

A Study of Leadership Styles

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Abstract

Globalized World environment provides the opportunity to the organizations to interact with various nations across the national boundaries. These interactions arises many variations among the employees due to difference in values, traditions, beliefs, communication, culture and ethics. These problems shape as the biggest challenge in front of the corporative managers. Success of any organization depends on the Effective leadership style. An Effective and Efficient Leadership style is the best remedy to cope up these challenges. The paper focuses on the most popular Leadership style used by the international organizations in the current scenario. This quantitative study is based on the primary data collection from the managers/ leaders of the MNCs by using the Multifactor Leadership Questionnaire MLQ-5x-short (Avolio and Bass 2004) to determine the Leadership styles- Transactional, Transformational and Laissez- Faire. The main objectives of the paper (1) To study of the Leadership Style of managers in the NCR area of India (2) To determine the most favorable Leadership Style for the organizations. The study helps the managers to find the most effective Leadership Style for the organization

KEYWORDS: Transnational Leadership, Transformation Leadership, Laissez Leadership

Introduction

Current Scenario of cooperate sector is growing fast due to Liberalization, privatization and Globalization which popularly known as LPG. More and more companies started business practicing across the geographical boundaries like marketing, financing, assembling and manufacturing. Today numerous of companies move toward the mergers, acquisitions and joint- ventures for taking the advantage of the economical workforce, technology and the recourses among the nations. These interactions of the practices lead to the variation and difference of the language, traditions values culture and ethic at all platforms between customers, dealers, manufacturers, suppliers, distributors and companies. These kinds of issues are commonly found in the organization workplace. Leadership plays the important role to manage these issues among the employees and the customers. Effective Leadership practices maintain these differences among group and as well as organizational. So Global and Effective leadership is demanding more for smooth and successful running of the organization. Effective and Global leadership practices helps to maintain a cooperation and supportive behavior which leads to the healthy environment in the organization. Culture, traditions, values and ethics of the various nations affect leadership styles and practices so more preferable attributes and styles must be investigate to face these challenges. These variations among the nations are very rigid

and complicated. The studies revealed that there is not any universal style of leadership style that can be suited in all the different circumstances. A leadership practice must be flexible enough to adopt the differences among the nations for the accomplishment organization aim.

Transactional and Transformational Leadership

Leadership itself is a complicated aspect because there is no clear dictionary definition given. It may be refers to the art of influencing human behavior in such a manner as to accomplish a target or a task. It defines it as “Leadership is the ability engages, inspire, and motivate others towards accomplishing shared visions and goals.”

“Leadership can be defined as a group of abilities, attributes and qualities that assist individuals in moving forward to achieve a shared vision.”

There are many leadership theories are given by the different researchers time to time. The academic literature on leadership is very extensive with various theories. From last of couple of years Leader- follower theory in practice where followers and consider with the leaders and the transformational leadership theory is popular. The transactional theory of leadership deals with a series of exchanges and bargaining between leaders and followers. Transformational leadership that deals with ‘Leadership beyond exchanging inducements for desired performance by developing and inspiring followers to transcend their own self interest’

Transaction leaders are those who try to satisfy the current needs and desires of the followers but transformational leaders are those who try to inculcate the new needs and promote the dramatic changes of individual.

Transactional leadership follow the rewarding and coaching provided by leader to meet the standard target and transformational leadership follow visioning, inspiring, stimulating coaching and team- building help by leader and the results by followers goes beyond the pre determined standards.

Transactional leadership drive with the two behaviors of the leaders- Contingency Reward and Management by Expectations: Management by Expectation is subdivided in two kinds of behavior Active and Passive behavior of the leader toward the goals and standards. On the other hand transformational leadership styles on the bases of transformational leader’s behavior with Idealized influence, Inspiration motivation, Intellectual stimulation, Individualized Consideration.

Laissez- Faire Leadership Style

Laissez- Faire Leadership Style drives the more flexible behavior of the leaders. Leader does not take the interest in the matters of the followers. The leaders adapt the avoiding kind of behavior toward the followers. They delegate the power to take the decisions for their work and task. The leader does not provide any kind of instruction and order to accomplish the goals.

Factors of Leadership behavior to determine the Leadership Styles

Idealized influence: Leaders become role models for their followers by friendly and supportive behavior. The leaders are admired, respected and trusted by their followers. Leader provides consideration on the needs of followers over their own needs and avoids using power for personal benefits.

Inspirational motivation: Leaders motivate and inspire those around them by providing means and challenge to their followers’ work. Leader helps to the followers by clearing

the vision through examples and symbols. Leaders help to provide the path to reach the destination or to accomplishment of the task.

Individual Consideration: Leader treat each subordinated according to his/her particular ability and capabilities. Leader measure and keep the eye on the individual performance, even then in the group task and team work. He/ She recognize the individual skills for the particular work.

Intellectual stimulation: Leaders stimulate followers' efforts to be innovative and creative by reframing and approaching new situations to followers. Leader helps the followers by providing a healthy and supportive environment and always ready to welcome the creativity of the followers.

Management by exception: Leader takes action only when there is something not pre planned. There are two kinds of management by exception: active and passive. The active leaders take interest in searching the variation and actively take the corrective action. The passive leaders take action only when the problem appears.

Contingent Rewards: Leaders provide the rewards to the followers in the exchange of roles and responsibilities. Leaders provide that reward in the form of praise, bonus and promotion when the followers perform adequately or up to the standard.

Laissez- Faire:Leader allows followers to do their work according to their way. He /She pass on the responsibility and power to do their work and do not interfere in their issues expect their result. The followers are free to take decision about their work and task.

Review of Related Literature

Today researchers, philosopher, psychologist and social scientists taking the keen interest to Global Leadership styles and attributes of the global leaders which can uses in the different work environment. Plenty of researcheshave been done in different of countries likely in Australia, India, China, Japan, U.K., Arab, Malaysia, America and U.S. These studies put the light on the various effective attributes of the leaders and concentrated on the effective leadership style.

Bernard Lim (1997) reported an exploratory investigation on the relevance and nature of the transformational leadership within UK management context. It highlighted that the culture of UK was differ from the culture of US. So, Transformational leadership style was not suited to the UK culture because transformational leadership style was based on the western countries. It showed the significance correlation between leadership behaviors factors subordinate rating this positive correlation revealed the validity of the effectiveness of transformational leadership approach.

Darwish A. Yousef (1998) study emphasized on the determination of the most common and effective leadership style preferred in Non-Western Culturally mixed environment. The author used the conceptual framework of Leader's Personal attributes, subordinate's personal attributes and organizational characteristics to determining the influence of the leadership style. The author used the Likert (1967) leadership style: Exploitative/ Benevolent/ Authoritative/ Consultative leadership, to find out an effective leadership style in Non western culture.

Alan F. Coad, Anthony J. Berry (1998) study explored the link between leadership style and goal orientation. The study conducted on two leadership styles: Transformation leadership style and Transactional leadership style. The result of the study supported by the empirical evaluation based on the professional respondents from UK. The study

highlighted the correlation between leadership style and goal orientation. The study stated that transformational leadership would be highly associated with learning goal orientation and transactional leadership style.

Robert House, Hanges, Ruiz-Quintanilla (1999) Global Leadership and Organizational Behaviour Effectiveness (GLOBE) research program to investigate leadership styles. GLOBE program is popular as the landmark in the cross cultural leadership research. The study conducted on the more than 60 countries to examine the effective leadership attributes in the different cultural context. GLOBE used the 'Etic' and 'Emic' approaches in which research focus on the cultural similarities and differences of the countries. The result of the research stated the transformational leadership style could be used as a universal leadership style.

A Magazine **TIME** published in New York City in December (2001) stated Osama Bin Laden as a "Man of The Year" on the personality based Characteristics of a Charismatic Leader. The Charismatic leadership qualities may be refers to the extra ordinary qualities of the person. These extraordinary qualities help to motive the followers to achieve the specific goal. Many studies have been done and conclude that personality factors of a leader influence the performance of the followers.

Vesa Suutari, Kusdi Raharjo, Timo Riikkila(2002) the main aim of the study to analyses whether and how the expatriate managers adjust their leadership style due to differences and how the local subordinates perceive the style of expatriate managers. The study addressed Finland to Indonesia differences. The study used the four leadership style: Active, Moderate, Selective and Limited Integrators on the bases of flexibility toward change. The study resulted with that the managers actively adjust the leadership behavior while changing environment and study also revealed that the extension of integration depend on the personality attribute of the leader.

Boehnke and Bontis (2003) the study aimed to examine the universal leadership theory and to find out the key leadership behavior for exceptional success of the organization. The analysis based on the evaluation of the six counties with respect to five dimension of transformational leadership style. The study implied that the transformational leadership behavior help to generate the extraordinary performance. The study concern the learning of the national differences by leaders to generated the exceptional performance with transformational leadership style.

Amany I. Shahin and Peter L. Wright (2004) the study conducted on the Brass and Avolia[1994] model of transformational and transactional leadership dimensions in Middle Eastern country Egypt. The study examined the additional dimensions of effective leadership with reflection of fundamental aspect of Egypt. Transformational leadership style has universal potential but it also required the some adjustment according to the circumstances of western to non-western.

Lian Shao and Sheila Webber (2006) used the Five Factor Model of Personality attributes of Chinese Leaders: Neuroticism, extraversion, openness to experience, agreeableness and Conscientiousness of leader influence the performance of the organization. This study also stated that the certain personality attributes are positively associated with the transformational leadership behavior.

Tiina M. Hautala (2006) used correlation between personality factors of leadership and transformational leadership. The study implied that the personality attributes : Extraversion/ Introversion, Sensing/Intuition, Thinking/ Feeling, Perceiving/ Judging

associated with the behavior of leaders. The study concluded on the measurement on the model given by Kouzes and Posner's Transformational Leadership Model (1988) Leadership Practices Inventory (LPI). The rating by leaders depended on the preference and intuitive behavior of the leader toward the followers.

Abdullah M. Abu-Tineh, Samer a. Khasawneh (2008) also used the Kouzes and Posner's Transformational Leadership Model (1988) to examine the effectiveness of the principals in the education sector in Jordan Schools. Kouzes and Posner's Transformational Leadership Model with the different elements: Challenging the process, Inspiring a shared vision, enabling others to act, Modeling the way and Encouraging the heart. The research proved that transformational leadership is positively associated with the principal effectiveness in implementation by reforming the main target.

Mika Gabriellson, John Darling, Hannu Seristo (2009) research explored the transformational leadership style to balance and support the parameters of an operational team. The authors used leadership dimensions and national cultural dimension for effective team building process. The study associated with United Tel Ltd case of leadership style's strength and weakness. The study based on the structural framework of paradigm of leadership style proved valuable tool to determine the transformational team building process across the cultural boundaries.

Uma D. Jagulu (2010) The empirical research analyses based on the transformational subscale: Idealized influence, Inspirational motivation, Intellectual stimulation and Individual consideration. The study highlighted the leadership perception toward the different culture and it concluded that the culture strongly influence the selection of leadership styles and attributes. Malaysian leader preferred the transformational leadership style and Australian leaders followed the transactional leadership style on the bases of variation of culture and values.

Laura Ann Migliore (2011) study showed inters- relational aspects of personality traits and leadership characteristics. The study used the Five Factor Personality Model and Hofstede's five dimensions cultural model at the USA and India. The author used the personality factor as independent variables and cultural factors as dependant variables to compare the USA culture with Indian culture. The study emphasized on the navigation of the cross-cultural situation and investigating the problems associated with them for selection of the appropriate leadership style.

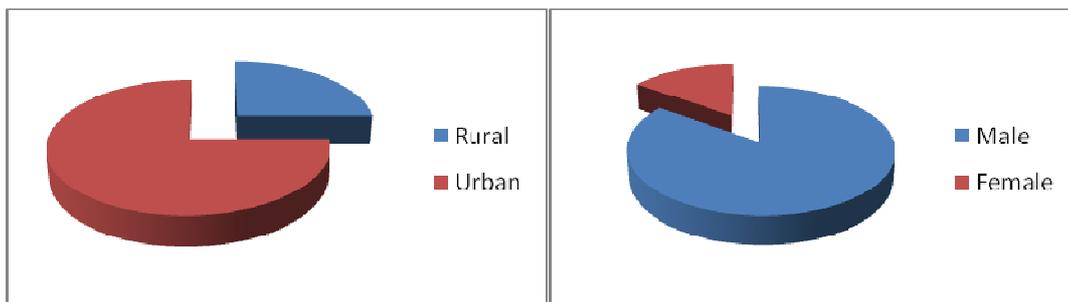
Methodology

This study investigates the influence of cultural forces to determine the leadership styles: transformational, transactional and, laissez-faire leadership styles are enacted within Indian cultural contexts. The research was designed as a quantitative study and structured Multifactor Leadership Questionnaire MLQ-5x-short (Avolio and Bass 2004) in order to analyses respondent's response to interpret and enact their own leadership style. The instrument consists of two parts One for the demographic factors and other consists the behavior statements to determine the leadership styles. A five-point Likert scale is used in MLQ with the possible responses in form of scores 0 to 4 where 0 = Not at all, 1 = Once in a while, 2 = Sometimes, 3 = Fairly often, 4 = Frequently. The MLQ generated overall score for the behavior characteristics associated with transactional, transformational and laissez-faire leadership styles on a scoring key and as well as subscale scores for the

behavior of the leaders. The participants reported the extent to which each item of the MLQ leader form described his or her behavior. The data was collected from the managers/ Leaders of the IT (Informational Technology) and Non IT multinational companies. The data was collected from the 25 respondents on the bases of residential status, sex, age, education and marital status. The figures and the data is presented as below -

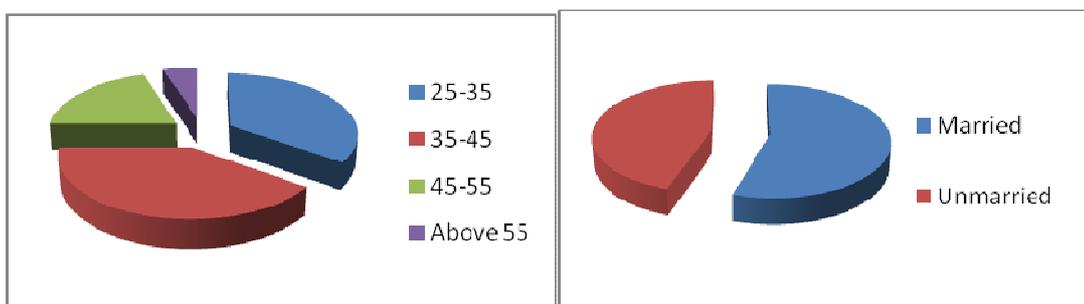
Analyses of Data-

Residential Status	Rural	30%	Urban	70%
Marital Status	Married	55%	Unmarried	45%
Sex	Male	85%	Female	15%
Age	25-35-	35%	35-45-	40%
			45-55-	20%
			Above55-	5%
Education	Metric	0%	12th	5%
			Diploma-	10%
			Grad.-	70%
			Post- Grad.-	15%
Sector	IT-	60%	Non-IT-	40%



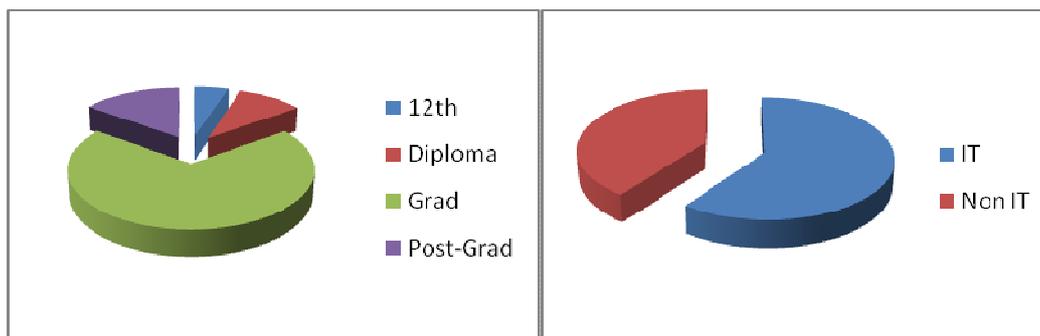
Residential Status

Sex



Age

Marital Status



Education

Sector

Interpretation

The total score range of 9 to 12 shows the high degree factor consideration of leaders toward their followers and peers where score 5 to 8 indicates the moderate and average degree and the score rating 0 to 4 reveals the low and poor degree consideration of leader for an individual Questionnaire.

Attribute1. Idealized Influence: To determine the Idealized Influence scores of item 1, 8 and 15 summed. The total score indicates whether leader hold subordinates' and other's trust, maintain faith and respect among them, show dedication to followers, appeal to their hopes and dreams, and act as their role model. The data scores 11 which show followers are more influence by their leaders and like to follow them.

Attribute2. Inspirational motivation: To state the level of motivation calculate the scores of item 2, 9 and 16. That total score 10 indicates that followers are inspired by their leaders. The measurement shows the high degree to which leader provide a clear vision by using appropriate symbols, examples and images to help others to focus on their work, and try to make others feel their work is significant to the organization.

Attribute3. Intellectual stimulation: The total score of item 3, 10 and 17 shows the degree to which leader encourage others to be creative in their work by looking at old problems in new ways, create the supportive environment for followers, and welcome people to question for their own values and beliefs and those of the organization. The total score of the factor is 10 which reveal the average and medium level of degree to Intellectual stimulation.

Attribute4. Individualized consideration: To determine the Individualized consideration calculates the score of item 4, 11 and 18. That indicates the degree to which leader show interest in others' well-being and other's assign projects individually, and pay attention to others group members. As well as those who are not even involved in the group. The score

Attribute5. Contingent reward: The total sum of the items 5, 12 and 19 shows the degree to which leader tell others what to do and how to do in order to be rewarded, emphasize what leader expect from others, and recognize their accomplishments and reward them for their accomplishment. The score of the contingent reward is 9 which indicate that leaders are highly aware to

recognize the performance of the followers and reward them for their achievements.

Attribute6. Management-by-exception: It can be assessed by the summed score of item 6, 13 and 20 whether leader tell others about job requirements and necessities, are content with standard performance, and believe in the traditional methods and doesn't try to change it. The data score 10 indicate that leader respect the pre determined standards and doesn't take the interest to change that standards.

Attribute7. Laissez-faire: To measuring the degree of laissez- faire the score of item 7, 14 and 21 calculate whether leader requires little of others, are content to let things ride, and let others do their own thing and not interfere the work of others. The responses scores only 4 that indicate that leader doesn't let the followers to do their work in their way. The leader has less faith on the capabilities of the followers and not makes them free to take their decisions.

Conclusion

The analysis of the collected respondent's data from Delhi NCR from the various IT and Non IT companies reveals that the Transformational leadership styles is more practices in the IT companies. The managers /Leaders of the It companies are more active and passionate to take place the changes in the organization and they welcome the follower's new ideas and suggestions. IT companies Leaders motivates and help their followers to accomplishment of goals. The analyses of responses revealed that the transactional leadership attribute is more preferable in the Non- IT companies. The attributes of the transactional leaders help the followers to meet the standards by motivating through monetary and non monetary benefits but these not supports to the creativity and development of the followers.

The study provided the clear picture for implication and adaption of the Transformational Leadership style for effective development of the employees and the organizational. Transformational Leadership style is more flexible to adjust with the different cultures with some of the changes in practices Transformational Leadership style can be uses as the universal leadership with different culture, values, norms and ethics. The attributes of the transformational leaders are more effective to guide the followers to accomplishment of the task and make the healthy environment in the organization. Transformational leaders always encourage the development of the employees as well as the organization through follower's skills and abilities.

The study represented that Laissez-faire leadership style is not practices in the Delhi and NCR area. Managers/ Leaders not believe to adapt the Laisser- faire attributes in the organization. Leaders are not ready to delegate the power to the followers to do their task on their own way. The Leaders likely to give the instructions and order to the followers and not accepted the suggestions of the followers.

At last we conclude that the Transformational Leadership style is the more effective and prominent style for the rapid changing environment and the variation of the culture, traditions, norms values and ethics at the one roof. Transformational Leadership attributes are best suited to the different cultures and environment; it can also help to the effective development of the organization.

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