

Leadership Styles and Organizational Performance: Leading in the 21st Century

Sandeep Khanijou*

Abstract

Considering the importance of effective leadership in ensuring the high performance, profitability, and growth of organizations, this research aims at studying the leadership styles of organizational leaders and how it affects the organizational performance, taking into perspective the various transformations in the twenty-first century. Although there has been a vast amount of researches conducted in this field, the inconclusive nature of the research findings provides the opportunity for further investigation. A qualitative research design using a phenomenological method was implemented. Data from seven Thai private organizations across various industries were collected through in-depth interviews with organizational leaders and key employees. The findings highlighted the strategic importance of leadership in the organization. It was noted that organizational leaders and employees preferred aspects of the participative and democratic styles of leadership. It was found that leaders exhibited traits of both the transactional and transformational aspects of leadership and were adaptive in their leadership style. Moreover, organizational leaders assessed the performance of the organization based on both financial and non-financial indicators. The most striking contribution directly linked the relationship between the leadership styles of the organizational leaders and the performance of the organization. Various other determinants of organizational performance also emerged from the study. Finally, the findings also shed light on the influence of ethnicity on the leadership styles of the organizational leaders. Significantly, the results of this study have valuable research and professional contributions and implications for the fields of leadership, private management, and public administration.

Keywords: Leadership, leadership styles, organizational performance, ethnic leadership, twenty-first century transformations

* Department of Business Economics, School of Management, Assumption University.

E-mail: sandeep.khanijou@gmail.com; sandeepkhn@au.edu

Received: May 26, 2017. Revised: June 21, 2017. Accepted: June 21, 2017.

ลักษณะความเป็นผู้นำและผลงานองค์กร: การเป็นผู้นำในศตวรรษที่ 21

สันทิพย์ คาร์นีเยอร์*

บทคัดย่อ

หากพิจารณาถึงความสำคัญของการเป็นผู้นำที่มีประสิทธิภาพในการสร้างผลงานที่ประสบความสำเร็จสูง ความสามารถในการทำกำไร และการเติบโตขององค์กร งานวิจัยชิ้นนี้มีวัตถุประสงค์เพื่อมุ่งศึกษาลักษณะความเป็นผู้นำของผู้นำในองค์กรต่าง ๆ และการมีผลกระทบต่อความสำเร็จในการดำเนินงานขององค์กรว่าเป็นอย่างไร โดยยึดถือนุมุมมองการเปลี่ยนแปลงที่หลากหลายในศตวรรษที่ยี่สิบเอ็ด ถึงแม้จะมีงานวิจัยที่ศึกษาในเรื่องนี้เป็นจำนวนมากมาแล้ว แต่ผลทางด้านงานวิจัยที่ยังไม่สามารถสรุปได้ก็ยังคงเปิดโอกาสให้ศึกษาค้นคว้าต่อไป การออกแบบงานวิจัยที่เน้นคุณภาพ โดยใช้วิธีการเกิดปรากฏการณ์ได้ถูกนำมาใช้ ข้อมูลจากองค์กรบริษัทเอกชนของไทยเจ็ดแห่งที่ดำเนินกิจการอุตสาหกรรมหลากหลายได้ถูกรวบรวมขึ้นมา โดยการสัมภาษณ์เชิงลึกกับผู้นำองค์กรและพนักงานคนสำคัญเหล่านั้น ผลการค้นพบได้ถูกเน้นให้เห็นความสำคัญเชิงกลยุทธ์ของความเป็นผู้นำในองค์กร เป็นที่น่าสังเกตว่า ผู้นำองค์กรและพนักงานบริษัทชื่นชอบลักษณะของการมีส่วนร่วมและลักษณะความเป็นผู้นำที่เป็นประชาธิปไตยมากกว่า ผลการศึกษาค้นพบว่า ผู้นำได้แสดงลักษณะพฤติกรรมของการเป็นผู้นำที่มีรูปแบบเป็นทั้งการติดต่อเชิงธุรกรรมและชอบมีการเปลี่ยนแปลง และปรับตัวง่ายในลักษณะความเป็นผู้นำของพวกเขา นอกจากนี้ ผู้นำองค์กรได้ประเมินผลงานขององค์กรโดยยึดดัชนีชี้วัดทั้งทางด้านการเงินและไม่ใช่งานการเงินเป็นหลัก ผลการวิจัยในส่วนที่น่าสนใจมากที่สุดคือ ความเชื่อมโยงที่มีความสัมพันธ์โดยตรง ระหว่างลักษณะการเป็นผู้นำของผู้นำองค์กรและผลงานขององค์กร ปัจจัยตัดสินอื่น ๆ ที่หลากหลายของผลงานองค์กรยังปรากฏให้เห็นจากการศึกษาวิจัยครั้งนี้ ท้ายที่สุด ผลการค้นพบยังให้ความกระจ่างในเรื่องอิทธิพลของเชื้อชาติในลักษณะการเป็นผู้นำของผู้นำองค์กรเหล่านั้นด้วย ความแตกต่างที่สำคัญเห็นได้ว่า ผลของการศึกษาในเรื่องนี้ มีส่วนช่วยในด้านการวิจัยและงานวิชาชีพที่มีคุณค่าและมีความหมายนัยยะอันสำคัญสำหรับความรู้ในสาขาของความเป็นผู้นำ การบริหารจัดการภาคเอกชนและการบริหารภาครัฐ

คำสำคัญ: ความเป็นผู้นำ ลักษณะความเป็นผู้นำ ผลงานขององค์กร ความเป็นผู้นำทางเชื้อชาติ การเปลี่ยนแปลงในศตวรรษที่ยี่สิบเอ็ด

* แผนกวิชาเศรษฐศาสตร์ธุรกิจ คณะบริหารจัดการ มหาวิทยาลัยอัสสัมชัญ

อีเมล: sandeep.khanijou@gmail.com, sandeepkhn@au.edu

วันที่รับบทความ: 26 พฤษภาคม 2560 วันที่แก้ไขบทความล่าสุด: 21 มิถุนายน 2560 วันที่อนุมัติการตีพิมพ์: 21 มิถุนายน 2560

Introduction

The study of various leadership styles and the focus upon the subsequent far reaching impacts they have on organizational performance have been the subject of extensive debate of valued importance in the fields of organizational management science and development, with important implications for both the private and public sector. When one considers the notion of leadership in an organization, it can be noted that effective leadership is essential in order to facilitate management, development, and a sustained competitive advantage that contributes to the overall improvement in organizational performance (Avolio, 1999; Lado et al., 1992; Rowe, 2001). Fundamentally, various important researches have asserted the link between leadership styles and organizational performance thereby providing a strong case for researchers to identify and analyze further how different leadership styles affect and impact the performance of the organization (Bycio et al., 1995; Howell & Avolio, 1993).

Basically, this study covers medium and large private Thai organizations in Thailand in order to study and understand the leadership styles of Thai organizational leaders and how their leadership styles affect the performance of the organization. Generally, it is common for private sector research and models to be studied, adopted, and linked to the public sector with little or no modification for the public sector organizational context, despite the fact that differences between the public and private sector are acknowledged (Colley, 2001). Moreover, according to Ogbonna and Harris (2000), leaders in both the private and public sector have the potential to affect organizational culture through important roles such as coaching and role modeling thus implying the similarity of the roles of leadership in both the private and public sector. Thus the findings from this research provide valuable insights that are applicable for organizations in both the private and public sector.

Despite the generally-accepted view among scholars that leadership style impacts organizational performance, there has been limited research that has specifically addressed the relationship between leadership behavior and organizational performance (Jing & Avery, 2008). The fact that there have been only a limited number of researches that have comprehensively explored the relationship between leadership styles and organizational performance gives rise to the notion that there are still a lot of interesting unanswered questions that need to be studied and researched; in other words, there clearly exists a gap in knowledge that needs to be explored. This study has five objectives: (1) To determine the different types of leadership styles prevalent in organizations, (2) To explore how leadership styles of the organizational leaders impacts the organizational performance, (3) To identify other key determinants of organizational performance, (4) To explore how other determinants of organizational performance influence and mediate

the leadership styles of organizational leaders, and (5) To investigate how the social, cultural, economic, technological, and demographic developments and transformations of the twenty-first century affects the leadership styles of leaders in the organization. The findings of this research will deepen the understanding as to how the leadership styles of the organizational leaders affect organizational performance as well as provide insights into the types of leadership styles that are prevalent and preferred across organizations.

Literature Review – Background

Though it is not plausible to come up with one universally accepted definition of leadership owing to different perspective, settings, and notions, most researchers agree upon the fundamental perception that so-called leaders have the ability to influence members within the organization (Yukl, 1989; Bohn, 2002). The multi perspective nature of leadership can be explained by the fact that leadership faces many situational and contingency constraints that make it a highly complex endeavor that requires leaders to be able to effectively deal with multi dimensional problems and obstacles both within the organization and outside it.

Rationale for Studying Leadership – Organizational Performance

A study conducted by Weiner and Mahoney (1981) propagated a wide range of external and internal variables that significantly contributes to and impacts organizational performance, such as organizational structure, culture, strategy, employees, innovation/design, information technology and technological designs, suppliers, competition, business environment, clients, and a host of other variables. However, despite the prevalence of all the other variables, leadership was identified as the most striking and significant variable. Thus this research studies the impact of leadership styles and organizational performance and this relationship between the two desired variables is justified by countless past and recent studies that highlight the sound and highly significant relationship between them (Rowe et al., 2005; Jing & Avery, 2008; Avolio, 1999; Lado et al., 1992; Rowe, 2001; Bycio et al., 1995; Howell & Avolio, 1993).

Important Leadership Theories - Transformational Leadership Theory

In 1978, Burns conceptualized and developed a conception of leadership in which he placed transformational leadership theory on one end of the spectrum and transactional leadership theory on the other. Burns (1978) did not use the term transformational leadership but instead used the term transforming leadership to refer to leaders that manage to identify and perceive the prevalent needs and aspirations of followers and based on that identification assist them in realizing their needs. Nevertheless, the work of Burns (1978) did not specifically apply to business organizations and it was only with the works of Bass (1985) many years later that transfor-

mational leadership theory was integrated into the study of leadership in the context of business organizations. Burn's (1978) theory focused more on the social leadership sphere while Bass's (1985) theory focused on organizations and how the theory could be incorporated to study the attainment and achievement of organizational objectives (Yukl, 2010). Basically transformational leaders are characterized by their ability to inspire and empower their followers and subordinates (Emery & Barker, 2007; Bass & Avolio, 1990). Moreover, transformational leaders give special attention to the needs, desires, feelings, and aspirations of their followers, thus ultimately creating a more productive and committed workforce that can enhance the overall performance of the organization. Research conducted by Sellgren, Ekvall and Tomson (2007) identified four main factors that help clearly and concisely explain transformational leadership theory. The four broad factors that help shed light on the transformational leadership theory were identified as inspirational motivation, idealized influence, intellectual stimulation, and individualized consideration. Notably, studying the literature in detail brings into the forefront further classification of the second factor of idealized influence. A study conducted by Avolio and Bass (1995) subdivided idealized influence into idealized influence behavior and idealized attributes. The significance of these factors cannot be underestimated since these factors can be utilized to calculate, assess, and measure the transformational leadership scores of leaders within the organization.

Transactional Leadership Theory

Transactional leadership theory was first introduced by Burns (1978), but it was the work of Bass (1985) that put it under the spotlight. Basically, transactional leadership can be viewed as an exchange of services between the leader and follower (Bass & Avolio, 1990). Bearing in mind the twentieth century organizational context characterized by employees giving extra importance to the financial incentives and rewards attached to their jobs and career, Bass and Riggio (2006) noted that transactional business leaders tend to offer rewards for productivity or tend to deny and hold back rewards for lack of productivity on the part of the employees and subordinates. Thus it is evident that where financial and monetary incentives are utilized in order to enhance, motivate, and foster the performance of employees, the glimmers of transaction leadership fundamentals are in play.

Leadership Styles

Primarily, when leaders engage in interaction with their subordinates and followers they exhibit a range and combination of leadership traits, skills, and behaviors that can be collectively described as leadership style (Lussier & Achua, 2004). Notably, the highly dynamic nature of today's organizational environment has profoundly affected the way in which leaders interact with their followers. It can be stated that the dynamic organizational environment poses complex challenges to the organization and has inevitably resulted in the need for a more adaptive and flexible behavior on the part of organizational leaders (Bass et al., 2003). Basically, the leadership

styles that leaders exhibit tend to fall on a continuum, ranging from transactional-based dynamics to the transformational aspects of leadership. Nevertheless, it is important to point out that a leader is most likely to exhibit a leadership style that aligns with his or her personal values, beliefs, and attitudes (Lester, 1975).

Autocratic Leadership Style

Essentially, leaders that are perceived as being strict, commanding, directive, and highly engaged in the use of their positional power to influence the behaviors and actions of their subordinates are perceived to exhibit an autocratic style of leadership (Daft, 2005). Basically, an autocratic leader enjoys dominating and controlling subordinates, particularly with regards to core operational aspects of the task such as the realm of decision making, task-related actions, and work processes. Though this leadership style can lead to a controlled and disciplined workforce that is governed by a clear set of instructions and directive that may facilitate the accomplishment of tasks and goals, it nonetheless faces the problem of inhibited creativity and innovation on the part of the subordinates since the leaders comprehensively controls the decision-making process. Furthermore, a close look at the leadership style of an autocratic leader reveals that autocratic leaders are in total control of the policies, activities, and goals of the organization (Lester, 1975), thus making it very demanding for subordinates to perform their task in accordance with the leader's expectation since their punishments and rewards are solely based on the discretion of the leader based on the clearly-defined rules and regulations.

Bureaucratic Leadership Style

Essentially, leaders that tend to adhere strictly to the rules, regulations, and policies that govern the organization are perceived as exhibiting a bureaucratic style of leadership. Subordinates and followers subjected to leaders implementing this highly strict notion of leadership are negatively affected, particularly in terms of their creativity and innovation. Another important dimension of the bureaucratic leadership style is its top-down nature and approach to leadership. The directives and instructions strictly flow from the top level management right down to the operational level of the organization.

Democratic Leadership Style / Participative Leadership Style

Fundamentally, the participative leadership style is non directive in nature and instead focuses on engaging and allowing employees and subordinates to influence decisions by integrating their inputs and contributions to the decision-making process (Ogbonna & Harris, 2000). Furthermore, leaders using this style of leadership encourage teamwork and participation among employees, thus enhancing the team cohesiveness that contributes positively to the performance and productivity. Moreover, the leader provides the organization's members with a

clear understanding of the steps required to achieve the organization's goals (Lester, 1975). One important way to better understand the dynamics of the democratic leadership style is to specifically focus on the communication patterns prevalent within the organization. Leaders that tend to promote and establish open communication with effective members taking part in the decision-making process are perceived to portray a democratic style of leadership (Lester, 1975).

Likert's Leadership Styles

Likert categorized leadership into four broad styles based on the leader's orientation with regards to the task and staff dimensions (Likert, 1967). The first style described as the exploitative authoritative leader, who has a highly task-oriented nature, lies at one extreme of the continuum. Basically, the exploitative authoritative leader does not allow staff participation in the decision-making process, nor does he or she allow subordinates or employees to question the rationale behind the decision that he or she makes. Additionally, exploitative authoritative leaders do not trust or believe in their subordinates' abilities and capabilities, thus making the notion of empowerment comprehensively out of the question. Furthermore, this type of leadership style can have an adverse effect on the morale and confidence of the employees owing to the fact that the leader is constantly on the look out to monitor the faults and mistakes of the employees rather than their positives. Second, on the continuum with an orientation towards the task is the benevolent authoritative leadership style. Basically, this type of leadership style is characterized by the notion that despite the leader being authoritarian in nature, a certain degree of flexibility is demonstrated in the dimension of staff participation. Significantly, though all the major and key decisions are carried out by the leader, certain minor decisions are made by the subordinates. Notably, key elements of the transactional model of leadership are visible in this leadership style owing to the continuous use of rewards and punishments on the part of the leader in order to motivate the performance of the subordinates. The third leadership style that is more inclined towards staff orientation is the consultative leadership style. Fundamentally, the consultative leadership style is characterized by leaders that tend to consult and discuss issues with their subordinates in order to garner subordinates' input. Finally, on the other end of the continuum exhibiting a high staff orientation nature is the participative leadership style, which is characterized by decision making by the staff without the leader's intervention.

Dimensions affecting Leadership in the Twenty-First Century

When taking into consideration the challenges and opportunities that organizational leaders in the twenty-first century are facing, it should be noted that organizations are now well-equipped with social media resources in carrying out their recruitment and selection procedures. Furthermore, leaders can train and develop their employees and subordinates by conducting learning programs through social media networks owing to the fact that training programs conducted online

can provide the organization with various benefits, including reduced training costs, greater training effectiveness, continuous skill enhancement, as well as self-directed learning (Jucan et al., 2013).

Moreover, there is a host of other factors that directly or indirectly affect the leadership style of organizational leaders. First, the organization's customers and stakeholders have more choices and options to get what they need, thus making the organizational operating climate a highly competitive one. This notion of competitiveness requires organizational leaders to adopt leadership styles that are best suited in bringing out the best in their employees and subordinates in order to ensure that the organization can effectively and efficiently provide value and benefits to the organization's customers and stakeholders. Second, the demographic and generational shifts have resulted in changes in attitudes and beliefs, especially with regards to the younger-generation workforce. This notion of changing attitudes, values, and beliefs is highly important since leaders need to comprehend the fact that the incentives and perks that once used to inspire and motivate employees and subordinates may no longer be applicable to motivating some younger-generation employees. Therefore effective leaders in the twenty-first century need to be able to identify and highlight the incentive packages that are able to motivate the twenty-first century employees to perform effectively and contribute positively to the organization. Moreover, the generation Y employees or in other words employees younger than forty years of age are used to expressing and sharing their ideas and viewpoints online, and therefore organizational leaders need to be able to accept this change and challenge by encouraging discussions and employee engagements online in order to enhance organizational benefits. Third, the advancement in technology coupled with the highly significant role that the social media and the Internet have had on organizational dynamics inevitably affect the leadership dynamics of today's organizational leaders. Leaders need to be able to effectively understand the working of the social media in order to make the best use of it in order to enhance the overall performance of the organization. Fourth is the dimension of knowledge sharing and transfer in the twenty-first century, which is highly dynamic in nature and therefore organizational leaders need to be able to use the technological and digital platforms available in order to effectively facilitate employees' interaction. The use of technological platforms such as social media to share information can help organization transfer knowledge quickly and inexpensively (Jucan et al., 2013). Finally, the work patterns and regulations are also changing; for instance, many leading organizations are implementing the notion of flexible working hours into the work routine, thus making it necessary for leaders to be able to come up with innovative and creative leadership patterns that can effectively integrate employees' needs and organizational needs together.

Ethnicity and Leadership Styles

In this research ethnic Indian Thai organizational leaders have also been included in the study. It is highly important to point out that ethnic Indian Thai organizational leaders are seldom if at all included in extensive study pertaining to leadership styles and organizational performance. Thus this study contributes academically by providing insights into the ethnic Indian Thai organizational leadership in Thailand.

Though all ethnic Indian Thai organizational leaders included in this study are Thai nationals and lead large and medium private organizations in Thailand, it was evident that they still maintained ethnic and cultural values that strongly reflected their Indian ancestry and heritage.

Organizational Performance – Scope and Measurement

Despite the significance of the concept of organizational performance in academic literature, defining it is not an easy task owing to the wide range of meaning it encompasses. According to Gavrea et al. (2011), in the 1950s organizational performance was defined based on how organizations viewed as social systems achieved their objectives, which were mainly measured in terms of the effectiveness and efficiency of the workforce and the organizational structure. In the 80s and 90s the focus was on management within the organizations to enhance the effectiveness and efficiency of the organization by seeking to accomplish the goals and objectives of the organization using minimum resources in order to boost the profit and financial indicators of the organization.

Another vital ingredient in understanding the notion of organizational performance is the dynamic nature of organizational performance measurements. Hubbard (2009) postulated a stakeholder-based sustainable balanced scorecard coupled with a single measure organizational sustainability performance index to measure organizational performance. The measure posited by Hubbard is highly suited and appropriate to the multifaceted nature of organizational performance, particularly when perceived and measured from the perspective of employees, investors, activists, and numerous other groups that make up the key stakeholders of the organization.

When the notion of the organizational stakeholders arises, it is important to refer back to the work of Kaplan and Norton (1992). In their work they introduced the organizational performance measure called the balanced scorecard (BSC). Basically, the balanced scorecard performance measurement systems incorporated the four core dimensions of organizational performance: the financial, internal processes, customer/market, and learning and development aspects.

If one takes a close look at the dynamics of the BSC model, it can be noted that the main focus of the organizational performance measure is on the internal and external economic value of the organization (Hubbard, 2009). For instance, the financial aspect of the balanced scorecard highlights important measures of the organization such as the sales growth of the organization and the return on sales, assets, and equity of the organization. Similarly, the internal process measure takes into consideration the productivity of the organization, the capacity utilization of the organization's production, as well as labor and employee turnover. Furthermore, bearing in mind the significance of customers and market share to the organization, the measure posited by Kaplan and Norton seeks to measure the organization's market share, the number of new customers that the organization is able to attract, the order cycle time that is prevalent in the organization, as well as the defects and product return rate of the organization. Lastly, in order to ensure that the learning and development activities of the organization are focused upon, the BSC highlights important measures such as the number of new products that the organization has developed, the number of new markets that the organization is able to tap into, the ratio of research and development and training spending with respect to the total sales of the organization, as well as the ratio of investment with regards to the total assets of the organization. Though detailed in its attempt to measure organizational performance, its overall effectiveness is in doubt owing to the fact its measures are not linked, in the sense that not all four dimensions of organizational performance are linked to each other (Hubbard, 2009).

Having reviewed and studied the BSC proposed by Kaplan and Norton, it is evident that despite its popularity, there still lingers the shortcoming related to the linkage of different factors in the model. Moreover, bearing in mind the highly increasing impacts and influence that environmental and social variables have on organizational functioning and performance, the sustainable balanced scorecard (SBSC) and organizational sustainable performance index (OSPI) stated by Hubbard (2009) seem to be a much more comprehensive conceptual framework for measuring organizational performance. Significantly, the model posited by Hubbard, is a clear extension of the earlier discussed model of Kaplan and Norton, but its comprehensiveness is enhanced owing to the inclusion of the social and environmental variables. On the environment front, it attempts to measure the environmental performance of the organization by measuring elements such as use of resources, ranging from the use of water to energy as well as the amount of waste that the organization creates. Regarding the social performance dimension of organizational performance, the measure seeks to gauge issues such as employee satisfaction, the social performance of suppliers, the community relationships that the organization has, as well as the philanthropic investment as a ratio of revenue and profit organization; in other words the corporate social responsibility aspect of the organization. In sum, the positives of the model developed by Hubbard lies in its simplicity in terms of the comprehension of organizational leaders. Moreover,

the SBSC offers a high level and easy-to-comprehend-and-communicate summary of organizational performance (Hubbard, 2009).

Research Methodology

This study used a qualitative research design based on extensive field research in order to achieve the research objectives. A phenomenological method using standardized or structured open-ended interview design was used. This methodology was selected in order to best understand the lived experiences of the organizational leaders and employees. Thus in this research the perspectives and worldviews of all of the participants were given importance in order to capture the essence of the phenomenon of the study. Basically, in-depth interviews were conducted with both organizational leaders as well as employees in order to obtain a comprehensive understanding of the leadership styles and the impact they have on organizational performance. The interview comprehensively covered areas pertaining to the styles of leadership, the importance of leadership, the dimensions of organizational performance, the other determinants of organizational performance, the impacts of government public policies on the organizational performance, and how leadership styles affected organizational performance. The seven Thai private organizations were drawn from a variety of industries including textile and embroidery manufacturing, leather products, jewelry, hospitality, tourism, logistics, information technology, hotels and real estate. Basically, purposeful sampling was used as the primary method. However, it is important to point out that the snowball sampling techniques was also incorporated at certain points in this study, especially in the realm where the organizational leaders that were interviewed and studied strongly recommended their peers in other organizations to be interviewed as well. Sample size for this research was 17 individuals from seven Thai organizations, thus meeting the recommended sample size used for an effective and comprehensive phenomenological study where the typical sampling is in the range of 5 to 25 individuals, all of whom need to have had direct experience and engagement with the phenomenon under study (Creswell, 1998). The main unit of analysis in this research was the organizational level. Interviews were transcribed and coded in order to establish important themes using thematic analysis. To maintain confidentiality pseudonyms were used in order to protect the identities of the respondents.

Results and Findings

Strategic importance of leadership roles was comprehensively highlighted

The first finding noted the strategic importance of leadership roles in the organization. The importance of the vision and perspective of the organizational leader was reflected in a broad number of ways. It was evident that the expansion and diversification strategies of organizational leaders were instrumental in enhancing the efficiency and effectiveness of the production operations,

expanding the organization's market, expanding the customer base, adopting and enhancing the utilization of technological and innovation in the organization, and taking advantage of the policies implemented by the public sector as well as formulating strategies to respond to the challenges resulting from the policies of the government.

Preference for the participative and democratic style of leadership was noted

The second finding highlighted that organizational leaders and employees practiced as well as preferred aspects of the participative and democratic styles of leadership in order to lead and operate the organization. Open communication and interaction between the organizational leaders and employees were seen as essential in order to get across the strategies and visions of the organization. For example, even leaders that presented themselves as being relatively autocratic in leading people still gave employees the chance to share their ideas and viewpoints. The notion of open communication, feedback, and exchange of ideas and viewpoints between leaders and employees was highlighted by employees as being one of the main reasons why they enjoyed working under their leaders. Key aspects of a participative leadership style such as the notion of teamwork, employee empowerment, collaboration, and coordination among employees were present across all organizations.

Both transactional and transformational leadership traits were exhibited

The third finding revealed that leaders exhibited traits of both the transactional and transformational aspects of leadership and were flexible and adaptive in their leadership style based on the context and situation. For instance leaders rewarded their employees handsomely for coming up with new ideas that enhanced the operation of the organization while at the same time also provided them coaching and mentoring in order to inspire them to work collectively towards a common organizational goal. The narratives of the leaders describing how different employees have different preferences, hence making it essential for leaders to adapt and deal with different employees differently highlighted the essence of this finding. For instance it was noted that some employees were ambitious and thus monetary rewards were needed to motivate them, while some employees needed coaching, mentoring, guiding, and support, thus making it necessary for leaders to use the transformative aspect of leadership in order to stimulate and inspire them.

Several key indicators were used to assess organizational performance

The fourth finding revealed that the organizational leaders assessed and evaluated the performance of the organization based on several key indicators and measures. The findings revealed that the main area that leaders focused on was the financial performance of the organization. Thus it could be said that financial performance was given priority perhaps due to the fact that the organizations included in the study were from the private sector. Besides the financial performance,

expansion, and increase in the customer base and market share of the organization, the welfare, well-being, and satisfaction of employees in the organization, the image of the organization, and the learning and growth activities of the organization were also focused upon. As mentioned earlier, financial performance was given the utmost importance and priority by all participants. This could be because without good financial performance and profitability all other indicators would be meaningless since the organization would not even exist if it failed to run profitably. The importance of the image of the organization in the eyes of stakeholders was another dimension that all leaders focused on while evaluating performance, keeping in mind the current trends where both employees and the public sector gave high importance to the image of the organization. Leaders also highlighted the importance of learning and growth in the organization and evaluated their performance based on how well the organization has adopted and implemented technological innovations and development in its operation.

A direct link between leadership styles and organizational performance was evident

The fifth finding directly linked the relationship between the leadership style of the organizational leaders and the performance of the organization. The findings revealed that leaders highlighted that their style improved the financial performance of the organization. For instance it was noted that the leaders' encouragement of employees to participate and openly share their ideas resulted in employees coming up with recommendations to expand the product range of the organization using available resources, thus enhancing the financial performance of the organization. Additionally, the findings illustrated that the leadership style of the organizational leaders increased the market share and customer base of the organization. Furthermore, the findings revealed that the leadership styles of organizational leaders contributed to the well-being and satisfaction of employees. Various leaders pointed out how the leadership style that combines attractive compensation packages with transformational aspects of leadership increased employees' morale, resulting in higher-performing employees and a better-performing organization as a whole. Moreover, it was evident that job training and development programs are conducted in order to develop the know-how and skills of employees, which will ultimately benefit the organization. The findings highlight that the leadership style of the organizational leaders that facilitated and fostered the use of technology and innovation in the organization also boosted its overall performance. Interestingly, even leaders that admitted that they were not well acquainted with the use of technological know-how and innovation understood their importance and strongly encouraged their adoption and implementation in the organization in order to improve performance.

Various other determinants affected organizational performance

The sixth finding pointed out that elements such as employees, technological innovation and the management information system, the organizational structure and culture, and the poli-

cies of the public sector all directly and indirectly affected the performance of the organization. For instance all of the leaders indicated the importance of employees and how they determine the performance of the organization. Examples of committed and dedicated employees contributing product ideas and viewpoints that help the organization become more effective and efficient were evident in the case of various organizations included in this study. The organizational leaders expressed how employees that were given adequate training and knowledge were instrumental in improving the performance of the organization. Evidence from the field illustrated how high automation and technological innovation adopted by the organization contributed significantly to enhancing the performance. With regards to the impact of organizational culture and structure on performance, the leaders stated how a strong corporate culture where the employees are united in their mentality with respect to the organization's vision and mission boosts the performance of the organization due to enhanced cooperation, teamwork, and dedication. The leaders discussed how a united organization that shared common goals and benchmarks was likely to achieve higher performance since the leader's vision and values are transmitted to the employees and stakeholders of the organization. Additionally some leaders explained how clearly-defined rules and regulations as well as transparency and accountability fostered the performance of the organization since employees understood their roles and duties. Analysis also highlighted the fact that the public sector and its policies impact the performance of organizations. For instance it was noted how the increase in the minimum wage affected the profitability of organizations, thus forcing them to reduce overtime shifts and instead move some aspects of their production to neighboring Myanmar in order to remain competitive. Evidence from the field also draw attention to the role of the public sector in helping the organizations improve and expand its operation through events such as training and development seminars, fairs and exhibitions, trade associations, investment incentives and assistance, and tourism promotion.

Several factors affected the leadership styles of the organizational leaders

The seventh finding revealed that the leadership styles of the organizational leaders were influenced by several factors; especially those related to the transformations in the social, technological, and economic spheres in the twenty-first century as well other determinants of organizational performance. It is highly important to stress that the technological changes in the twenty-first century are unprecedented in nature, for example, the innovation of social media and mobile applications, important innovations that did not exist just a decade ago. This has allowed both organizational leaders and employees to boost their interaction and engagements in order to achieve better performance and changes in their work habits, resulting in higher productivity. For example, the findings illustrate that technological innovations have encouraged leaders to adopt and encourage their use in order take advantage of the positives they provide to the organization. Evidence from the field suggests that the communication between the organizational leader and

employees has become more open owing to the use of such technological innovations and applications. The importance of employees to the organization has also significantly affected the leadership styles of organizational leaders. The leaders pointed out that it was necessary to come up with attractive incentive packages in order to motivate employees that are now more knowledgeable about their rights and are open to various job opportunities. This has made it more challenging for organizations to retain the best talents and productive employees. Looking at it positively, this has made it necessary for organizational leaders to accept that favorable employee relationships are highly vital for the organization. Various leaders highlighted how the current generation of employees preferred to share their ideas and viewpoints, thus making it necessary for leaders to empower employees more in order to get the best out of their skills and capabilities. The nature of the organizational culture and structure also affects the leadership style of organizational leaders. The leaders pointed out how well-defined roles and responsibilities in the organization allow for clear communication with employees and facilitate employee empowerment and the delegation of roles to employees.

Ethnicity played an important role for ethnic Indian Thai business leaders

The eighth finding showed that the Indian ethnicity of the leader affected the leadership role and mindset of the organizational leader. Nonetheless, aspects of both transactional and transformational leadership with dimensions of participative and democratic leadership styles were clearly present in their leadership style, thereby making their style of leadership similar to that of other Thai organizational leaders. Ethnic Indian Thai leaders tend to need ethnic Thai supervisors in order to act as a link between themselves and their employees as well as with local government authorities, perhaps due to the fact that ethnic Indian Thais are better versed in English while all local official documents are in Thai. Basically ethnic Thai managers were needed in order to control and manage local employees from Bangkok and provinces in order to ensure smooth operations. This can be due to the fact that ethnic Indian Thai leaders still believed that in dealing with a local workforce, ethnic Thais supervisors and managers would do a better job and get better results. Moreover, the ethnic Indian Thai leaders considered themselves a part of the Thai social fabric, a stark contrast with their parents, who were more Indian in mentality. This change in self-perception has encouraged the current generation of ethnic Indian Thai leaders to be more proactive and aggressive in their leadership style, thus leading to intense expansion and diversification of their organization. It can also be said that this has opened the possibility that future generations of ethnic Indian Thais will be more prominent in the Thai social fabric in various segments of the society. Moreover, the current generation of ethnic Indian Thai leaders cared more about the employee's welfare and compensation and provided all legally required coverage to protect the employees, the environment, as well as the community. Basically they were more synchronized and in touch with the legal and administrative requirements compared to their

predecessors. This reflects their successful assimilation into the Thai social fabric as well as their higher educational background and understanding of managing and leading a professional organization. The ethnic Indian Thai leaders explained how building close relationships with the local communities where they operate has been instrumental in successfully running their resorts, hotels, and residential projects in tourist hotspots. Additionally, the ethnic Indian Thai leaders believed that their ethnicity fostered their relationship with clients and stakeholders since they could take advantage of the positives from both cultures. For instance these leaders pointed out how their Indian ethnicity facilitated their relationship with foreign clients since key clients in the Middle East and Africa were well aware of Indian customs and values and their way of conducting business. Moreover, ethnic Indian Thai leaders were multilingual and could communicate easily with all stakeholders of the organization.

Conclusions and Implications/Contributions for Theory, Practice, and Public Policy Administration

The results of this study pertaining to the importance of leadership for the organization were consistent with the findings of Rowe et al. (2005), which indicated that leadership was one core variable believed to be independently linked to organizational performance. Additionally, the findings indicated that the organizational leaders as well as the employees preferred and implemented the participative and democratic styles of leadership in order to lead and operate the organization. Nonetheless, as noted in this research, at times the leaders needed to exercise autocratic leadership, especially in situations that required immediate actions and regarding issues that were highly important for the organization. This finding is also consistent with Negron's (2008) findings, which indicated that leaders are flexible and adjust their style of leadership in order to meet the challenges posed by the situation. Additionally, another finding related to the leadership style of organizational leaders indicated that the leaders exhibited traits of both the transactional and transformational aspects of leadership and were flexible and adaptive in their leadership style based on the context and situations. This corresponds to the findings of Boonyachai (2011) who stated that the dominant leadership style of Thai managers tends to be of a hybrid nature, that is, a combination of both transformational and transactional elements of leadership. Moreover, this research found that the financial performance dimension of organizational performance was given utmost priority across all organizations. This is consistent with the findings of Waldman et al. (2001), which highlighted the importance of the net profit dimension and the sales volume of the organization. Perhaps this inclination could be due to the fact that all the organizations included in this research were from the private sector. Overall, the findings in this research align with previous researches regarding the relationship between leadership styles and organizational performance.

Furthermore, this research has important research contributions and implications for the field of leadership and public administration. First, the research focuses on the impact of leadership styles on organizational performance without neglecting other variables that mediate and influence the role of leadership. Thus it provides a comprehensive understanding of leadership roles in an organizational setting. Secondly, this research provides an in-depth understanding of the leadership styles and behavior in Thai private organizations, which facilitates the understanding of the preferred leadership styles in the Thai organizational context given the recent transformations that have taken place. Thirdly, this research links the role of public policy in organizational performance and facilitates the understanding of the role that government policies have in the performance of organizations as well as understanding how organizational leaders can cope with such government policies in order to ensure the smooth operation and performance of their organization. Fourthly, this research is one of the few researches that take into consideration the leadership style of ethnic Indian Thai organizational leaders, thus enhancing the knowledge and understanding of and insights into, the leadership styles of ethnic Indian Thai organizational leaders and how they lead their organizations.

Significantly, this research has various important policy implications and contributions. First, it clearly highlights the fact that government policies directly affect the performance of the organizations as well as the leadership strategies of organizational leaders. Thus the public sector needs to come up with policies that positively enhance the performance and operations of Thai organizations. For example, the government should try to provide subsidies as well as financial and investment assistance, especially in the manufacturing and production sectors, in order to counter the hike in the minimum wage. This move is necessary in order to ensure that manufacturers are able to remain competitive and do not need to shift all of their core production and manufacturing operations to neighboring countries, which would adversely affect the Thai manufacturing industry and the economy as a whole. Secondly, the government should continue to be aggressive in conducting and hosting training and development seminars for organizational leaders and employees in key sectors such as tourism, hospitality, and manufacturing in order to enhance and facilitate the sharing of vital knowledge and information among the organizations in these industries, which would help boost performance. Thirdly, the government should continue to host trade fairs and exhibitions as well as expand the depth and dimensions of trade association activities in order to assist Thai organizations in expanding their market as well strengthening their global presence, which will help organizations increase their market share and overall performance.

This research also has important implications and contributions for organizational leaders in both the private and public sector. Organizational leaders need to understand the importance of their strategic leadership roles in helping boost the performance of their employees and the organization

as a whole. Moreover, organizational leaders need to understand that employees prefer a leadership style that is more participative and democratic in nature, as well as leaders that implement both transformational and transactional leadership traits. Another important implication for organizational leaders is related to the dimension of organizational performance. Basically, leaders need to take into consideration both the financial and non-financial indicators of performance during performance assessment and evaluation. Moreover, organizational leaders in the public sector can adopt the best practices and innovation like their counterparts in the private sector in order to enhance service delivery performance and to reduce costs.

Limitations and Suggestions for Future Research

This research mainly provides only the viewpoints of organizational leaders and employees in the private sector, thus providing the opportunity for future research to be conducted on organizational leaders in the public sector based on the same theoretical and conceptual background and foundation that this research has extensively provided. Moreover, the viewpoints and perspectives of public policymakers can also be researched in the future in order to get their side of the story as to how the policies of the public sector affect the organizational performance of private organizations. Other important future research can also be conducted regarding how public policies and practices affect leadership roles in the private sector. Moreover, in the future a thorough longitudinal study with more participants can also be conducted in order to capture a deeper and comprehensive understanding of the multifaceted, multidimensional, and complex nature of organizational leadership. Finally, as highlighted through the findings of this research, that organizational performance in itself is a highly complex and dynamic field of study, future research could be directed at understanding the dimension of organizational performance singularly in order to capture the essence of organizational performance in both private and public organizations.

References

- Avolio, B. J. (1999). *Full Leadership Development: Building the Vital Forces in Organizations*. Thousand Oaks, CA: Sage.
- Avolio, B. J., & Bass, B. M. (1995). Individual consideration viewed at multiple levels of analysis: A multi-framework for examining the diffusion of transformational leadership. *The Leadership Quarterly*, 6(2), 199-218.
- Bass, B. M. (1985). *Leadership and Performance beyond Expectations*. New York: The Free Press.
- Bass, B. M., & Avolio, B. J. (1990). The implications of transactional and transformational leadership for individual, team, and organizational development. *Research in Organizational Change and Development*, 4, 231-272.
- Bass, B. M., Avolio, B. J., Jung, D. I., & Berson, Y. (2003). Predicting unit performance by assessing transformational and transactional leadership. *Journal of Applied Psychology*, 88(2), 207-218.
- Bass, B. M., & Riggio, R. E. (2006). *Transformational Leadership*. Mahwah, NJ: Lawrence Erlbaum Associates, Inc.
- Bohn, J. G. (2002). The relationship of perceived leadership behaviors to organizational efficacy. **Journal of Leadership & Organizational Studies**, 9(2), 65-80.
- Boonyachai, Y. (2011). *An Investigation of the Leadership Styles of Middle Managers in the Thai Hotel Industry Using the MLQ (5X-Short Form) and Hofstede's Cultural Dimensions*. DBA Thesis, Southern Cross University.
- Burns, J. M. (1978). *Leadership*. New York: Harper & Row.
- Bycio, P., Hackett, R. D., & Allen, J. S. (1995). Further assessments of Bass's (1985) conceptualization of transactional and transformational leadership. *Journal of Applied Psychology*, 80(4), 468-478.
- Colley, L. (2002). The changing face of public sector employment. *Australian Journal of Public Administration*, 60(1), 9-20.
- Creswell, J. W. (1998). *Qualitative Inquiry and Research Design: Choosing among Five Traditions*. Thousand Oaks, CA: Sage.
- Daft, R. L. (2005). *The Leadership Experience*. Toronto: Southwestern.
- Emery, C. R., & Barker, K. J. (2007). The effect of transactional and transformational leadership styles on the organizational commitment and job satisfaction of customer contact personnel. *Journal of Organizational Culture, Communication and Conflict*, 11(1), 77-90.
- Gavrea, C., Ilies, L., & Stegorean, R. (2011). Determinants of organizational performance: The case of Romania. *Management & Marketing Challenges for the Knowledge Society*, 6(2), 285-300.
- Howell, J. M., & Avolio, B. J. (1993). Transformational leadership, transactional leadership, locus of control, and support for innovation: Key predictors of consolidated-business-unit performance. *Journal of Applied Psychology*, 78(6), 891-902.
- Hubbard, G. (2009). Measuring organizational performance: Beyond the triple bottom line. *Business Strategy and Environment*, 18(3), 177-191.

- Jing, F. F., & Avery, G. C. (2008). Missing links in understanding the relationship between leadership and organizational performance. *International Business & Economics Research Journal*, 7 (5), 67-78.
- Jucan, M., Jucan, C., & Rotariu, I. (2013). "The social destination": How social media influences the organizational structure and leadership of DMOs. *World Academy of Science, Engineering and Technology* 7(6), 1672-1678.
- Kaplan, R. S., & Norton, D. P. (1992). The balanced scorecard – measures that drive performance. *Harvard Business Review*, (January-February), 71-79.
- Lado, A. A., Boyd, N. G., & Wright, P. (1992). A competency-based model of sustainable competitive advantage: Toward a conceptual integration. *Journal of Management*, 18(1), 77-91.
- Lester, C. N. (1975). Leadership style: A key to effectiveness. *Journal of Extension*, (November-December), 3-10.
- Likert, R. (1967). *The Human Organization: Its Management and Value*. New York: McGraw Hill.
- Lussier, R. N., & Achua, C. F. (2004). *Leadership Theory, Application, Skill Development*. U.S.: Southwestern.
- Negron, D. (2008). *A Case Study Examining the Relationship of the Path-Goal Theory Leadership Styles to Profits in El Paso, Texas, Rent-A-Center Stores*. Doctoral Dissertation. Capella University.
- Ogbonna, E., & Harris, L. C. (2000). Leadership style, organizational culture and performance: Empirical evidence from UK companies. *The International Journal of Human Resources Management*, 11(4), 766-788.
- Rowe, W. G. (2001). Creating wealth in organizations: The role of strategic leadership. *Academy of Management Executive*, 15(1), 81-94.
- Rowe, W. G., Cannella, A. A., Rankin, D., & Gorman, D. (2005). Leader succession and organizational performance: Integrating the common-sense, ritual scapegoating, and vicious-circle succession theories. *The leadership Quarterly*, 16(2), 197-219.
- Sellgren, S. F., Ekvall, G., & Tomson, G. (2007). Nursing staff turnover: Does leadership matter? *Leadership in Health Services*, 20, 169-183.
- Waldman, D. A., Ramirez, G. G., House, R. J., & Puranam, P. (2001). Does leadership matter? CEO leadership attributes and profitability under conditions of perceived environmental uncertainty. *Academy of Management Journal*. 44(1), 134-143.
- Weiner, N., & Mahoney, T. A. (1981). A model of corporate performance as a function of environmental, organizational, and leadership influences. *Academy of Management Journal*, 24(3), 453-470.
- Yukl, G. (1989). Managerial leadership: A review of theory and research. *Journal of Management*, 15(2), 251-289.
- _____. (2010). *Leadership in Organizations*. 7th ed. New Jersey: Prentice Hall.