

## **LEADERSHIP STYLES AND INFLUENCE STRATEGIES: THE MODERATING EFFECT OF ORGANIZATIONAL CLIMATE**

**Mahfooz A. Ansari**

Department of Humanities and Social Sciences, Indian Institute of Technology Kanpur, India.

The study uses questionnaire survey data from a sample of 440 Indian managers in different hierarchical positions representing seven heterogeneous organizations. It examines the moderating effect of organizational climate on the relationships between leadership styles and influence strategies. The analysis indicates that climate does act as a moderator. Implications of the findings for those in leadership roles are discussed, and directions for future research are suggested.

### **INTRODUCTION**

Although the leadership literature is voluminous, there is still a great deal to be known about this subject. For example, relative to other approaches to leadership (trait, behavior, or situational contingencies), the "power-influence" approach (French & Raven, 1959) has received little attention by the social/organizational psychologists. The approach holds that the fundamental issue in leadership is power. That is, leadership effectiveness is a function of the bases of power available to the leader and the manner in which he or she exercises power over the subordinates (Yukl, 1981). A power base is a source of influence in a social relationship. It is something that a leader has that provides him or her power over the subordinates. On the other hand, an influence strategy is the actual (behavioral) mechanism through which the leader exerts influence over the subordinates. Thus, it is more important to investigate the manner in which the leader exerts influence over the subordinates instead of focusing all attention on the bases of power used by the leader (Yukl, 1981). For the effective functioning of the organization, it is important that the leader gets the job done amicably and efficiently. However, what influence strategies the leader uses can by no means be taken as universally fixed. It all may depend upon the leader's own style and the context in which the influence takes place.

Unfortunately, there is not much substantial research relating to the issue of how leadership styles and influence strategies are correlated. However, there has been some and it is to this that we now turn. Mulder and his associates (Mulder, de Jong, Koppelaar, & Vernhage, 1977) investigated the relationship between social influence and leadership in a banking concern and found that, in crisis circumstances, leaders

used more formal power, referent power, expert power, and upward influence, and less open consultations than in non-crisis situations. An interesting finding was that the relationship between type of leadership and leader's effectiveness was significantly moderated by situation. That is, leaders evaluated more favorably by their superiors were ascribed more formal power in crisis situations and more open consultations in non-crisis situations by their subordinates. However, for leaders evaluated less favorably, no significant difference appeared between situations. The role of situation was found to be significant in a subsequent study also (Mulder, Binkhorst, & Van Oers, 1983). In line with these findings, the present study was designed to investigate the moderating effect of organizational climate on the relationship between leadership styles and influence strategies. The rationale for the use of climate as moderator is based on the assumption that it has been found to be related to various factors such as job satisfaction, leader behaviors, and the quality of work group interactions (for details, see Schnake, 1983).

Several reviews of leadership literature (e.g., Yukl, 1981) indicate that most leadership theories, now-a-days, include one or more moderator(s). Yet, most of the research has been unsystematic because "they fail to focus on the mechanisms by which moderators operate" (Howell, Dorfman, & Kerr, 1986, p. 88). As a result, managers report greater difficulties in attempting to apply contingency model of leadership. Recently, Howell et al. (1986) proposed leadership neutralizers/enhancers as moderators. According to them, both enhancers and neutralizers are the varieties of the same basic type of moderator. The only difference between the two is that "enhancers represent a positive moderating influence ... while neutralizers represent a negative moderating influence" (p. 90). In the present study, the style-strategy relationship is expected to vary as a function of climate. In one climate, this relationship might be stronger (enhancer), whereas in another the same relationship might be substantially weaker (neutralizer).

## **METHOD**

### **Sample**

Altogether 440 managers representing seven contrasting organizations voluntarily participated in the study. About 90% of the respondents were male. Majority of them represented low (43%) and middle (43%) levels of management, and about 14% constituted the top level. Their average age was 37.89, with a range of 25 to 60 years. The majority (77%) of the managers had a bachelor's degree or higher. They held positions with the same organization for an average of 10 years, and had been in their present assignments approximately for 4 years. Most (66%) of the managers supervised 1 to 9 full-time subordinates. The managers were interviewed individually

and in private. They were assured complete anonymity of their individual responses.

### Measures

The present analysis employed three scales. The first assessed the self reported leadership styles of the respondents: Participative (4 items), Task-oriented (8 items), and Bureaucratic (6 items). The second tapped the respondents' use of influence strategies: Exchange and Challenge (5 items), Expertise and Reasons (6 items), Personalized Help (3 items), Coalition and Manipulation (4 items), Showing Dependency (4 items), Upward Appeal (4 items), and Assertion (3 items). The third scale assessed the respondents' perception and observations about their organizational climate: Reward and Participation (5 items), Structure (5 items), and Warmth and Support (3 items). Before these measures were subjected to final analysis, their construct validity was examined by employing a varimax rotated factor analysis with iteration. The coefficients alpha of the study variables were mostly in the .60's. There was a great deal of independence among the subscales within a scale. That is, they did not appear to limit the subsequent analyses owing to the problem of multicollinearity. In addition, the data met the assumption underlying subgroup analysis in that the three climate factors were unrelated, or weakly related, to any other variables. A complete description of the measures employed in the study can be found in Ansari (1987).

### Statistical Analyses

Researchers have used different analytical strategies to identify moderators in leadership studies. Different strategies, such as *ANOVA*, median split sample with correlation coefficients, and hierarchical multiple regression yield different information. However, researchers favor the use of a hierarchical regression approach (see Howell et al., 1986). In the present analysis, the stepwise multiple regression approach was adopted because the moderator was split into two groups based on company climate scores. Each of the seven organizations was located in a "high" or "low" category on each of the three climate dimensions based on an inspection of the organization's mean score on the dimension. It should be emphasized that this was an "organizational level" analysis; the objective was to study how differences in organizational environments moderate the relationships between managerial styles and influence strategies, not how individual perceptions of the environment affect the relationship. In view of this assumption, five organizations were classified as having a favorable climate (i.e., they had higher scores on all the three climate factors) and two were classified as having an unfavorable climate (i.e., they had lower scores on all the three climate dimensions). Thus, two sets of regression analysis were employed--one in a favorable and another in an unfavorable climate to examine the patterns of relationships between managerial styles and the use of influence tactics.

## RESULTS

The data were first analyzed using zero-order correlations on the entire sample. The analysis disclosed that, of the 21 correlations between leadership styles and influence strategies, 13 were statistically significant at or beyond the .05 level of confidence. The participative style was positively tied with all influence strategies except exchange and challenge, and assertion. The task oriented style was linked to only three strategies: expertise and reasons, personalized help, and assertion. The bureaucratic style was related to all but the strategies of personalized help and showing dependency.

Next, in order to test for the effect that organizational climate might have on the leadership styles-influence strategies relationships, two sets of stepwise multiple regression analyses were performed. Results made it clear that organizational climate did appear to represent an important moderator. (i) Participative managers reported more frequent use of influence tactics like coalition and manipulation ( $\beta = .35, p < .01$ ) in an unfavorable climate ( $R = .33$ ). In contrast, they relied more often on the use of personalized help ( $\beta = .21, p < .01$ ) and less often on assertion ( $\beta = -.13, p < .05$ ) in a favorable climate ( $R = .31$ ). (ii) Task oriented managers reported more frequent use of expertise and reasons ( $\beta = .19, p < .01$ ) in a favorable climate ( $R = .31$ ). On the other hand, task oriented style did not relate to any influence tactics in an unfavorable climate. (iii) Bureaucratic managers relied more often on assertion strategy ( $\beta = .37, p < .01$ ) in an unfavorable climate ( $R = .39$ ). On the other hand, they reported more frequent use of assertion ( $\beta = .19, p < .01$ ) and exchange and challenge ( $\beta = .21, p < .01$ ), and less frequent use of showing dependency ( $\beta = -.15, p < .05$ ) in a favorable climate ( $R = .29$ ).

## DISCUSSION

Several interesting themes follow from the findings. To begin with, the present data suggest that essentially the same leadership style which enhances the efficiency of an influence strategy in one climate also neutralizes it in another. It should be pointed out, however, that while the magnitude of relationships was not overly large (maximum variance = 19%), much criterion variation is still left unexplained. Attention should, therefore, be directed at investigating the moderating role of other factors (such as personal characteristics of the subordinates and those of the managers, task, and goals of the influence attempts) in determining the relationship between managerial behavior and influence tactics. Thus, a thorough mapping of moderator variables is necessary before such knowledge can be used with any strong probability of success.

On the positive side, however, treating organizational climate as moderator has

several important implications for both individual managers and organizations. The survey has discovered that manager's leadership style is a critical determinant of the exercise of power over subordinates, as it is a critical determinant of organizational climate (Litwin & Stringer, 1968). One obvious implication is that the managers should diagnose their styles and then develop skills in order to change the climate in the desired direction. That is, they should use effective tactics of influence which fit in with their style and the climate of their organization. The data show that the climate helps determine the kinds of influence tactics that are actually used by managers in order to get their way with the subordinates. The implication is that climates can and do influence the motivational behavior of organizational members. Therefore, changes in certain climate properties could have immediate and profound effects on the use of influence strategies. Evidence (e.g., Rosenberg & Pearlin, 1962) exists that those organizational norms governing decision-making processes may be a constraint in the leaders' choice of influence tactics.

If organizational climate has such a strong effect on the relationship between leadership styles and influence strategies, then Indian organizations can be changed in such a way that they provide a favorable environment for leadership effectiveness. It should be noted at this point that the present survey concerns itself with only those influence strategies which are effectively used by managers in getting their way with the subordinates. The data show that, in order to be effective, even participative managers sometimes use nonrational tactics whereas bureaucratic ones use rational tactics. That is not to say that to the extent an influence tactic is successful, we would expect a manager to use it which would most likely lead to successful organizational performance. What needs to be stressed is the fact that the effective use of an influence tactic should also have positive bearing on the mind(s) of the target person(s), and should have long-lasting effect. For example, a manager may successfully use devious means to get his or her way with the subordinates, but the use of such tactics may also produce negative affect (e.g., disliking the boss) on the part of the subordinates. In view of this, a manager must be supportive and task oriented; he or she must be aware of the popular rational influence tactics and their consequences; and the climate of the organization must be benign (as expressed in terms of reward and participation, structure, warmth and support). Only then can we expect our modern organizations to be truly successful. Such objectives can be met if the following guidelines are followed.

- (1) The chief executive officer or top management must deliberately change the policy choices. Past research has shown that it is the top management which sets the climate (Likert, 1967) or culture (Wilkins, 1983) of the organization, which is most crucial for organizational effectiveness in the Indian setting (Baumgartel, 1981). Thus the most important and dramatic determinant of organizational climate appears to be the leadership style utilized by top managers. Top management can assert assumptions

or prescriptions in two ways: (i) through their personal behavior and (ii) through the formal systems they create (Wilkins, 1983).

(2) Which power tactic is the most appropriate? It all depends on the circumstances in which a particular tactic is being used. However, choosing the most appropriate strategy can be improved by self examination and management development programs (Kipnis & Schmidt, 1984). In such training programs, managers need to be aware of a variety of influence tactics and their possible effects rather than relying on the exercise of traditional methods like the use of reward, coercion, and legitimate authority.

In summary, then, the present study has provided a contingency framework and if it is understood by managers, it may provide a much needed perspective for effective managing of subordinates at work. It suggests that managers must have influence over their men/women, but such influence cannot be only aimed at style. If managers are to become more effective in using their styles and strategies, they must learn to understand some critical contingencies. That is, managers must learn about the climate of the organization, of which they are a part. The data provide enough evidence to suggest that Indian managers are flexible in using effective influence tactics, and, thus, they must be trained in using and choosing the most appropriate strategy in a given organizational context. Therefore, action to enhance effectiveness should focus on both manager's influence tactics and organizational climate.

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Address all correspondence to Dr Mahfooz A Ansari, Department of Humanities and Social Sciences, Indian Institute of Technology, Kanpur 208 016, India.

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