

What Management Style Is Right For Your Small Business?

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No matter how small a business, it needs a management style that is clear, decisive and makes sense to all employees. While there are numerous views on management styles in general, for a small business organization, managers and employee interaction differ from a large or public company. Implementing or adapting a management style that is effective for small business must also be workable with the business owner's leadership personality and company philosophy. To help identify the right management style for your small business, here are five common leadership styles.

Active

The [active](#) leader sets an example, and above all shows concern for their employees. Active leaders know their team is vital, and supporting and banking on employees exhibit a high standard of cooperation, exemplifying that a small business staff greatly depends on each other. Active leaders are involved in all aspects of the day-to-day work and are fully aware of what's happening at the office. Open and honest communication keeps employees out of the dark, so everyone feels involved in the company's success.

Autocratic

An [autocratic](#) leader makes decisions without seeking input from others and pushes their will on company employees. While workers in need of

close supervision and ample direction may accept this leadership style, creative employees loathe it and won't thrive working under such closed authority.

Democratic

A **democratic** leader strives to take employee opinions into account, even waiting to reach a consensus before making a decision. Although this style can be annoyingly slow, the feeling that all employees have a voice that is heard can make it easier to implement change. The resulting trust in the company promotes a sense of harmony and ups the job satisfaction scores.

Participatory

A **participatory** style is a form open to employees being involved in the company's decision-making process. Just as the name suggests, this concept understands and relies on input from all workers as management seeks strong relationships with employees who deal directly with customers or clients, and therefore will have valuable thoughts and innovative ideas to contribute to the leader's decision-making or problem solving needs.

Servant

The **servant** leader recognizes the power of expertise and finding the most talented people and empowering them to do what they do best. The term aligns with the leader seeing him or herself as a servant to the customer, meaning the leader sees the importance of helping employees improve as human beings and grow in vital ways that are relevant to their work. This ideal recognizes employees as human beings, and not simply workers who can be replaced. Employee knowledge, skills, and willingness to learn and grow, fit with the company's core values, so employees feel they contribute their skills on a daily basis. In return, employees feel more satisfied at their jobs, and less inclined to leave their jobs.

This article was written by Melanie Graysmith for CBS Small Business Pulse

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