

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND

At present, competitiveness between organizations exist everywhere not just at the level of the products and services they provide, but much deeper at the level of the competence they possess (Kippenberger, 2002). Leadership is considered more critical to the competence of the organization than others. Without effective leadership at all levels in private and public organizations, it is difficult to sustain profitability, productivity, and good customer service.

The importance of a manager in an organization has been compared to that of having an army leader. Despite having a group of great soldiers, there is always a loss if the troop leader fails to perform his role (สถาบันเพิ่มผลผลิตแห่งชาติ, ฝ่ายวิจัยและสารสนเทศ, 2545). The way managers lead their organization therefore can affect the employees' job satisfaction and thus, the success of the organization.

A number of research articles indicate that managers with strong leadership qualities have an important influence on the work environment and the job performance of employees. It is believed that managers have a huge amount of influence over their subordinates. They are more important than company culture, benefits and rewards that the company provides. Managers define and develop the working environment. Having a good relationship with them will enhance the performance of the employees (Potchanart Seebungkerd, 2004).

The subject organization is a chemical company in Thailand. It was established more than 40 years ago and operates under a mixture of Thai and international business cultures. Its product portfolio ranges from chemicals, plastics, performance products, agricultural products and fine chemicals. The company has approximately 230 employees in three facilities and has continued to progress, achieving a major growth with sales of 10,580 million Baht in the year 2006. Although their success is rooted in a long-term strategy pursued over many years, without the enormous dedication of every member of the team, the business could not be successful.

It is stated in the company's corporate report that the management takes into account the fact that to secure the company's long-term success amidst the rapid expansion of the chemicals industry is to rely on the strength of each team member. The company has offered attractive development opportunities as well as pay linked to individual and company performance to attract and retain the best specialists. They greatly value personal development and managers who act as role models in enabling employees to perform at their best.

1.2 STATEMENT OF THE PROBLEM

The manager's leadership has proved to be important to employees' job satisfaction and commitment to achieve the desired business performance. It is worth finding out the leadership styles of managers in the subject organization by applying the leadership self-assessment tool and to see whether it has an impact on the company's performance or not. The research aims to answer the following questions:

1.2.1 What leadership styles do the majority of managers use in administering their business affairs?

1.2.2 What leadership styles do male and female managers use in administering their business affairs?

1.3 OBJECTIVES OF THE STUDY

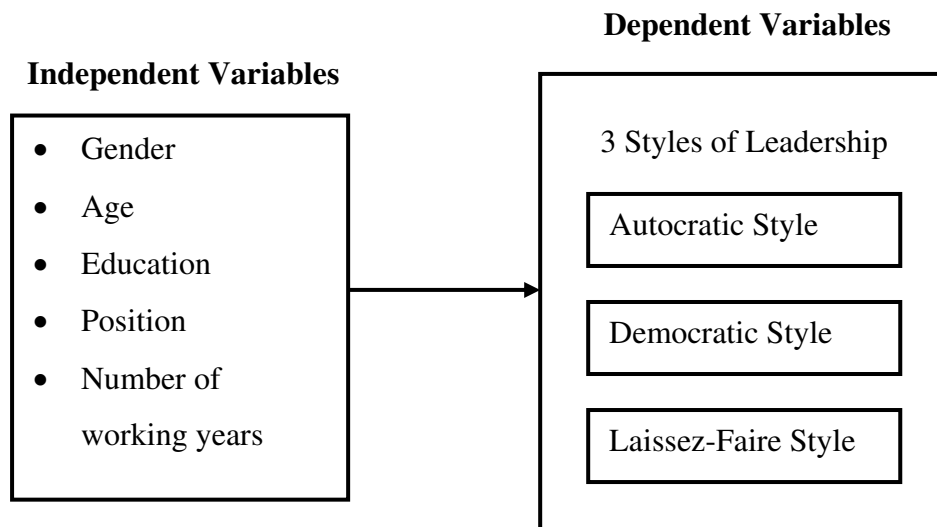
1.3.1 To determine the leadership styles of the managers in the organization.

1.3.2 To find out the leadership styles of male and female managers in the organization.

1.4 VARIABLES AND DEFINITIONS

The research was conducted in order to determine the leadership styles of managers in the organization. A set of independent variables towards the dependent variable were also studied and presented.

1.4.1 Variables



1.4.2 Definitions of Terms

Manager refers to a person who works in the position of a supervisor, manager, senior manager, or director in the organization.

Subordinate refers to staff who work under the supervision of supervisor, manager, senior manager, and director in the organization.

Leadership refers to the process by which one individual influences others to achieve a desired goal.

Leadership styles refers to the method which leaders adopt in their dealings with those who follow them. In this study, leadership styles are categorized as follows:

Autocratic Style: this refers to leaders who are central authority figures. They retain a high degree of control and power over their subordinates. They use only one-way communication.

Democratic Style: this refers to leaders who make decisions together with their subordinates and jointly determine courses of action. They use two-way communication.

Laissez-Faire Style: this refers to leaders who tend to exclude themselves from the group's decision making. Group members do work assignments and evaluate task completion among themselves.

1.4.3 Research Hypotheses

The hypotheses in this survey are as follows:

Hypothesis 1 : The majority of managers in the subject organization use democratic style in administering business affairs.

Hypothesis 2 : Female managers use a more democratic leadership style than male managers.

1.5 Scope of the Study

This study was confined to the topic of leadership styles of managers in a specific organization. In this research study, the leadership styles were divided into three styles: autocratic, democratic, and laissez-faire. The samples in this research were limited to the managers working in the subject organization. The findings could only be true for the subject organization and could be applied only to some other similar organizations.

1.6 SIGNIFICANCE OF THE STUDY

1.6.1 The results from this study will benefit the management of the organization. It will provide the management with a better understanding the managers' leadership styles and their effect on the organization's performance.

1.6.2 The findings can be beneficial to any organization that has a similar culture and management platform. The results can also provide human resource practitioners with necessary and meaningful information to develop their personnel development strategies in order to improve their productivity and organizational effectiveness.

1.7 ORGANIZATION OF THE STUDY

This study is divided into five chapters.

Chapter 1 : 'Introduction' provides a background, statements of the problems, objectives of the study, definitions of terms, the scope of the study, the significance of the study, and the organization of the study.

Chapter 2 : 'Review of literature' presents the theories of leadership styles and other related studies.

Chapter 3: 'Methodology' consists of the study methodology, materials, and data analysis.

Chapter 4: 'Results' presents the findings of the study.

Chapter 5: Conclusions, discussions and recommendations for further research are provided.