

## Laissez-Faire Leadership 8

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### Abstract

In today's turbulent, chaotic, and intensely competitive environment, if you take on the responsibility of leading an organization, you need to have highly developed skills that are open to change and further development. Organizations no longer carry the old traditional organizational structures, nor do employees carry the old employee profile. The cumulative speed of the technological changes that mark our age makes tomorrow much more change-prone than today, and there is a need for leaders who can anticipate these changes, interpret them correctly, and respond to them quickly. As it is known, leadership is still not understood by many circles. In particular, the fact that there are hundreds of definitions of leadership in the management literature, the abstract and minimal differences between the many types of leadership defined, and the difference in the understanding of leadership between leaders and followers cause the subject to be more difficult to understand. In this part of the book, laissez-faire leadership is discussed, and its definition, characteristics, effects on followers and organizations, advantages, and disadvantages are given.

### 1. Introduction

Modern leadership theory argues that no one type of leadership can universally produce the best results and that leaders should adapt their leadership style to the situation and the qualities of their followers. In the organizational literature, although there are many sub-divisions such as charismatic, participative, transactional, strategic, delegative, servant, as well as digital leadership, which is needed especially with technological

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development and digital transformation (Topçuoğlu et al., 2023; Özbacı & Kobanoğlu, 2022) under leadership characteristics, behavioral, situational and modern leadership approaches, in terms of providing responsibility and initiative to subordinates; we see that it is examined in three categories: authoritarian, democratic and laissez-faire leadership.

The term laissez-faire originated from the phrase “*laissez-faire, laissez-passer*” used by the French physiocrat Vincent De Gournay in the 17th century as a reaction to the mercantilist policies implemented by the state. With these words, De Gournay advocated individual freedom in the economy instead of state intervention, which later became one of the basic principles of liberal economics with Adam Smith’s classic work *The Wealth of Nations* (Groenevegen, 2002). In the early 20th century, Lewin et al. (1939) introduced the concept into management science literature. Today, the concept is defined as a leadership style in which the leader minimally interferes with the followers and gives them full freedom in decision-making processes (Northouse, 2019).

The laissez-faire leader is largely dependent on group members to set goals and make decisions and assumes a passive role (Bhattacharya, 2012), and because of this structure, it is conceptualized by some authors as *the absence of a leader* (Hinkin & Schriesheim, 2008a). Judge and Picollo (2004) define laissez-faire leadership as a leadership-avoidance behavior that avoids making decisions, hesitates to act, and disappears when necessary. Bass and Riggo (2006) state that these leaders do not make necessary decisions, leave actions for later, do not use authority, ignore the responsibilities of leadership, and are the most ineffective type of leadership.

Empowering leadership is an active leadership style that provides autonomy to subordinates and, in this respect, it differs from laissez-faire leadership, which abdicates legitimate responsibilities and focuses on inaction (Humborstad & Giessner, 2015). While staff empowerment involves assigning important tasks and responsibilities to subordinates and adopts a non-intrusive approach, laissez-faire leadership is insensitive to what followers do, ignores their requests for help, and avoids being responsible for their performance (Bass & Riggo, 2006; Ridwan et al., 2022; Piccolo et al., 2012). Here, followers’ expectations from the leader play an important role, and in cases where the leader’s empowering behaviors are more than followers’ expectations, the leader may be perceived as laissez-faire (Humborstad & Giessner, 2015).

Distinguishing laissez-faire leadership from passive leadership, Bass (1999) states that while passive leaders wait for problems to arise before taking corrective action, laissez-faire leaders avoid any action.

## 2. Leadership and Use of Power

The concepts of leadership and power, which are defined as the leader's ability to influence the resources to be mobilized in line with the objectives, are often mentioned together. More precisely, power is the capacity of a leader to influence the factors of production that the leader will direct in order to increase productivity and achieve success. French and Raven (1959) argued that there are five sources of power that can be used, especially on social structures. These are;

- Coercive power,
- Legitimate power,
- Reward power,
- Expert power and,
- Referent power.

Leaders decide which of these five sources and/or which of them they will use and to what extent and with what intensity, depending on the organizational structure, culture, and the qualifications of their subordinates. It is known that the use of power is not only a leadership behavior but also a process that involves followers, situational factors, and interactions between them, and is guided by many variables such as the willingness of employees to be influenced, their attitudes towards the power source used, and their capacity to resist power (Dirik et al., 2016; Elkırımış ve Yılmaz, 2024).

Kets de Vries (2022), who frequently addresses the issue of power in organizations, emphasizes the corrupting effect of power and states that democracy in organizations is severely lacking and is often the exception rather than the rule. In contrast, laissez-faire leaders avoid the use of power and expect their followers to take the initiative.

In terms of the use of power, laissez-faire leaders largely refrain from using the power they have and relinquish the leadership role, which allows subordinates considerable freedom of action and contributes to maximizing their power and influence towards the work (Deluga, 1990).

### 3. Needs of Leadership

De Vries et al. (2002) defined the need for leadership as “the extent to which an employee wishes the leader to facilitate the paths towards individual, group, and/or organizational goals”. The need for leadership is subjective, as it depends on how the employee evaluates a particular environment. If employees believe that they have the competence they need, leaders will not seek intervention and, in Bugenhagen’s (2006) words, will be left to fend for themselves. However, there is a need for the leader to continuously motivate both himself and the organization with an innovative perspective (Altay Morgül & Oral Ataç, 2024).

The point to be taken into account here should be the leadership needs of the followers. If subordinates lack competence and other resources, a laissez-faire leadership style may not meet the needs of the followers, and leadership deficiency may be mentioned, but if subordinates are able to cope with the problems, deficiency will not be felt (Skogstad et al., 2014).

Leader-member interaction is a well-established construct proposed by Graen et al. (1973) that assumes that leaders establish social exchange relationships with followers that are of higher quality than individual, low-quality economic exchange relationships. When laissez-faire leaders are viewed in the context of leader-member interaction, followers are likely to feel ignored and isolated and therefore focus on the economic exchange aspect rather than on high-quality individual relationships (Buch, Martinsen, & Kuvaas, 2015).

Laissez-faire leadership can lead to certain workplace stressors such as role conflicts, role ambiguity, and low-quality interpersonal relationships within the organization, which can sometimes lead to tensions (Skogstad et al., 2007; Zhang et al., 2023). Another unfavorable situation may be the intense competition among subordinates for the power that the leader has relinquished (Deluga, 1990).

### 4. Reflections of Laissez-Faire Leadership in the Literature

Although studies on laissez-faire leadership are more limited than those on other types of leadership (Judge & Picollo, 2004; Hinkin & Schriesheim, 2008a; Hinkin & Schriesheim, 2008b; Skogstad et al., 2014), a few studies reveal the striking prevalence of this type of leadership in working life (Skogstad et al., 2007). Eagly et al. (2003) found that male leaders are more likely to use laissez-faire leadership than female leaders.

In the literature, there are also studies suggesting that laissez-faire leadership behavior is a destructive leadership behavior (Skogstad et al., 2007; Aasland et al, 2010). According to this view, the failure to encourage or even the systematic absence of positive behaviors in the organization is conceptualized as destructive leadership behavior, and laissez-faire type of leadership can harm the organization and followers due to its failure to meet and violate the interests of the organization and the legitimate expectations of the followers, regardless of reasons such as incompetence, lack of knowledge or intentional harm (Aasland et al., 2010; Buch et al., 2015).

The key defining characteristic of laissez-faire leadership is that the leader does not react to potential stimuli, followers' needs, and good or poor performance (Hinkin & Schriesheim, 2008b). However, the management literature has a rich body of research on the fact that not reinforcing expected performance or not punishing underperformance and negligence in organizations will eventually lead the organization into a bad situation. Laissez-faire leadership does not prevent the repetition of undesirable behaviors by not reacting, and does not ensure the repetition of desired behaviors. However, it is widely believed that leaders must be able to shape the behavior of their subordinates in order to be effective (Peyton et al., 2019).

According to Bass and Riggo (2006), when followers do not have the capacity to solve problems, laissez-faire leadership can lead to an exponential increase in existing problems. Laissez-faire leadership is associated with low productivity, lack of innovation, more conflict within the organization, and lack of cohesion among employees. Skogstad et al. (2007), in addition to defining laissez-faire leadership as a kind of lack of presence and leaderlessness, recognize it as a failure to meet the legitimate expectations of subordinates and/or superiors. Similarly, Leymann (1996) states that a non-interventionist leadership will lead to high levels of conflict and mobbing in the organization due to role ambiguities. Laissez-faire leadership behavior is considered a less ethical leadership behavior because the leader is indifferent, does not provide any guidance, and the followers are left unattended (Vullings et al., 2020).

Exploring the positive aspects of laissez-faire leadership, Yang (2015) emphasizes the need to examine the behavior of leaders through the eyes of their followers, noting that this type of leadership style can be regarded as a sign of respect for subordinates rather than a lack of leadership and can have a possible positive effect, leading to a sense of autonomy and self-control in subordinates.

Laissez-faire leadership involves less risk when subordinates are highly qualified, experienced, and have a desire for self-actualization (Bhattacharya, 2012). The most important factor in determining the leader's leadership style is the followers' personalities, expectations, and performance-based needs. It is known that followers with low performance, lack of commitment, and motivation generally need a more directive leadership style.

If a leader is not responsive to the performance of his/her followers, their performance may be controlled by factors outside the leader, and this situation may become unacceptable for the organization, as well as creating inconsistencies (Hinkin & Schriesheim, 2008b).

## 5. Conclusion

Leading in organizations means being able to deal with a web of relationships with a great need for emotional management (Kets de Vries, 2013). Today, many organizational leaders choose to involve organizational members in decision-making and problem-solving processes (Lunenburg, 2012).

Laissez-faire leadership is based on trust in followers. As such, the leader avoids taking responsibility and leaves all decision-making and implementation to the followers, and does not provide them with feedback. Such leadership requires followers to be experts in their fields, success-oriented, and capable of making decisions on their own and facing the consequences of those decisions. As mentioned above, it is common for followers in such an organizational structure to be exposed to intense stress. In addition, situations such as a lack of feedback, communication problems, and perhaps the desire to own the idle power may cause the organization's productivity to decrease and fail, work may not be done on time, and strategic goals may not be achieved.

On the other hand, in such an organization, the fact that decisions are made and executed by qualified people who are personally involved in the work, that decision-making processes are distributed within the organization, and that the organization can move faster by moving away from a centralized structure have the potential to provide such organizations with a relative advantage. It can yield extraordinary results in some organizations, especially in terms of encouraging creativity, making the individual feel like the owner of the business, and keeping the paths of personal development open. There is evidence in the literature that it can lead to positive job shaping behaviors (Oprea et al., 2022; Pahi et al, 2018; Tong, 2020; Zheng, 2024), especially in organizations where superior employees work.

When we look at the fields of business, art and science, we can see that there is a considerable number of laissez-faire leaders such as Warren Buffett, Steve Jobs, Walt Disney, Albert Einstein and Niels Bohr, who trusted the creativity of their followers and gave them the opportunity to develop their own ideas, offered a completely free workspace, and had little or no interference in decision-making processes.

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