

Leadership Style and Organizational Effectiveness - An Overview With Reference To Inter-Personal Values, Cultures, Organizational Size & Climate

Mishra, G.P., Mishra, K.L. & Mishra, Rishabh*

Birla Institute of Technology Mesra International Center Muscat

**Iowa State University of Science and Technology*

Corresponding Author: Mishra, G.P.

Abstract: *This study does the overview of literature on Leadership style and organizational effectiveness with reference to inter-personal values, organizational size & climate. A study of forty six Middle level Managers from twenty five private sector firms found that that there is high correlation between Personal values (PV), Cultures, organizational size and Organizational climate and for an organization to be effective, leadership, inter-personal values, cultures, organizational size and climate plays an important role. Various authors findings have been incorporated in this study.*

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I. Description

The Leadership style gets affected by the cultural factors and is also an important factor for organizational effectiveness. Lewin, Lippitt and White's (1943) findings have a cultural context because according to them the basic cultural assumption in a democratic society is that a democratic Leadership is desirable. This means that the culture of an organization influences Leadership styles since the organizations possess different forms of individual behavior and values. It is a known fact that the Leadership style in one organization may not deem fit in another organization. In one of the research Hofstede (1980) argued that people carry "mental programs" that are developed in the family in early childhood and reinforced in schools and organizations, hence "cultural clashes" occur within the organization. Paine (1994) states that when the operating culture of an organization is unethical, it involves the tacit, if not exploit, cooperation of others and reflects the values, attitudes, beliefs, language and behavioral patterns of Leaders. During the research conducted by Larimer (1997) he suggested that during an ethical crisis, as regards stakes are concerned, they are incredibly high also careers, reputations, relationships, lives opportunities and money are on the line. The temptations sometimes appear irresistible and it is during such times that corporate Leaders must have the personal courage to stand tall and face whatever consequences may follow making an ethical decision Larimer (1997). According to Kanungo and Mendonca (1996), the most significant determinant to the ethical climate that prevails within an organization is the Leadership style. Cultural differences in the followers and the situation are important factors in determining an appropriate style. But the research conducted by Coch and French (1984) and a replication of that study in a Norwegian factory by French, Israel and Ass (1960) yielded different results. Peters and Waterman (1982) in their best selling book "In search of excellence" found that the excellent companies had gotten to be the way they are because of a unique set of cultural attributes that distinguished them from the rest. They found that associated with almost every excellent company was a strong Leader who seemed to have had a lot to do with making the company excellent Peters and Waterman (1982).

Similarly in one of the research study conducted by Kaur (1993) on three hundred and twenty five managers of Bharat Electronics Limited at Bangalore, found that Indian managers subscribed to theory X beliefs, and are therefore, more autocratic in their approach. This approach may be attributed to the work culture prevalent in the organization or to the socio – cultural background Kaur (1993). In one research conducted by Jaggi (1978) on one hundred and thirty managers in various industries located in the northern and western parts of India, found that Indian managers being positioned between the benevolent and consultative styles of Leadership. Singh (1987) however Singh (1987) concluded that the nurturant task Leadership is best Leader behavior for supervising the workman and participative task Leadership for the executives. The study also indicated that organizations, its objectives, culture and values shall to large extent decide the type of Leader behavior Singh (1987). Gupta (1985) in one of his research study on sixteen large public limited companies in the private sector in India found incongruent results with what the relevant literature on Indian managers would indicate, i.e. the dominating orientation's is authoritarian. The most frequently used style by one hundred twenty

eight managers happened to “prior consultation” with subordinates closely followed by “joint decision making Gupta (1985). The inconsistency between the findings of this study and other investigations on Indian managers can be attributed to the differences in sample size, levels from which the respondents are drawn, methodology and the instruments of research employed Gupta (1985).

The organizational and Leadership effectiveness is indicated by the style and attitude of the follower towards the Leader Gupta (1985). There are certain criteria’s like respect, admiration towards the Leader, strong commitment to carry orders of the Leader or resist, ignorance or subversion of them, through which the attitude of the followers depend and these qualities are to a certain extent are important in determining the effectiveness Hollander and Blair (1954). Hollander and Blair (1954) in a study of one hundred and thirty seven cadets found that highly motivated (cadets of high motivation were considered to be those who had successfully completed the basic flight stage and cadets of low motivation were those who had voluntarily withdrawn from the program during this stage) had manifested attitudes toward the inter- personal quality of the instructor behavior whereas the low motivated cadets placed more importance on his role as a teacher. Contrary to it, the research conducted by Litzinger (1965) found no difference between Leadership opinion questionnaires and inter – personal values of Bank Managers in centralized and decentralized environments. Two experimental studies were conducted on power by Yukl and Falbe (1990) at the same time with similar research design and with similar hypothesis where the research comprised of two studies, the first study was conducted on one hundred and ninety seven supervisors and the second research was conducted on two hundred and thirty seven subordinates. In their study the supervisors were asked to describe their influence attempts and the subordinates were asked to describe the influence of the supervisors Yukl and Falbe (1990). The supervisors and subordinates agreed that the two tactics i.e. consultation and inspirational appeals (In inspirational appeal, the person makes an emotional request or proposal that arouses enthusiasm by appealing to one’s values and ideals or by increasing one’s confidence that one can do) were most frequently used by managers, irrespective of the direction of influence Yukl and Falbe (1990). Many researches like Soares (1981) have also found that the size of organization also influences the values of managers. Soares (1981) study consisted of three hundred and twenty six managers comprising of small, medium and large sized organizations in India and found that managers from large – sized organizations placed more importance on good work ethics, whereas managers of small and medium – sized organizations gave more importance to inter- personal relationships. Comparatively, little stress was placed on these values by the managers of large organizations Soares (1981). According to Moran and Volkwein (1992), organizational climate can be categorized as structural, perceptual and interactive. Habibullah and Sinha (1980) in a study of five hundred and twenty three middle level executives found that those executives who perceived their organizations as “affiliation and dependency – oriented” and lacking in emphasis on “achievement and extension” used authoritarian style of Leadership. According to them, use of the nurturant task style was positively related to a climate which was characterized by “high affiliation, low dependency and control” Habibullah and Sinha (1980).

Sample:

The research comprised of forty six Middle level Managers from twenty five private sector firms in India. The managers forming the basis of study belonged to the marketing department and the mean age of middle level managers was 39.67. All of them were at least graduates and many of them had undergone professional training. All of them had been in job for a minimum of five years.

Findings

The Leadership effectiveness can be described in terms of task specific readiness which is a combination of ability and motivation on the part of a follower whose behavior is to influenced by a leader. Thus four situations can occur, the first being low ability and low motivation, second being low ability and high motivation, third being high ability and low motivation and the fourth being high ability and high motivation. The first situation represents the lowest level of task specific readiness. The out comes shows the four styles of leadership effectiveness i.e. telling or directive, selling or counseling, participating or collaborative and delegating.

The mean and the standard deviation for the individual-centered variables are shown in Table 1.1.

Table 1.1
Mean and SD of Individual-centered Variables

S.No.	Individual-centered Variables	Mean	SD
1.	Age	39.67	6.37
2.	Education	1.88	.90
3.	Length of Experience	7.69	4.70

Interco relations: Examining Intra Variable Relationships

In order to study the nature of relationship among the variables, the Interco relations for leadership styles, various types of needs and measures of organizational effectiveness are computed. Table 1-2 shows the findings.

The measures of Interco relation among variables of different leadership styles are shown in Table 1.2.

Table 1.2
Inter-correlation between Leadership Styles

Leadership Style	B	F	N	P	T	NT
Bureaucratic (B)	-	.83**	.41**	.32*	.33	.40**
Authoritarian		-	.12	.04	.02	.27
Nurturant (N)			-	.74**	.58**	.68**
Participative				-	.51**	.51**
Task-oriented					-	.58**
Nurturant contingent on task performance (NT)						-

P<.05*P<.01

It is evident from Table 1.2 that the various leadership styles are highly Interco related. Only 4 out of 15 correlations are not significant. Eight of them are highly significant ($P < .01$) and 3 of them are significant (at $P < .05$). The high correlation between the different styles of leadership indicates that the respondents have developed a tendency towards the response pattern which implies that they were answering most of the questions of the questionnaire in a particular direction. The mean value for any styles is not less than 32 which emphasis that the respondents assigned high value to each leadership style. However, the bureaucratic style is not correlated with the task-oriented style. The authoritarian style has inter-correlation only with the nurturant contingent on task-performance style ($P < .05$), and not with any other style. It shows that the authoritarian leaders have some element of nurturance, provided people work hard.

Table 1.3
Inter-correlation between inter-personal values, cultures, organizational size & climate

	PV	C	OS	OC
Personal values (PV)	-	.83**	.41	.32*
Cultures (C)		-	.12	.04
Organizational size (OS)			-	.74**
Organizational climate (OC)				-

P<.05*P<.01**

It is evident from Table 1.3 that Personal values (PV) are positively correlated with Cultures, organizational size and Organizational climate. Only 3 out of 10 correlations are not significant. Three of them are highly significant ($P < .01$) and 3 of them are significant (at $P < .05$). The high correlation between Personal values (PV), Cultures, organizational size and Organizational climate indicates that the respondents have developed a tendency towards the response pattern which implies that they were answering most of the questions of the questionnaire in a particular direction. The mean value for any styles is moderate which emphasis that the respondents assigned high value to each leadership style. However, Organizational size is not correlated with Organizational climate. If we compare Table 1.2 and Table 1.3 , we find that the authoritarian style has inter-correlation only with the nurturant contingent on task-performance style ($P < .05$) and Personal values (PV), Cultures, and not with any other style. It shows that the authoritarian leaders and Organizational size have some element of nurturance, provided people work hard.

II. Conclusion

We conclude that all leadership styles are equally effective depending on the situation in which it is used since the finding shows zero correlation between leadership effectiveness and organizational effectiveness. The scores on leadership effectiveness are concentrated in a narrow range, coupled with fact that organizational effectiveness scores are also concentrated in a narrow range. We conclude that there is high correlation between Personal values (PV), Cultures, organizational size and Organizational climate and for an organization to be effective, leadership, inter-personal values, cultures, organizational size and climate plays an important role.

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