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The role of leadership for shaping organizational culture and building employee engagement in the Bulgarian gaming industry

Abstract

The purpose of this phenomenological study was to explore the impact of leadership styles on organizational culture and employee engagement, and gain understanding of how these conceptual variables influence organizational performance. Through in-depth interviews, the participants from three Bulgarian gaming enterprises revealed their perceptions of how their previous and current casino managers were able to form organizational culture and build employee engagement. The study revealed that the change of leadership led to significant changes in organizational culture and the level of employee engagement. The results showed that the visionary style creates the highest level of engagement while commanding and pacesetting styles create the lowest. The affiliative style revealed rather controversial influence; after a visionary leader, it had a negative impact on engagement, but after a commanding style, it had a positive effect. During the research, a flaw in the Goleman's leadership model was found. Therefore, in the last part of the paper, a new 3-D Leadership-Style Model (3-D LSM) for determining the predominant leadership style is proposed. It is a more structured model, based on the combination of a few existing theories of leadership, improved with two new leadership sub-styles.

Key words: leadership; organizational culture; employee engagement; chaos and complexity; Emotional Intelligence; Bulgaria

Introduction

The Bulgarian gaming industry is relatively young –its development began after 1989 during the post-totalitarian years of transition. At present there are about 20 full licensed live-game casinos and over 800 slot rooms (State Commision of Gambling, 2012, p. 22), mainly concentrated in the Black Sea coastal resorts and in the capital city of Sofia. They are all small and middle business enterprises with relatively flat organizational structures where nearly 85% of the casino personnel have direct contacts with customers. As service organizations their productivity is considered to be influenced to a large extent by the level of their employee engagement. The casino managers have many opportunities to put efforts into shaping organizational culture and influence positively employee engagement in order to gain the organization's operational and strategic goals.

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The present research explores the impact of leadership on forming organizational culture for achieving better employee engagement as important elements of the resource-based framework of the strategy execution. The main research objectives are orientated towards: 1) clarifying and defining the perceived predominant leadership styles, displayed by casino managers of the researched organizations; 2) identifying the presence of a change in the type of organizational culture; and 3) determining the level of employee engagement before and after the change of the leader. The existence of causality-effect relationships and determining the interrelations between variables as a result of the social interactions are also analyzed and discussed.

Literature review

Increasing the emphasis on role of organizational resources and capabilities was first presented by Wernerfelt (1984) but drew attention and was popularized in large part by Prahalad and Hamel (1990) and their view of core competences as a principal basis for developing company's strategy. Based on the idea that organizations are 'bundle of resources and capabilities' (Amit & Schoemaker, 1993), the resource-based view (RBV) of the firms (Barney, 1991; Barney, Wright & Ketchen, 2001; Wernerfelt, 1984; Prahalad & Hamel, 1990; Grant, 1991; Amit & Schoemaker, 1993; Wright, Dunford & Snell, 2001) provides an explanatory power for critical differences between organizations (in the same sector) and emphasizes the role of leaders in utilizing the assets their organizations possess. Such inside-out perspective, compared with the opposite market-based view, which emphasizes the industry position and is considered as an outside-in perspective (Porter, 1980), expresses the idea that the companies are not equally good at producing the same or similar products and it stems from the differences in their capabilities, formed by their tangible, intangible and human resources.

The meanings of 'effort' and 'engagement' in the working context have always been a point of focus for the HRM. Many HR managers have spent great time in thinking about how to engage workers. Storey, Ulrich, Welbourne and Wright (2009) state that 'these attempt(s) to win hearts and minds have long been core to HRM.' Individuals usually work in groups with other people such as co-workers, managers, or subordinates; hence their effectiveness and contribution depend to a large extent on the interaction with others. So created working environment influences how people feel and think, what they value and how they act. To this 'group-level construct' (Minkov, 2011) can be added some shared assumptions (taken for granted) and common values and beliefs. All those form the 'organizational culture' of the company (Schein, 1992).

Many authors focus on the importance of interrelations between leadership and culture in respect of change processes and their impact on organizational performance (Schein, 1992; Nahavandi, 1997; Hatch, 2000; Packard, 2009; Heskett, 2012). Hatch (2000, p. 259) believes that cultures exist "in continious dynamic flux" and their "leaders and the new ideas that they carry enter the dynamics of organizational culture in the forms of artifacts". Heskett, Jones, Loveman, Sasser and Schlesinger (1994) elaborated the link between the organizational characteristics influenced by leadership such as workplace and job design, employee selection and development, with profitability and revenue growth. Their 'service-profit chain' model established relationships between productivity, employee loyalty and satisfaction, customer loyalty, and profitability and growth. Leadership has been explored and analyzed by various scientists because of its importance for organizational performance (Howell & Avolio, 1993;

Heskett *et al.* 1994; Northhouse, 2009; Wang, Tsui & Xin, 2011). Understanding the core of leadership has changed with evolution of the theories while leadership competencies are still remaining the same.

The concept of leadership

The leadership is a complex concept and there is no one universal definition. 'The term leadership is a word taken from the common vocabulary and incorporated into the technical vocabulary of a scientific discipline without being precisely redefined', states Yukl (2002). Yet Stogdill (1974) stated that the definitions are almost as many as persons who work on this concept.

The first systematic attempts to study leadership were based on the assumption that leaders are born, not made. The 'Great Man' Theory (Carlyle, 1869; Galton, 1892) and the other '*Trait'* theories (Munson, 1921; Bowden, 1926; Bingham, 1927; Collins, 2005) placed emphasis mainly on mental qualities such as charisma, intelligence, decisiveness and dominance of leaders. A weakness of this approach is the difficulty to be explained why there are people who possess leadership qualities but are not leaders (Mann, 1959; Stogdill, 1974). Recent views of this approach focus on individual characteristics such as leadership skills and abilities which, in comparison to traits, can be learned and developed (Katz, 1955; Mumford, Zaccaro, Harding, Jacobs & Fleishman, 2000; Northouse, 2009). Mumford, Campion and Morgeson (2007), for example, developed a comprehensive skill-based model, called "The Leadership Skills Startaplex" which represens four categories of leadership skills – cognitive, interpersonal, business, and strategic – that, depending on managerial level, influence individual performance.

Behavioral approach shifted the focus from leader's traits to the leader's behavior. These theories draw on the premise that leader's behavior is more important than his/her physical, mental or social traits. In 1939, Kurt Lewin (1939) identified three leadership styles – autocratic, democratic and laissez-faire – that laid the foundation for the behaviorists. In the 1950s The University of Michigan represented a model with three types of leadership behavior that differentiates effective and ineffective leaders: 'task-oriented', 'relations-oriented' and participative leadership (Yukl, 2002). They correspond to some extent to the 'initiating structure' and 'consideration behavior', developed by Ohio State University during the same time (Stogdill, 1974). In 1961, David McClelland in his 'Need theory' distinguished three leadership styles based on three types of motivation: 'need for power', 'need for affiliation' and 'need for achievement'.

Contingency approach does not reject the trait and behavioral theories but put them in the context of situational factors. It assumes that there is no one universal leadership style and the leader should be flexible and his/her style would depend on the situational circumstances. The 'Contingency Theory of Leader Effectiveness' by Fred Fiedler (1967) assumes that leaders do not change their style, they just modify the situations to their advantage. 'The Path-goal Theory of Leadership Effectiveness', developed by Evans (1970) and House (1971), is orientated toward motivation and tries to explain how employee's satisfaction and performance is influenced by the behavior of their leader. 'The Hersey-Blanchard Situational Leadership Model' (Hersey & Blanchard, 1969) proposes that the leader must consider the maturity level of the followers and undertake the appropriate leadership style that fits this level. The 'Leader-Member Exchange' (LMX) theory assumes that the leaders do not treat all followers in the same manner and it influences their behavior (Graen & Cashman, 1975).

Burns (1978) expresses the idea of transformational leadership through leader's ability to articulate clear and compelling vision that would inspire followers and increase their motivation and moral values. Almost a decade later, Bass (1985) considered that most of the previously developed theories in leadership are transactional. According to him, transformational leaders draw largely on four aspects: inspiration, charisma, intellectual stimulation and consideration.

At the beginning of the 20th century a new school of thinking has been looking to identify the different types of human intelligence and provide principles for effective management in organizations and different social situations. In 1920 Edward Thorndike (p. 228) distinguishes three types of intelligence: mechanical, social and abstract intelligences. The social intelligence he describes as 'the ability to understand and manage men and women, boys and girls – to act wisely in human relations'. Seventy years later, Salovey and Mayer (1990) announced a framework for Emotional Intelligence Theory and defined the term 'Emotional Intelligence' (EI) as 'the ability to perceive emotion, integrate emotion to facilitate thought, understand emotions, and to regulate emotions to promote personal growth' (Mayer & Salovey, 1997, p. 10). Goleman (1995) popularized broadly the topic of emotional intelligence, linking it with leadership effectiveness and workplace, and defined it as 'a learned capability based on emotional intelligence that result in outstanding performance at work' (Goleman, 2001, p. 27).

A key concept of leadership underlying the present study is the Goleman's (2000) *six-leadership-style framework* comprising the following styles: coaching, affiliative, democratic, pacesetting, coercive and authoritative. Goleman recommends using at least four of these styles depending on the situation much like a 'golf pro' who automatically chooses clubs from his/her bag, based on the demands of the shot. In their later research, Goleman, Boyatzis and McKee (2002) refined these styles and replaced coercive and authoritative styles with commanding and visionary. Furthermore, Goleman *et al.* (2002) divide these leadership styles into two groups: dissonant styles, encompassing pacesetting and commanding leadership styles; and resonant styles, involving the other four types. The 'dissonance' and 'resonance' are considered as two opposite ends of the emotional intelligent leadership continuum where each pole has two dimensions: 'emotional tone' and 'empathic synchrony'. Goleman *et al.* (2002) believe that leaders using dissonant styles dispirit subordinates and burn them out by creating toxic working climate. In contrast, resonant leadership styles, if appropriately projected, reinforce enthusiasm and energy and commit employees to the organization.

Dynamics of culture

Exploring culture, the scientists differentiate two fundamental concepts (Smircich, 1983; Cameron & Ettington, 1988). Anthropological foundation assumes that an organization is culture and treats it as a dependent variable in sociological studies. Conversely, the sociological foundation supposes that organizations have cultures and treats them as an independent variable. Each of these two concepts uses a different approach toward cultures: 'functional approach' where the collective behavior creates the culture; and 'semiotic approach,' where 'culture resides in the individual cognitions and interpretations' (Cameron & Ettington, 1988).

The concept of culture as developed in anthropology presupposes that the culture is metaphor and can describe organizations as 'learning', 'lean', 'cluster', or 'virtual', etc. Yet Goffman (1959) perceives

organizations as 'theatres'' of human official and unofficial actions, Ricoeur (1973) – as 'text' (symbolic document) that can be interpreted and translated implying different meanings. Morgan (1986) depicts organizations as 'machines', 'brains', 'organisms', 'political systems', 'cultures', or even 'psychic prison' or 'instrument for domination'. He obtained these organizational metaphors on the bases of previously developed Burrell's (1979) two-dimensional model where sociological theories are divided into four distinct paradigm clusters, labeled 'radical humanist', 'radical structuralist', 'interpretive', and 'functionalist'. Morgan (1980) connected the paradigms with the metaphors, as 'radical humanist' paradigm with 'psychic prison' or organizations as 'instruments for domination' with 'radical structuralist' paradigm.

Similar model for understanding organizations within anthropological foundation was developed by Bolman and Deal (1997). The authors suggested a four-quadrant framework comprised of different angles of view of the same situation: the structural, the human resources, the political and the symbolic frames. They encourage leaders to abandon a limited narrow perspective and use various frames to look at the problems or situations.

Many other authors have attempted to develop frameworks of important dimensions of organizational culture within the sociological foundation. Deal and Kennedy (1982) defined two main factors that determine the type of culture: the risk level and the speed of feedback. Handy (1984) developed a model of four types of cultures, based on the source of power. By integrating the concept of organizational culture with marketing function, Arnold and Capella (1985) propose another two-dimensional matrix, based on the strength of culture (strong/weak) and direction of its focus (open/closed). Trompenaars and Hampden-Turner (1997) differentiate two other cultural dimensions – person/task-oriented and centralized/decentralized structure. Another two-dimensional model, derived from the group dynamics, was presented by Goffee and Jones (1996), suggesting a combination between sociability and solidarity in organizations.

National cultural values have also an essential impact in the context of workplace. Hofstede (1980) discovered four work-related differences – power-distance, uncertainty avoidance, individualism/collectivism and masculinity/femininity. Later Hofstede (1991) added one more dimension the originally found by his colleague Michael Bond – so called 'Confucian Dynamism' or long- versus short-term orientation, that helped him to predict China's economic success (Hofstede & Minkov, 2010). The difference between national and organizational cultures Hofstede, Hofstede and Minkov (2010) explain on the base of different mix of values and practices. The former is acquired during our life in the family as children and in the school, while the latter is acquired when entering in organizations.

Trying to determine the structure of culture, Schein (1992) defines three sources from which organizational culture stems: (1) the values, believes and assumptions of the founders; (2) the knowledge acquired during the development of an organization; (3) the values, believes and assumptions brought in by the new leaders and members. He considered that such formed organizational culture exists on three cognitive levels, resembling an iceberg. Instead of the Schein's 'iceberg', Johnson, Scholes and Whittington (2005) suggest four-layer organizational structure which resembles an 'onion'. Trying to bring the culture into alignment with strategy, the authors propose the concept of 'The Cultural WEB' for mapping organizational culture. It is a presentation of the taken-for-granted assumptions and behaviors which are decomposed into six elements: stories, symbols, rituals and routines, control systems, power structures and organizational structures, which constitute the organizational culture.

A key concept of the organizational culture underlying the present study is the 'Competing Values Model' developed by Cameron and Ettington (1988). The model is consistent with the one previously developed by Quinn and Rohrbaugh's (1983) schema for criteria of organizational effectiveness and Quinn and Cameron's (1983) model for organizational life cycles. By statistical analysis of the thirty-nine key indicators, proposed by Campbell, Bownas, Peterson and Dunnette (1974), the authors derived two major dimensions, which constitute the foundations of their later called 'Competing Values Framework' (Cameron & Quinn, 2011), consisting of four primary cultural types: the "Clan" ('Collaborate') culture creates similar to a family-type organization, while the "Adhocracy" ('Create') culture is primarily focused on fostering entrepreneurship, creativity and vision. The "Hierarchy" ('Control') culture is characterized by standardized rules and procedures, control and accountability mechanisms, where the focus is on cutting costs and optimizing processes. The "Market" ('Compete') culture usually operates similar to a market where core values are competitiveness and productivity On the base of this framework Cameron developed in 1985 The 'Organizational Culture Assessment Instrument' (OCAI) for diagnosing organizational culture. The instrument assesses six dimensions of how organizations work and their cultural values. As one of the most widely used nowadays, the tool was used for examining the cultures in the present research.

The construct of employee engagement

From the middle of the 20th century onwards employee engagement gradually has been attracted increased interest, along with employee motivation, satisfaction and commitment. Saks (2006, p. 602) distinguished it as 'a unique construct that consists of cognitive, emotional and behavioral components that are associated with individual role performance'.

Kahn (1990, p. 694) theorized work-related engagement as 'the harnessing of organization members' selves to their work roles; in engagement people employ and express themselves physically, cognitively and emotionally during role performances'. He recognized two critical components of engagement: 'attention', which is the amount of time that someone spends thinking about a specific role; and 'absorption' in a role, which is 'the intensity of one's focus on a role'.

Maslach and Leiter (1997) considered burnout as an opposite state and erosion of engagement. They contrast energy, involvement and efficacy against exhaustion, cynicism and ineffectiveness, which they defined as the three burnout dimensions. In the later research, Schaufeli, Bakker and Salanova (2006) define engagement as a positive work-related state of fulfilment that is characterized by: 'vigor', which is putting into work high levels of energy and willingness to invest efforts; 'dedication', by feeling enthusiastic, proud, inspired, and challenged by one's job; and 'absorption', which is feeling of 'pleasant state of total immersion in one's work, which is characterized by time passing quickly and being unable to detach oneself from the job' (see also Maslach, Schaufeli & Leiter, 2001). Based on these three constituting dimensions, Schaufeli and Bakker (2003) developed a self-report questionnaire to measure employee engagement, called Utrecht Work Engagement Scale (UWES).

Another research, conducted by Shirom (2003), recognized the employee engagement as a positive work-related psychological state and described it as vigor, energy and enthusiasm, which are feelings of strength and emotional energy in the workplace. Storey *et al.* (2009, p. 128) consider that engagement

can be defined as 'a set of positive attitudes and behaviors enabling high job performance of a kind which is in tune with the organization's mission'. Aamodt (2010) believes that engagement is how hard the employees work and how long they will stay in the organization as a result of their commitment.

Ulrich and Brockbank (2005) developed an instrument for measuring the employee contribution, called 'VOI2C2E', which defines seven elements that increase employee engagement: vision, opportunity, incentive, impact, community, communication, and experimentation. They assert that employees who give value to the company will receive in return the value that most matter to them. Thomas (2009) introduced a framework of four intrinsic rewards that drive employee engagement. According to him, work opportunities are expressed by senses of choice and meaningfulness, while the activity performance and attainment of the purpose are feelings of accomplishment and expressed by senses of competence and of progress.

Gallup Organization (2006) conducted their own research on engagement by separating employees into three types: engaged, not-engaged and disengaged. Radcliffe (2010), based on the classification of Senge (1990) about the possible attitudes toward vision, developed, in comparison to Gallup's, a more accurate six-level scale of engagement: committed, enrolled, willing compliance, grudging compliance, apathy and resistance.

There is also criticism of the engagement. Newman, Joseph and Hulin (2010) suggest that there is overlap and redundancy between engagement and other job attitudes such as satisfaction, commitment and involvement, which the authors combine in so called 'A-factor.' The lack of consistent definition and measurement also brings to the distinction between perceiving the engagement as a 'state' (Schaufeli & Bakker, 2003) and 'psychological state with behavioral expression' (Kahn, 1990).

Chaos and complexity in organizations

The concept of order and chaos, self-organization and emergency reveals a different perspective for understanding organizations. Recent findings in the chaos and complexity in natural sciences gives the scholars the opportunity to look deeper into the social systems which Parker and Stacey (1994) define as 'a revolution for both the natural and social sciences'. Cartwright (1991, p. 45) defines chaos as 'order without predictability' where organizations as social systems can be well understood and described but 'yet are fundamentally unpredictable'. The chaos theory recognizes organizations as dynamic nonlinear systems where 'a simple set of deterministic relationships can produce patterned yet unpredictable outcomes' (Levy, 1994, p. 168). In contrast with linearity, where each cause has one and only one effect, nonlinearity was vividly depicted by Lorenz (1963) as 'The Butterfly Effect'. Nonlinearity is inherent characteristic of the chaotic systems where small variations can create large fluctuations in the long-term behavior of the system (Gleick, 1987). Nonlinearity causes many organizations to pursue the state of 'sustained disequilibrium' and cope with environmental volatility accepting flux as a normal condition by adopting 'double-loop' learning system and 'positive feedback' approach; some other companies prefer to adhere to 'stable equilibrium' in their structure and behavior, adopting 'negative feedback' processes with a 'single-loop' learning system (Parker & Stacey, 1994).

Brown and Eisenhardt (1998) define the limits of the Chaos Continuum where organizations can exist between two extreme edges. At the state of 'too little structure' ('explosive instability') the chaos can uncontrollably dominate without predictability or order, but nevertheless, still can display a hidden pattern. At the opposite edge are organizations with 'too much structure' (the state of 'stable equilibrium') where reign 'detailed plans, rules and procedures for everything and a pride in keeping to them'. In the middle of continuum, called 'Edge of chaos' (or 'bounded instability'), chaos can be put under control by 'balanced improvisation'. At this area between order and chaos, the complexity of the environment reaches its peak and produces the most complex evolving structures in adaptive systems (Lewin, 1992; Kauffman, 1995).

Complexity theory lacks of such strict rules as the Chaos theory and explores the evolution of non-linear systems over the time, comparing them with biological systems and even markets. Cilliers (2004) characterize complex systems as usually open systems, operating under conditions far from equilibrium and consisting of a large number of elements with rich non-linear interactions, which are ignorant of the behavior of the whole system. These interactions have fairly short range, for example in organizations they are constrained by hierarchical levels. An important characteristic of the complex systems is their adaptability. Pascale (1999) asserts that the complex adaptive systems, if came to equilibrium state, can face a serious risk as the equilibrium is a precursor to death.

To summarize, all described concepts and frameworks direct their attention to different characteristics of organizational life. The aim of the present study is to explore the interrelationships between leadership, culture and engagement. The Chaos theory will help with a view of the picture in its aggregation, revealing how the combination between chaos and order, created by the leadership, would influence employee engagement resulting in changes in organizational performance.

Methodology

For attaining the purpose of the study fifteen employees from three gaming companies were examined. All the enterprises were located in tourist resorts on the Bulgarian Black-sea coast and have faced change in their leadership within two years preceding the research. The study investigated two states in each company – the state before and the state after the change in leadership. The participants revealed their perceptions through in-depth interviews of how their previous and current casino managers were able to form organizational culture and build employee engagement. Each interview comprised three sections where different research instruments were applied to each in order to examine the differences of the variables.

A convenience sampling was chosen because two of the researched organizations work seasonally about 6 months during the summer. They were closed at the time of conducting the research and, in order to keep the study within the resource constraints, predominantly were interviewed those employees, who live in the region at that time. As the researched population was found to be homogeneous, such sampling technique is admissible and does not decrease the validity and reliability of the research.

Interpretivism as a research philosophy was selected 'to explore the subjective meanings [that] motivating the actions of social actors in order for the researcher to be able to understand these actions' (Saunders,

Lewis & Thornhil, 2009, p. 111). The view of the researchers was to understand and explain the social world primarily 'from the point of view of the actors directly involved in the social process' (Burrell & Morgan, 1979: 254) and , therefore, semi-structured interviews were used as a primary data collection method. This type of interviews is the most common used in social research and provides the researchers with opportunity to explore interviewees' perceptions in the key themes. Each interview comprised three sections where different research instruments were applied to:

Section 1 was an open-question interview which pursuit the answers to four main questions:

• Question 1 was designed to discover the dominant leadership style displayed by the former and present casino managers and classifying them according to the Goleman's leadership-style framework;

• Question 2 sought to identify the perceived levels of engagement by quantifying them as a number of 100. This was later compared with the empirical result from the UWES questionnaire;

• Question 3 gained information for the organizational culture as metaphor, using the 'Anthropological foundation' for assessing culture. The Morgan's framework was applied and the change in organizational culture, identified by 'Organizational Culture Assessment Instrument' (OCAI);

• Question 4 explored the degree to which culture and leadership style independently influenced engagement. Respondents were asked to quantify the strength of the two different sources that impact engagement as a per cent of 100. The aim of this question was to identify the perception to what extent each factor influence engagement.

Section 2 dealt with the type of organizational culture using 'Organizational Culture Assessment Instrument' (OCAI), developed by Cameron in 1985. The instrument assesses the culture within 'sociological foundation' and consists of six items, where each one offered four alternatives. Depending on the degree to which each alternative is perceived to be valid for the particular organization, 100 points should be distributed among these four alternatives. Each item must be assessed twice in terms of the previous and current organizational culture. The strong validity of the instrument is confirmed by numerous research studies (Cameron & Quinn, 2011, Appendix A).

Level of engagement using the short version of 'Utrecht Work Engagement Scale' (UWES-9) developed by Schaufeli *et al.* (2006) was measured in Section 3. The respondents were asked to answer this short version of UWES to measure their engagement level during the tenure of the different casino managers. A 7-point Likert scale measured each answer. The strong construct validity of UWES and its three constituting factors are confirmed by the research of Storm and Rothmann (2003), Shimazu, Schaufeli, Kosugi, Suzuki, Nashiwa, Kato *et al.* (2008), Seppälä, Mauno, Feldt, Hakanen, Kinnunen, Tolvanen *et al.* (2009) and other scholars.

A summary of the research instruments and the researched variables are presented in Table 1.

The approach of this research combines metaphorical and quantitative studies (Cameron & Ettington, 1988) by using different research instruments and assumes that culture is, both, dependent and independent variable. The investigated relationships were considered as unidirectional causal ones despite the fact that there is undoubtedly a reciprocal causality. The main reason for undertaking such assumption is the fact that the effects on engagement and culture are examined as an exact consequence of the change in leadership, but not in reverse. Eventually, this assumption appears to impose a limitation and threats the internal validity of the study.

Table 1
The interview structure with dependent and independent variables

Independent measures (Predictor)		
Instrument	**Variables**	**Scale**
Section 1 Open-question Interview	Leadership style	Pacesetting
		Commanding
		Affiliative
		Coaching
		Visionary
		Democratic
	Perceived level of engagement	Numerical scale from 1 to 100
	Cultural metaphor	Machine
		Brain
		Organism
		Political system
		Culture
		Psychic prison
		Instrument for domination
	Impact on individual engagement	Leadership
		Culture

Intervening conceptual variable		
Instrument	**Variable**	**Scale**
Section 2 Organizational culture assessment instrument (OCAI)	Organizational culture	Collaborate ('*Clan*')
		Create ('*Adhocracy*')
		Control ('*Hierarchy*')
		Compete ('*Market*')

Dependent measures (Criterion)		
Instrument	**Variable**	**Sub-scales**
Section 3 Utrecht work engagement scale (UWES-9)	Employee engagement	Vigor
		Dedication
		Absorption

Findings

This section contains the results of conducting the interviews. The perceived predominant leadership styles, the types of culture and related with it organizational metaphor, and the levels of employee engagement were examined and the data was analyzed and summarized in Table 2.

The first question of the interview asked the respondents to define the perceived predominant leadership style of the previous and current casino managers. Only for two of the all six managers the typical leadership style was defined more clearly by their subordinates. The others perceived mixed styles, but

still with predominant one. In the all three casinos was observed change in the personal leadership of the new managers. The findings are summarized in Column 1 of Table 2.

Question two of the first section identified the self-reported engagement level and was designed to answer how employees perceived their own engagement level during the management of previous and current casino manager (Column 5, Table 2). The higher percentage shows higher level of engagement in work. These levels are later compared to the measured by the UWES-9 instrument.

Question three sought to identify the type of organization described with metaphors according to Morgan's (2006) model. All seven metaphors were used by the respondents and different views were observed. The predominant types are shown in Column 2 of Table 2.

Question four identified the distribution of engagement according to two main drivers – organizational culture and leadership style. Other important drivers as salary, job design, organizational supportiveness, etc., were assigned to culture. The results are presented in Column 6 of Table 2.

Figure 1
Types of Organizational culture
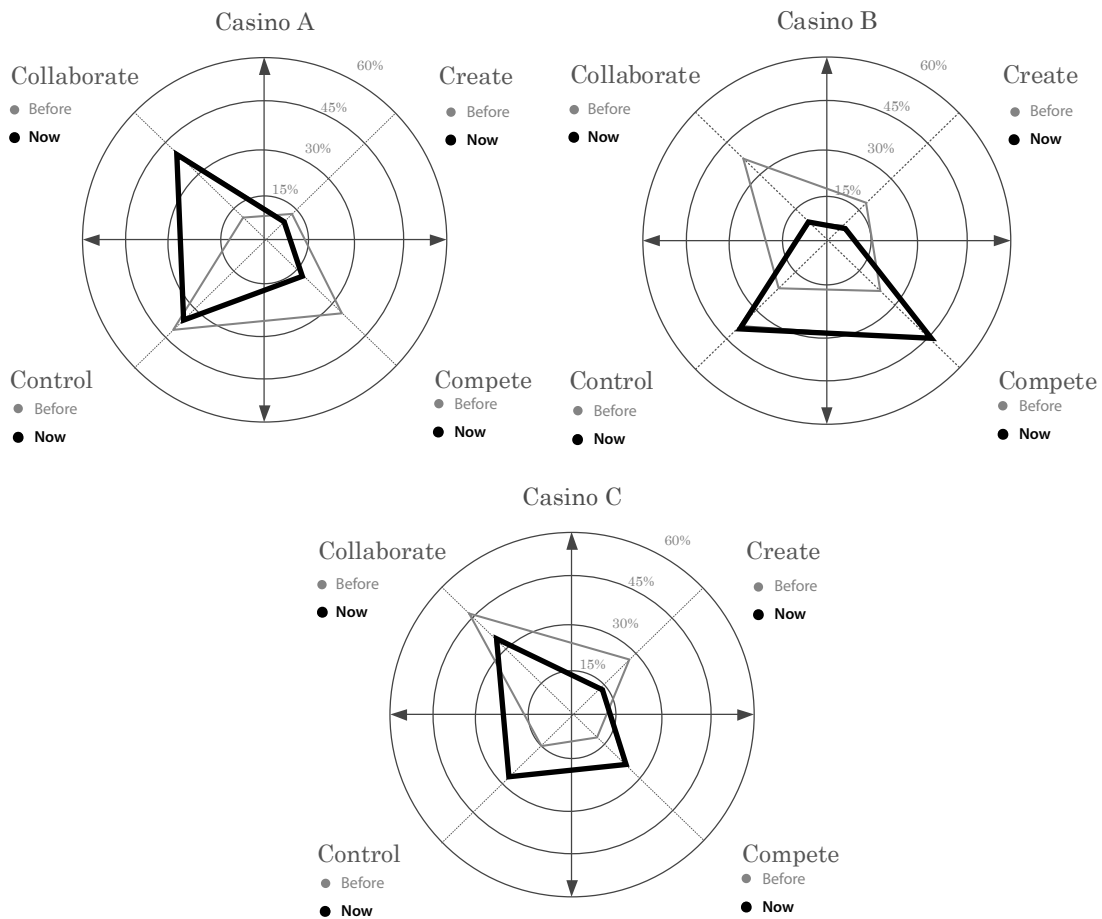
Section two measured the type of organizational culture by using the OCAI. Figure 1 shows the cultural types of studied casinos where the black figures are the present types and the gray ones – the measured type of culture during the tenure of the previous manager. For each quadrant was taken the average number of the respondents. The data is summarized in Column 3 of Table 2. It can be concluded that in all casinos there were change in the type according to its new leadership orientation.

Table 2
Synthesized data with predominant values of the variables

		Column 1 Style	Column 2 Metaphor	Column 3 Culture	Engagement					
					Col. 4 UWES 9	Col. 5 Self-reported	Col. 6 Distri-bution	Col. 7 Vigor	Col. 8 Dedica-tion	Col. 9 Absorp-tion
Casino A	Before	Commanding	Machine	Control/ Compete	52%	54%	Leader 44% Culture 42%	12%	17%	25%
	Now	Affiliative	Political System	Collaborate/ Control	63%	54%	Leader 48% Culture 40%	20%	22%	22%
Casino B	Before	Democratic/ Coaching	Brain/ Culture	Collaborate/ Compete	88%	80%	Leader 50% Culture 34%	30%	30%	28%
	Now	Pacesetting/ Commanding	Domination/ Machine	Compete/ Control	62%	86%	Culture 48% Leader 36%	17%	20%	25%
Casino C	Before	Visionary	Brain/ Culture	Collaborate/ Create	90%	92%	Leader 66% Culture 20%	32%	30%	28%
	Now	Affiliative	Organism	Collaborate/ Control	67%	50%	Culture 58% Leader 28%	22%	22%	23%

Section three of the interviews measured the level of engagement according to UWES-9. Column 4 of Table 2 shows the total level of engagement in percentage of 100. The higher percent means higher level of engagement. Columns 7, 8 and 9 show the engagement levels, decomposed to their constituents: Vigor, Dedication and Absorption.

Casino A

The previous casino manager had displayed predominantly commanding style that logically presumed organizational culture with focus on control and competitiveness. Organizational metaphor was determined as 'machine' and that corresponds clearly with this type of leadership style. The current manager displays 'affiliative' style that emphasis on collaboration, and culture described as 'political system'. Despite that the self-reported engagement level keeps on the same level, UWES showed increase from 52% to 63% due to the change in leadership style. This confirms Goleman's warning that the commanding style should be used very carefully, because if misused, it can exert negative impact on climate. In such situation with management under commanding style, the level of vigor was lower and increased after the change; that is probably based on the following affiliative style which creates resonance and have positive impact on climate. A negative tendency is the decrease in absorption, which may be due to slacken off of the employees. A little change in influence of the leader is observed and the results show that the affiliative style has gathered higher respect than commanding.

Casino B

The management of casino B shows very substantial changes. The democratic/coaching style of the previous manager has been changed with pacesetting/commanding style that has shifted the focus of culture from collaborate/compete to compete/control. This clearly impacted the engagement level and UWES shows decrease, while self-reported is opposite and shows increase. This discrepancy can probably be attributed to the differences in the way these results were obtained. The pacesetting/commanding style of the manager squeezed the employees and therefore they reported a high level of efforts (engagement). On the other hand, UWES is decomposes the engagement into three factors that participate equally in the final score. As a consequence, the employees were convinced that they put a great effort in doing their job, but eventually this effort vanished if they are not under the direct management control.

Shifting the culture also leads to change in metaphors that described the organization. 'Brain/culture' type was transformed to 'instrument for domination' and 'machine'. This changed the positions of the main engagement drivers as the leadership influence decreased significantly and the most respondents reported that they still work there because of their colleagues and decent salary. Some of them reported continuance commitment; they don't work with internal motivation, but because don't have another place to move without high transactional costs, and feel themselves pressed by the circumstances.

Casino C

The management of this organization also shows substantial changes due to the change in leadership. The visionary style, displayed by the previous manager, definitely demonstrated the highest level of engagement, both measured by UWES and self-reported. The culture, characterized with collaboration and creativeness, correspond with the description as 'brain' and 'culture'. Therefore, such 'impressive' leader was able to inspire his subordinates and take the best from them through a very high level of engagement.

The current casino manager, keeping collaborative type of culture, changed the second characteristic of organizational culture from 'creative' to 'control'. This significant change influenced the engagement levels by dropping them from 90% to 67% (UWES) and from 92% to 50% (self-reported). The influence of the leader also has fallen from 66% to 28% and that showed the importance of the creativeness and vision for building employee engagement. In this casino some respondents reported dissatisfaction from the current manager, but mentioned that they like their work and are still appealed by the culture in the organization.

Issues with used frameworks

Leadership styles

During the interviews about Casino C an issue arose: the respondents faced difficulties to determine the leadership style of the current casino manager and the corresponding type of organizational culture. They reported that the main characteristic of his management style is 'withdrawal'. It seemed that the manager was displaying rather 'laissez-faire' leadership style (Lewin, 1939), but the nearest

type according to Goleman's model was 'affiliative'. Probably there was a gap in the model caused by inconsistency in defining the styles. Except for democratic and commanding styles, the 'laissez-faire' was the style that counterbalanced the first two, and was missing in the Goleman's model. Instead, there are included visionary and pacesetting which pertain long- and short-term goal setting, and affiliative and coaching that refer to the attitude toward members of the group.

Organizational culture

The type of culture the same manager created was also difficult to be defined: in his job he has usually delegated the power for decision making to the subordinates and not exerted strict control; he has been not creative and not very competitive. The culture characterizes with low grades in all quadrants except collaboration. The *'ipsative rating scale'*, proposed by Cameron and Quinn (2011) revealed its weakness, because it assumes that the sum of all four characteristics of culture must be 100. That means they are dependent and if three of the characteristics are very little in their presence, the rest to 100 must be assigned to the fourth characteristic, even if it is not the real. This stems from the assumption of the model that 'trade-offs always exist in organizations and resources – including time and attention – are never unconstrained'. In this occasion would have been more successful to use the proposed by the authors another option – 7-point Likert rating scale which supposes an independent evaluation for each characteristic.

Discussion

Results reveal that the leaders exert considerable impact on forming organizational culture in the organizations under the study. Different leaders created different cultures and built different levels of employee engagement. The 'visionary' style appeared to create the highest level of engagement, creating 'brain' and 'organism' type of culture. 'Democratic' and 'coaching' styles also created resonance and high level of engagement and that was in unison with Goleman's findings. The influence of the 'affiliative' style was rather controversial and difficult to be defined; according to the study, it was progressive after a 'commanding' leader, creating higher level of engagement; conversely, after a 'visionary' leader it appeared to be disappointing by decreasing the level of engagement and diminishing leader's influence.

The 'dissonant' styles as 'pacesetting' and 'commanding' were most often associated with 'machine', 'instrument for domination' and even 'psychic prison'. That confirms firmly that leaders who display such styles by creating strong 'control' and 'compete' types of culture favor more centralized and highly-structured organizations where they are able to exert more control and monitor closely the organizational performance (Miller & Dröge, 1986). These styles are able to generate relatively high engagement levels and it is due to the external factors such as individual bonuses or psychological pressure; unfortunately, if these factors disappear, the engagement also disappears. The conclusion supports the Goleman's assertions that if used properly, such styles can be effective in achieving short-terms goals. The study found that the shareholders of Casino B had experienced high pressure to increase revenues in short-term, because the company had very short contract for gaming operation and was charged with exorbitant rent. Under such circumstances, the shareholders decided to change the previous Casino manager with another, who was able to 'squeeze the lemon' through imposing high competitiveness and achieving higher profits in short term. In such situation the 'pacesetting' style

with tight control over resources is adequate choice to keep the casino afloat, despite the fact that the ethical aspect of such style is very questionable.

The relationship between the leadership, culture and engagement was determined by the literature to be very close and that was confirmed by the findings. The changes in culture and engagement, observed after the appointment of the new leaders corroborated that the leaders are those who changed the culture by changing important elements of it: the attitude toward subordinates, redesign of job characteristics, changing the level of empowerment and feedback, and the changes in decision-making process, just to name a few. At that point, the metaphors were very helpful in defining the important characteristics of organizational culture and confirmed the changes that were made.

The level of control is very important characteristic for each organization. The Chaos continuum, based on the level of control and structure, gives a possibility to recognize the position and analyze the situation where an organization exists. In Figure 2 we suggest how the four different types of organizational culture, according to Competing Value Framework, can be allocated on the Chaos continuum.

Figure 2
**The chaos continuum and the types of Organizational culture**
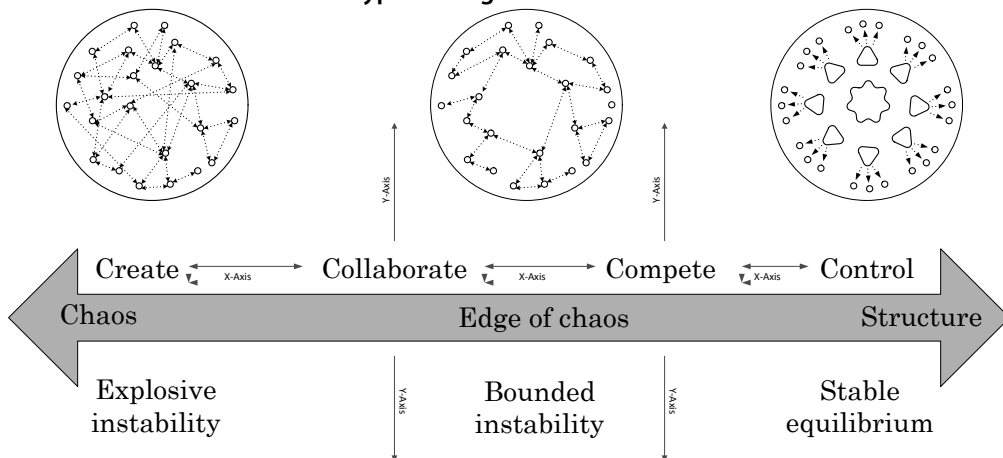
The inference is that 'collaborative' and 'compete' types of culture delineate the frontiers of the 'Edge of Chaos' or so called the 'golden mean'. In this area, the forces of creativeness and control, pushing the organization to the opposite poles, are bounded. For example, if an organization with 'compete' culture wants to increase its creativeness, it is necessary to assess its current level of collaboration and increase it, because it might be impossible to reach high creativity without good collaboration between its people, departments, subsidiaries, etc. Such step may require introducing positive feedback and double-loop learning system, and decrease the level of control. Hence, defining the borders of the 'Edge of chaos' will keep and prevent the organization from the forces that could push it toward the 'explosive instability'.

It is important to note that this continuum refers only to the level of control and structure and that means organizations with high creativeness and competitiveness and low level of collaboration can also exist. The presented model can be useful to map the position of an organization that can allow the management to adjust precisely the control systems and pursue for creativeness depending of their market needs.

The issue that arouse while assessing with the Competing Values Framework model, described above, stemmed from the assumption of the authors that there is always trade-off between the four characteristics of the organizational culture. Despite that in most occasions creativeness is opposed to control (as it is also shown on Figure 1), there are organizations that must keep strict control over their operations and still pursue high level of creativeness. The casino business is such industry – the control systems should be on very high level, because of the risk of fraudulence (both from the customers or personnel), and creativeness needed for successful business development. Therefore, if each level in the Competing Values Framework could be independent from the others, there would have been no problem with defining the type of the present organizational culture in Casino C; there could be low levels of competing, creativeness and control and relatively high level of collaboration; the need to substitute these low levels with a high level of collaboration would have dropped off and the picture would be more realistic. It turned up that the ipsative rating scale of the CVF is not always workable and caused distortion in the results of defining organizational culture in the present research.

Figure 3
Three-dimensional leadership-style model (3-D LSM)
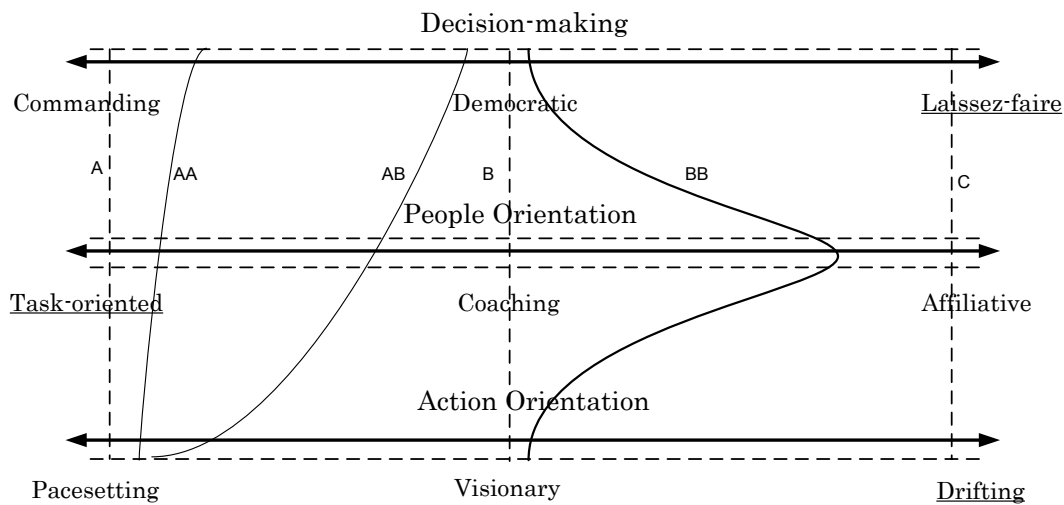
The other issue in the interviews – defining the leadership style, displayed by the current manager of Casino C, can be overcome with adding new styles to the Goleman's model and dividing all styles into three continuums, according to their main characteristics: (1) decision-making, (2) people orientation and (3) action orientation (Figure 3).

In the presented model on the top line the types of leadership styles are positioned, according to the way of decisions making that are the same as those proposed by Lewin (1939). Here, the 'laissez-faire' style is added that is missing in Goleman's model and cannot be substituted by another type. The middle continuum encompasses the attitude toward people and tasks according to behaviorists' paradigm. The coaching sub-style, proposed by Goleman (2000), is situated in the middle as it is usually not oriented only towards people or tasks, but rather towards developing people through attaining challenging goals. On the bottom line leadership sub-styles are positioned according to their action orientation in terms of the time lag. The new style introduced here is that of 'drifting' and describes leaders who are not driven, have not new ideas to pursue and just react to the circumstances. They 'drift along the river'

and react only if there is something that threaten their existence. Such people often land and survive in public or non-for-profit organizations that operate in very stable environment and are not required to establish high level of creativeness or achieving high goals. This type of leaders can also survive in business organizations which operate in stable markets, where low level of competitiveness exist or have monopolistic rights over the product or service that they produce.

At first sight, the model resembles the McClelland's Need theory, but there are significant differences. For example, the need for power is not the same as the way of taking decisions. McClelland explicitly emphasizes that the high need for power does not necessitate the use of the commanding style; a 'laissez-faire' leader can also have high need for power, but to conceal it and influence through other people. Vivid examples of this are politics with their overt and covert political power; also in many organizations the boss's secretary without formal power can act as a hidden power center by manipulating the information flows. Also, the need for achievement is not the same as the action orientation; both visionary and pacesetting styles are high regarding the level of achievement, but differ in respect of the way to attain these achievements.

Three distinctive leadership types are emerging from this model. They are positioned on the vertical lines 'A', 'B' and 'C'. Type 'A' encompasses leaders who impose dissonant management styles – commanding way of taking decisions, entirely task-oriented and exerting high pressure to achieve short-term goals. Such short-sighted, single-minded and hard driving leaders are able to 'squeeze' all of their subordinates, making them feel depleted and exhausted by the relentless pursuit for increased profits. The research showed that such leader is the current manager of Casino B ('AA' on Figure 3) and might be appropriate in tough times or during the entrepreneurial stage of a company development.

The second distinctive leadership type is 'B' which comprises democratic way of taking decisions, coaching attitude toward people and visionary goal orientation. Such leaders have the greatest positive impact over their subordinates, creating high level of motivation and attaining significant achievements through people. While the previous type can be compared to the Bass's 'transactional' style, this one can be compared to 'transformational' type of leadership. It gives the company the possibility to achieve long-term goals through inspiration and motivation of employees, respect of their ideas and developing their competencies through coaching and mentoring. This type combines the Goleman's three resonant leadership styles that have the most positive impact over organizational climate.

The third distinctive leadership type 'C' characterizes leaders with lack of new ideas and vision, avoiding responsibility while taking decisions, with orientation toward building relationships with people. Such leaders usually hold a self-defensive position and criticize others without giving a better option to solve problems. Such type can be observed in some labor-union leaders in Bulgaria, who without proposing new ideas just oppose to any government or management decision only to please people and attract more members to their organizations. The current manager of Casino C is probably of this type – without introducing new ideas or best practices, backing off from taking decisions and have orientation toward building relationships with the staff. Obviously, these relationships have not been enough for him to create respect, which is proved by decreasing the engagement level and leader's influence. This confirms McClelland's assertion that affiliative managers create low morale and have usually poor performance. Again, such leaders can thrive in companies operating in stable environment with low competitiveness and without the necessity for high level of creativeness. Public organizations and government agencies are usually the perfect place for leaders who display such style.

Except these three distinctive types there can exist other mixed types as well. The curve 'BB' showed the type of the previous leader of Casino B, who displayed, according to Goleman's model, predominantly 'visionary' style. Some of the respondents emphasized him as a visionary and democratic leader with high level of humanism. This is the reason that he was able to create the highest level of engagement, compared to all other leaders under study. A weakness, that was reported, was the presence of serious problems with the low level of control and discipline among the staff.

There are some types emerging from the model which were probably not identified in the literature to date; for example a combination between commanding, pacesetting and affiliative styles are difficult to be observed and explained. In contrast, a combination of laissez-faire, task-oriented and drifting styles is more likely to be observed. Such leaders without vision for future or ability to set challenging goals would justify themselves and put the blame for organizational poor performance to their subordinates. Despite Goleman's assertion that the 'affiliative' style gathers high positive impact, this research showed that such impact depends to a high extent of the other two characteristics – the courage to undertake responsibility for taking decisions and the presence of new ideas that drive to achievements. Further research is needed to precisely analyze all possible types and their presence in business organizations. Despite some of them seem to be not viable, a future research can prove or reject such hypothesis.

Conclusion

The traditional scientists approach for analyzing organizations lay on the principles of predictability and causal determination where 'each thing that happens is caused by other things that happened before' (Appelo, 2011). Instead, the present research tried to reveal the implicit, taken-for-granted assumption that lay the foundation for organizational dynamics in the 21st century. The culture in the researched organizations was examined through the lenses of both traditional sociological foundation and the more 'abstract' anthropological foundation.

Being at the 'Edge of Chaos" is not always the best strategic choice for organizations. According to the Theory of Dissipative Structures systems, by passing through states of instability, can 'spontaneously self-organize to produce a different structure or behavior that cannot be predicted from knowledge of the previous state' (Stacey, 2011, p. 240). Such systems exist in a state of equilibrium at the macro level and state of randomness at micro level, i.e. the 'chaos within the order'. In contrast, the chaos theory deals with the emergence of order within the chaos. Therefore, it is not necessary for a leader to formulate and implement organizational strategy. The leader can act as a 'programmer' establishing a set of basic rules to keep the organizational stability and let the power of self-organization to unleash on micro level. The system will be brought to a radical different state, where chaos and order exist simultaneously instead of pursuing the state of 'Edge of Chaos', where they are mutually exclusive. The visionary leadership style is highly appropriate for creating such attractor and if the leader possesses the necessary managerial competencies, he/she could act in the role of programmer and attain success-fully such complex organizational state, where chaos and order exist simultaneously in organizations, uncovering their full potential, while keeping a stable, predictive structure.

The research is not without limitations. It involves only institutions from a very specific industry (gaming) which might have an impact on the leadership styles presented by the managers. Further

research could concentrate on the validation of the three dimensional leadership model, presented in Figure 3, through its application in other empirical settings – industries, countries, national cultures.

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