

## Summary

# Perceived Leadership Effectiveness: Understanding the Role of Subordinate and Leader Related Characteristics

Ezgi Demirciođlu Nayır

Middle East Technical University

Aysu Gökçalp

Middle East Technical University

Reyhan Bilgiç

Middle East Technical University

Leadership can be defined as achieving organizational goals by influencing others (Salman et al., 2011). Different leadership styles (e.g., transformational, transactional leadership) have been presented to understand leadership effectiveness (Judge & Piccolo, 2004). Culture and gender has been presented as important dynamics in the formation of these leaders' behaviors (Dorfman et al., 2012; Eagly et al., 2003) and the cross-cultural generalizability of effectiveness has been discussed (Leong & Fischer, 2011). However, studies in eastern cultures are limited. Also, further investigation is needed on the role of leader gender, employee gender and education on perceived leadership effectiveness. Thus, the present study aims to understand this relationship in a Turkish sample.

Transformational leadership is associated with leaders who help their subordinates achieve their goals and develop their awareness of the group's mission (Bass, 1990). These leaders aim to increase organizational success by motivating subordinates and looking beyond their self-interests (Bass, 1997; Larsson & Vinberg, 2010; McCleskey, 2014). Bass (1985) presented four dimensions of transformational leadership. Idealized influence, or charisma, defines the trust and respect between leaders and subordinates; inspirational motivation includes encouraging subordinates to have a vision; intellectual stimulation includes care about follower intentions and encouragement of creativity; and individualized consideration includes caring about subordinates' needs and concerns (Bass, 1990). Transformational leaders are known as promoting trust and motivation among subordinates (Bass, 1985, 1997).

Transactional leaders, on the other hand, specify goals for their subordinates rather than helping them to achieve these (Bass, 1990, 1997). Three dimensions were presented for this leadership style (Bass, 1985). Contingent reward defines usage of reward and pun-

ishment to increase subordinates' performance; active management by exception includes observation and correction for errors; and lastly, passive management by exception defines exclusion of any active involvement in the management process (Bass, 1990). Especially, contingent reward and active management by exception was shown to be related to positive components like motivation (Zareen et al., 2014). Although both transformational and transactional leadership are positively associated with outcomes, some differences are expected for the effectiveness. Previously, Judge and Piccolo (2004) showed that transformational leadership has the highest predictive validity of effectiveness, followed by contingent reward. Thus, transformational leaders should be perceived as more effective than transactional leaders.

Besides these two, a non-western style, paternalistic leadership, is important to discuss here. Paternalistic leadership is the application of parent-child relations to the workplace (Aycan, 2006). These leaders protect their subordinates from critics and expect unquestioned loyalty, in return. It has three sub-dimensions (Chan et al., 2013; Erben & Güneşer, 2008; Wu et al., 2011). Benevolent leaders care about subordinates' well-being; authoritarian leaders want to control subordinates and expect unquestioned loyalty; and lastly, moral leaders give importance to respect and ethics (Aycan, 2006; Pellegrini & Scandura, 2008). Chan and his colleagues (2013) showed that benevolent leadership was positively related to performance; while authoritarian leadership was negatively related to it. Similar relationships were also reported for organizational citizenship behavior (OCB; Chan, 2014).

At this point, cultural differences are also important. Aycan (2006) mentioned the positive view of paternalistic leaders in eastern, but not in western cultures. Therefore, Turkey is a good place to test the perception of this leadership style. Previously, Aycan and Fikret-

Paşa (2003) showed that Turkish people prefer transformational leaders followed by paternalistic and transactional leaders. Thus, the usage of paternalistic, transformational and transactional leadership styles seems legit in the current study.

Among these three, transactional leaders are expected to be perceived less effectively than transformational leaders because of the dominance and control elements on it (Bass, 1985). Burton and Peachey (2009) supported this by showing that positive outcomes are more likely to be associated with transformational than transactional leaders. In addition, paternalistic leaders are expected to have lower effectiveness ratings than transformational leaders, since the perception of paternalistic leadership can be affected from within cultural differences. Yet, transformational leaders are evaluated as effective in many cultures (Dorfman et al., 2012). Therefore:

*Hypothesis 1.* Transformational leadership would be perceived as a more effective style than paternalistic leadership and transactional leadership.

Perceived effectiveness is also expected to change based on leaders' gender. Previously, researchers discussed negative experiences of women in leadership positions (Eagly & Karau, 2002; Garcia-Retamero & Lopez-Zafra, 2009; Rosette & Tost, 2010) and this was explained with the perceived incongruence between leader and gender roles (Eagly & Karau, 2002). Leadership is associated with agentic values including dominance and control which are mostly attributed to males and this brings a disadvantage for females who are generally associated with communal values like concern and sympathy. This idea was tested and supported by researchers including Garcia-Retamero and Lopez-Zafra (2009). The results showed that Spanish participants gave higher possibility of promotion and increase in salary for men than women. From a cultural perspective (Hofstede, 2003), Spanish culture is similar to Turkish culture in terms of masculinity/femininity, uncertainty avoidance and power distance. Thus, similar results are expected in the present study.

*Hypothesis 2.* Male leaders would have higher perceived effectiveness ratings than female leaders.

These ratings are also expected to show difference based on the leadership style. Some leadership styles are close to male roles; while some others are close to female roles (Appelbaum et al., 2013; Wolfram & Gratton, 2014). For instance, characteristics of paternalistic leaders can be associated with men; while characteristics of transformational leaders are generally associated with women (Appelbaum et al., 2013; Wolfram & Gratton, 2014). However, the interaction between leadership styles and leader gender in terms of perceived effectiveness has not

been widely investigated. Thus, the present study aimed to examine this idea with a research question.

*Research Question 1.* Is there an interaction between leadership style and leader gender in terms of perceived effectiveness?

Some employee related dynamics, specifically gender and education, are also important to investigate. Aycan (2001) discussed that although there is an increase in women in Turkish workforce, perceptions about gender roles still affects people's attitudes. This perception can also show difference based on the employees' gender. Garcia-Retamero and Lopez-Zafra (2009) supported this idea and showed that male participants perceived male leaders as more qualified for leadership positions than female leaders; however, no difference was reported for female participants. Similar relationships are expected in Turkey where women are still associated with family-related roles.

*Hypothesis 3.* There would be an interaction between leader gender and employee gender on leadership perception, such that; male participants will perceive male leaders as more effective than female participants.

The effectiveness perception of employees would also be investigated as a function of the interaction between gender and leadership style. Paris and her colleagues (2009) showed that females rate charisma as more important for effectiveness than males. However, because there are limited number of studies on this interactive effect, especially in Turkey, the results would be exploratory.

*Research Question 2.* Is there an interaction between leader gender and employee gender as a function of leadership style on perceived leader effectiveness?

Employees' education level can also be important in the effectiveness perception. Aycan and Fikret-Pasa (2000) previously discussed how young population has become more westernized in terms of their leadership preferences. Young and educated people expect to have a voice and to be respected in their work environments. Thus, they prefer leaders with these characteristics. Globalization and increased communication also makes the information flow easier (Craig & Douglas, 2006; Ladhari et al., 2015). The interaction between societies may bring westernization to eastern cultures. Thus, people who are not exposed to western values via different mechanisms (e.g., education) is expected to prefer different leadership styles than people who are possibly exposed to these values via education. Because education has not been widely investigated, a research question is presented.

*Research Question 3.* Is there an interaction between education level of employees and leadership styles in terms of perceived effectiveness?

## Method

### Participants and Procedure

Data were gathered from 112 employed participants in Turkey (66.1% men, 32.1% women,  $M_{age} = 36.4$ ,  $SD_{age} = 9.4$ ). Of the participants, 64.3% had bachelor's degree. They had been employed for an average of 152 months ( $SD = 112.08$ ). 42% ( $N = 47$ ) of the respondents had worked for women supervisors with approximately 20.06 months ( $SD = 51.72$ ).

Three different scenarios were created on three leadership styles and these scenarios reflect the main features of each leadership style. Prior to the main study, subject matter experts (i.e., I/O graduate students) evaluated scenarios and some minor changes were made. Also, a pilot study was conducted, and ten participants were asked to read each scenario and rate the leader, using the 10-item scale which was developed for this study. In addition, they were asked their idea about the most important feature of the scenarios. The options involved education, experience, gender and leadership features as important components and all participants reported leadership style as the most important feature. Leadership features were expected to be reported as the most important feature, because gender was manipulated as a between individual variable. This provided face validity to the related scenarios.

During the main study, participants were provided scenarios and after reading each scenario, they rated presented leaders based on their effectiveness. The sample was randomly assigned to one of the two conditions: one evaluated transformational, transactional and paternalistic "male" leaders, and the other evaluated transformational, transactional and paternalistic "female" leaders. Thus, each participant saw all leadership styles; however, the gender of the leader was a between participant variable. The gender was implied by possible middle-aged manager names in Turkey. Order of the scenarios was counter-balanced. At the end, a demographic form was presented to gather further information about age, education, gender, months spent at work, gender of the leader and month spent with women leaders. Ethics approval was obtained from the university's institutional review board.

### Measures

**Leadership Effectiveness Scale.** The scale was developed for the present study and consists of 10 items reflecting four leadership functions. Three items were used for performance (e.g., leadership features of this leader would contribute positively to my performance), two items for communication patterns (e.g., I would not have difficulties in communicating with this leader), two

items for feedback (e.g., I think feedback provided by this leader would affect me positively) and three items for preference (e.g., leadership features of this leader would be similar to the ideal leadership features). Responses were assessed on a 5-point scale ranging from "strongly disagree" to "strongly agree". The alpha reliability for effectiveness scale was .91 and item total correlations range between .48 and .83. This shows that the scale has internal validity. The scree plot and eigenvalues showed that the scale has a single factor and it explains 57.36% of the total variance.

## Results

A 3 (leadership style; transformational – transactional - paternalistic) x 2 (employee gender; male - female) x 2 (leader gender; male - female) mixed design analysis of variance was conducted to test the effect of employee gender and leader gender on the perceived effectiveness of different leadership styles. Mauchly's sphericity test indicated that the assumption of sphericity was not violated ( $\chi^2(2) = 3.31$ ,  $p = .19$ ), so further analyses were conducted. The results showed that the main effect of leadership type was statistically significant ( $F(2, 212) = 78.40$ ,  $p < .001$ ,  $\eta_p^2 = .43$ ). Post hoc tests using Sidak correction was conducted to test the first hypothesis. Post hoc analysis revealed that differences are significant for all three leadership styles ( $p < .01$ ). There was a significant difference between transformational leadership ( $M = 4.18$ ,  $SD = .55$ ) and transactional leadership ( $M = 2.89$ ,  $SD = .88$ ) and paternalistic leadership ( $M = 3.26$ ,  $SD = .81$ ). Also, transactional leadership was statistically different than paternalistic leadership. These results support Hypothesis 1.

The results testing Hypothesis 2, showed that the main effect of leader gender was not statistically significant ( $F(1, 106) = .08$ ,  $p > .05$ ,  $\eta_p^2 = .001$ ). Thus, in overall, having male or female leader did not affect the effectiveness ratings, showing Hypothesis 2 was not supported. For the last hypothesis, the results showed that there was not an interaction between participant gender and leader gender in terms of effectiveness perception ( $F(1, 106) = .02$ ,  $p > .05$ ,  $\eta_p^2 < .001$ ). Thus, effectiveness ratings of leaders were not affected by participant and leader gender interaction. Thus, Hypothesis 3 was not supported. Both hypotheses were also tested for all sub-dimensions and all the results were not significant.

Some explanatory analysis was also conducted based on the dimensions that scale was formed. Firstly, the results showed that items showed reliability to the corresponding scale (.75 for performance; .89 for preferred leadership; .60 for communication patterns and .65 for feedback). Later, explanatory analysis showed

that, transformational leadership was the most effective leadership in each dimension, as it was in the single factor analysis. Also, leader and employee education did not have any interaction in the prediction of effectiveness, as it was in the single factor analysis.

The first research question asked if there was an interaction between leadership style and leader gender in terms of perceived effectiveness. The results showed that the interaction between leader gender and leadership style was not statistically significant in overall effectiveness ratings ( $F(2, 212) = 1.1, p > .05, \eta_p^2 = .01$ ). However, when sub-dimensions were evaluated, a significant interaction was reported for communication patterns ( $F(2, 212) = 3.38, p < .05, \eta_p^2 = .03$ ). Male transactional leaders ( $M = 3.23, SD = .93$ ) were evaluated as having better communication patterns than female transactional leaders ( $M = 2.81, SD = .97$ ). The second research question asked if there was an interaction among leader gender, employee gender and leadership style. The results showed that this interaction was not statistically significant ( $F(2, 212) = .41, p > .05, \eta_p^2 = .004$ ). Perceived effectiveness was evaluated as a function of employees' education level, as for the third research question. Education level was recoded into two categories: less than a bachelor's degree (1) and bachelor's degree or higher (2). This was done to increase the number of participants in each category. The interaction between leadership style and education level was statistically significant ( $F(2, 214) = 3.24, p < .05, \eta_p^2 = .029$ ). Post hoc tests using Sidak correction was conducted for further evaluation. People in both education levels rated transformational leaders as more effective than paternalistic followed by transactional. The results showed that these two groups did not differ in their effectiveness ratings of transformational and paternalistic leaders ( $p > .05$ ). However, they differ in their effectiveness ratings of transactional leaders ( $t(107) = 3.05, p < .01$ ). Thus, people with lower education rated transactional leaders as more effective ( $M = 3.39, SD = .78$ ) than those with higher education ( $M = 2.77, SD = .87$ ).

## Discussion

Transformational leadership was rated as the most effective style followed by paternalistic and transactional leadership, supporting Hypothesis 1. This is expected because transformational leadership was associated with effectiveness more than other leadership styles (Judge & Piccola, 2004). As opposed to Hypothesis 2 and 3, perceived effectiveness did not show any interaction with employee and leader gender. Different explanations can be presented for this. Firstly, increased number of women in Turkish workforce may have changed the perception

of working women. Also, researchers have questioned the existence of role congruity (Paustian-Underdahl et al., 2014; Shahmandi et al., 2012). Therefore, the present study may support these arguments. Participants' education was also shown to be important in the prediction of perceived leadership effectiveness. People with less than a college degree tended to rate transactional leaders as more effective than people with a college degree or higher. This supports the findings that education was important for the perception of employees about their leaders (Çelik & Sünbül, 2008; Sezici, 2016).

Beyond these discussions, the present study has some limitations. Firstly, there are some methodological issues. People may not really attend leaders' gender, because this was treated as a between subject variable. In the future, researchers can treat gender as a within subject variable or can use video or image vignettes to have a more realistic manipulation. Secondly, there can be some other variables that affect the presented relationship. Future studies can examine these variables including employee type (i.e., white vs. blue collar) and different leadership styles (e.g., authoritarian leadership). Some features like supervisor satisfaction or generational differences can be important to focus on. Therefore, future studies can use satisfaction as a control variable or generational differences can be investigated in terms of their role in leadership effectiveness perception.

This study adds to the literature in many ways. First, there may be some differences in the perception of leader effectiveness based on education level. Thus, both practitioners and researchers should be cautious about the education level of employees while engaging in organizational research. Second, Turkish employees seem to perceive charismatic leaders as effective and transformational leaders seem to be effective across different cultures. Finally, communication pattern is an important dimension by itself. Thus, specific leadership dynamics should be discussed and evaluated by researchers for a better understanding.