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THE MAJOR DETERMINANT OF OPTIMUM LEADERSHIP STYLE – AN EMPIRICAL ANALYSIS

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Abstract

In the present organizational context, though the available human resources are efficient, they need an external motivation, generally called the leaders. These leaders serve as the best role model to the employees and act as the best representative of the Management. Hence the leadership styles are considered to be one of the important prerequisites for the organizational success. Through this study, an attempt has been made to find out the optimum leadership styles from among the prevalent styles (Autocratic, Laissez-Faire, Democratic and Paternalistic) and the major determinants that affect the leadership styles. For this, a sample of 100 employees were selected randomly and they were then classified on the basis of selected demographic variables such as age, gender, years of experience, personal behavior and educational qualification. Statistical tools like Chi-Square χ^2 Test and ANOVA Techniques were applied to find out the optimum leadership style from among the selected styles and to find out whether the selected independent variables (demographic variables) were associated with the desirable leadership style. The findings of the research suggested that the democratic leaders were supported well by the employees and all the demographic variables could be considered crucial for determining the optimum leadership styles.

Keywords: Demographic Variables, Leadership Styles, Organisational Success.

Introduction

One aspect of leadership that has been extensively studied and well documented in leadership literature is its styles. Leadership Style refers to the characteristic manner in which an individual led others. Early conceptualizations categorized leadership styles as either autocratic, democratic, or laissez faire (White & Lippitt, 1960). In the late 1960s, Hersey and Blanchard identified four leadership styles through their work with the situational approach to leadership.

Kouzes and Posner (1995) discovered that the most admired historical leaders were those who possessed “strong beliefs about matters of

principle”. From further studies relating to the most effective leaders, Kouzes and Posner (2003) concluded that “people expect their leaders to speak out on matters of values and conscience”. Regrettably, there had been a “values crisis” in the past decades as leaders and followers have become “people without rudders, without vision and with values that have very little value at all” (Morin, 1995). Such a crisis occurs as “perceptions of value become skewed; when achievement is equated with making money; personal security is more important than that of anything else; and when greater emphasis is placed on making money than serving customers” (Morin, 1995).

Unable to achieve what Minnick and Ireland (2005), described as a “value balancing act,” some leaders topple over in “moral incontinence” (Aristotle, trans. 1962). Having their minds fixed on being immensely admired by their followers, too many great leaders have swung like a pendulum from behavior associated with strong articulation of values and beliefs to engagement in a dementia of dark leadership called “codependency” (McIntosh & Rima, 1997). Even in nonprofit organizations such as churches, dark leadership or the abuse of followers for personal gain (Conger, 1990) is hallmarked by a strong desire on the part of leaders to please followers at any cost—even to the point of overlooking behavior incongruent with personal or organizational values and beliefs.

Background of the Study

Leadership is associated with the influencing function, whereas other functions of management are concerned with performing individually by themselves to reach the organisational expectations. The most important feature of leadership lies in direct linking with the employees and followers in order to to make them work and motivate them to work. At the same time, leadership is not a one-shot activity, rather it is a practice. This practice can be converted into an achievement only with one’s own experience and abilities to perceive various group behaviours. In addition to it, the varying expectations of the organisation, made the process of leadership a tedious one, though, it is not so. The difficulty is that the manager cannot come to a conclusion with what he actually observed with one particular group. The conclusion on effective leadership styles, to be accurate, should vary with persons, according to their age, educational qualification, years of experience, and with one’s personal behaviour and perception. On the other hand, the need for having a thorough knowledge on leadership concepts and styles did not come

down as it adds weightage to the organisational success. Also, with the changing trend in Indian organisational context, the younger generation has been assigned the office to function as leaders. Majority of managers, though not all, tend to slightly lack the key concept of how to handle people effectively and efficiently. The reason is that they lack experience.

Finally, the changing trend in the organisational objective, employees’ psychology and environmental factors compelled a review of leadership styles. Still, the leaders find it difficult to arrive at a common conclusion. The various contributions by the researchers, through their continuous research in this area, give only a temporary solution, and not a cure to the problem of leadership. To overcome all these barriers, there is not only a strong need to analyse the key concept of leadership but also to gain a clear understanding of the expectation of employees about the expected leadership styles and the major determinants of leadership styles.

Objectives of the Study

The study was part of a larger study that sought to identify and describe the leadership styles and skills of leadership and explain the influence of demographics on the selected leadership styles and skills. Although much research has documented the individual relationships between demographic variables and leadership styles, little has been done to explain the combined influence of demographics on leadership styles.

Therefore, the specific objectives of the present study are

1. To summarise the possible behaviour of employees and the optimum leadership styles for such behaviour.
2. To describe current leadership styles in terms of selected demographic variables.
3. To explain the influence of demographics on the selected leadership styles

(Autocratic, Democratic, Paternalistic and Laissez Faire).

Review of Literature

Numerous studies have been conducted that addressed the relationship between demographics and leadership style. Krishnan and Park (1998) noted that demographic characteristics exert considerable influence on the leadership styles of top managers. Hambrick and Mason (1984) proposed that demographic traits such as age, tenure in an organization, functional area background, educational background, and degree of formal management training are all important aspects of leadership that influence organizational success.

Differences in the preferred leadership styles of men and women are perhaps one of the well researched aspects of leadership. In their meta-analysis, Eagly and Johnson (1990) found that women tend to use a more participative and inclusive style while men tend to use a more directive and controlling style. This indicates that women use more transformational styles while men use more transactional styles. This conclusion is supported by other studies that found women more likely to use transformational leadership than men and that men were more likely to use transactional leadership as their primary style (Druskat, 1994; Rosener, 1990).

Several studies have examined the relationship between age and leadership style. Vroom and Pahl (1971) suggested that older managers in an organization may have a greater commitment to maintaining the status quo than younger managers, with less favorable attitudes towards taking risks. Hambrick and Mason (1984) proposed that younger managers were more inclined to take risks than older managers. Taking risks instead of maintaining the status quo, is one of the characteristics of leaders who engage in the transformational

leadership practice. "Challenging the Process" was identified by Kouzes and Posner (1987) as a mark of leadership .

Educational background has received considerably less attention than other demographic variables within the literature. Findings of a study conducted by Sykes (1995) suggested that program discipline, from which County Extension Directors (CEDs) came, significantly influenced their self-perceptions related to transformational leadership styles. Sykes reported that CEDs from Home Economics and 4-H Program backgrounds perceived themselves to demonstrate more leadership behaviors than CEDs from Agricultural Program backgrounds. Sykes also reported that the type of degree, beyond a bachelor's degree, had no significant influence on the self perceived leadership styles of the CEDs in her study.

Against this background, an attempt has been made in this small piece of research work to identify the optimum determinants of leadership styles.

Methodology of the Study

"All progress is born out of enquiry. Doubt is often better than overconfidence, for it leads to inquiry, and inquiry leads to invention" is the famous Hudson Maxim in the context of which the significance of research can be well understood.

The sample consists of 100 respondents having different attitude, age, educational qualification and years of experience. They were randomly selected from Solamalai Automobile Ltd., Hyundai Ltd, and Suzuki Ltd., from Madurai District with a view to assessing the major determinants of the optimum leadership styles.

Source of Data

The data used for the analysis were primary. It has been collected through the issue

of questionnaires administered in a definite order.

Tools Used

For this study, simple tools like Chi-Square Test and ANOVA were used. Thus the independent variables like age, experience, personal behaviour and educational qualification were used so as to find out whether they acted as a major determinant of optimum leadership style.

Limitations of the Study

Due to the cost and time, certain limitations have to be tolerated in the present study. In the first place, the study covers only few selected employees from a vast panel of employees. Since there were a number of determinants to be analysed, it was not possible to study all categories of employees. Leadership is the bridge between employees and top management. The concept of top management has been entirely ignored due to insufficient time. So the study is only a one-way analysis.

Analysis and Interpretation

The nature of leadership has changed significantly and organizations are experiencing an increased number of outcome-based demands on their time and resources. There remains a void about managerial leadership development and the contribution to interventions by individual knowledge and expertise as well as organisational performance. To find out the perception of employees on the optimum leadership style, the relevant data were collected through questionnaires and they are summarized below.

According to **Table-1**, the Chi-Square Test was applied to the data. It revealed that, on an average, 111 responses of the sample respondents preferred autocratic style of leadership, 124 preferred democratic leaders, 181 responses favoured paternalistic leaders

and 184 Laissez Faire out of 600 possible responses. A working hypothesis was formulated for each style of leadership separately to identify the most optimum of all styles. The chance of obtaining any one of the four styles is $\frac{1}{4}$ th out of 600 possible responses and hence the expected frequency of any one style is $600 \times \frac{1}{4} = 150$.

The chi-square values for Autocratic Style is 10.14, Democratic Style is 4.507, Paternalistic Leadership Style is 6.407 and Laissez Faire is 7.707 as against the tabular value of 6.251 at 10% level of significance (degree of freedom being 3). Since the calculated value (4.507) for democratic leaders are less than the tabulated value (6.251), this is considered to be the most optimum style for leaders.

To analyse further whether age can be a major determinant of the democratic leadership style, data were categorized into different classes and they are summarized below:

The classification of respondents based on Age is given in **Table-2**. The observation of the table shows that out of 100 employees only 34 respondents were below 25 years, 49 respondents were within 25-30 years and 17 of them were above 30 years.

Table No. 2 (i) reveals the classification of employees based on Age (ANOVA Table).

The analysis of the table shows that the calculated value of F (0.75) being less than the table value of F-Crit (4.07) at (3, 8) degrees of freedom, there is assumed to be significant relationship between age and optimum leadership style. Hence, it can be concluded that the age of respondents can be a major determinant of optimum leadership style.

Further, to analyse whether the years of experience act as a determinant of leadership style, responses were once again

categorized based on the years of experience they had with the organization (**Table -No. 3**).

The data were grouped into categories as “below 10 years” and “above 10 years”. 72 respondents belonged to the first category, whereas 28 belonged to the second category i.e., “above 10 years”. To find out as to whether this factor i.e., experience of respondents had any influence on the determinants of optimum leadership style, simple tools like ANOVA two way classification were used. The processed data are presented in the **Table No-3 (i)**.

The analysis of the table shows the calculated value of F at (3, 4) degrees of freedom (0.325) to be less than the tabulated value of 6.59 and this leads to the conclusion that years of experience also determine the optimum leadership style at 5% significance level.

Education and knowledge and make a man think and act differently. Hence the responses of sample employees were categorized on the basis of their educational qualification and they are shown in **Table - 4**.

Respondents who had not completed even 10th Std., who had completed 10th Std, and Higher Secondary were categorised as “School Level” and they constituted 49 out of 100. Those who had finished under-graduation, post-graduation and diploma came under the second category, totaling 51.

To find out whether the educational qualification had any influence on determining the optimum leadership style among the four given styles, the ANOVA Two Way Classification was used. The processed data are shown in **Table- 4 (i)**.

The analysis of the table shows that the MS of Schooling and Degree/Diploma were around to 7 and 3.25 respectively, with (3,4) degrees of freedom and as such, this educational qualification is significantly related

to optimum leadership style as the calculated value (2.15) is less than the tabulated value of 6.59 at 5% level of significance.

Finally, the employees were categorized on the basis of personal behaviour i.e., positive attitude (optimistic) and cynical attitude i.e., pessimistic. The relevant data are portrayed in **Table- 5**.

The observation of the table shows that 71 respondents out of the total considered positively their leader and 29 out of 100 respondents were pessimistic about their leader.

To find out as to whether the attitude of employees i.e., optimistic or pessimistic, had any bearing on the optimum leadership style, again the relevant tool of the two way classification of ANOVA was used and the processed data are presented in **Table - 5 (i)**.

The ANOVA technique indicates that since the calculated value of “F” was around only 0.32, they are also significantly related to democratic leadership style i.e., optimistic nature at 5 per cent.

Conclusion

The study attempts to provide knowledge on the determinants of optimum leadership styles, especially using the demographic variables. The analysis shows that though there are many styles available (Autocratic, Democratic, Paternalistic and Laissez-Faire), majority of respondents prefer democratic leaders (those who act favourably towards the employees). The employees neither prefer leaders who rely on employees entirely, generally the laissez-faires, nor do they prefer leaders who are very strict with the employees, called as autocratic leaders. Hence the conclusion that democratic style is considered to be the most optimum leadership style. Further, from the analysis for determining the major determinants, it can be concluded that all the independent variables viz., age, years

of experience, their educational qualification and their attitude towards leaders influence the optimum leadership style and as such all these factors can be called as the major determinants of optimum leadership style.

Scope for Future Research

The study lays emphasis on only selected variables such as age, educational qualification, personal behavior of employees and the years of service. It would be more appropriate if some other demographics were also considered and the number of respondents was increased.

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Table - 1 Summarizing the Responses of 100 Respondents and Chi-Square Distribution

Sl. No	Autocratic	Democratic	Paternalistic	Laissez-Faire
1	17	24	28	31
2	16	23	23	38
3	14	25	34	27
4	23	12	31	34
5	19	23	31	27
6	22	17	34	27
(O)	111	124	181	184
(E)	150	150	150	150
(O-E)	-39	-26	31	34
(O-E) ²	1521	676	961	1156
(O-E) ² /E	10.14	4.507*	6.407	7.707

* Significant at 10% level = $\chi^2 = 6.251$

Table -2 Classification of Respondents based on Age

Levels	Resp	Autocratic	Democratic	Paternalistic	Laissez-Faire
Below 25	34	44	43	67	50
25-30	49	52	67	78	97
Above 30	17	15	14	36	37
Total	100	111	124	181	184

Table - 2 (i) Classification of Employees based on Age (ANOVA Table)

Source of Variation	Sum of Squares	Degree of Freedom	Mean Square	F	P-Value	F – Crit
Between Groups	1438	3	479.33	0.750	0.55	4.07
Within Groups	5108	8	638.5			
Total	6546	11				

Table -3 Classification of Respondents based on years of Experience

Particulars	Resp	Autocratic	Democratic	Paternalistic	Laissez-Faire
Below 10 Years	72	83	96	129	124
Above 10 Years	28	28	28	52	60
Total	100	111	124	181	184

Table - 3 (i) Classification of Employees based on Experience (ANOVA Table)

Source of Variation	Sum of Squares	Degree of Freedom	Mean Square	F	P-Value	F – Crit
Between Groups	2157	3	719	0.325	0.808	6.59
Within Groups	8837	4	2209.25			
Total	10994	7				

Table - 4 Classification of Respondents based on Educational Qualification

Educational Qualification	Resp	Autocratic	Democratic	Paternalistic	Laissez-Faire
School Level	49	58	53	74	109
Deg/Dip Level	51	53	71	107	75
Total	100	111	124	181	184

Table - 4 (i) Classification of Employees based on Educational Qualification (ANOVA Table)

Source of Variation	Sum of Squares	Degree of Freedom	Mean Square	F	P-Value	F – Crit
Between Groups	2157	3	719	2.217	0.228	6.59
Within Groups	1297	4				
Total	3454	7				

Table - 5 Classification of Employees based on Personal Behaviour (Attitude towards the leaders)

Particulars	Resp	Autocratic	Democratic	Paternalistic	Laissez-Faire
Optimistic	71	73	90	128	135
Pessimistic	29	38	34	53	49
Total	100	111	124	181	184

Table - 5 (i) Classification of Employees based on Personal Behaviour (ANOVA Table)

Source of Variation	Sum of Squares	Degree of Freedom	Mean Square	F	P-Value	F – Crit
Between Groups	2157	3	719	0.330	0.805	6.59
Within Groups	8691	4	2172.75			
Total	10848	7				