

## THE CHOICE OF THE APPROPRIATE LEADERSHIP AND MANAGEMENT STYLE IN ORDER TO ENHANCE WORK PERFORMANCE OF EMPLOYEES

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### **Abstract:**

This article was created on the basis of a research task at College of Polytechnics Jihlava (VŠPJ) in the Czech Republic under the name "The Influence of Trust, Reputation and other Intangible Assets on Company Performance". Leadership of employees is a part of management. A leader has an innate ability to motivate employees to work willingly and with greater initiative. On the contrary, a manager is the person responsible for the organization and the achievement of organizational goals. The word "manager" expresses a position within the organizational hierarchy. The methods used for leadership/management of employees are based on the facts how the leaders use their authority and whether there is a woman or a man in the leading position. The leadership model from Vroom and Yetton is based on the quality of the decision and its acceptability. The newer version of the model is extended to the factor of time consumption, cost and staff development. There are five styles of leadership that are derived from the model of a decision tree.

*Key words: management style, decision making, autocratic style, group decision making, managerial grid theory*

## 1. WORKER LEADERSHIP

Worker leadership is not the same as management - they are not synonyms. It does not follow that every leader is a manager. Leaders are found not only in the management hierarchy, but also in informal work groups. Leadership relates to motivation, interpersonal behaviour and the process of communication. Leadership is part of management and it has to do with the ability to convince and getting workers to do things willingly, with enthusiasm and a purpose to achieve planned objectives. It is a human factor that cements a group together, motivates it and orients toward the given goal. The emphasis of leadership is placed on interpersonal relations in the wider context. It is often connected with willing and enthusiastic behaviour of workers. Leadership does not have to be a part of work, but an attribute that is instilled in work. It is not prescribed, but comes about spontaneously. Leadership may be seen above all by co-workers as a process of inspiration. Leadership can be based on the position of the role of leader or it can be the category of his behaviour. Good leadership, among other things, includes an effective process of delegation. Basically, it is a relationship in which one individual influences the behaviour of other people. It means that the process of leadership cannot be separated from the activities of groups and from effective team building, but on the contrary, good leadership assists in the development of team work and the interconnection of individual and group goals. Good leadership influences the strength of the organizational culture of the whole company's co-workers.

Managers are not always effective leaders. Organizations of all sizes are understandably trying to form those kinds of managers who are also leaders. The terms manager and leader are not the same, but they do have something in common. A manager is a person responsible for organizing and achieving the goals of the organization. This concept expresses the position which he holds in the given hierarchy. The leader is a person who has the ability to make people follow his way of fulfilment of the organizational goals, and this term expresses the attribute of the one who leads. The theory of a great personality is based on personal characteristics: Great leaders are endowed with characteristics that differentiate them from others and which are unchanging in time and space. These characteristics have the effect that other employees follow him. From practical experience and research we can characterize the concept of leader and leadership as follows:

- Leaders are persons endowed with a certain type of motivation (a need connected with a high degree of self-control). As managers, they are much more successful than others.
- Leaders differ from other employees (the lead) by typical characteristics such as self-confidence, sense of purpose, dominance
- Leaders who get huge respect, admiration and are constantly enthusiastic, are leaders who are charismatic and differ from other leaders.

As opposed to a leader, a manager performs his management activities, such as planning, organizing and deciding. These are tools without life, until the leader opens the foundations of motivation and leads to the fulfilment of the objective. Managers have a tendency to take an impersonal or passive approach towards co-workers and the goals of the organization, as opposed to the leader, who takes a much more personal and also more active approach to employees and objectives, and who in this manner increases the acceptance of the suggested solutions by the co-workers. Managers see themselves as regulators of an existing order of things, with which they identify and for which they get rewards. He is not interested, therefore, in communication, motivation, support and engagement.

The authority of a manager is the basic prerequisite for leading co-workers. Co-workers regard the authority of a superior as a certain seriousness, influence, which can have an informal or formal form. Formal authority is given by the standing in the organizational hierarchy, the legitimate assignment of influence, rights and responsibility. He is closer to managing co-workers, but informal authority is closer to leading people. Informal authority comes from the personality of an individual. This authority stems from the recognition of his abilities, behaviour and dealing with his inferiors. Both sides of authority should be balanced so that the carrier of authority influences his surroundings credibly and with assurance. A one-sided emphasis on formal or informal attributes of the authority leads not only to doubt and mistrust by co-workers regarding the lasting and legitimacy of the decisions made, but also to his own uncertainty about whether his decisions will be accepted and implemented. To strengthen authority, especially its informal elements, managers may be advised to: Improve their professional qualifications, to have a work ethic that serves as an example and especially a partnership relationship with his subordinates.

## 2. METHODS USED FOR THE ELECTION OF AN EFFECTIVE LEADERSHIP STYLE

The leadership style or management work represents the manager's activity, characterizes his decision procedures and elected methods of achieving the organization's set objectives. It is a manner of relationship between the manager and employees, which stems from the personal knowledge of the manager, his experience, authority and abilities to affect the internal and external neighbourhood, and to make use of his power in combination with his way of utilization of leading others. In the relationship of manager and his employees, he has the option to elect an approach, for example that he decides quite independently of the opinions of his employees or on the contrary, he partially or completely forms his final decision together with the employees. In most cases in practice we know that the manager has the opportunity of election of the manner of decision, to a certain degree, however, he is consciously or unconsciously influenced. A whole row of research and examples from practice in this area leans toward the opinion that the successful managers are those who manage to modify their management style depending on various situations, groups of workers, etc.

There exist several theories distinguishing particular styles of employee leadership. We shall focus on the following elections of successful leadership style:

### 2.1 Head Management taking advantage of the leader's authority.

In the past, some authorities explain the classification of management styles on the basis of leader authority utilization. There were three styles of leadership differentiated.

*A directive autocratic leader* gives orders and expects their performance. He is dominant, decisive and leads his subordinates on the basis of the possibility to grant or deny a reward or sanction. It is about the establishment of tasks, when all decisions are made without the connection of his subordinates. The manager does not try to create an environment of mutual trust. He monitors the activities of his subordinates tightly. He decides independently.

*A democratic leader*, that is to say a *participative* leader seeks advice from his subordinates about proposed activities and decisions, and inspires them to collaborate with him. This type includes leaders that do not do anything without the cooperation of their subordinates, and those who only consult their decisions with their subordinates.

*Liberal leaders* rarely use their power, and their subordinates are very independent in the realization of their activities. These leaders depend on their subordinates to set their own goals and means for their achievement.

### 2.2 Styles of Leadership Used by Men and Women

Women as managers use a different style of leadership than men. Women see leadership as the utilization of interpersonal skills and personal characteristics for the motivation of subordinates, changing the selfish interests of their followers (employees) into interest for the whole company. This "Interactive Leadership" includes the sharing of information and power, inspiring subordinates, and achieving the consciousness of the individual's importance.

Men on the other hand, mostly understand leadership as a sequence of certain transactions with their subordinates. They more often utilize inspection and authority tools for monitoring people. This does not mean that all successful women and successful men use established approaches. Some men use "Interactive Leadership" for leading their underlings and some women use the traditional system of command for managing their followers.

### 2.3 The Likert classification of four types of leadership is according to the level of collaboration and communication.

- *Direct Authoritative Style of Leadership* - The manager is an autocrat, who does not trust his subordinates, motivates them through doubts and penalties and extraordinarily through the

assistance of rewards, realizes only vertical communication from up to down and leaves decisions exclusively to headquarters.

- *Liberal Authoritative Style of Leadership* - The manager trusts his subordinates and depends on them. He uses rewards, punishment and worries about not performing objectives as motivation. They enable communication from down up, but the employees do not use it much. Sometimes they require the ideas and opinions of employees, and delegate some decisions, but at the same time they monitor them.
- *Consultive Leadership Style* - The manager basically trusts his subordinates, but not wholly. They try to use the ideas and opinions of their subordinates. For remuneration they use rewards, occasionally punishment and fellowship. The manager supports two-way communication. The basic decisions of strategic character are decided at the company headquarters, while particular ones are made at the highest level.
- *Group Participative* - The manager trusts his subordinates completely. He tries to gain their ideas and opinions and creatively utilizes them. According to the extent of co-participation and the involvement of groups in attaining goals, the manager provides economic rewards to the subordinates. The manager supports two-way communication and deals with employees as equal partners. Decision-making takes place at all levels of the organization. Managers communicate among themselves as well as subordinate groups.

According to Likert, managers who utilize the fourth leadership style attain the greatest success as leaders. Likert attributes the success of this style of leadership to the assertion and maintenance of a high degree of complicity by employees in management. Likert's classification can be considered as traditional, but over time it was supplemented by series of others. The following classification by the authors Vroom and Yetton extending Likert's classification deserves attention.

## 2.4 The Vroom and Yetton, Model of Successful Decision-making and Employee Leadership

Vroom and Yetton take into consideration two other factors that they believe influence the election of an appropriate decision-making style in a fundamental way. These factors are the *quality of decision-making and the acceptability of the decision* (i.e. the willingness of subordinates to implement the given decision by the manager) -- sometimes labelled as the Degree of Acceptability.

The model gives instructions for the rules the manager should use in the election of decision-making style and leadership, and which style increases the probability that the solution of the problem will be effective and successful. This model is most often used for the selection of that appropriate style of decision-making and leadership by the manager, that impacts more than the individual employee, i.e. influences the problems of the group, division, organization. It is also possible to use it for the problems of an individual.

The essence of the model for the solution of group problems and their leadership is the performance of a situational analysis of the problem that arose, supposed to be dealt with by the given group of employees.

The situational analysis of the given problem can be described by seven characteristics:

- *Solution Quality Requirement*, (Is the proposed solution the best from the viewpoint of quality?)
- *Sufficient Information for the Solution*, (Does the manager have sufficient information and professional experience to solve the problem in a manner of sufficient quality?)
- *Problem Structure*, (To what degree are the objectives, ways, criteria of evaluation known, and how easy or hard is it for the manager to attain the necessary information for its setting up?)
- *Importance of Employee Acceptability for Decision Implementation*, (What is at issue here is to what degree is the implementation of the decision dependent on the acceptance of subordinates?)
- *Co-Worker Acceptance* (What is the probability that employees will accept the given decision)
- *Co-Worker Objective Orientation* (What is the degree of engagement of subordinates in order that they accept the elected decision?)
- *Probability of Conflict Arousal between Co-Workers*, (Is there a probability that solution which co-workers prefer will lead to conflicts?).
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These seven rules give leaders sufficient opportunity to analyse the given problem and deduce the appropriate leadership style. A tool for the selection of this style is a decision tree (see example study) whose separate nodes depict the above characteristics. Each of these nodes is connected with a question of the relevant problem character to which the manager answers yes or no to. Each branch of the decision tree ends with an ending node, to which separate styles of leadership are assigned (AI, All, KI, KII, SII) which are characterized as follows:

*AI - Autocratic Style*

The manager solves the problem and the information he momentarily has at his disposal is enough

*All - Autocratic Style*

The manager gains additional necessary information from his employees, and then decides on his own how to solve the problem.

*KI - Consultation Style*

The manager consults individually with his employees about the solution of the problem. He considers every idea and decides on his own. He may or may not respect the proposals of employees.

*KII - Consultation Style*

The manager *arranges a meeting with the whole collective* of employees and consults with them regarding their ideas and proposals. Then he makes a decision on his own which may or may not respect what his subordinates said.

*SII – Group Decision-Making Style*

The leader discusses the problem with employees as a group (for example at the meeting of the department), everyone together considers the possibilities of its solution and with that they try to arrive at a *solution in common*. The leader takes the role of coordinator, who together with the group formulates and evaluates an alternative solution and tries to achieve agreement related to the solution manner. He contributes to the discussion with his opinions, but he does not force his solution upon the team. He is, however, prepared to *take responsibility for every decision*, on which the collective agrees and will decide upon.

The given model is suitable for group decision-making and the employee leadership. An important aspect of the decision process is the level of participation (participation, involvement) of other co-workers (members of the organization) in decision-making, where this participation and its level is usually considered as the influence of a certain subject on the results of a decision process stemming from his active participation in this process.

The level of participation depends on more factors, to which certain personal characteristics of the manager belong (some rather prefer an authoritative style, others a democratic style, connected with a higher level of participation), and in addition a certain inveterate style, traditional in management (also influenced by existence of certain standards). Personal characteristics of the members of the organizational unit will also play a role, because the manager cannot force them to participate against their will. An important value for the election of the appropriate participation is the nature of the problems being solved. A higher level of participation (group decision-making and the leading of a team preparation for decision-making) is suitable for deciding about problems where it is necessary to link the information, knowledge and opinions of several subjects. The level of employee participation in management has an important impact on certain aspects of the organization, to which especially belong the development of human potential, the harmonization of goals and satisfying the members of the organization, the time spent in solving the decision processes (time used up for their solution).

The development of human potential is greater in solving problems in a group (team), where the members of the group take upon themselves the necessary skills for a high-quality solution of their tasks. It is at the same time a constant process of learning, in the technical area or in communication skills. The organization expands its supply of talent in this way, on which it can then draw in a period of expansion or in a period when it reacts to threats and opportunities of the business environment.

The harmonization of the goals and the members of the organization relate mainly to the members of the group, where the group solution of its tasks makes possible the acquisition of habits and experience enabling proper interpersonal behaviour towards each other. Competitive relations tend to

bloom in the autocratic style of management, i.e. in the style that suppresses interactions with subordinates on the basis of equality. On the contrary, a higher level of participation, task solving and decision problems in the group supports cooperation of the members of the group and mutual collegial relations. Team work leads to the exchange of information, experience and skills. Just as the members of the team get to know the unique contribution of all to the problem solution, they learn to mutually trust and depend on each other. Research confirms that participation positively influences not only mutual relations of individuals, but also relations of the whole organization. The integration of individual goals and the goals of the organization leads to gain in loyalty to the organization. A higher level of participation increases the work satisfaction of employees, their morale, initiative, and positively influences their stance towards managers.

*Time spent for preparation and solution of tasks in the group* is substantially longer than in leading individuals and there is a negative impact on management. In general it is true that a higher level of participation in group deliberation prolongs problem solution. Individual meetings of the group must be prepared and certain foundations worked out. There is a time demand and even for individuals it represents certain costs necessary to sacrifice for achieving the benefits of participation.

## **2.5 The Benefits and Disadvantages of Group Task Solution**

Among the benefits are the following: Increase in the range of information and knowledge, combination of various approaches and skills related to information processing, extending the spectrum of problem solution approaches, better possibility of understanding of the problem, an increase in the acceptability of the given problem and stimulation of the effort by the members of the group. Taking advantage of a group task solution depends to a marked degree on the existence of a cooperative atmosphere in the group and relations among its members.

To the disadvantages of group decision-making belongs: Besides greater time demands of group task solutions the dominance of individuals where the leader is weak, the existence of group members with a different position in the management hierarchy, considering victory as argument, social pressures (concealing dissenting opinions and preferring consensus).

*A Coach Leadership Style* means providing individual advice to the employee, with the objective of expanding the decision powers which he is in his function supposed to perform. The employee has the opportunity to try solving problems on his own. The essence of this style of leadership is in the gradual preparation of various employees trained by an actual advisor (the leader). The objective of the leader is to teach the employees to better and more effectively solve their work tasks on their own. Before using coaching, the leader must analyse the situation and must decide in advance whether the coaching style is actually the most advantageous strategy in the given case, i.e. he has to be clear about: The areas in which the worker needs to develop, whether for the relevant worker this style of management promises success, and the assumptions of interpersonal relations for use of this style of leadership. A necessary prerequisite for success is the activity of the given worker, who takes over the responsibility for his own development. Another necessary prerequisite is mutual trust between the employee and the manager. Management can use the coaching style individually as well as in a group.

## **2.6 Criticism**

The majority of managers get into a situation in which they are not satisfied with the activities of employees and are forced to avail themselves of critique. The purpose of criticism is not to punish employees, but to warn them to improve the given status of their activity. It is necessary to make the critical requirement directly on the specific worker to whom the criticism is addressed. Criticism should not take place in front of co-workers. Criticism should not be about what the co-worker is like, but what he actually does badly, his specific offenses. In most cases, the employee takes a disapproving stance to criticism, which is why it is better to avoid this by allowing the employee to express himself about the issue of the said criticism. A manager should not criticize the criticized in his absence, and he should not criticize by telephone, e-mail or similar media.

### 3. SUMMARY

Leading workers is a part of management. The leader has a born ability to convince workers to work willingly and with greater initiative. A manager, on the other hand, is a person responsible for organizing and achieving the goals of the organization. The term Manager expresses the position he holds in the given hierarchy. The methods used for leading employees are based on classification from the point of view of how the leader uses his authority, of whether the leader is a woman or man. The Wroom or Yetton model of leadership is based on the quality of decision and its acceptance. The new version of the model has been expanded by penalty for time consumption, costs and employee development. Five styles of leadership exist, derived from a model in the form of a decision tree. Often used is the theory a manager's grid, for characterizing the election of the manager's leadership style. Criticism and checking belong to the authoritative style of leadership.

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