THE NEW LEADERSHIP: MANAGING PARTICIPATION IN ORGANIZATIONS

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ABSTRACT

There has been a growth in emphasis on culture as a factor impacting on the performance of managers within multinational corporations. Models of cross cultural and intercultural effectiveness have been suggested that moderate the traditional models of performance management. However, in the area of leadership there has been a continued focus applying a two-factor model to leader behaviour ignoring, for the most part, cultural issues. In this paper we initially review the development of this western model of leader behaviour. Subsequently we discuss its limitations in western and Asian contexts. Finally, through consideration of a ‘representation/participation’ dimension that is evident in empirical studies in both western and Asian literature, but which has been largely ignored when the construct of leader behaviour is operationalised, we derive a new, three-dimensional model of leadership and discuss its applicability to the study of cross-cultural leader behaviour.

KEYWORDS: leadership; consideration; initiating structure; participation; cross-cultural.

INTRODUCTION

The increasing globalization of business has made it imperative that we are able to understand the management and leadership of multi-national workforces and cross-cultural teams. There are extensive bodies of literature focusing on managers as leaders from both the western and Asian perspective, with documented similarities. Each of these has traditionally followed a two-dimensional model of leadership, but research on each allows for interpretation of a three-dimensional model. In this paper, we are arguing for an understanding of managers as leaders based on a three-dimensional model: Relationship-orientation; Task-orientation; and Representation-participation. We believe that this model has greater potential to assist in making specific cross-cultural comparisons and in appreciating managers’ behaviour and subordinates’ expectations.

WESTERN RESEARCH

A two-dimensional model of leader behaviour has been highly influential since the 1950s, when researchers at the Ohio State University first identified the dimensions which they labeled ‘Initiating Structure’ and ‘Consideration’. The leadership research conducted at the Ohio State University was designed ‘to determine, through factor analytic procedures, the smallest number
of dimensions which would adequately describe leader behaviour’ (Korman 1966). The dimensions identified, as well as the instrument designed to measure them, have guided theorists (e.g. Hersey & Blanchard 1972) and researchers (e.g. House 1971) ever since. The two dimensions were defined as follows:

Initiating Structure: Reflects the extent to which an individual is likely to define and structure his role and those of his subordinates toward goal attainment. A high score on this dimension characterizes individuals who play a more active role in directing group activities through planning, communicating information, scheduling, trying out new ideas, etc. Consideration: Reflects the extent to which an individual is likely to have job relationships characterized by mutual trust, respect for subordinates’ ideas, and consideration of their feelings. A high score is indicative of a climate of good rapport and two-way communication. A low score indicates the supervisor is likely to be more impersonal in his relations with group members’ (Korman 1966, p. 349). These dimensions of leader behaviour have continued to influence leadership research, and have been incorporated into other behavioural and contingency theories. Fiedler (1971), Katz, Maccoby & Morse, (1950), Blake and Mouton (1978), and Hersey and Blanchard (1972) have all been influenced by the two-dimensional model of leadership. When hypotheses based on the path-goal leadership theory are investigated, leader behaviour is categorized as Directive, Supportive, Participative or Achievement-oriented, and has been operationalised in measures of the Ohio State dimensions (House, Filley & Kerr 1971; Szilagyi & Sims 1974; House & Mitchell 1974; Wofford & Liska 1993). Indeed, many researchers continue to use the traditional two factors to operationalise measures of leadership (Bartolo & Furlonger 2000; Scandura, Von Glinow & Low 1999; Drost & Von Glinow 1998; Hall, Workman & Marchioro 1998; Kuntonbutr 1999).

In contrast to leadership theory and research based on a two dimensional model of leader behaviour, there have also been theories of corporate leadership (Tannenbaum & Schmidt 1958; Vroom & Jago 1988) and of management style (Likert 1961, 1967; Schein 1980) which have emphasized the importance of considering the degree of participation in decision making which managers allow subordinates. House and Dessler used the items of the LBDQ-XII, as well as others, to yield three factors: Instrumental leadership, Supportive leadership and Participation leadership. ‘The instrumental leadership and supportive leadership factors consisted primarily of items taken from form XII of the LBDQ. The participative leadership factors consisted of items developed specifically for the present study plus items from the Ohio State University Consideration scale that reflect participative leadership’ (House & Dessler 1974, p.43). It is our contention that it is precisely this dimension of participation which has been under-represented in the traditional western leadership literature. The early research, which developed the two-factor model of leadership, can be criticized on two major grounds, which arguably could have led to the neglect of a participation dimension.

Firstly, the researchers assembled a multi-disciplinary team to generate a number of items descriptive of leader behaviour under ten pre-defined dimensions. Their own research revealed that ‘approximately half of the items are more highly correlated with one or more other dimensions than with their own dimension. It appears, therefore, that the assignment of items to
the hypothesized dimension categories fails to meet the requirement of independence between dimensions’ (Hemphill & Coons 1957, p. 21). Despite this, they used dimension scores, rather than inter-item correlations, as the basis for their factor analysis. Thus, the factors they identified are not purely empirically derived, and may be influenced by their pre-defined dimensional structure.

Secondly, the researchers used a sample of Air Force bomber crews, constituting a decidedly homogeneous sample. Items thought ‘inappropriate for the air crew situation’ were eliminated from the original questionnaire. Presumably, the chain of command and subsequent one-way communication flow inherent in military organizations guided these judgments. It can be argued then that this systematic item bias would influence the support for a Representation/Participation dimension for civilian organizations. In contrast to these behavioural approaches to the study of leadership in the western literature, Yukl (1999) points out that ‘since the 1980s, theories of transformational and charismatic leadership have been ascendant’, with the Multifactor Leadership Questionnaire (MLQ) being perhaps the most utilized measure of transformational and transactional leadership. Yukl (1999) goes on to offer a critique of the conceptual and methodological weaknesses of these theories. He specifically addresses the high levels of intercorrelations between scales of the MLQ, as well as the use of items which describe outcomes (‘I have complete confidence in him/her …’) with those that describe behaviours (‘… monitors performance for errors needing correction’).

Recent re-evaluations (Avolio, Bass & Jung 1999; Den Hartog, Van Muijen & Koopman 1997) of the underlying factor structure of the MLQ have identified three higher-order factors termed Inspirational Leadership, Rational-Objective Leadership and Passive Leadership by Den Hartog et al. We are not arguing for a parallel between these three factors and the three behavioural factors we propose. It is simply noteworthy that there is current debate on the underlying factor structure of the transformational/transactional model, and that although transformational leadership theorists such as Avolio et al. (1999) discuss results in terms of leadership behaviours, their scales include outcome items. We argue that a clear separation of leadership behaviours from outcomes aids in conceptualization of the dimensions, and facilitates their application to developing leadership skills in organizations.

CROSS CULTURAL LEADERSHIP RESEARCH

There is extensive literature relating to cross-cultural differences in areas such as managerial effectiveness and leadership (Smith, Misumi, Tayeb, Peterson & Bond 1995; Selmer 1997; Pillai & Meindl 1998; Tinsulanonda 1998; Scandura, Von Glinow & Lowe 1999; Fisher, Hartel & Bibo 2000). Jung and Avolio (1999) examined quantity and quality aspects of group performance for Asian (collectivist culture) and Caucasian (individualist culture) respondents under interacting task and leadership conditions. Using their transactional and transformational dimensions of leadership, Jung & Avolio found support for only two of their six hypotheses. In interpreting the counter-intuitive findings of their research, Jung and Avolio suggest that the dimensions of transactional and transformational leadership may be interpreted differently by different cultural groups. Similarly, Smith, Misumi Tayeb, Peterson and Bond (1989) found that culture influenced the way followers interpreted leader behaviour. In one of the more extensive international studies, Dorfman, Howell, Hibino, Lee, Tate and Bautista (1997) found strong
evidence for differences in the leadership processes which promote subordinate satisfaction, commitment and performance. Their results indicated universally positive impacts of supportive leader behaviour on satisfaction and commitment variables in all five cultures studied (USA, Japan, South Korea, Taiwan and Mexico). However, the impact of participativeness on performance and satisfaction varied by culture. This research points out the importance of considering participativeness as a leadership dimension, and indicates that it may interact with cultural variables.

**ASIAN LEADERSHIP RESEARCH**

Much of the research into organizational leadership in the international context has assumed that the two-dimensional model prominent in the western literature is applicable across cultures (e.g. Scandura, Von Glinow & Low 1999; Drost & Von Glinow 1998; Hall, Workman & Marchioro 1998; Kuntonbutr 1999). Ling (1989) suggests an expansion of this model by including a dimension called Moral Character. This appears to be a cultural trait, rather than leader behaviour. As such, it may have similar limitations to those identified by Yukl (1999). The most extensively used leader behaviour theory originating and applied in Asia is Misumi’s PM theory (Misumi & Peterson 1985). Like the predominant Western models, this theory posits two major orientations in leader behaviour and an instrument has been developed to measure these (Misumi & Peterson 1985). The two orientations are Performance (P) and Maintenance (M), and have been seen as somewhat parallel to the Ohio State dimensions of Initiating Structure and Consideration, respectively, although it is acknowledged that the ‘fit’ is stronger between Consideration and the M orientation than between the P orientation and Initiating Structure (Misumi & Peterson 1985).

In a more recent paper, Peterson, Smith and Tayeb (1993) have used confirmatory factor analysis to examine the factor structure of an English translation of the PM measure, and propose a three-factor model. The three factors they describe are Maintenance, Planning-P and Pressure-P. The M factor describes leader behaviour oriented toward ‘preserving group social stability’ (Misumi & Peterson 1985) and, as such, reflects a similar concept to the consideration dimension of leader behaviour as described by the western research. The Planning-P factor can be seen as describing leader behaviour oriented toward encouraging production, but in distinction to the autocratic flavour of the leader behaviour suggested by the Pressure-P factor.

**A THREE-DIMENSIONAL MODEL**

Based on House and Dessler (1974), Peterson, Smith and Tayab (1993) and an exploratory study (Fisher & Bibo 1999), we are proposing a new conceptualization of leadership which incorporates a Representation/Participation dimension of leadership, in addition to a Task-orientation dimension and a Relationship-orientation or ‘pure’ consideration dimension. This integrates the traditional two-dimensional leadership model and the leadership/management style literature emphasizing participation, and is consistent with the Asian leadership research.

Theorists and researchers consistently note the dual responsibilities of organizational leaders, or managers. When their effectiveness is evaluated, the criterion variables often used are the subordinate group’s performance and satisfaction (Schreisheim, House & Kerr 1976; Szilagyi &
Sims 1974; House & Dessler 1974) . Katz and Kahn (1978) talk of the two-way orientation of leaders within the organizational system: understanding the subsystem’s (subordinate group’s) task and ensuring it is carried out; and recognizing subordinates’ needs in order to motivate them. Mann and Dent (1954) and Likert (1961) discuss the concept that leaders belong at the same time to two groups—as subordinates in the groups composed of their peers and their superiors, and as leaders in the groups consisting of themselves and their subordinates. This concept is the basis of the ‘linking-pin function’ of management as Likert defined it. Mann and Dent reasoned that the dual membership of leaders means that the leader has dual goals to satisfy, and concluded that ‘the supervisor’s role requires that he be able to integrate creatively the goals of individual subordinates and the objectives of the organization’ (p. 112). One way of formulating this dual responsibility of leaders, which is consistent with the theories mentioned above, provides the basic premise for a new conceptual model of organizational leadership: the role of organizational leadership is to mediate between organizational task demands and subordinates’ goals or needs. The organizational task demands include the specific tasks which the group is required to perform, as well as guidelines governing how the tasks are to be performed. ‘Subordinates’ needs’ refers to the innumerable and varied human needs that people bring with them to their jobs. Attention to subordinates’ needs is necessary in order for the leader to motivate them to perform most effectively (Locke 1989).

Figure 1: The manager as leader mediates between organizational task demands and subordinates’ goals or needs in Indian Context
The leader’s role, then, has two primary functions: to ensure that organizational task demands are met by the subordinate group; and to meet subordinates’ needs in order to motivate them. This is represented in Figure 1. However, the definition of the leader’s role as one of mediation implies that these two primary functions may interact. It is this characteristic of the leadership role that guides the logical derivation of the basic dimensions of leader behaviour. Before discussing the different dimensions of leader behaviour, and to prevent possible confusion, it is worth noting here that the dimensions to be proposed are not types of behaviour. That is, particular actions of leaders do not fall into discrete categories, but may be representative of one or more dimensions. With this proviso, however, it is easier for illustrative purposes to talk in terms of behaviours which represent only one dimension at a time.

Figure 2: The three proposed dimensions of leader behaviour, illustrated by items from factor analytic studies, which have high loadings on each dimension with special reference to Indian organization

* Source: Fisher and Bibo (1999)
Figure 2 presents the theoretical model with the three dimensions specified. The first dimension represents those aspects of leader behaviour that are aimed at ensuring that organizational task demands are met, i.e. that stress, or aid, task accomplishment. We refer to this dimension of leader behaviour as a Task-orientation dimension. Subordinates’ needs, on the other hand, can be met in two ways: with or without altering organizational task demands. For instance, some social needs can be met simply by the creation of a friendly, pleasant working environment, which may not affect the formulation of organizational task demands. The label for this dimension is Relationship-orientation, as the fostering of relationships between the leader and his subordinates, and between subordinates, is an essential part of it. Other needs of subordinates, though, such as those for responsibility or self-direction, may require significant alterations to the formulation of organizational task demands. There is a further point to be made regarding this dimension. If, in order to satisfy subordinate needs, the necessary alterations to organizational task demands are within the leader’s authority, then this dimension can be viewed as participative behaviour, where subordinates have some influence on decisions concerning their work. If, however, these alterations to organizational task demands is beyond the leader’s jurisdiction, this same dimension of leader behaviour takes the form of representing subordinates’ needs to higher management. In other words, both a participative leadership style and representing subordinates ‘further up the line’, exemplify the same construct—attempting to meet subordinates’ needs by altering organizational task demands. This dimension is appropriately titled.

**REPRESENTATION/PARTICIPATION**

Fisher & Bibo (1998) reported factor analytic results showing evidence for the three hypothesized dimensions using the items of the Leader Behaviour Description Questionnaire and marker items. Table 1 shows examples of items from this study with high, non-complex loadings on each of the three factors.
Table 1: Example items from the Leader Behaviour Description Questionnaire and marker items with high, non-complex loadings on the three hypothesized dimensions.

<table>
<thead>
<tr>
<th>Factor 1. Labelled ‘Relationship Orientation’</th>
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<tbody>
<tr>
<td>• He does little things to make it pleasant to be a member of the group</td>
</tr>
<tr>
<td>• He looks out for the personal welfare of group members</td>
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<tr>
<td>• He understands of individuals’ personal problems</td>
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<tr>
<th>Factor 2. Labelled ‘Task Orientation’</th>
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<tr>
<td>• He lets group members know what is expected of them</td>
</tr>
<tr>
<td>• He sees to it that group members are working to capacity</td>
</tr>
<tr>
<td>• He maintains definite standards of performance</td>
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<tr>
<th>Factor 3. Labelled ‘Representation/Participation’</th>
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<tr>
<td>• He backs up group members in their actions</td>
</tr>
<tr>
<td>• He acts without consulting the group (R)</td>
</tr>
<tr>
<td>• He puts suggestions made by the group into operation</td>
</tr>
<tr>
<td>• He gets group approval on important matters before going ahead</td>
</tr>
<tr>
<td>• He encourages suggestions from group members</td>
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The three-factor model of the PM measure by Peterson, Smith and Tayeb (1993) can also be seen to be consistent with the three factors derived from the western research. Their distinction between Planning-P and Pressure-P can be seen as parallel to our distinction between leader behaviour simply oriented toward ensuring that organizational task demands are met (Task-orientation dimension), and the Representation/Participation dimension. Pressure- P is thus understood as reflecting the absence of representative/participative elements in leader behaviour, or as a ‘negative image’ of the Representation/Participation dimension. The development of the Representation/Participation dimension in leader behaviour, then, may represent the ‘element in Pressure-P which has not been fully exploited in Western Research’ (Peterson et al., 1993, p. 264) . This interpretation is supported by Peterson, Phillips & Duran (1999) in their correlations of Japanese and US leadership scales. It is also worth noting from this study that Bass’s Charismatic Leadership Scale correlated significantly with both Japanese and US scales measuring relationship-orientation (support or consideration) and task-orientation (planning -P
or Role Clarity), but not as highly with scales suggesting autocratic direction (pressure-P or Work Assignments), which we believe to indicate a lack of representative/participative behaviour.

IMPLICATIONS AND CONCLUSIONS

A new type of new leadership is required in India to help firms successfully navigate the dynamic and uncertain environment in which they compete today. The new leadership needed in 21st century firms is involved with building company resources and capabilities with an emphasis on intangible human capital and social capital. Human capital is the firm's repository of valuable knowledge and skills; social capital provides access to critical resources. Both are significant contributors to achievement of a competitive advantage. Leaders must effectively manage these important resources for the firm. Management of these resources involves evaluating current resource stocks and making changes such as adding (e.g., developing or acquiring externally) and deleting (e.g., layoffs) human resources and external relationships. To create value, the resources must be configured to develop capabilities that can be leveraged in ways to create competitive advantages. The dimension of new leadership we describe here is called effectuation. This new type of approach to leadership has important implications for management scholars and practitioners. We argue that there is a clear case for the use of a model of leader behaviour that includes a representation/participation dimension. Firstly, there is support for this dimension in factor analytic studies of the LDBQ, which was specifically developed to measure leadership in the traditional, two-dimensional model. Secondly, the Pressure-P dimension in the Japanese PM model is arguably indicative of a lack of participation in leadership behaviour. The study by Peterson et al. (1995) of the US and Japanese leadership scales found correlations between the three factors in the PM model and three of the Ohio State scales. Finally, models of leadership and management style also emphasize the importance of participation (e.g. Tannenbaum & Schmidt 1958; Vroom & Jago 1988), and its effects on employee performance, commitment and satisfaction (see Wagner 1994; Cassar 1999).

It is our belief that further work with the three-dimensional leadership model will be able to provide evidence of differences between various cultural groups. These differences may be in the proportional mix of the three dimensions of leader behaviour exhibited by leaders and desired by followers. There may also be cross cultural differences in the way leader behaviour is perceived. Smith et al. (1995) and Jung and Avolio (1999) suggest such differences exist. Fisher, Härtel and Bibo (2000), have demonstrated that there are cultural differences in the way that managers are perceived and their effectiveness evaluated. An expanded conceptual understanding of leader behaviour has the potential to provide stronger evidence of links between leader behaviour and organizational outcomes, such as satisfaction, commitment and performance. Again, such links may differ from one culture to another.

As noted earlier, there are difficulties in using transactional/transformational scales to explain leadership behaviour in collectivist cultures. Vertinsky, Tse, Wehrung and Lee (1995) identified that collectivism implies an emphasis on relationships, harmony, order and discipline. We argue that the use of our model, which separates the dimensions of task-orientation, relationship-orientation and representation/participation, would contribute to the explanation of leadership behaviour in collectivist cultures. Further research comparing the two models of leadership
would be valuable in developing this theoretical proposition. In order to promote the integration of leadership models, there would be theoretical benefits in including the PM model in future studies. There are several practical implications for an expanded, three-dimensional model of organizational leadership. The Representation/participation dimension of leader behaviour can influence the recruitment, training and performance evaluation of managers in both local and international contexts. If significant cross-cultural differences in leader behaviour are found, then there are practical implications for the pre-departure preparation of expatriate managers, enabling them to be better prepared for the expectations of those in the culture in which they will be working. If significant links between leader behaviour and employee outcomes are found and these vary across cultural groups, then there are implications not only for the selection, training and development of managers, but also the new placement of expatriate or local managers. Organizations differ significantly in their inclination to deploy E-Commerce (EC) technologies. It is necessary to analyze the factors that determine the organizational inclination to deploy EC technologies because this would help firms design appropriate interventions in order to control it. This paper proposes a framework that explains the influence of organizational factors on the propensity to employ EC technologies. The framework is based on qualitative data on EC adoption from four firms in the financial services industry in India. It explains why organizations vary in their propensity to deploy EC technologies, and highlights the role of top management, aspects of organization culture, characteristics of Information Systems professionals, and organization structure. Overall, the paper provides a structure by which specific organizational drivers of EC deployment can be analyzed and controlled and relevant managerial issues can be addressed.

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