MODEL FOR LEADERSHIP STYLE EVALUATION

Jaroslav Gonos[*]
Peter Gallo[**]

In the business sector, it is very important to keep pace with changes, which are regularly encountered. The changes are also related to the professional leadership, which needs to ensure that employees do the required work and fulfill business objectives, while, at the other hand, their satisfaction and self-realization should be achieved, as well. In order to achieve these objectives, managers need to approach employees in a proper manner. The main idea of this paper is to present styles of leadership by providing theoretical and practical information and compare styles of leadership used by different business entities.

1. INTRODUCTION

In the challenging and constantly changing competitive environment, companies have to react flexibly to changing conditions. In particular, for management positions, they need to hire people who bring the greatest benefit to the company and can manage the company most effectively. Business performance is differently evaluated by each stakeholder: the owner expects return on the investment, employees expect a better quality of working life, the customers want to satisfy their demands for a product at a reasonable price, suppliers and financial institutions want the company to pay its obligations, etc. Managers, therefore, need to know how to effectively manage; they must select the appropriate style of leadership, but particularly make sure the enterprise

---

[*] Ing. Jaroslav Gonos, PhD., University of Prešov, Faculty of Management, Department of Economic Sciences and Economy,, Slovenská 67, 080 01 Prešov, Slovakia, Phone: +421-51-777 59 11, E-mail: jaroslavgonos@gmail.com

[**] Ing. Peter Gallo, Technical University in Kosice, Faculty of Mining, Ecology, Process Control and Geotechnology, Department of Business and Management, Park Komenského 19, 042 01 Kosice, Slovakia, Phone: +421-55-602 2929, E-mail: peter.gallo@tuke.sk

constantly improves its performance. It is appropriate to look for such a management process that allows linking corporate strategy to operational objectives, and the one that will also help to integrate continuous improvement of daily activities into the strategy.

2. METHODOLOGY AND THEORETICAL ASSUMPTIONS

Most definitions assume that leadership includes the process of social influence, which occurs in certain situations and moves towards achieving a specific goal or goals. The academic actors prefer critical assessment to empirical research and are skeptical about the practical applications. Practitioners, i.e. managers, on the contrary, require answers to the question of how to solve problems related to people and the ways of managing them.

2.1. Prerequisites for leadership

Many prerequisites could be listed, but to achieve clarity, they will be organized into four main areas:
1. Know yourself
2. Know the employees and understand them
3. Have knowledge and skills of using management methods and procedures
4. Display the behavior of a manager, which corresponds to the situation

This is a relationship between self-knowledge and leadership. This can be expressed as follows: it is difficult to successfully lead others without knowing oneself. *"Knowing oneself"* was, for the ancient Greek, the role of a lifetime. Today's managers make this challenging task seem easy– they complete one or more psychological tests and believe that they have done more than enough.

In terms of leadership, it is important to pay attention particularly to these elements of knowledge of oneself as a manager:

- One's own *value system*, since values generally express the preferences that are reflected in the decisions of each individual, including managers. They should possess integrity, which means that subordinates consider the manager to be a reliable person. Integrity also means taking responsibility for conducting one's own negotiations and reaching own decisions.
- One's own idea of what is the *appropriate behavior of a manager,* since some managers believe that people should be forced to work. Therefore,

they might use a prescriptive, autocratic style of leadership. Other managers believe that they should be sensitive and responsive to the needs of their employees and apply a more democratic style of leadership (Koontz, 1993).

Individual cases of management practice suggest perspectives on determining the style of leadership: the generic ones are two basic groups: the autocratic and the democratic style of leadership.

The autocratic style of leadership is characterized by the following features:
- subordinates do not participate in the decision-making process,
- all decisions are made without the agreement of the subordinates,
- managers rule *"with a heavy hand"*,
- managers are uncompromising,
- they refuse to explain they behavior,
- managers change subordinates' obligations, with a previous agreement,
- managers meticulously set the tasks and methods and do not leave the flexible space for the employees' decisions and initiative.

The democratic style of leadership is determined by the following features:
- subordinates are involved in the decision-making process,
- managers are constantly trying to obtain the consent of subordinates before implementing changes,
- managers assemble subordinates to discuss work-related problems,
- managers inform the group about relevant issues, progress, relationships with other groups and so on,
- managers explain their intentions and current situation,
- managers take time to listen to the group members,
- managers inquire about the feelings and ideas of the group members,
- critique of the own procedures are welcome,
- group members are encouraged to speak freely,
- subordinates are encouraged to produce their own ideas and express their own opinions,
- managers try to put into practice suggestions submitted by the subordinates,
- subordinates are allowed to work in a way they considers to be the best,
- interpersonal relationships within the group are encouraged and reinforced.

2.2. Leadership

Management and the ability to lead are often equated. It is true that the best performing managers tend to be effective leaders, as well as that leadership is one of the fundamental functions of management. However, management and leadership need to be distinguished in the following way:

- Management involves decision-making, planning, controlling, organizing, coordinating and giving jobs to people judged to be capable, or motivating them to perform better at work. These functions of management cannot be performed well, if the manager does not have the ability to lead people and does not know which human factors affect the achievement of the desired results.
- Leadership is a dynamic process of influencing people which, in certain organizational conditions, can have an effect on other members, with the aim of meeting the objectives of the group.

Leading people is of great importance and it is one of the most studied topics in this area. There are, therefore, numerous authors and theories that try to explain leadership. However, the best way to lead people cannot be clearly identified in practice.

This stems from the complexity of human activity, which is related to the complexity of human behavior. Manager is primarily a team leader, who knows management procedures and knows how to motivate people. In additions, managers should appreciate different individual abilities and skills, as well as make the most of their useful habits, as to guide their further career and qualifications' development (Bláha, 2005).

Necessary prerequisites of leadership are power and competence. These terms are also often used interchangeably and can be explained in the following way:

- Power is considered to be a broader concept than competence, i.e. it is the ability of individuals to change or influence the opinions or behavior of other members. There are various types of power, which may originate in a legitimate power, expertise, confidence, remuneration, etc.. One of the types of power is competence.
- Competence represents a right, arising from a formal position in the organizational structure, i.e. the right of the person holding a position to make decisions and influence subordinates. It is based on legitimate power (Antošová, 2011).

Figure 1. Relationship between authority and power
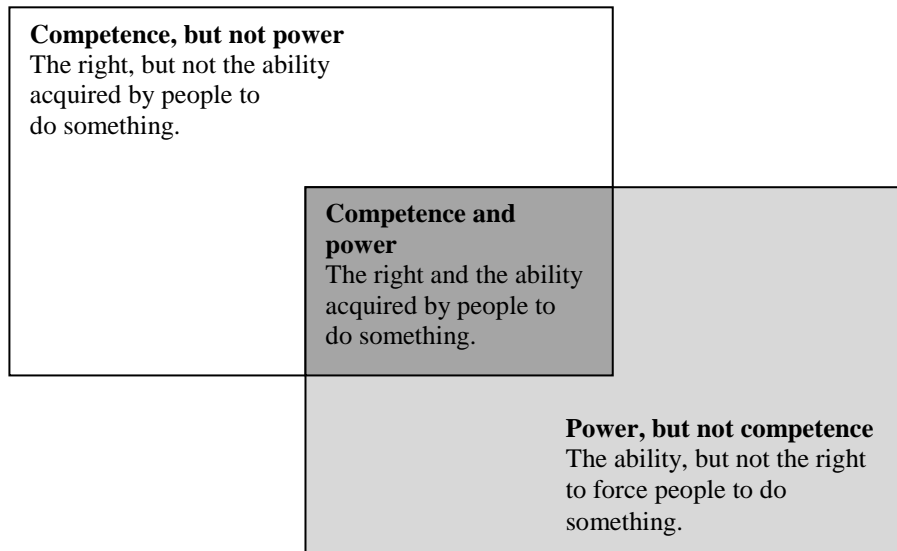
Source: Antošová (2011)

2.3. Styles of leadership

Approaches to leading people can be defined in several ways. In management theory, there are three fundamental approaches to defining effective leadership and explaining the influence to individuals (Bláha, Mateicius & Kaňáková, 2005):

- explaining leadership in terms of personal qualities and characteristics, i.e. the approach based on the characteristics of the leader, and respective character theories,
- analyzing how leaders use their influence, i.e. the approach centered on the behavior of the leader and related styles of behavior (style of leadership) and
- analyzing how leaders carry out their function according to situation in which he or she operates, i.e. the situational approach to leadership.

Three classical styles of leadership, based on the use of competence were first distinguished by Lewin. They can be defined similarly even today:

- The autocratic (authoritative) style– characterized by implementing the will of a leader, without taking into the consideration the opinion of subordinates. Leaders decide alone, give orders to subordinates and

expect them to carry them out, based on unilateral, top-down communication. In order to motivate, leaders use their position to decide on the appropriate remuneration.

- The democratic (participative) style - characterized by the two-way communication between the leader and the subordinates. Leader is a person with a friendly approach to subordinates. He or she discusses the proposed tasks and decisions, procedures, etc. Subordinates are consulted and their opinions carefully considered. In addition, the leader coordinates work, helps in performing duties and analyzes the achieved results with subordinates. Subordinates also participate in conducting evaluations and giving rewards.

- The liberal style – the leader only occasionally uses his or her power and assigns a significant level of freedom to subordinates, in order to perform their jobs. Leader relies on subordinates to individually determine the objectives of their activities, the means to achieve them, as well as the implementation process. The leader helps subordinates to obtain the necessary information and ensure contact with the external environment (Koontz, 1993).

These leadership styles are a simplified classification of leadership. In practice, there are usually no leaders who would conform to only one of the styles, but they rather tend to mix styles.
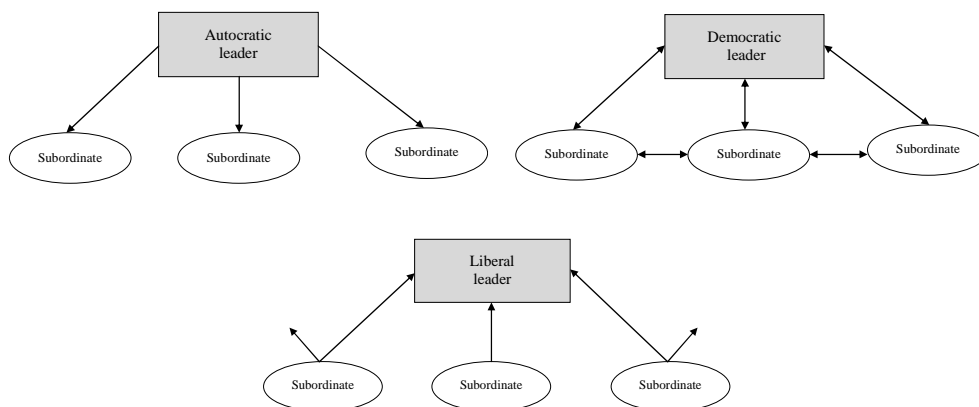

Figure 2. Leadership styles based on the use of power

Source: Antošová (2011)

Rensis Likert assumed that there were four styles of leadership, developed on the basis of a three-decade research on management styles. They are referred to as *systems* and defined as follows:

- *System 1 (exploitative - authoritative style of leadership)*: the leader is highly authoritative and does not trust the subordinates. Decisions are made exclusively at the top of the organization. Communication takes the form of top-down commands. Managers requires harsh discipline and are not interested in initiative and opinions of subordinates. Motivation is encouraged through fear and punishment, while rewards are rarely given.

- *System 2 (benevolent-authoritative style of leadership):* the authoritative element still dominates, although some decision-making is delegated. It allows downward communication, because the leader is interested in some ideas and opinions of subordinates, thus partially tolerates them. Although some responsibility is delegated, there is still a strict control. Motivation is based on rewards, but also on fear and punishment.

- *System 3 (consultative style of leadership):* the leader trusts the subordinates to a great extent, but not completely. He or she usually tries to use their thoughts and ideas. The top management has control over general policies and decisions, while specific decisions are delegated to lower organizational levels. Information flow both top-down, as well as bottom-up. Rewards and sometimes punishments are used to motivate subordinates.

- *System 4 (participative - group style of leadership):* the leader fully or almost fully trusts the subordinates. This is reflected in a more significant level participation in the decision-making processes. Lower organizational levels are given a more extensive autonomy. The two-way communication is promoted and is often used for the joint preparation of important decisions. Participation in joint activities, e.g. setting goals and fulfilling them, is also motivated by financial remuneration.

During his research, Likert concluded that managers, who are using the system 4, are the most successful ones., while organizations applying this system were most effective and achieved high productivity. Its success is based on maintaining a high level of employee's participation in management (Antošová, 2011).

2.4. Application of Likert's leadership styles

The purpose of this article is to apply the Likert's model of leadership styles in a generic way. The basis of the model is the specification of features of managers' characteristics and behavior, relevant for Liker's model. Figure 3 shows the model used to evaluate the leadership style in the analyzed companies.

Figure 3. Leadership styles (as defined by Rensis Likert)
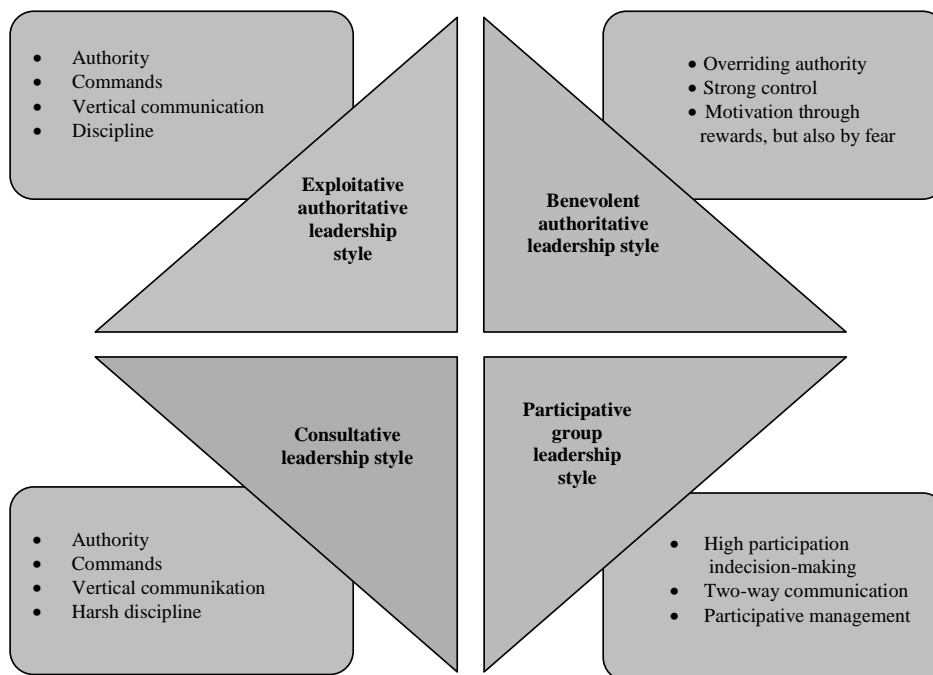
Note: All items (statements) are measures on the following scale: 5 - strongly agree; 4- agree; 3- neutral; 2- disagree; 1- strongly disagree.

The various definitions of relevant managers' characteristics/behavior were compiled, so that the resulting style of leadership can be identified. We singled out 20 characteristics, which were used in a model, applied to nine leading engineering companies in East Slovakia, as to provide a practical example. The items used for evaluation are presented by Table 1.

Table 1. Items used to identify the leadership style

1.	Manager's behavior is very authoritative; little trust is placed in subordinates.
2.	Decisions are carried out exclusively by the board of the organization.
3.	Communication in the company takes the form of clear orders from top to bottom.
4.	Initiatives from subordinates are not taken into consideration at all.
5.	Motivation using rewards hardly exists. There is only motivation stimulated by punishment.
6.	Some decision-making is delegated, but only at lower levels.
7.	The management of the company looks for ideas and initiative from the subordinates, allowing communication from bottom to the top.
8.	The power that has been delegated to lower levels is strictly controlled.
9.	Employees are motivated by rewards, but also by fear and the threat of punishment.
10.	Manager may express some confidence in subordinates, but the decision is reached at his discretion.
11.	Manager takes into account the ideas and insights from the subordinates and tries to use them.
12.	A strategic framework is set and basic decisions are carried out by the highest authorities of the organization.
13.	Specific decisions are delegated and carried out at lower organization levels.
14.	The company uses a two-way communication.
15.	Motivation is achieved mostly by using rewards.
16.	Manager expresses a high confidence in his subordinates or fully trusts them.
17.	Manager shows his/her confidence by allowing the greatest possible participation of lower organizational levels and providing them with extensive autonomy in the decision-making processes.
18.	The decision-making process is conducted after two-way communication.
19.	There is adequate communication between managers and subordinates.
20.	The economic incentives based on participation in a joint activity refer to the setting of targets and their achievement.

Source: Authors

Based on an empirical example, an evaluation can be completed, resulting in identification of a leadership style (based on Rensis Likert's framework), with individual managers' results presented by Table 2.

Table 2. Managers' opinion and its evaluation

| Questionnaire no.	Company evaluated									Total
	#1	#2	#3	#4	#5	#6	#7	#8	#9	
1	4	2	4	1	2	3	2	3	2	23
2	4	2	4	1	2	3	2	3	2	23
3	4	2	4	3	2	3	2	3	2	25
4	5	2	4	3	2	2	2	3	2	25
5	4	2	4	3	2	3	2	2	2	24
6	2	3	2	1	2	2	3	2	3	20
7	2	2	2	3	2	3	3	3	2	22
8	3	3	2	3	2	2	3	2	3	23
9	3	2	2	3	2	3	3	3	2	23
10	2	4	3	5	4	5	5	5	3	36
11	2	4	3	4	4	4	3	3	5	32
12	2	5	3	5	4	5	4	4	4	36
13	4	4	2	4	3	4	5	4	4	34
14	2	4	3	3	4	3	4	4	4	31
15	1	5	3	3	4	5	4	4	5	34
16	2	3	3	2	3	3	3	2	2	23
17	2	1	3	2	2	3	2	1	3	19
18	1	2	3	3	2	3	1	2	2	19
19	2	1	3	2	1	3	2	1	2	17
20	1	2	3	2	1	3	1	2	3	18

Source: Research results

Based on the total achieved score, the evaluation of the leadership style has been performed (see Table 3 and Figure 4).

Table 3. Evaluation of leadership style models

Leadership style	Score
Exploitative-authoritative leadership style	120
Benevolent-authoritative leadership style	88
Consultative leadership style	203
Participative-group leadership style	96

Source: Research results

Figure 4. Graphical representation of the findings

□ **Exploitative-authorative leadership style**
■ **Benevolent-authorative leadership style**
□ **Consultative leadership style**
□ **Participative-group leaderhsip style**
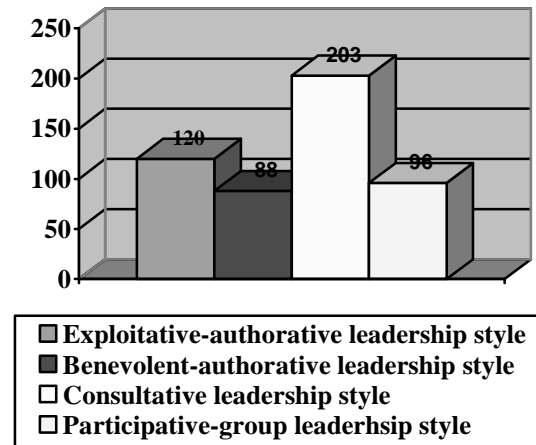
Source: Research results

3. CONCLUSION

The application of the presented model shows that, in the selected companies, the consultative leadership style prevails. These companies trust their subordinates, but confidence is not absolute. Most of the surveyed companies use opinions of their employees in the work processes. The analysis also shows that fundamental decisions are made mostly on the top management level. In the majority of surveyed companies, employees are motivated by using rewards. Most of the companies also use the possibility of punishment. It is up to the company to decide what style of leadership applies to its employees, but it is important that employees feel needed by the company and, thus, bring benefits to their organization and its stakeholders.

REFERENCES

1. Antošová, M. (2011): *Manažment v teórii a praxi,* TU v Košiciach, Fakulta BERG, Edičné pracovisko-dekanát, Košice
2. Bláha, J., Mateicius, A., Kaňáková, Z. (2005): *Personalistika pro male a střední firmy,* CP Books, a.s., Brno
3. Koontz, H., Weihrich, H. (1993): *Management,* Victoria Publishing, a.s., Praha

MODEL EVALUACIJE STILA VOĐENJA MENADŽERA

Sažetak

U poslovnom je sektoru vrlo značajno držati korak s promjenama, koje se redovito pojavljuju. Promjene se odnose i na menadžersko vođenje, koje treba osigurati da zaposlenici obave potrebne poslove i postignu poslovne ciljeve, dok se, s druge strane, trebaju osigurati i njihovo zadovoljstvo te samoaktualizacija. Kako bi se postigli ovi ciljevi, menadžeri se trebaju na adekvatan način ponašati prema zaposlenicima. Temeljna je odrednica ovog rada prezentacija stilova vođenja na temelju teorijskih i praktičnih informacija, kao i usporedba stilova vođenja na primjeru različitih poduzeća.