## Leadership and Management: Theories, Styles, and Organisational Impact

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U04 Leadership and Management

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Introduction **(200 words)**

• Brief overview of leadership and management

• Importance of understanding leadership and management in executive search

• Objectives of the report

Definitions of Leaders and Managers **(250 words)**

• Key differences between leadership and management

• Roles and responsibilities in organisations

• Example(s) from organisations (e.g., large corporation, SME, or non-profit)

Leadership and Management Theories **(600 words)**

• Overview of three leadership and management theories

• **Trait Theory**

• **Transformational Leadership**

• **Situational Leadership**

• Application in workplace scenarios (Nestlé case study)

• Analysis of their impact on organisational effectiveness

Leadership and Management Styles and Decision Making **(600 words)**

• Explanation of different leadership and management styles (e.g., autocratic, democratic, laissez-faire)

• How leadership styles influence decision-making in different organisations

• Case study insights and real-world examples (e.g., interview findings)

Influence of Leadership and Management Styles on Organisational Culture **(400 words)**

• Organisational culture and its development

• Impact of leadership styles on organisational culture and performance

• Comparisons across different business environments

Conclusion **(200 words)**

• Summary of key findings

• Critical evaluation of leadership and management approaches

• Recommendations for best practices

## References

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## Appendix

(Mathias Søe Hansen) interview

**1. How would you describe your leadership style, and has it been effective in your work?**

I think that, as a person, I believe in trust and what we call *freedom under responsibility.* I think it’s important that people are happy, and as a leader, the most important thing you can do is support—help people, not tell them what to do, but give them the best tools to make the best decisions.

Before I was in my current position, I led a team of around 15 in an American corporation, which had a very different culture compared to the business I am in today. That was a *top-down* management style, where everyone had a predefined function and was told what to do. If something wasn’t correct, it was primarily about blame rather than support. The communication chain was very efficient, but as long as you reached your targets, no one really cared about anything else. However, if there was a problem, the focus was on identifying underperformance rather than helping to improve it.

This led to high employee turnover, though people who stayed remained for long periods. There was a lot of sickness, and people performed only under pressure—there was no real motivation. In general, workplace morale was not high. I don’t think that style of leadership is very effective or sustainable.

Luckily, the company I work for today has a very different, *people-centric* culture. When I was in my bachelor’s program, I met Pekka Vauramo, and I asked him if he had one piece of advice for someone starting their career. He told me, *“It’s all about people. Everything we do in business is about people.”* That is the best advice I’ve ever received, and it’s something I have tried to live by.

Now, I work in insurance, which impacts people’s lives when they need it most. In this business, the way we work is all about people. As a leader, I think it’s important to recognize your strengths but also your limitations. You don’t have to know everything—it’s good to surround yourself with people who have expertise in different areas and whom you can rely on when needed.

**Interviewer:** I think that’s a great perspective because you described your previous position as being based on fear—the idea that you must perform or risk getting fired. But when you focus on people, the results are usually much better.

**Interviewee:** Exactly, exactly. Because we’re all human, and we can’t always force productivity. If people feel afraid, they’ll do the bare minimum to get by, but nothing more.

Now, we have a culture where people have the freedom and mandate to take initiative. If they do something beyond expectations, it’s rewarded and acknowledged in the company. That creates a really healthy culture. We don’t constantly monitor what employees are doing, but we’ve seen really low sickness levels, high motivation, and employees coming up with new solutions because they have the freedom to think creatively.

In business development, sometimes things don’t work, but sometimes they work *really* well. There’s no predetermined outcome, but if you foster a culture of psychological safety—where it’s okay to try new things—then you can challenge the status quo and drive real change.

**2. How do you motivate your team to achieve goals when you have tight deadlines?**

Good question. That’s a tough one because every situation is different—I don’t think there’s a universal golden rule.

I believe it all comes back to communication and transparency. If there’s an important deadline, I think it’s crucial to not only communicate *that* the deadline exists but also *why* it’s important. Explaining the value of a project—what it means to the company and why it matters—can be a great motivator.

As a leader, you also need to help with prioritization. In my field, we often have multiple projects running simultaneously, so I need to determine what’s *most* important. I’ll ask my team, *“What can we deprioritize or postpone?”* If something is truly critical, I need to ask, *“How can I help you achieve this?”* It’s important to be flexible and strategic about how we use our available hours.

**3. Have you ever had conflicts between team members, and how have you handled them?**

Yes, though not in my current role. Fortunately, we have a good culture here. But in my previous roles—especially in environments with strict performance targets—conflicts were more common.

One of the biggest challenges I experienced was a disconnect between leadership and day-to-day employees. Leadership would set strict performance goals without fully understanding the challenges employees faced.

For example, in a business process outsourcing (BPO) company I worked for, we provided customer service for a large European fashion brand. The company continually increased performance targets, and some employees struggled to keep up—particularly those who were more focused on quality rather than speed.

There was conflict between employees responsible for *quality control* and those who handled direct *customer interactions*. One employee might flag another for not meeting quality standards, while the other would argue that they were prioritizing speed, as required. Both were technically *right*, but their perspectives clashed.

As a leader, I saw my role as a mediator. I would sit with both employees and try to help them understand the situation from the other’s perspective. My goal was to facilitate communication and highlight the pros and cons of both approaches. By creating understanding, we were often able to resolve conflicts more effectively.

**4. How do you provide constructive feedback, especially when an employee underperforms?**

I think constructive feedback should be built on a foundation of **trust, transparency, and motivation.** Mistakes are part of learning, and failing is okay as long as we grow from it.

One thing my current company does is an annual feedback exercise where we ask stakeholders to provide three things we’re doing well and one thing we could improve. Then, we have discussions about it, which creates a culture of continuous learning.

When I give feedback, I always start with something positive. Then, if there’s a performance issue, I’ll say:

*“I’ve noticed that [specific issue] hasn’t met expectations. Can you explain how you perceive this? Is there a reason behind it?”*

I also ask if there are any external factors affecting performance—sometimes, personal circumstances play a role. My priority is to **offer support** rather than just criticize. After discussing the issue, we agree on a plan for improvement and document it for follow-up.

**5. How do you ensure your team’s decisions align with company values and ethics?**

That depends on company culture. In my current company, alignment comes naturally because our values focus on *people first*. We often discuss strategy and priorities through the lens of customer experience and employee well-being.

However, in my previous role, the culture *didn’t* align with my values, which was difficult. The focus there was on performance first, and people second. That’s ultimately why I left—I realized I couldn’t be in a role where I wasn’t aligned with the company’s values.

**6. What have been the biggest challenges that shaped you as a leader?**

One of the biggest lessons I’ve learned is **planning for the unplannable**.

In business development, things rarely go exactly as expected. I used to be overly optimistic about timelines, which led to dilemmas: should my team work overtime to meet deadlines, or should we delay and disappoint the client?

Now, I always **budget time for unexpected obstacles.** This prevents unnecessary stress and ultimately leads to better results. If we finish early, great—our clients are extra happy. If delays occur, we’re already prepared.

**7. What advice would you give to someone aspiring to be a leader?**

First, ask yourself: *Why do I want to be a leader?* If your answer is, *“I want to help people grow and succeed,”* then you’re on the right path. Leadership is all about people.

Be curious. Ask questions. Try to understand why people behave the way they do. The better you understand people, the better leader you’ll be.