

Examining the Relationship between Leadership Style and Organisational Strategy

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Abstract

The existence of effective leadership in a contemporary organisation is critical for corporate development. It is expected of a leader to be visionary and be able to give direction to the organisation by way of determining goals and thence influence his / her subordinates to do what he / she wants them to do. Once goals are determined, leaders ought to find ways to create the conditions that will cause or allow subordinates to work hard and to direct the tasks they perform towards organisational ends. This study examined the relationship between leadership style and organisational strategy of GNLS. Choosing the right organizational strategy for a destination inspection company (DIC) such as Ghana Link Network Services (GLNS) has become a critical success factor. In order to have the right organizational strategy in such a competitive arena the company will require efficient and effective leadership to get its work done for corporate objectives to be achieved. Most companies in the sector do not even know the type of leadership style that they operate and the consequences it has on its ability to achieve its corporate objectives. Since organizational strategies are embarked upon to achieve organizational objectives, the study sought to examine the relationship between leadership style and organizational strategy. All the 110 employees of the Accra-branch of GLNS were interviewed as organizational strategies affected every employee of the organization. The study found that there is a direct relationship between leadership style and organizational strategy. This means that choosing the right leadership style will influence the organizational strategy of GLNS positively. The company should therefore dedicate energies and resources into identifying the right leadership style that would be beneficial to the company.

Keywords: leadership style, organizational strategy

1.0 INTRODUCTION

Leadership challenges constitute one of the crucial problems confronting organisations. There is a myriad of problems which underlie leadership effectiveness in organisations and which have both short and long term effects on productivity within the organisation. A destination inspection company (DIC) such as Ghana Link Network Services (GLNS) will require efficient and effective leadership to get its work done for corporate objectives to be achieved.

GLNS is endowed with the resources that could increase production and or productivity in the firm, thus enhancing the profitability levels of the firm provided that these resources are effectively combined. This can be achieved if the leaders in the firm can effectively harness the skills and abilities of the employees available in order to increase the productivity as well as profitability of the organisation.

Anecdotal evidence, however, suggests that there are leadership challenges that mitigate productivity, and by implication, profitability. There is evidence to suggest that there exists patronage, favouritism, discrimination and other similar unethical practices going on in the company. This manifests itself most glaringly in the process of selection of employees to occupy positions of leadership in the various departments. This important exercise, which takes place from time to time, has been fraught with problems. This is because the members of staff who are selected to become leaders, are not selected by merit, there is considerable cronyism. As a result these leaders are not respected by their subordinate staff; in addition, some subordinate staff members perceive themselves to be closer to the power brokers in the organisation, than the leaders. A cursory look at relationships in the company may not reveal this problem. It goes on to erode trust and confidence in the leadership of the company, especially among those who are not party to this rather nefarious practice. There is, therefore, no control system to effectively supervise and check staff performance, since effective leadership has been compromised. Furthermore, promotion through the ranks is non existent, leaders and other potential leaders who expect to be recognised and promoted by virtue of their hard work get frustrated.

In a situation where the above exists, the necessary relationship of trust, direction and control between the leaders and the led is weakened as a result of the limitations and weaknesses in the practice of leadership as it pertains in the organisation. Since the company is operating in a competitive environment, it is imperative that the phenomenon is studied with the purpose of identifying the shortcomings of leadership in the organisation and correcting those limitations identified in the practice of leadership so as to promote the development of the organisation and speed up the achievement of organisational goals and the overall development of the company. The purpose of the study is to investigate the relationship between leadership, the style and practice of leadership,

on one hand, and organisational performance on the other.

2.0 THEORETICAL BACKGROUND

2.1 FORMAL AND INFORMAL LEADERS

As a formal leader, one can exercise formal influence. This is ascribed or given to an individual because of the position or office one has been given by the organisation. A leader in this sense is responsible for performing such leadership functions as planning, organising and controlling work. A formal leader who exercises these functions does so because of the authority given them by the organisation.

Leadership can also be of an informal nature, such a leader may be a peer leader or an emergent leader, as implied by Mullins (2005). Peer leaders exert informal influence which is not ascribed by the organisation in terms of position or authority but nonetheless can affect the behaviour of group members. Informal influence originates not from the position held but from some special quality of the individual that is needed and recognised by the group.

Two further points should be brought out with respect to formal and informal leaders.

Firstly, in some situations only formal leaders may exist. Secondly, informal leaders can play a very valuable role in organisations if their behaviour and influence is congruent with the goals and objectives of the total organisation. If an informal leader influences a group member's behaviour in such a way that the norms displayed are counter to the behaviour desired by the organisation, then an incongruity of goals between the organisation and the group can develop. This can result in reduced efficiency and performance (Szilagyi & Wallace 1990).

APPROACHES TO STUDYING LEADERSHIP

2.2.1 Trait Theories

Much of the early work on leadership focused on identifying the traits of effective leaders. This approach was based on the assumption that a finite number of individual traits of effective leaders could be found. Thus, most researches were designed to identify intellectual, personality, and physical traits of successful leaders (Ivancevich & Matterson, 1990).

2.2.3 Intellectual Traits

Dimensions of intelligence that have been associated with leadership effectiveness include decisiveness, judgmental ability, cognitive and verbal abilities. In a review of thirty five (35) studies, Stogdill (1974), found a general trend indicating that leaders were somewhat more intelligent than their followers but not exceedingly so, on the other hand, extreme intelligence differences tend to be dysfunctional (Bloisi, 2003).

2.2.4 Personality Traits

Some researchers suggest that personality traits such as alertness, originality, personality, integrity, and self-confidence are associated with effective leadership. Still other investigators identify creativity, emotional balance, nonconformity and diplomacy. A major difficulty in attempts to relate personality and leadership has been finding valid ways to measure personality traits (Helriegel & Slocum 1995).

2.2.5 Physical Traits

Studies of the relationship between effective leadership and physical characteristics such as age, height, weight and appearance provide contradictory results. Being taller and heavier than the average of a group certainly is not a requirement for attaining or assuming a leadership position. However, many groups believe that a physically large person is required to secure compliance from followers. This notion relies heavily on fear or coercion as a basis of power (Ivancevich & Matterson, 1990).

2.3 THEORIES OF LEADERSHIP

2.3.1 Behavioural Theories Of Leadership

Trait theories of leadership focus upon personal characteristics of the leader and try to explain leadership effectiveness on the basis of what type of person the leader is. An alternative approach is to focus instead on what the leader actually does when he or she is dealing with followers and subordinates.

According to Arnold, 1992, what is known as the behavioural theories of leadership effectiveness focus upon leaders' behaviour and seek to understand the relationship between what the leader does and how subordinates react emotionally (i.e. their levels of satisfaction) and behaviourally (their job performance). The two most important behavioural studies are: the Ohio state studies and the University of Michigan studies.

2.3.2 Situational Theories

The extent to which any approach to leadership, focuses on identifying a style of behaviour or mix of traits that will be effective in all situations, may be thought of as a Universalist theory. The failure of universalist approaches, be they trait or behaviour in nature, has led to the evolution of "situational" theories, which suggest that leadership effectiveness is a function of a variety of factors that will vary depending on the context of the exercise of leadership.

As the importance of situational factors became better recognized, leadership research became more systematic, and contingency models of leadership began to appear in the organisational behaviour and management literature. Among the well researched and publicized situation oriented leadership approaches, the most prominent are the Fiedler contingency Model, the Vroom-Jago Model and the Path-Goal theory. Each of these approaches has its advocates and each attempts to identify the leader's behaviours most appropriate for a variety of different leadership situations. Also, each model attempts to identify the leader-situation patterns that are important for effective leadership (Ivancevich & Matteson, 1990).

3.0 METHODOLOGY

3.1 TARGET POPULATION

Employees of GLNS are the target population for this research. Relevant information will be solicited from all categories (management and employees alike) of staff. The sample to be surveyed for the study will be limited to the Accra office of GLNS which has a population of one hundred and ten (110); made up of ten (10) top management staff, twenty (20) lower management/ sectional heads, thirty (30) senior staff and fifty (50) junior staff.

3.2 SAMPLE SIZE AND SAMPLING TECHNIQUES TO BE USED

The study will be conducted using probability sampling in which all staff members have an equal chance of being selected as a sample unit.

The researcher will interview all the 110 members of the population. This is due to the fact that leadership style and organizational strategy impact on all workers of an organization. Thus the 110 interviewees will include top management, lower management, sectional heads, senior staff, and junior staff. These four categories of personnel will be put into a single a single group for easy analysis.

4.0 DATA ANALYSIS, RESULTS AND DISCUSSIONS

Table 4.1.1 Existence of a relationship between organisational strategy and the leadership style of GLNS

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	110	100.0	100.0	100.0

Source: Field Survey November, 2013

Table 4.1.1 investigated the relationship between organisational strategy and the leadership style of GLNS. All the 110 respondents indicated that there is a relationship between organisational strategy and the leadership style of GLNS.

Table 4.1.2 Description of the relationship

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Direct	110	100.0	100.0	100.0

Source: Field Survey November, 2013

Respondents were also asked to describe the relationship that they had earlier stated existed between organisational strategy and the leadership style of GLNS. All the 110 respondents described the relationship to be a direct one. This means that as one variable increase, the other one will automatically increase. This result can be seen in Table 4.1.2 above

Table 4.1.3 The implications of this relationship

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid no implication	7	6.4	6.4	6.4
Improving the style of leadership will have an impact on the organizational strategy	38	34.5	34.5	40.9
Resources should be dedicated to enhancing the leadership style of GLNS	65	59.1	59.1	100.0
Total	110	100.0	100.0	

Source: Field Survey November, 2013

When asked to indicate the implications of the relationship that exist between leadership style and organisational strategy. 7 respondents representing 6.4 percent of the sample size stated that there were no implications, 38 respondents representing 34.5 percent of the total respondents stated that Enhancing leadership style will impact positively on the organizational strategy of GLNS, and the last 65 respondents representing

59.1 percent of the total sample size stated that Resources should be dedicated to improving the leadership style of GLNS. The result can be seen in Table 4.1.3

Table 4.1.4 The strength of this relationship

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strong	16	14.5	14.5	14.5
Very strong	20	18.2	18.2	32.7
extremely strong	74	67.3	67.3	100.0
Total	110	100.0	100.0	

Source: Field Survey November, 2013

Responses on the strength of the relationship existing between leadership style and organizational strategy as identified by respondents include strong, very strong, and extremely strong. 16 respondents representing 14.5 percent of the total respondents stated that the relationship is strong, 20 representing 18.2 percent of the total sample size indicated very strong and 74 respondents representing 67.3 percent of the total sample size indicated extremely strong. This result can be seen in Table 4.1.4.

Conclusion

The study found that there is a direct relationship between leadership style and organizational strategy. This means that choosing the right leadership style will influence the organizational strategy of GLNS positively. The company should therefore dedicate energies and resources into identifying the right leadership style that would be beneficial to the company.

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