micro-manage their teams focused on targets, maintain discipline and order, and have streamlined the tasks for teams with a rigid structure. Nevertheless, Maseti & Gumede (2011) argue that autocratic leadership is outdated as there is no input received from other members for the decision making, dictatorship of the leader and little to no reward and recognition to motivate them but disciplinary actions taken against them.

Democratic leadership style solves the weaknesses of autocratic leadership. Employees are motivated and their ideas are valued, and organization benefits from diverse creative ideas from this approach. Research shows that employee engagement is high in organizations with democratic leadership. However, decision making becomes slow and some ideas may be disregarded through this approach. Usually, this leadership style is not feasible for emergency situations. On the other hand, laissez-faire leadership promotes trust and responsibility upon employees. Thus, this is an ideal type of leadership for independently motivated employees with expert knowledge and experience. This way they could act productively without any interference. Nevertheless, some research shows that workers who are not competent may lack direction and motivation under laissez-faire leadership. Moreover, employees lack awareness of their role and the low accountability within the organization may lead to corruption. However, situational and ethical leadership is another emerging concept.

Situational and Ethical Leadership

Situational leadership theories, such as Hersey and Blanchard's model (1969), emphasize adapting styles to the competence and maturity of followers (Luthans et al., 2021). Ethical leadership focuses on moral principles, while servant and authentic leadership prioritize employee well-being and genuine relationships (Brown & Treviño, 2006; Javed et al., 2020). These approaches are increasingly recognized as essential for sustainable organizational success (Avolio & Gardner, 2005).

According to Haque & Yamoah (2021), project success and team dynamics are positively affected by the ethical leadership style because of ethical behavior, integrity, and fairness. Interestingly, ethical leaders can be better described as role models that are effective in creating and fostering a culture of trust, transparency, and accountability within a team (Brown & Trevino, 2006). On the other hand, situational leadership indicates that the role of leader depends on the situation (Luthans et al., 2021). Thus, it means that the level of maturity among employees improve would mean that the role of leader gradually reduces. As the situation changes, the role of a leader also changes. Interestingly, the work of Haque & Yamoah (2014) showed that alike situational leadership is situational commitment. In other words, the commitment of employees depends on the situation.

As their situation changes, their commitment also changes to certain degree.

The above literature has provided the foundation to extract data related to the research phenomenon. Hence, in the next section, research methodology has been discussed.

Research Methodology

In this study, we employed a qualitative comparative analysis of leadership styles across four sectors: technology, healthcare, manufacturing, and education. Case studies, scholarly publications, and industry-specific reports are the sources of the data. The effectiveness of autocratic, democratic, and laissez-faire leadership in addressing sector-specific challenges and achieving organizational goals is evaluated as part of the analysis. A theoretical foundation for the findings is provided by incorporating insights from leadership theories.

Data Collection

Table 2: Data gathered in this study

Sources	Description
Academic Literature	Peer-reviewed journal articles and books on leadership theories, including trait theory, behavioral theory, and situational leadership, were reviewed to establish a theoretical foundation.
Case Studies	Sector-specific case studies were analyzed to understand the application of leadership styles in real-world scenarios. For example, case studies on leading technology companies, healthcare organizations, educational institutions, and manufacturing firms were examined.
Sector Reports	Industry reports and organizational analyses from reputable sources such as Fortune 500 rankings, McKinsey & Company, and Harvard Business Review were used to gather insights into leadership practices and outcomes.
Historical Data	Historical data on organizational performance, employee engagement, and leadership effectiveness were collected to support comparative analysis.

Source: *authors' illustration showing data collection process*

Data Analysis

A thematic analysis technique used to examine the gathered reports and data. Important themes on the efficacy of leadership styles were found and categorized by industry. The analysis focused on:

- Leadership styles, including authoritarian, democratic, and laissez-faire, vary among sectors.
- How leadership philosophies affect organizational results including creativity, worker happiness, and output.
- Sector-specific challenges and how leadership styles address these challenges.

Ethical Considerations

The study adheres to ethical research practices by:

- Using only publicly available and properly cited data.

- Ensuring the confidentiality and anonymity of organizations and individuals mentioned in case studies.
- Avoiding misrepresentation or manipulation of data to support specific conclusions.

Findings and Discussions

Technology Sector

Innovation and flexibility are key to the technology industry’s success, which makes democratic leadership incredibly powerful in contrast to autocratic and laissez-faire leadership styles. Leaders who foster teamwork and innovation, like those in top IT firms, frequently become market leaders (Bass & Riggio, 2006; Kaur et al., 2024; Faizan et al., 2022). However, authoritarian leadership may be required to ensure prompt decision-making in high-pressure scenarios, including product launches (Yukl, 2013).

Healthcare Sector

Healthcare sector and most service sectors require ethical and servant leadership because of to the sector’s emphasis on patient care and well-being (Spears, 2010; Kaur et al., 2024). Teamwork among medical professionals is fostered by democratic leadership, while autocratic leadership may be required in emergency situations (Goleman, 2000). The requirement for rigorous adherence to medical procedures makes laissez-faire leadership less prevalent.

Education Sector

Democratic and transformational leadership are effective in the education sector, as they promote collaboration and innovation among educators (Leithwood & Jantzi, 2000). Nonetheless, communication is key for effective management of employees in any sector (Haq & Faizan, 2023). Administrative decision-making may be effectively handled by autocratic leadership, but creativity and morale among teaching staff can be stifled by it (Bush & Glover, 2003).

Manufacturing Sector

Efficiency and productivity are ensured by task-oriented leadership in manufacturing (Fiedler, 1967; Luthans et al., 2021). Large teams are effectively managed, and production targets are met by autocratic leadership, but employee engagement is improved, and turnover is reduced by democratic leadership (Herzberg, 1966; Luthans et al., 2021).

Table 3: *Effectives of styles in considered sectors*

Sector	Autocratic Leadership	Democratic Leadership	Laissez-Faire Leadership
Technology	Effective in crises	Highly effective	Moderate effectiveness
Healthcare	Effective in emergencies	Highly effective	Less effective
Education	Less effective	Highly effective	Moderate effectiveness
Manufacturing	Effective for efficiency	Effective for engagement	Less effective

Source: *Research findings*

Table 3 reflects most often the democratic style of leadership is highly effective among considered sectors. As discussed earlier, autocratic is more task-oriented while democratic is people-oriented style of leadership. Thus, we found that when considering task-oriented leadership style, the benefit is that leaders can achieve task completion in a timely manner. However, leaders need to ensure clear instructions and work schedules are provided on achievable goals to succeed. However, employee motivation levels are low in task-orientation due to lack of autonomy and creativity. Thus, excessive task orientation impacts the productivity of the organization due to low innovation creativity.

On the contrary, people-oriented leadership motivates employees and enhances creativity and innovation of the organization. Moreover, employees feel empowered, valued, and strengthen employee engagement with the company. However, there are number of challenges entailed with people-oriented leadership style such as lack of direction that may result in ineffective decisions, and less focus on achieving tasks.

However, research suggests that one best style of leadership does not exist. The effectiveness of each style of leadership depends on the situation. Thus, leaders should assess employees' work styles, maturity, typical work schedule and goals of the company when deciding ideal leadership style. Hersey and Blanchard suggested four types of leadership that are ideal to be used depending on different situations. Accordingly, delegating style is ideal for employees with high maturity, while participating style for experienced employees who lack confidence for task assignments. Additionally, selling style is suited for employees who are capable but are unwilling to do the job while Telling style is appropriate for employees with low capability and willingness.

Moreover, research has introduced few moral approaches as best approaches to leadership. Namely, ethical leadership, servant leadership and authentic leadership. Ethical leadership refers to display and promotion of ethically appropriate behavior through actions, social relationships, communication, and reinforcement. In addition, authentic leadership refers to fostering genuine relationships with their followers and providing significance to their opinions. In servant leadership style a leader's main goal is to promote the well-being of others in the organization. The aim of a servant leader is to achieve authority rather than power.

Table 4: *Representation of leadership styles in considered sectors*

Sector	Autocratic Leadership	Democratic Leadership	Laissez-Faire Leadership Sector
Technology	20%	60%	20%
Healthcare	30%	50%	20%
Education	10%	70%	20%
Manufacturing	40%	40%	20%

Source: *Research findings of present study*

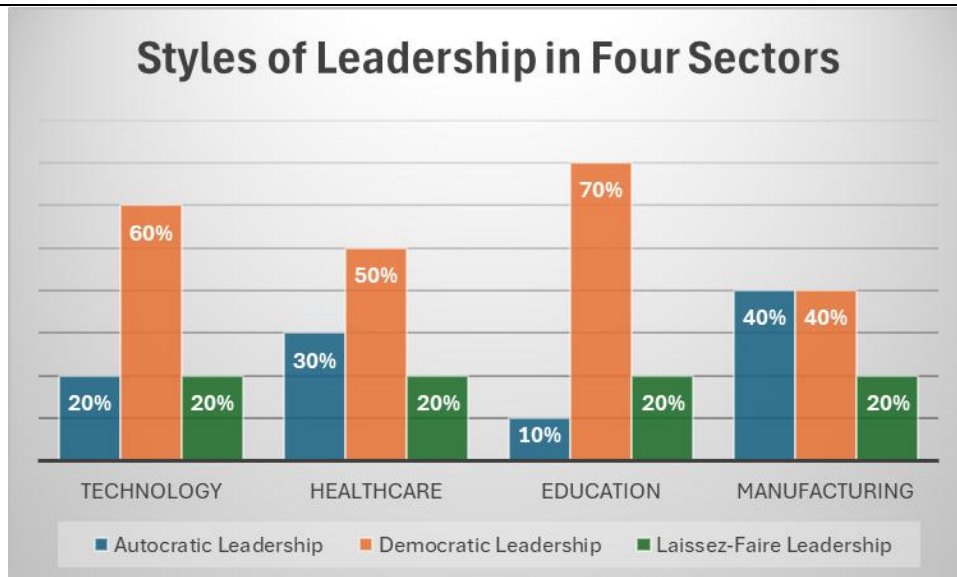


Figure 2: Sectorial Representation in study.

Democratic leadership works very well in the technology sector (60%) because creativity and teamwork are essential. For creative teams, laissez-faire leadership is only marginally successful (20%), whereas autocratic leadership is employed in times of crisis (20%). However, in the healthcare industry, autocratic leadership is required in emergency situations (30%), while democratic leadership is also prevalent (50%) for teamwork. Because of rigorous regulations, laissez-faire is less prevalent (20%). In a similar vein, the education sector likewise discovered that democratic leadership fosters cooperation the best (70%) of all. For autonomous initiatives, laissez-faire is somewhat successful (20%) while autocratic leadership is rarely employed (10%). Finally, in the manufacturing industry, democratic leadership is just as vital (40%) for employee engagement as authoritarian leadership (40%) for efficiency because structure is necessary, laissez-faire is less successful (20%).

Conclusion and Recommendations

In this research, we concluded that the necessity of adapting leadership styles to sector-specific requirements is pivotal. Innovation and employee happiness are most effectively encouraged by democratic leadership, but the requirement for authoritarian leadership may arise in high-stakes or crisis circumstances. We also conclude that the sector-specific difficulties are effectively tackled, and long-term success is fostered by ethical and situational leadership techniques.

The following recommendations are given:

Depending on the maturity and context of their teams, leaders should modify their approaches, hence, we recommend situational leadership approach. Furthermore, we recommend that ethical practices should be more often in education and healthcare sectors. We recommend that servant leadership is more effective style in service sectors including education and healthcare. It is also recommended that leaders and managers should balance task and relationship orientations. The goal of leaders should be to strike a right balance between worker's well-being and productivity. Lastly, we recommend that sectors shall invest in leadership development. To assist leaders in acquiring flexible and moral leadership abilities, organizations should provide training and encourage leadership mentoring programs.

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