

IMPACT OF LEADERSHIP ON ORGANIZATIONS

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Research Questions

The study sought to answer the following research questions:

1. What is the personal values profile of the executives involved in the research?
2. What is the predominant leadership style of the executives involved in the research?
3. What is the leadership effectiveness of these executives?
4. Is there a relation between the executives' personal values balance and their leadership effectiveness?
5. Is there a relation between executives' personal values balance and organizational differentiation?
6. Is there a relation between executives' leadership effectiveness and organizational differentiation?

METHODOLOGY

Sampling

It has been randomly selected 400 executives involving 48 organizations operating in Brazil and South America, encompassing medium and large size ones. Most of them were organizations in the fields of consumer electronics, vehicles, health care, paper and packing, mechanical and electrical components, transportation and logistic, virgin media, telecommunications, white goods, service, energy, IT, super markets, clothes, shoes, graphics, departmental stores, office material, individual protection equipment, and cell phones. The majority of the executives were Brazilians (366) and some foreigners (34), being 142 females and 258 males with ages varying from 28 up to 48.

Data Gathering

In order to uncover the **personal values** a questionnaire, which measured the relative importance of each value, was developed and applied covering the five value orientations as depicted in Table 1.

Table 1 Five Types of Value Orientation

The ***economic man*** is primarily oriented toward what is useful. He is interested in the practical aspects of the business world; in the manufacture, marketing, distribution and consumption of goods; in the use of economic resources; and in the accumulation of tangible wealth (protestant ethics). He is thoroughly “practical” and fits well the stereotype of the businessman.

The ***theoretical man*** is primarily interested in the discovery of truth, in the systematic ordering of his knowledge. In pursuing this goal he typically takes a “cognitive” approach, looking for identities and differences, with relative disregard for the beauty or utility of objects, seeking only to observe and to reason. His interests are empirical, critical, and rational.

The ***political man*** is oriented toward power, not necessarily in politics, but in whatever area he works. Most leaders have a high power orientation. Competition play a large role during all his life. For some men, this value is uppermost, driving them to seek personal power, influence, and recognition in a continuous basis.

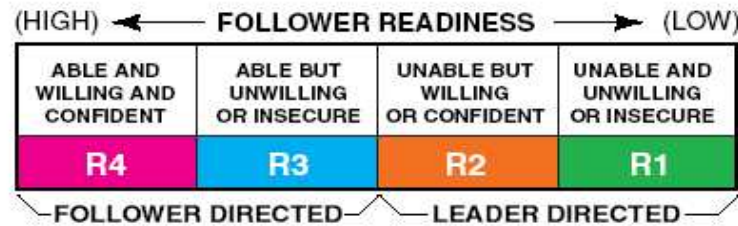
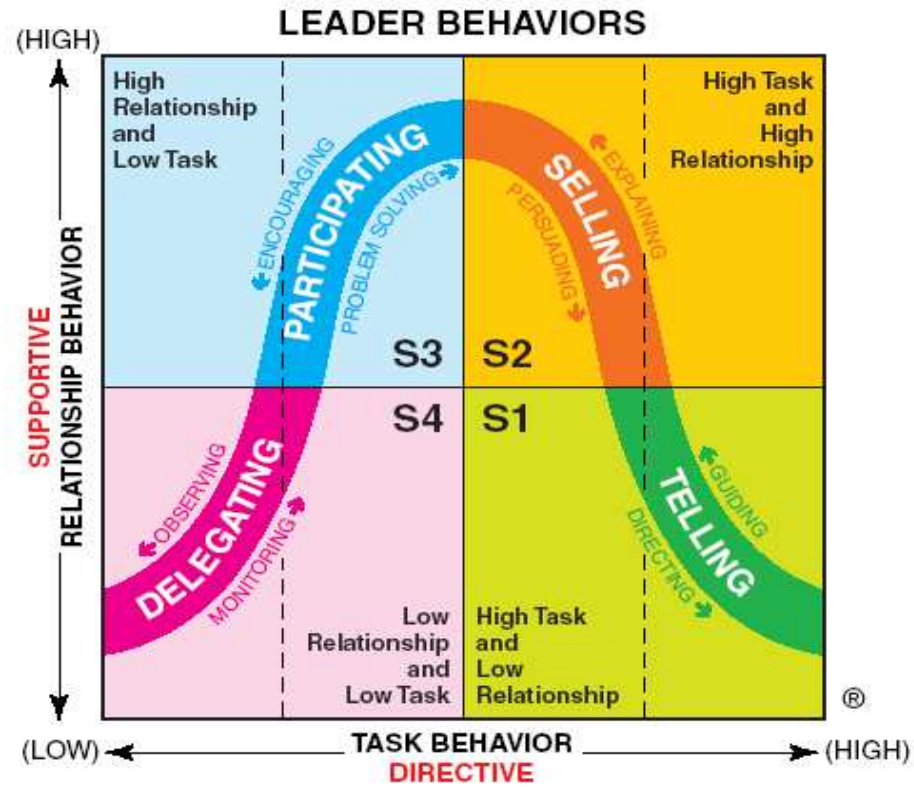
The ***aesthetic man*** finds his main interest in the artistic aspects of life, although he need not be a creative artist. He values form and harmony. He views experience in terms of grace, symmetry, or harmony. Lives the here and now with enthusiasm.

The ***social man*** is primarily oriented toward the well-being of the people. His essential value is love of people – the altruistic or philanthropic aspect of love. The social man values people as ends, and tends to be kind, sympathetic, and unselfish.

Source: Adapted from Guth and Tagiuri (1965).

To measure the leader behavior the Situational Leadership Model has been taken into account and the LEAD (Leader Effectiveness and Adaptability Description) instrument, developed at the Center for Leadership Studies (Hersey and Blanchard, 1965), has been used. The three aspects covered by the model are: a) style, b) style range, or flexibility, and c) style adaptability, or leader effectiveness. The LEAD self has been used, and it yields four ipsative **style** scores and one normative **adaptability (leader effectiveness)** score.

Situational Leadership®



To check if a relation existed between the **personal values balance** and **leadership effectiveness**, the linear correlation coefficient has been computed taking into consideration the set of paired data, involving the before mentioned variables, per respondent.

To analyze a possible relation between the average executives' **personal values balance**, per organization, and **organization differentiation**, the Organizational Differentiation Model (Bruno, 2005) has been considered and the ODI – Organizational Differentiation Index has been computed per organization, and, then the linear correlation coefficient was computed taken into consideration the set of paired data involving the before mentioned variables per organization, therefore the computation involved 48 pairs.

The same procedure has been followed to verify a possible relation between the average executives' **leadership effectiveness** per organization and **organization differentiation**.

Table 2
Value Orientations of a Sample (400) of
Executives

Value	Score
Theoretical	13.5
Economic	13.0
Social	12.0
Aesthetic	11.5
Political	10.0

Source: Research Data.

Table 3
Profile of Leadership Styles of a
Sample (400) of Executives

Style	Frequency Distribution (%)
S1 – Telling	16.2
S2 – Selling	48.2
S3 – Participating	28.6
S4 – Delegating	7.0

Source: Research Data.

Table 4
Summary of Leadership Effectiveness of a
Sample (400) of Executives

Score Interval (scale end points 0 and 36)			Leadership Effectiveness Level	Frequency	
				Absolute	Relative (%)
27	To	36	High	23	5.8
18	To	26	Moderate	370	92.4
9	To	17	Low	7	1.8
0	To	8	Very low	0	0

$X^2 = 874.78 > X^2_{crit.} = 11.3; df = 3; p \leq 0.01$
 Source: Research Data.

In order to verify if there was a relation between executives personal values' balance and leadership effectiveness the personal values balance score was computed for each one of the respondents. After doing this, a linear correlation coefficient has been computed taking into account the set of paired data, involving all the respondents, being personal values balance score one variable, and leadership effectiveness score the other; therefore the computation involved 400 pairs. The result was a linear correlation coefficient of +0.89, which suggests, according to Schmidt (1975), a high degree of positive relation between the two considered variables.

Finally, to verify if there was a relation between executives' personal values balance – PVB and organizational differentiation, as well as executives' leadership effectiveness – LE and organizational differentiation, the ODI – Organizational Differentiation Index, the average executives' personal values balance and the average executives' leadership effectiveness were computed and linear correlation coefficient involving the ODI and PVE, as well as ODI and LE were computed. Table 5 presents the computations involving the 48 organizations involved in the research.

Table 5
Organizational Differentiation Index, Personal Values Balance and Leadership Effectiveness Results

N br .	SECTOR		C	R	ODI	PVB	LE
1	•Health Care	O 1	0.45	0.08	0.04	0	15
	•	O 2	0.55	0.26	0.14	20	18
	•	O 3	0.65	0.24	0.16	20	19
	•	O 4	0.62	0.40	0.25	40	23
2	•Paper & Packing	O 5	0.63	0.45	0.28	80	27
3	•Mechanical Parts	O 6	0.30	0.05	0.02	0	16
4	•Electrical Parts	O 7	0.45	0.65	0.29	40	20
	•	O 8	0.71	0.40	0.28	60	26
5	•Transport/Logistic	O 9	0.30	0.50	0.15	20	16

As mentioned the linear correlation coefficient was computed taking into account the set of paired data involving all the 48 organizations, being **personal values balance** one variable, and **organization differentiation index** the other. The result was a linear correlation coefficient of +0.80 which suggests, according to Schmidt (1975), a high degree of positive relation between the two considered variables, and furthermore, this finding is confirming previous research results (SIKULA, 1971).

Finally, the linear correlation coefficient was computed taking into account the set of paired data involving the 48 organizations, being **leadership effectiveness** one variable, and **organizational differentiation index** the other. Again the result was a linear correlation coefficient of +0.80 which suggests a high degree of positive relation between the two considered variables, and furthermore, this finding confirms previous research results (BRUNO, 2005).

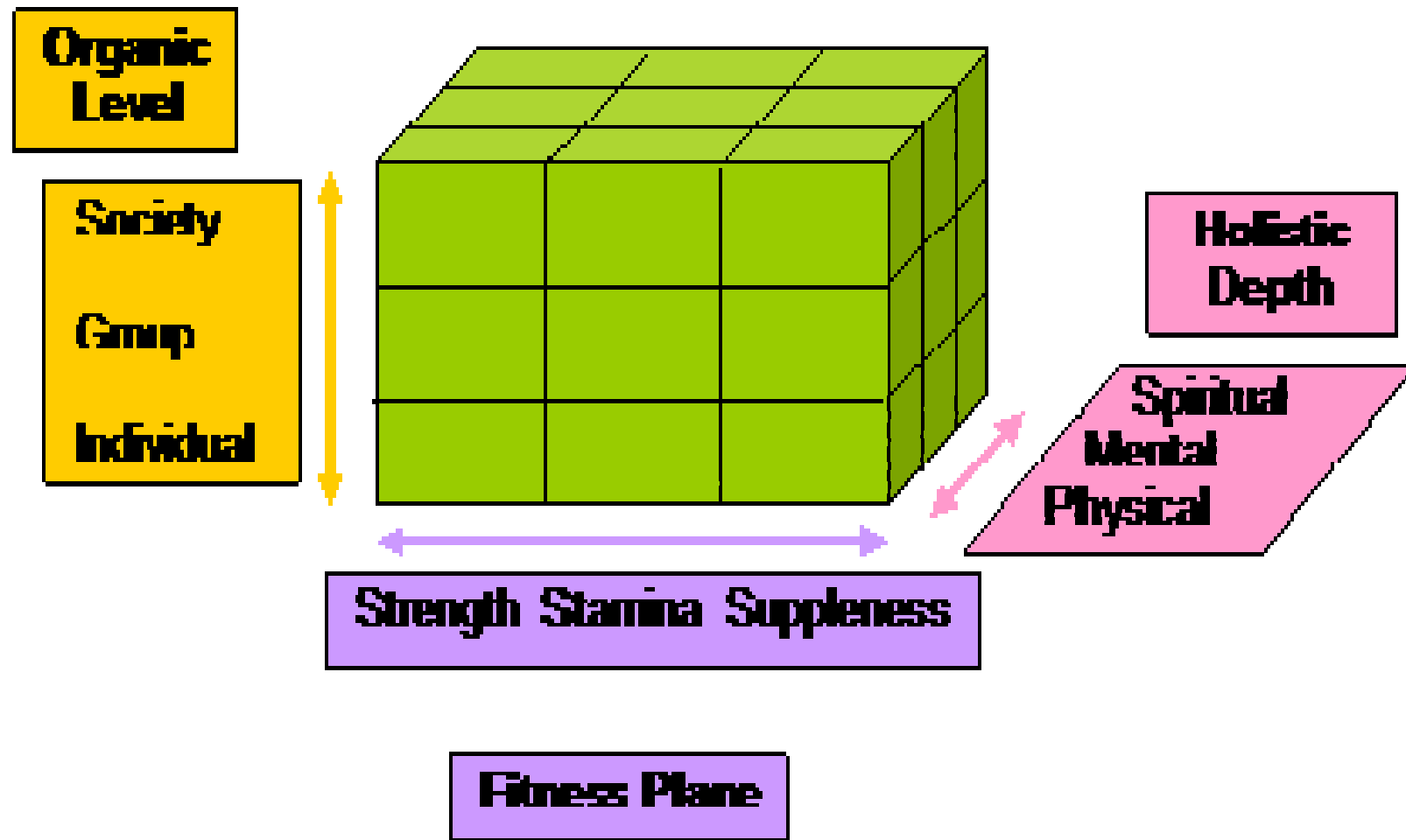
Conclusions

The study has shown that the executives involved in the research have an unbalance in their personal values profile; and, even worse, is the fact that the political orientation, which has partially to do with the process of influencing people, that is to say leadership, received the lowest average score (10.0). This finding can be partially explained, as said before, due to the fact that the great majority of the executives of the sample (72%) belongs to the Generation X (ZEMKE et al., 2000), the survival generation with a casual approach to authority, and, on the other hand, the political value is associated with politics, which is somewhat “dirty” for the majority of the citizens. In any way this is the moment to face this problem. If we really want to have leaders with traits such as: responsible influence, people centered, showing coherence between attitudes and actions, and fecundity, that is to say, leading the process of assuring progress, than we need to work hard in order to develop knowledge for better understand and influence leaders’ personal values.

The results of leadership style flexibility and leadership effectiveness lead us to the conclusion that this group of executives needs to receive training in terms of leadership skills, once they need to have more flexibility of styles and to be able to use the appropriate style depending on the situation. Previous studies (HERSEY, BLANCHARD and JOHNSON, 2001) suggest that by having this new profile this group of executives will be able to lead their organizations towards better results.

Once the study uncovered the high positive relation between executives' personal values balance and leadership effectiveness, as well as, executives' personal values balance and organization effectiveness, would be highly recommended in leadership development efforts to take into consideration a critical analysis on personal values' balance, once all the value orientations used in the study are important, so all them needed to be valued. As a consequence, society will have leaders with a more comprehensive view of the world, assuring, therefore, more appropriate decisions.

The Global Fitness Framework



The Global Fitness Framework

- *Organic level* relates to whether an **individual, group, or society** is being considered, *holistic depth* considers **physical, mental and spiritual** aspects, and the *fitness plane* examines **strength, stamina and suppleness**. Thus, each of the 3 aspects has 3 elements, giving a total of 27 individual cells, while its modular nature enables users of the framework to home in on a particular cell, core or slice.
- Considering that the paper points out that there are positive relations among Personal Values Profile, of the executives, and their Leadership Effectiveness, with the degree of differentiation an organization shows, as a whole, we may say that the whole paper has to do with the GFF – Global Fitness Framework concept, once it considers the mental suppleness of an individual (personal values balance and leadership effectiveness) impacting the holistic fitness of a group (organization).