

How Does Leadership Style of Female Entrepreneurs Affect Employee Behavior



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Abstract

The aim of this empirical research was to understand leadership styles of female entrepreneurs and their impact on employee behaviour, which in turn has direct bearing on enterprise performance. Managerial Behaviour Questionnaire (MEDS) was used to identify leadership styles of entrepreneurs and nine different instruments were used to measure various employee dimensions such as Organizational Role Stress (ORS), Role-Efficacy Score (RES), Stress Tolerance level (STL), Organizational Commitment (OC), Motivational Orientation (MO) and Conflict Management (CM). The study intended to answer the following questions: Which leadership style leads to high or low level of ORS, RES, STL, OC, MO & CM? Null hypothesis was generated and was verified by an investigation which was based on analysis and interpretation of data obtained through survey of 25 female entrepreneurs and 300 employees of their enterprises in Mumbai. In all 325 questionnaires were collected. The Study revealed that 40% of entrepreneurs depicted single leadership style whereas remaining 60% depicted combination of two leadership styles. When it came to the impact of leadership style of entrepreneur on employee behaviour, it was found that Organisational Role Stress (ORS) was lowest under Participative plus Nurturant (P+N) leadership, Depression was lowest under Task Oriented (TO) leadership, Anxiety was lowest under Task Oriented plus Bureaucratic (TO+B) leadership and Anger was lowest under Bureaucratic plus Personalized Relations (B+PR) leadership. Role Efficacy (RE) was found highest under Participative leadership, Organisational Commitment (OC) was found highest under Nurturant leadership, Motivational Orientation (MO) was found highest under TO leadership and collaborative approach to Conflict Management Style (CMS) was found highest under Authoritative plus Participative (A+P) leadership. Relevance of these combinations of leadership style and employee behaviour on enterprise performance is the output of this research as presented in the conclusions.

Keywords: Leadership Style, Dimensions, Employee Behaviour, Female Entrepreneur

Introduction

A female is often described as the better half of male. This description might not have tallied with the actual condition of female in India in the past, but today they have not only established themselves in jobs, but have also emerged as successful managers and professionals as males. They tend to have more of a desire to build than a desire to win (Debra Burrell). Their strengths lie in empowering teams and staff, encouraging openness and responding more quickly to calls for assistance. They are more tolerant of differences and so are more skilled at managing diversity, are able to identify problems quickly and more accurately. They are more accessible and better at defining job expectation and providing valuable feedback.

Breaking the stereotype image of a homemaker and a child bearer, today females are exploring and entering into new fields of economic participation. Four main reasons for females to pursue entrepreneurship as a career are economic gain, keeping oneself busy, fulfilment of one's ambition and wanting to become independent, amongst many others (Singh & Gupta, 1984), and pursue own interest (Singh 1985).

They have reached senior positions and have proved very successful as CEOs, managers and entrepreneurs amongst many more. This research is to find out how they are as leaders.

Aim of the Study

This study tends to identify which leadership styles does female entrepreneur has and how does it impact on the behaviour of their employees.

Methodology

In order to determine the effect of leadership style on employee behaviour, qualitative research method was used. Entrepreneurs were identified through reference mechanism with specific selection criteria such as:

1. Having employee strength of 90-100 in number,
2. Having investment of 1 - 1.5 crores, and
3. Having made some level of profit since last 5 years.

25 female entrepreneurs agreed to be part of the study and gave permission to interact with their employees. Employees were selected categorically into three groups.

1. 4 of managerial level,
2. 4 of supervisory level and
3. 4 of non-supervisory/ administrative level.

They were further selected on the bases of the following criteria:

1. Employees who had been with the organization since last 2 years and
2. Employees who had the status of permanent rather than short term, temporary employees in the organization.

Twelve randomly selected employees who directly reported to the entrepreneur were taken for the study. Each entrepreneur was given one instrument to administer, which was Managerial Behaviour Questionnaire (MBQ) by CN. Dafatar (2002). Each employee was given a set of nine instruments to administer. They were: Organisational Role Stress Scale developed by Pareek (1981), Role Efficacy Scale developed by Pareek (1981), Depression Scale developed by Zung (1979), Self Rating Anxiety Scale developed by Zung and Cavenar (1990), State-Trait Anger Scale developed by Spielberger (1981), Type-A-Behaviour Scale developed by Gmelch (1982), Organisational Commitment Scale developed by Khokhle (1997), Motivational Orientation Questionnaire developed by Rao (1987), and Conflict Resolution Scale developed by Thomas Kilmann (1974).

Analysis Findings

The data determined was statistically analysed by calculating mean and SD for each dimension under each leadership style. In order to test the difference between mean scores of all the leadership styles, ANOVA and was calculated. To study the effect of one dimension on the other, correlation was calculated.

On analyzing the instruments filled by the female entrepreneurs, eight leadership styles were identified. The highest was Task Oriented Leadership (TO) (16%), followed by Participative + Nurturant Task Leadership (P+NT) (12%), Task Oriented + Personalised Relations Leadership (TO + PR) (12%), Task Oriented + Bureaucratic Leadership (TO+B) (12%), Autocratic + Participative Leadership (A+P) (12%), Nurturant Leadership (N) (12%), Participative

Leadership (P) (12%) and Bureaucratic+ Personalised Relations Leadership (B+PR) (12%).

Data presented in Table below reveal the impact of leadership style on employee behaviour.

ORS was found highest among employees under TO+B leadership style and lowest among P+N leadership style. It can be seen that importance given to task along with bureaucratic approach towards employees increases inter role distance, role stagnation, role erosion, role overload, self-role distance, role ambiguity and role inadequacy which results into role expectation conflict and personal inadequacy among employees.

RE was found highest among P leadership style and lowest among TO+P leadership style. Keeping employees in confidence and involving them in organizational decisions increases role integration, proactivity, creativity, confrontation, centrality, influence, personal growth, inter-role linkage, helping relationships and superordination. But when the leader gives importance to task, efficacy decreases.

Depression was found highest among TO+B leadership style and lowest among TO leadership. When leader attaches more importance to task, procedures, rules and regulations, and gives almost none, or very little importance to the people, it increases depression. But when only task is given importance, depression decreases.

Anxiety was found highest among TO+P leadership and lowest among TO+B. Importance to task combined with people orientation, low preference for power, status and structure, providing supportive relationship, facilitating group decision making and group method of supervision, exhibiting a concern for high consensus based goals tends to increase apprehensiveness, fearfulness and tension among employees. But anxiety decreased when the leader attaches importance to task combined with procedures, rules and regulations and none, or very little importance to the people.

Anger was found highest among TO + P leadership and lowest among B+PR leadership. Giving importance to task and combining it with involvement of people in decision making might be the reason for anger. It is often a result of feeling that someone is treating you unfairly, or that someone is trying to take advantage of you, or you feel the threat of some kind of loss to yourself. These emotions can be continually unhealthy and destructive. But when the leader combines procedures, rules and regulations with personal relationship either with his superiors or with his subordinates and obliges others by doing personal favours; in turn expecting something in return from them, results into decrease in anger.

OC was found highest among N leadership and lowest among TO+B leadership. Affective, continuance and normative commitment, where employees identify with the organization based on cost and feelings of obligation to stay with the organization because it is the right thing to do. This increases when the leader emphasizes fatherly love, guidance, nurturance, growth for the subordinates and where he/she can love as well as punish for discipline,

punctuality, regularity, but above all emphasizes on welfare and growth of subordinates. But when the leader practices procedures, rules and regulations, and gives none, or very little importance to the people, the commitment level towards the organization decreases.

MO was found highest among TO leadership and lowest among P+NT leadership. It shows that giving importance to task increases the level of achievement, affiliation, aggression, extension, dependence and control among employees. But when the leader combines task, with fatherly love, guidance, nurturance and growth for the subordinates alongwith providing supportive relationship, facilitating group decision making and group method of

supervision, exhibiting concern for high consensus based goals, motivational level decreases.

As for managing conflict, avoiding approach was found highest among employees under P+NT leadership and lowest among B+PR leadership. Accommodating approach was found highest among A+P and lowest among B+PR leadership. Compromising approach was found highest among P leadership and lowest among TO+B leadership. Competing approach was found highest among TO+P and lowest among A+P leadership. Collaborating approach was found highest among A+P and lowest among TO+B leadership. It shows that leaders use different approaches to conflict according to their leadership style.

Table 1: Impact of Leadership Styles on Employee Behaviour Dimensions

Sr. No.	Variable	P+NT	TO+PR	TO	TO+B	A+P	N	P	B+PR
		Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean
a	Organization Role Stress(ORS)								
1	Inter Role Distance (IRD)	3.47	6.9	8.5886	10.2	3.375	4.1	5.1	7.22
2	Role Stagnation (RS)	4.47	5.6	6.2586	8.4	8.6	4	5.9	4.22
3	Role Expectation Conflict (REC)	3.6	5.5	3.089	3.4	1.6	2.9	4.6	2.6
4	Role Erosion (RE)	6.1	8	9.429	8.4	8.93	8.6	5.3	7.35
5	Role Overload (RO)	2.22	3.5	5.7586	5.6	0.6	3.2	3.7	4.72
6	Role Isolation (RI)	4.6	7	4.259	6.04	3.93	4.5	4.6	4.97
7	Personal Inadequacy (PI)	4.47	3.1	2.4286	2.4	5.6	2.9	4.3	4.1
8	Self-Role Distance (SRD)	3.35	4.9	3.4286	6	4.26	3.7	3.1	6.12
9	Role Ambiguity (RA)	2.47	4.8	1.5886	3.8	3.6	7.5	4	4.47
10	Resource Inadequacy (RI)	3.47	5.6	4.2586	3.4	3.6	4	3.8	4.97
11	TOTAL	38.226	54.9	49.09	57.28	43.422	45.4	44.4	50.746
b	Role Efficacy								
1	RES	27.85	24.4	31.23	27.6	30.26	27	32.3	24.88
2	REI (%)	79.744	73.992	85.38	79.33	79.783	78.33	87.164	74.796
c	Stress Tolerance Limit (SLT)								
1	Depression	28.412	34.86	25.0157	36.16	31.89	28.66	26.86	29.43
2	Anxiety	27.56	29.76	26.386	23.39	26.89	25.46	26.56	24.68
3	Anger – S	21	22.76	18.3586	18.06	19.56	20.16	19.06	18.81
4	Anger - T	30.67	30.26	30.67	25.06	28.87	25.86	26.16	22.06
5	Type of Behaviour	9.44	9.06	9.44	13.76	11.56	8.06	9.66	9.66
d	Organizational Commitment (OC)								
1	Affective Commitment	3.658	4.328	3.658	3.608	3.678	4.298	3.528	3.898
2	Normative Commitment	3.56	3.968	3.56	2.96	3.678	3.878	3.51	3.618
3	Continuance Commitment	2.838	3.448	2.838	2.468	3.968	3.26	2.828	2.948
4	TOTAL3	3.352	3.308	3.352	3.012	3.77	3.81	3.27	3.27
e	Motivational Orientation (MO)								
1	Achievement	18.42	20.18	22.56	21.91	18.71	21.48	19.28	21.704
2	Affiliation	15.91	19.08	20.56	19.08	14.91	17.58	17.78	18.83
3	Aggression	11.792	11.38	10.06	9.91	9.58	9.78	10.88	10.83
4	Extension	14.8	20.08	22.4	18.74	17.58	20.98	18.48	17.7
5	Dependence	14.8	18.88	23.2443	19.74	19.24	21.28	17.78	19.6
6	Control	13.784	18.48	21.094	19.58	18.58	19.88	17.28	16.204
7	Total4	89.51	108.28	119.851	108.96	98.602	110.98	101.48	104.82
f	Conflict Management Style								
1	Avoiding	5.328	3.78	4.0271	3.58	4.18	3.86	3.98	3.388
2	Accommodating	4.842	4.58	5.0271	3.98	6.18	3.978	5.28	3.828
3	Compromising	7.842	7.68	7.3571	6.68	9.438	6.828	9.98	7.228
4	Competing	4.402	5.98	4.5271	2.438	2.18	4.858	3.28	3.798
5	Collaborating	8.18	7.68	7.501	6.38	8.768	8.68	8.28	8.428

* The mean difference is significant at the .05 level

Conclusions and Implications

The results imply that female entrepreneurs need to give considerable weightage to their styles of functioning as it has serious implications when it comes to their employees. If this is not done then it can negatively affect the employees and influence their performance and productivity.

Most female entrepreneurs go for combination of leadership styles. No single leadership style showed significant impact on all the nine dimensions of employee behaviour. Each individual and combination of leadership styles brought out highs and lows in employee behaviour. This identifies towards adopting a combination of leadership styles to maximise benefits to the organization.

A mix of two styles can generate more role-efficacy, more commitment and more motivation towards the organization from the employees and will get them more engaged and enthusiastic about their work. Even in unstable times the combination leadership styles works best.

Moreover, since organizations today have internally become quite diverse in terms of employee skills and profiles, a combination of two styles will enable female leaders to engage everyone which ultimately will create more commitment and enthusiasm. A leader must adopt his/her leadership style like a golfer who chooses a club with a calculated assessment of the situation, the end goal and the best tool for the job.

Human Resource (HR) professionals need to work on reducing the role stress and stress tolerance limit of the employees as it negatively affects the role-efficacy, organizational commitment and motivational orientation of employees. Emphasis needs to be more on collaborative approach for resolving conflicts as it works as a motivational force and increases the commitment level. With the help of these findings HR professionals can understand how female leadership influence employees and affect the organisational climate and structure. Keeping this in mind suitable organizational development modules can be developed to strengthen employee behaviour for better performance.

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