

## Organizational leadership and its relative influences

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### Abstract

In this study, we look at the attributes of effective leadership which leads to the satisfactory organizational teamwork, occupational wellness, job satisfaction, and organization performance. Out of all the organizations that participated in this survey, we focus on looking at two specific organizations in detail, and compare the points scored in these various areas of both organizations. Organization *A* is a small non-for profit organization; it is a service provider and does not have any competitors. Organization *B* is an outlet from a large franchise organization; it is in the food and drinks industry, having many competitors.

Organization *A* scored a relatively higher score in comparison to Organization *B*; therefore we make a hypothesis involving the level of leadership scored in relation to four categories taken from the survey:

*Hypotheses:* An organization that scored a high score in the leadership category also has relatively high scores in the organizational teamwork, occupational wellness, job satisfaction, and organization performance categories.

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*Keywords :* *Organizational teamwork, occupational wellness, job satisfaction, organization performance.*

### 1. Introduction

“Leadership is the art of getting someone else to do something you want done because he wants to do it” – Dwight David Eisenhower, 34<sup>th</sup> President of the United States [1].

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*Journal of Information & Optimization Sciences*

Vol. 27 (2006), No. 1, pp. 241–248

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0252-2667/06 \$2.00 + 0.25

Leadership is a very influential part of any organization. It can affect all other aspects in the organization. Leadership in an organization is what inspires workers and employees to follow the organization's vision and goals, it organizes and mobilizes people to tackle and solve problems, and it takes risks and leads employees into new territories, while maintaining order and wellbeing in the organization [2]. Recognizing the importance of leadership, we can establish that it has significant influence on various other aspects of an organization. We can define leadership as "the process of influencing people and providing an environment for them to achieve team or organisational objectives [3]".

The behavioural perspectives of leadership are separated into two orientations; people-orientated and task-oriented. People-orientated leadership behaviour consists of showing mutual trust and respecting subordinates, and having a genuine concern to look out for their needs and welfare. Whereas task-oriented leadership behaviour mainly includes giving employees specific tasks, clarifying their rolls and work duties, and maximising an employee's job performance capacity. Organizations with people-oriented leaders tend to have higher job satisfaction among employees, lower absentees and turnover rates. However, job performance usually tends to be lower than task-orientated organizations. On the other hand, although task-orientated organizations tend to have higher job performance, it is usually accompanied by lower job satisfaction, as well as a higher absenteeism and turnover rates. Research has found people-oriented and task-oriented leadership styles are interdependent on each other. People may have a different mix of these two leadership styles, someone may be high in one leadership style while low in the other, or may be high or low in both styles, most are just oriented somewhere in between the two styles. According to Blake and Mouton's Leadership Grid<sup>®</sup> participants can assess their current levels of each leadership styles and try to achieve the best results; high levels for both people-oriented and task-oriented leadership [3].

John Akehurst, the CEO of Perth-based Woodside Petroleum admitted in a recent company newsletter to his 2400 employees that he was too aggressive in his task-oriented leadership style and needs to be more people-oriented. "I personally recognised that, despite my best intentions, the way I behaved in the pursuit of business success was often creating stress in the work place rather than building trust and empowerment".

After which Woodside has now introduced a leadership program to teach employees how to achieve corporate objectives without neglecting the people-oriented aspects [3]. Through this case we can see that for an organization to achieve its objectives with optimal performance, while looking out for the wellness of its employees, a balance of people and task oriented leadership styles are needed. Overly task-oriented leadership can cause work stress. Over the past two decades, research on health-related outcomes of job stress has increased significantly. Job stressors have been implicated in the cause of psychological health, physical health, and health-related behavioral outcomes [4]. Therefore the increase in stress will affect the wellness of an organization and its employees.

## 2. Methodology

### (1) *Participants*

The participants of this survey from organization *A*, consists of 10 employees. Of the ten employees there were 8 females and 2 males, with an age range from "20~29" to "60 or older", participants consists of mainly front line workers to middle level managers, with an average of 10.1 years work experience in this industry, working an average of 33.5 hours per week. The participants of this survey from organization *B*, consists of 10 employees. Of the ten employees there were 4 females and 6 males, with an age range from "younger than 20" to "40~49", participants consists of a spread from front line workers to middle-top level managers, with an average of 2.7 years of work experience in this industry, working an average of 20.2 hours per week.

### (2) *Materials*

A survey was administered which consists of 143 questions. In relation to the survey 3 to 4 questions were asked for each of the 32 areas of study. The questions used a response scale with numbers from 1 "Strongly Disagree" to 5 "Strongly Agree".

### (3) *Procedure*

Each BBA 250 student collected 10 surveys from any organization of their choice, through individual arrangements with the organization.

### 3. Findings

The average of the ten employees from organization *A* and *B* were taken for each question and the means for each category was calculated by averaging the averages of the questions in each category. The results are compared with the benchmarks taken from analyzing all the organizations that participated in the survey.

Table 1 presents the means in comparison to the 25<sup>th</sup>, 50<sup>th</sup> and 75<sup>th</sup> percentile benchmarks for each of the five categories chosen.

**Table 1**

**The means of for five of the categories used in the survey are 25<sup>th</sup>, 50<sup>th</sup> and the 75<sup>th</sup> percentile benchmark from all of the organizations that participated in the survey**

Category	Org. <i>A</i> Mean ( <i>n</i> = 10)	Org. <i>B</i> Mean ( <i>n</i> = 10)	Benchmarks Percentile		
			25 <sup>th</sup>	50 <sup>th</sup>	75 <sup>th</sup>
Leadership	4.24	2.3	3.32	3.65	3.96
Teamwork	4.63	3.1	3.94	4.19	4.43
Wellness	4	3	3.55	3.82	4.07
Job Satisfaction	4.36	2.6	3.56	3.83	4.13
Org. Performance	4.26	2.2	3.62	3.98	4.24

The results in Table 1 support our predictions. Organization *A*, which had a high rating in the leadership category, was found to be significantly higher in the teamwork, wellness, job satisfaction, and organizational performance categories. In contrast, Organization *B* on the other hand had a low rating in the leadership category, was found to be significantly lower in the teamwork, wellness, job satisfaction, and organizational performance categories.

Table 2 presents the means in comparison to the 25<sup>th</sup>, 50<sup>th</sup>, and 75<sup>th</sup> percentile benchmarks for the categories in relation to an organization's people-orientation.

The results from Table 2 show Organization *A* has a higher people orientation in comparison to both Organization *B* and the benchmarks from all the other organizations that participated in this survey. With

both safety and work/life balance categories, scores ranging above the 75<sup>th</sup> percentile.

**Table 2**

The means of the people orientated categories in the survey are 25<sup>th</sup>, 50<sup>th</sup> and the 75<sup>th</sup> percentile benchmark from all of the organizations that participated in the survey

Category	Org. A Mean ( <i>n</i> = 10)	Org. B Mean ( <i>n</i> = 10)	Benchmarks Percentile		
			25 <sup>th</sup>	50 <sup>th</sup>	75 <sup>th</sup>
People-oriented					
Safety	4.35	4.3	3.55	3.93	4.18
Work/Life Balance	4.33	4	3.77	4.08	4.27

Table 3 presents the means in comparison to the 25<sup>th</sup>, 50<sup>th</sup>, and 75<sup>th</sup> percentile benchmarks for the category in relation to an organization's task-orientation.

**Table 3**

The means of the task orientated category in the survey are 25<sup>th</sup>, 50<sup>th</sup> and the 75<sup>th</sup> percentile benchmark from all of the organizations that participated in the survey

Category	Org. A Mean ( <i>n</i> = 10)	Org. B Mean ( <i>n</i> = 10)	Benchmarks Percentile		
			25 <sup>th</sup>	50 <sup>th</sup>	75 <sup>th</sup>
Task-oriented					
Results Focus	3.77	3.8	3.76	4.02	4.33

Results from Table 3 shows that both organization *A* and *B* have relatively close scores in the results focus category reaching just above the 25<sup>th</sup> percentile, with a slightly higher score from organization *B*. Therefore we assume organization *A* and *B* have relatively close task-orientation, but slightly higher in organization *B*.

#### 4. Discussion

From the study, we can predict that an effective use of people-orientated and task-orientated leadership will achieve a high score in

the leadership category. A high leadership category score will also lead to high scores in relation to organizational teamwork, occupational wellness, job satisfaction, and organization performance categories. Through analysis of the marks scored in this survey, we can conclude that the results from this study support these predictions.

According to Blake and Mouton's Leadership Grid, participants can assess their current level of balance between each leadership style in order to achieve the best results; high levels for both people-oriented and task-oriented leadership [3]. This will create an organization with high performance through fulfilling the needs of their employees. In this study, we can see that organization *A* displays a stronger leadership skills by utilizing and balancing both people-orientated and task-orientated leadership styles. The effective use of the people-oriented leadership style will reduce stress, psychological strain, absentee, and turnover rate that the organization experiences [4]; at the same time, it also increases the job satisfaction of employees. As a result, the use of an effective task-orientated leadership style will increase the job performance of employees [3]. Therefore organization *A* will achieve a higher leadership category score in comparison to organization *B*, and the benchmarks have scores ranging above the 75<sup>th</sup> percentile of all the organizations who took part in the survey. Effective leadership in organization *A* consequently enabled them to achieve high scores in organizational teamwork, occupational wellness, job satisfaction, and organization performance categories, all of which are above the 75<sup>th</sup> percentile!

On the other hand, although organization *B* had a high task-orientated leadership style, it failed to put enough emphasis on the people-orientated aspects of leadership, causing an imbalance of the two leadership styles. As John Akehurst, the CEO of Perth-based Woodside Petroleum found out, over emphasis on the task-orientated leadership style can cause a negative effect in an organization, creating an over stressful environment in the work place. Even though high task-orientation can increase job performance, it cannot make up for the lost due to stress, absentees and turnovers. As a result, failure to balance out the two leadership styles can be seen where organization *B* achieved a low leadership score in comparison to organization *A* and the benchmarks from all the organizations that participated in the survey. Organization *B* achieved a leadership score below the 25<sup>th</sup> percentile of the benchmarks. Hence due

to the low effectiveness of leadership in organization *B*, it is inevitable that categories such as organizational teamwork, occupational wellness, job satisfaction, and organization performance will also be inferior to the average benchmarks; in this case the results are less than the 25<sup>th</sup> percentile!

Although organization *A* has shown a positive outcome in leadership, organizational teamwork, occupational wellness, job satisfaction, and organization performance, this non-profit service organization does not provide many career opportunities. Moreover, with no competitors, organization *A* has no strong initiatives to enhance organizational growth. In regards to organization *B*, though it has relatively low leadership, organizational teamwork, occupational wellness, job satisfaction, and organization performance scores, however due to being part of a large franchise corporation, it has available access to a wide range of benefits and resources supplied by the franchiser, and it is relatively inexpensive business to maintain.

In organization *A*, a career planing and skills training course should be set-up to supply employees with adequate training in order to enhance their worth to the organization as well as their career opportunities. Also a strategic growth plan should be implemented to strengthen and motivate growth of the organization. Through these solutions, organization *A* will be able to overcome its weaknesses and transform them into strengths. In organization *B*, effective leadership courses should be set-up. Furthermore a strategic human resources management plan should be implemented to acquire suitable persons for the leadership roles of the organization. Managers and leaders in the organization should often refer to Blake and Mouton's Leadership Grid to assess their current level of people-oriented and task-oriented leadership styles to achieve a preferable balance in order to have the ability to reach the best leadership results [3].

## 5. Conclusion

In conclusion, results from this study imply that it is important to put significant emphasis on the leadership role. As predicted in organization *A*, high leadership skills resulted in the increase in organizational teamwork, occupational wellness, job satisfaction, and organization performance. While in organization *B*, low leadership skills result in low organizational teamwork, occupational wellness, job satisfaction, and organization performance. Through a balance between the people-

oriented leadership style and the task-oriented leadership style, effective leadership strategies can be achieved. Therefore based on this study the relevant effect that leadership has on an organization is proven, and benefits from effective leadership skills can be achieved.

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*Received July, 2005*