

Assessing perceived managerial behaviour as an insight to leadership efficiency

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Abstract

This paper operationalises the design of a leadership behaviour model with an intention to serve as base for a leadership behaviour assessment tool aiming to define behaviour competencies necessary to be an effective leader. The models of Bryman (2007) and Kouzes & Posner (2007) were utilised for the analysis. The research was carried out in two sectors: in a Hungarian subsidiary of an American pharmaceutical multinational company and in a Hungarian Higher Education institute, with the method of Critical Incident Technique (Flanagan, 1954).

Keywords: Leadership competency, effective leadership behaviour model, Critical Incident Technique

The literature review and research aims

The objective of this paper is to introduce the steps of developing a leadership behaviour model, which provides base for coding, identifying perceived leadership behaviour, derived from personal expectations of employees. Our intention was to distinguish effective leader behaviour from ineffective based on the subordinates experience and perceive.

The evolution of leadership is continuously evolving. For the purpose of this research the most relevant phase in the history of leadership theory was the time when organizations and leadership began to detect and act based on the idea that employees perform most effectively when they are satisfied, when they feel that their employer cares about them. In fact, it has so much impact on them that if this happens they can increase production with impact on the organization's income, bottom line (Stone, Petterson, 2005). From McGregor Theory Y, through the situational/contingency theories, where the focus is on the circumstances, we reach the time when researchers transfer the focus of effective leadership from transactional leadership to transformational leadership. As a consequence of this breakthrough scholars defined that leadership as the ability to influence members to pursue organizational goals, but the way they do it is truly considerable (Chen, 2006). Bass (1999) continuously focused on investigating factors that has influence on being an effective leader. A considerable amount of empirical research has been completed since Burns (1978) introduced the concept of transformational and transactional leadership (Bass, 1999). Globalization

resulted several challenges that has an effect on organizations and organizational leaders (Daft, 2003). It affected the marketplace and workforce, as well, which strengthened the need for becoming more transformational. Being transformational refers to a leader who moves the follower beyond immediate self-interests through idealized influence, so called charisma. It has the ability to inspire, stimulate intellectually and is able to consider individuals. It works only if the follower has the appropriate level of maturity (Bass, 1999). Bass and Avolio (1985) presumed its presence and designed the Multifactor Leadership Questionnaire. Their argument is that their theory is generalized like charismatic leadership (House, 1977) or attributional theory (House and Aditya, 1997), it can be used in variety of situations (Yukl, 1993), across levels, genders, cultures (House and Aditya, 1997). Kouzes and Posner (1993) designed their Leadership Practices Inventory (LPI) whose aim was to measure organizational leadership behaviours which make the company successful, instead of psychological characteristics. After several measures and literature review they drafted the 5 practices: challenging the process, inspiring a shared vision, enabling others to act, modelling the way and encouraging the heart.

Globalization affected both the public and private sector. Based on Flanagan and Spurgeon (1996) managers performing well in public sector can perform well in private sector, as well. Therefore they assume that there is a general taxonomy for being an effective leader in any sector. Their results, assumption gave us basis to believe that a general leadership model, tool can be developed for assessing leadership behaviour.

Bryman (2007) reviewed researches conducted between 1985 – 2005 in order to summarize their findings for creating Effective University Department Leadership model (see Table 2). Findings from the metaanalysis pointed out the following most important leadership behaviours: providing direction, creating a structure to support the direction, fostering a supportive and collaborative environment, establishing trustworthiness as a leader, having personal integrity, having credibility to act as a role model, facilitating participation in decision-making, consultation, providing communication about developments, representing the department/institution to advance its cause(s) and networking on its behalf, respecting existing culture while seeking to instil values through a vision for the department/institution and protecting staff autonomy.

Upon Tsui's (1990) theory, the Multiple Constituency Model, effective leadership is connected to social structure. It is determined by the subordinate's, peer's and managerial opinion, expectation whether a leader is effective or not. Leadership behaviour has a so called reputational concept, which determines the way their subordinates communicate towards them, and has an effect on acceptance, namely if their subordinates accepts their opinion, orders, request (Tsui, Ashford, 1994). Based on Hofstede, Hofstede and Minkov (2010) leadership is organizational culture sensitive, impacted by the national culture and by the context.

The reason we use the term „perceived” is because every person varies in how they notice their environment and how they manage their focus of attention. Thinking about a situation results impact on person's attitudes, attributions and behaviours. How a person perceives and thinks has an impact on human understanding, which has an effect on organizational behaviour (McGinnis, 2012). It is important to emphasize that the data we gathered is perceived, sometimes full of emotional content, personal interpretation, therefore we set a rule that we only analyse what is factual and we do not deal with perception.

It is important to clarify that in our research we do not separate managers from leaders. When we describe leadership behaviour, it does not mean that we only write about the

leaders from leader – manager concept, but we think of everyone who is in managerial role with at least one subordinate (Yukl, 2006).

In order to be consequent with terminology here you can read about the definition of *an effective managerial performance* based on Robert G. Hamlin (2004). „*Effective managerial performance is behaviour which they would wish all managers to adopt if and when faced with similar circumstances/situations*”. The opposite is the ineffective managerial performance, which is met, „*if it occurred repeatedly or even once in certain circumstances, might cause them to begin to question or doubt the ability of that particular manager in that instance*”. Our intention was to get aligned with previous findings and further develop the categorization and differentiation of effective leaders from ineffective. It entails the development of ineffective leaders (LeMay, Ellis, 2008).

Research methodology

The Critical Incident Technique (CIT) is a qualitative method for gathering information (incidents) from interview participants (subjects of research) to obtain knowledge of the field, subject of research in order to improve the performance of the participants involved (Flanagan, 1954).

By an incident Flanagan (1954) means any observable human activity, which can be recalled by the participant, can be clearly explained with facts and described a performance, action of the related person. To be understood as critical the incident must happen in an environment, under circumstances when the person can clearly see the purpose of the activity and has no doubt of the impact. Therefore, the procedure is meant to obtain first-hand reports, in which the respondent expresses their evaluation, if the action has a positive or a negative effect on them. The five fundamental steps of CIT procedure are (1) defining the purpose of the research, (2) designing the plan for collecting the incidents, (3) gathering the data, (4) analysing the data and finally (5) the stage of interpretation.

After the collected data is processed and interpreted to determine its comprehension we move to a stage when the data transforms into information. The outcome will be a set of positive and negative (contrary poles) behaviours to be used for performance categorization.

In our research we cooperated with other researchers (Hamlin, 2004), who have already designed the plan (see above: CIT step 2.) for collecting the incidents supporting their research purpose. Beyond our collaboration we decided to use the collected incidents further and to design a complex, but simple to work with Leadership Behaviour Categories Model for assessing leaders. Applying the method of Critical Incident Technique we were able to follow inductive reasoning (top-down approach), deriving general principles from specific observations (Butterfield et al., 2009).

Field of research

Our rationale was to design a leadership behaviour assessment tool which can also be used for private and public sector companies. The importance of gathering results regarding different sectors was noted by Fountain (1999) as well. Hamlin and his co-researchers (Hamlin et al, 2012) noticed its relevance and carried out several researches with the same purpose.

Participants

As we conducted our research in two sectors, the participants came from two sectors, as well. We strived for equal dispersion, both between sectors and within companies. So, the incidents come from 22 public sector employees and 22 private sector employees.

We only asked for their level in the organization and if they have subordinates, as these were the only relevant attributes from the research point of view.

Table 1 - Dispersion of participants

	Public sector	Private sector
Total number of participants	22	22
Administrative support	9	9
Specialists	9	9
Managers (with subordinate)	4	4

The process of data gathering

Volunteers were approached by the researchers after the confirmation from the Dean (public sector) and from the Managing Director (private sector). Prior to the interview informants received brief information via mail about the research project and about the steps of the expected interview session. We shared with them our expectations regarding the number of incidents, namely 4 effective and 4 ineffective cases, with the past year effectivity. This note also contained the explanation what we think under „effective managerial behaviour” and „ineffective managerial behaviour”. At the beginning of the interview participants were informed about the purpose of the research and asked to sign a consent form after they read the informative one pager including a paragraph of their rights as research participant. Informants were asked to recall events (critical incidents) that happened between them and their managers and they also had to categorise into effective or ineffective bulks. It was also acceptable if they could share with us incidents they had observed, heard. During the interview we, the researchers did not give any guided questions or formed any opinion, just listened to the informants and typed their stories as detailed as possible. The interviews lasted an hour on average.

Developing the framework of Leadership Behaviours

Fountain (1999) and Butterfield et al. (2009) used the CIT method with a purpose to generalize principles from gathered data, which was in line with our initiative to identify the maximum number of behavioural categories and draw general conclusions.

At first, we went through the data with the aim to reduce the number of collected incidents and classify them. In order to fulfil our aim, after a thorough literature research we decided to use the Five Practices of Exemplary Leadership (Kouzes & Posner, 2007) and the Effective University Department Leadership (Bryman, 2007) models (Table 2.). After coding the incidents one-by-one, based on these leadership models, we compared them and in case there were discrepancies we argued until we came into a common agreement, or if it was not possible, we discarded those cases. The same approach was followed when working on our own behaviour categories by interpreting the cases one-by-one while marking the similarities and differences. The incidents, which we were not able to associate with any of the categories from the two leadership models, we discarded. As a result of this step we derived 20 subcategories. The third step was when we separately grouped the subcategories into the main categories, where we also went through the stages of comparison and aligning. In the fourth step we recoded and grouped all the incidents to the new category model. Finally,

our main categories were named referring the input we got during the recoding phase (Table 3.).

Table 2 - Coding list for the first phase of the analysis

Five Practices of Exemplary Leadership Kouzes & Posner, 2007	Effective University Department Leadership Bryman, 2007
Model the Way	
Establish principles on treating people	Acting as a role model and having credibility
Establish principles for pursuing goals	Being considerate
Set standards of excellence	Treating academic staff fairly and with integrity
Set interim goals and quick wins	Being trustworthy and having personal integrity
Unravel bureaucracy	
Signpost the way to go	
Create opportunities for success	
Inspire a Shared Vision	
Belief that one can make a difference	Clear sense of direction/strategic vision
Envision the future with a unique image	Preparing department arrangements to facilitate the direction set
Enlist others in these dreams	Communicating well about the direction the department is going
Breathe life into the vision	
Get people to see exciting possibilities	
Challenge the Process	
Seek opportunities to make changes	Advancing the department's cause with respect to constituencies internal and external to the university and being proactive in doing
Innovate to improve the organisation	
Experiment and take risks	
Accept mistakes, disappointments and failures as opportunities to learn	
Enable others to Act	
Foster collaboration	Creating a positive and collegial work atmosphere in the department
Build team spirit	Allowing the opportunity to participate in key decisions/encouraging open communication
Actively involve others	
Encourage the Heart	
Keep hope and determination alive	Providing feedback on performance
Recognise individuals' contributions	Making academic appointments that enhance department's reputation
Share rewards within the team	Providing resources for adjusting workloads to stimulate scholarship and research
Celebrate accomplishments	
Make people feel like heroes	

Table 3 - Leadership Behaviour Categories

Leadership Behaviour Categories Juhász, Belá, Répáczki, 2016
<p>Strategic leadership</p> <p>Establish strategic vision and provide direction Communicate principles according to strategic goals Consider strategic objectives in the allocation of tasks, manage resources Monitor the process of attaining objectives, intervene if necessary</p>
<p>Authentic leadership</p> <p>Be at service for employees and provide operative support Act as a role model. Share experience and knowledge Trustworthy, reliable, demonstrate ethical behaviour</p>
<p>People management</p> <p>Foster positive, trusting, collaborative atmosphere Involve subordinates in decision making Consequent, ensure equal treatment Communicate respectfully</p>
<p>Employee development</p> <p>Support employee development, developmental efforts, career vision Provide constructive feedback for further development</p>
<p>Participative leadership</p> <p>Encourage bottom-up initiatives, ideas Accept and acknowledge bottom-up initiatives, ideas Delegation and empowerment Reward accomplishment and recognize extra efforts</p>

Results

For our field of research we approached a private and a public company, accurately an Institute for Higher Education and a Pharmaceutical company.

We endeavoured to collect the same amount of data from both fields and we placed great emphasis on gathering the same proportion of the effective and ineffective behavioural statements, incidents in order to exclude the chance of distortion.

We analysed 88 effective (positive) and 88 ineffective (negative) cases both for public and private sector.

Chart 1. illustrates the dispersion of incidents collected from interview participants by categories (formed by the researchers) both in effective and ineffective behavioural statements, cases from an Institute of Higher Education. Out of the five main categories the effective cases dominate in three categories. These are the Authentic leadership, Employee development and the Participative leadership. In the category of Employee

development the amount of cases we gathered are significantly lower compared to the others and the disparity between effective and ineffective cases is also low. The number of effective incidents is twice as many as the ineffective in Authentic and Participative leadership categories. We received the majority of negative, ineffective cases in the Strategic leadership and People management groups, but significant difference can also be observed in the category of People management, where we received three times more cases of ineffective cases compared to effective cases. Finally, we collected the highest number of effective cases in the Authentic leadership category, and the lowest in the Employee development, of ineffective cases we received the highest number in the People management and lowest in the Employee development category.

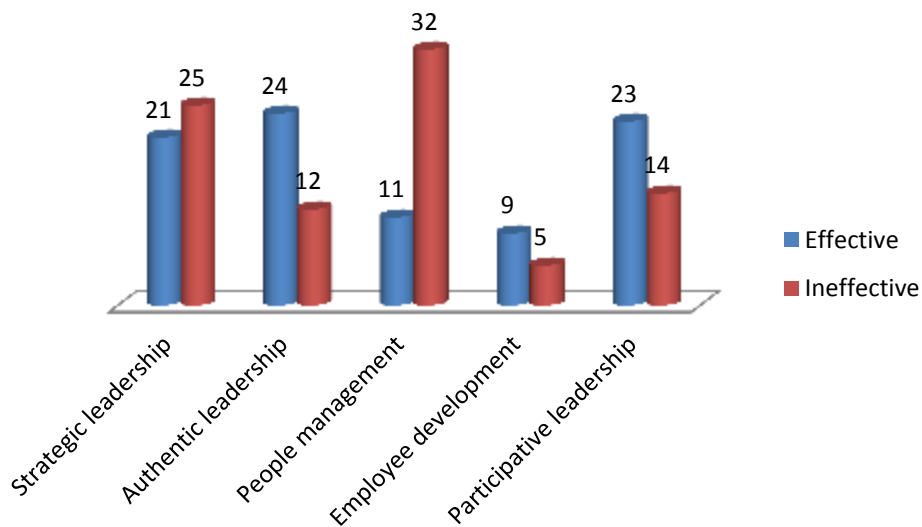


Chart 1 - Response rate of effective and ineffective cases (incidents) received from Higher Education

Chart 2. represents the dispersion of incidents collected from interview participants by categories (formed by the researchers) both in effective and ineffective behavioural statements, cases from the employees of the Pharmaceutical company. Out of the five main categories in three the number of effective cases dominates: People management, Employee development and Participative leadership. In category of the Employee development the amount of cases we gathered was significantly lower compared to others, and the disparity between effective and ineffective cases is also low. In the Participative leadership category the number of effective incidents is almost twice as many as the ineffective. In the People management category the disparity between effective and ineffective is still significant but not as much as in the Participative leadership. We received the majority of negative, ineffective cases in the Strategic and the Authentic leadership, but the difference is not substantially higher. Finally, we received the highest number of effective cases in Authentic leadership category, and the lowest in Employee development, of ineffective cases we received the highest number in Authentic leadership and lowest in Employee development category.

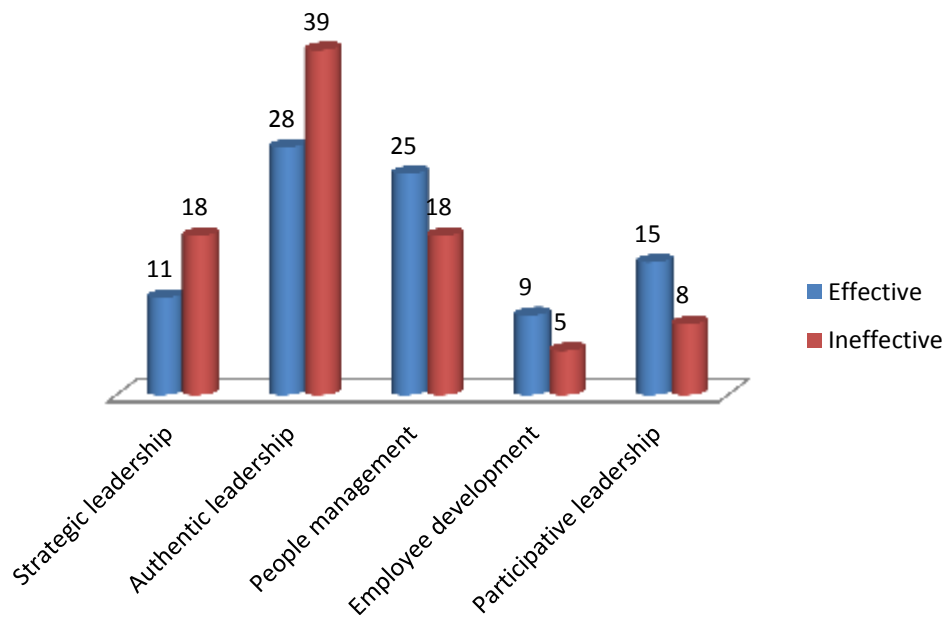


Chart 2 - Response rate of effective and ineffective cases (incidents) received from Pharmaceutical company

Limitations

There are some limitations we should mention regarding our research and would be useful to consider in future research. One of them is that we collected the results only from one company or institute per sector. The second is that the number of informants participated could be higher, which implies that the number of incidents could be higher, too. Thirdly, the perception, interpretation of the interviewed person is intense, which can result distortion. The fourth is the amount and quality of information is also limited, because we only know what the interviewed person tells us in their version, details. Finally, we did not separate management from leadership, followed Yukl's (1989) theory, example, but it was not the purpose of the study to look for the differences and similarities of leader – manager question.

Conclusion and next steps

The paper guided us through the steps of development, from the beginning, when we decided to conduct the research in different organizational sectors, till the end, when we formed our own leadership behaviour categories and subcategories, which we used for the final data evaluation.

The structure of Leadership Behaviour Categories Model follow a traditional example of the organizational operation, starting with (1) establishing the vision, strategy, (2) supporting employees to step on the designated road by showing an example, sharing the experience, (3) engaging employees for being motivated to work for reaching the organizational goals, (4) further develop them to ensure that they get ready for any challenges, changes (5) finally, to involve them into organizational decisions, development in order to motivate them to able to initiate their own ideas for the sake of company and for themselves, as well.

Our intention is to collect more data, incidents and categorise by following the leadership model which is used by the company.

With creating one general model we were able to demonstrate that leadership can be interpreted as a general taxonomy without having the need for multiple models between

different sectors. As next steps the researchers' intent to further analyse the collected data from the private sector using the Leadership Behaviour Model utilised by the company to see if those get reflected in the behaviour of the managers. Our expectation is that the model categories will be represented in the incidents categorised as effective behaviour, as model factors of the managers' performance. Having that confirmed we can prove the necessity of Leadership Behaviour Models. The final goal of the research concept is to provide with an evidence of the existing parallel between the organisational culture and leadership behaviour, with a positive effect on each other that contributes to a satisfactory employee experience. Owing an organisational strategy that is supported by a Leadership Model and applied in the ways of working, shaping the organisational culture.

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