

**LEADERSHIP STYLES AND EFFECTIVENESS IN SMALL, MEDIUM AND
LARGE ORGANIZATIONS**

by

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A Dissertation Presented in Partial Fulfillment

Of the Requirements for the Degree

Doctor of Philosophy

Capella University

March 2014

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Abstract

The purpose of this research study was to investigate leadership styles (dependent variable) and effectiveness (dependent variable) based on organizational size (independent variable). The chosen leadership theory for this study was the Full Range Leadership Theory put forth by Avolio and Bass. This covers a range of leadership styles from passive-avoidant to transformational. The three leadership styles of transformational, transactional and passive-avoidant and the effectiveness were measured using Bass and Avolio's Multi Factor Leadership Questionnaire 5x. The population was persons in management positions holding executive or functional positions. The sample consisted of 159 randomly selected respondents holding management positions within their organizations as determined by the data from Survey Monkey. Data analysis consisted of chi square analysis to analyze whether there is a difference in leadership styles among managers in organizations categorized as small, medium and large size organizations. Data analysis from an ANOVA was used to analyze whether there is a difference in organizational effectiveness in organizations categorized as small, medium and large size organizations. Data was entered into SPSS for analysis. Selection criteria other than persons being in an executive or functional management position were working in a for-profit organization, in operations for at least three years and domestic. The organizational categories for size were 1-99 employees being small, 100-499 employees being medium and <500 employees being large. Results determined that there is no significant difference between leadership styles of managers and the size of the organization and no significant difference in organizational effectiveness based on the size of the organization.

Dedication

This dissertation is dedicated to my Lord and Savior Jesus Christ, my wife Caroline M. Walter, my daughters, Christin, Sarah and Angela and my son-in-law Iosif. Without their prayers and support and the strength supplied to me by my Lord this achievement never would have been accomplished.

Acknowledgments

I want to acknowledge those who enabled me to achieve the distinction of Doctor of Philosophy. I express my appreciation to my mentor Dr. W. Don Gottwald for his expertise and patience which guided me through this journey. He seemed to know when I needed encouragement and kept fueling my energy which bottomed out many times. I also thank my committee members Dr. Geoff Laendner and Dr. Richard Yellen for electing to be on my committee and for being there all the way though out my journey.

I acknowledge all the sacrifices of my wife Caroline, my daughters, Christin, Sarah and Angela and my son-in-law Iosif. Their constant prayers, the sacrifice of their time for me and their patience and understanding with my ever growing case of nervous bouts was not easy to endure. I always loved them and am grateful that through the hyper stressful times of my journey they also always loved me.

I thank my Lord and Savior Jesus Christ for all the strength, support and grace to make it through this journey. I started this journey with different reasons than those with which I finished. I pray my PhD will open doors and allow me to glorify God and to reach out and extend His kingdom throughout the world.

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CHAPTER 1. INTRODUCTION

The speed of change with technology, increased reliance on knowledge workers, globalization, diversity and social responsibility are only a few of the challenges that must be overcome for organizations to compete effectively in the 21st century (Holt & Marques, 2012; Dess & Picken, 2000). Organizations must be able to change quickly and be flexible to react to their environments (Bennett, 2009). Organizations need leaders that have the skills, creativity and courage to build or recreate organizations within the framework of these new challenges (Warrick, 2011). The challenge to compete more effectively in the present business environment needs leaders who are able to adjust to dealing with the present speed of change in the business environment (Holt & Marques, 2012; Dess & Picken, 2000).

Background of the Study

Previous research studies indicate organizations must be able to change quickly and be flexible to react to their environments (Bennett, 2009). Restructuring and downsizing increases the reliance of organizations on a smaller number of employees and teamwork to accomplish today's goals and objectives. Pryor, Humphreys, Sonia, and Toombs (2011) point out that leadership is influencing both the individual employee and a team or group of employees. Leadership styles have an effect on an employee's behavior and attitudes, work effort, productivity, satisfaction and the success of a company. Appropriate leadership style is necessary for the employees to reach their maximum performance in a company (Bennett, 2009).

Flood et al. (2000) found leadership styles have a direct relationship on the effectiveness of an organization. Mandell and Pherwani (2003) organizational research studies found that transformational leaders were more effective than were transactional leaders as measured by the

Management Leader Questionnaire (MLQ) and individuals that score high on transformational leadership exhibit superior performance

Statement of the Problem

There is a dearth in studies of the relationships or interactions between leadership styles and characteristics or attributes of the organizations such as size. The focus of research are on leadership and how it has an effect on employees and their organizations not how the characteristics or attributes of an organization, such as size, may require a certain type of leadership style. The more recent studies conduct research in areas such as managers applying emotions to assist employees (Toegel, Kilduff & Anand, 2013), leadership and employee response to problems and opportunities (McClean, Burris & Detert, 2013) and empowering leadership in teams (Lorinkova, Pearsall & Sims, 2013).

Studies indicate organizations must be able to change quickly and be flexible to react to their environments (Bennett, 2009). Leadership styles have an effect an employee's behavior and attitudes, work effort, productivity, satisfaction and the success of a company. Appropriate leadership style is necessary for the employees to reach their maximum performance in a company (Bennett, 2009). Flood, Smith, Turner, West and Dawson (2000) found leadership styles have a direct relationship on the effectiveness of an organization.

This study will investigate differences in leadership and the effectiveness of organizations based on organizational size. Understanding the leadership styles of small, medium and large organizations and the effectiveness of the organizations will contribute to the extant knowledge base of leadership and organization.

Purpose of the Study

The purpose of this research study will be to investigate leadership styles (dependent variable) and effectiveness (dependent variable) based on organizational size (independent variable). The challenge to compete more effectively in the present business environment means dealing with the speed of change with technology, increased reliance on knowledge workers, globalization, diversity and social responsibility (Holt & Marques, 2012; Dess & Picken, 2000). This research may indicate what leadership style and effectiveness based on characteristics of the organization may assist organizations to identify leaders that have the skills, creativity and courage to build or recreate organizations within the framework of these new challenges (Warrick, 2011).

Demonstrating that the effectiveness of organizations may be influenced by the leadership style and which leadership style is most effective according to the size of the organization based on the number of employees extends the knowledge base of both, leadership and organizational management by investigating the relationship among leadership styles, organizational effectiveness and size of organizations.

Rationale

According to Northouse (2004) leadership is a process, involves influence, occurs in groups and results in achievement of goals. The study of leadership has led to many theories, such as leadership based on an individual's skills and traits to situations where a certain leadership style will be best for achieving an organization's goals. Prior research has shifted from matching a leader's style to the situation to a leader that has the ability to match an appropriate leadership style with the organizational situation. The three leadership theories considered appropriate for most situations are transformational, transactional and passive

avoidance. Each theory has an appropriate situation for organizational application and Northouse (2004) and Bass (1985) suggest a leader should be able to have the ability to apply whichever of those styles of leadership fit best at the time.

Burns (1978) considered transformational and transactional leadership theory different approaches with success dependent on the needs of the organization. Bass (1985) recognized the need for a leader to be able to apply both transformational and transactional leadership styles within the same organization depending on the changing needs of the organization. This change of thought lead to examination of a broad range of leadership styles referred to as the Full Range Leadership Theory (FRLT). The FRLT covers a full range of leadership styles from passive avoidance, transactional and transformational leadership (Avolio & Bass, 2004).

As organizations grow a leader must guide larger numbers of employees to achieve the goals of an organization. The speed of change with technology, knowledge workers, globalization, diversity and social responsibility must be overcome for organizations to compete effectively (Holt & Marques, 2012; Dess & Picken, 2000). Bennett (2009) states that appropriate leadership style is necessary for the employees to reach their maximum performance in a company. Effective leadership is a major determinant of growth and success for organizations ranging from profit to nonprofit, military units, amateur and professional athletics and religious organizations (Hargis, Watts & Piotrowski, 2011). Flood et al. (2000) found leadership styles have a direct relationship on the effectiveness of an organization. This study focuses on the three leadership styles of the FRLT, effectiveness of the leader's interaction between levels of the organization based on the size of the organization.

Prior studies indicate that effective leadership has been linked to increased profitability and long-term sustainability contributing to the growth and success of an organization (Hargis et

al., 2011; Grant, 2012; Caldwell, Dixon, Floyd, Chaudoin, Post & Cheokas, 2012). The more recent studies conduct research in areas such as managers applying emotions to assist employees (Toegel et al., 2013), leadership and employee response to problems and opportunities (McClean, Burriss & Detert, 2013) and empowering leadership in teams (Lorinkova et al., 2013). The recommendations for future research are to go beyond the limitations of the studies but also to support the results which warrant furthering research in the same areas of the existing studies. Effective leadership must take into account the business context and environment, i.e. technology, competition and the changing workforce (Humphreys, 2001). Hargis et al. (2011) examined leadership across business context and Caldwell et al. (2012) points out that certain leadership styles earned higher profits due to company culture.

This study will involve participants from many industries, looking at their leadership styles and effectiveness and whether the size of a company based on the number of employees have a tendency to favor a certain type of leadership style. This will extend the research in the field of leadership and organizational management by examining effective leadership in today's continuously changing business context and whether there may be differences based on the size of an organization.

Research Questions

The focus of the research will be to investigate leadership styles (dependent variable), effectiveness (dependent variable) based on organizational size (independent variable).

ResQ1: Is there a significant relationship between leadership styles among managers in organizations and organizational size?

ResQ2: Is there a significant difference in organizational effectiveness based on organization size?

Hypotheses

The study involved testing the following hypotheses:

H01: There is no significant relationship between leadership styles of managers and the size of the organization.

HA1: There is a significant difference in leadership styles of managers in organizations based on the size of the organization.

H02: There is no significant difference in organizational effectiveness based on the size of the organization.

HA2: There is a significant difference in organizational effectiveness based on the size of the organization.

Significance of the Study

This study may provide knowledge for a more appropriate fit between an individual's leadership style and the effectiveness of an organization (Bennet, 2009); increasing the ability of the organization to overcome new challenges to compete effectively in the 21st century (Holt & Marques, 2012; Dess & Picken, 2000; Warrick, 2011). This may enable organizations to understand how organizational size and organizational effectiveness may require a certain style of leadership to increase their chances of success at overcoming the challenges of the business environment. Understanding the best fit of leadership style based on an organizations size may be a business tool to improve effectiveness of an organization. The significance of the findings of this study will contribute to the leadership and management line of research and add to the extant knowledge base of the field of organization and management.

Being able to understand and identify the best fit of leadership style with the organizations size may prove to be an organizational and management tool that may enable

organizations to reap the benefits of increased effectiveness and efficiency by developing and/or seeking managers with the appropriate leadership styles for their organizations at various management levels. This knowledge could increase the ability for the companies to test the leadership style for the best candidate for leadership positions within the company and test potential hires for management positions for their leadership abilities. This will enable companies to be more competitive in a global marketplace. In today's rapidly changing business environment knowing what qualities to look for in leaders is a key competitive advantage (Dries and Pepermans, 2007).

Definition of Terms

This study looks at the three constructs of leadership, transformational, transactional and passive avoidant, and the construct of effectiveness according to the size of the organization. There are different leadership theories and models as well as whether a situation responds more effectively to a certain style of leadership or whether the leader is effective by applying their style to the situation (Northouse, 2004). The categorical variable in this study may indicate that an organization of a particular size will be more effective with a certain style of leadership.

The chosen leadership theory for this study is the Full Range Leadership Theory (FRLT) which instead of focusing on one style of leadership covers a range of leadership styles from passive-avoidant to transformational (Avolio & Bass, 2004). Therefore the overall construct of leadership is divided into three constructs: transformational, transactional and passive-avoidant styles of leadership. Transformational leadership involves positively motivating followers into putting forth more effort and exceeding their own expectations through inspirational and visionary stimulation. Transactional leadership involves clarification of expectations, followers meeting expectations or taking corrective actions and rewards for their performance. Passive

avoidance leadership style is associated with non-reaction until serious problems occur, being inactive and passive in their leadership role (Avolio & Bass, 2004).

Effectiveness is the ability of an organization to meet its goals. The effectiveness of a leader is the ability to achieve organizational goals through his or her followers. The construct of effectiveness of a leader will be the effectiveness in meeting others' job-related needs, effectiveness in representing their group to higher authority, effectiveness in meeting organizational requirements and being effective in leading groups (Avolio & Bass, 2004).

Assumptions and Limitations

Leadership theory covers many different aspects of leadership from skills and traits to behavioral to situational to name only a few. This study of the Full Range Leadership Theory assumes coverage of the broadest assimilation of leadership theory which in today's dynamic business environment enables a leader to apply the best leadership style to their organizational situation. Previous research on this topic has shifted from a singular leadership style and matching a leader's style to the situation to a leader that has the ability to match an appropriate leadership style with the organizational situation and culture.

Quantitative research methodology based on survey research and correlational techniques are appropriate to show relationships (Gravetter & Wallnau, 2005; Swanson & Holton, 2005). Survey research methodology provides numeric description of attitudes or opinions (Creswell, 2009) and allows a substantial amount of information to be gleaned from a relatively small sample of population. Quantification of behaviors, observations, motivations, et cetera enables statistical analyses for summarizing and comparing data (Babbie, 2004). In the study of the social sciences, surveys are one of the most commonly utilized methods to test theories of behavior for the purpose of increased understanding of the workings of society (Groves et al.,

2009). The methodology and approach will allow quantification of leadership styles and effectiveness and the statistical analysis of the survey data may demonstrate relationships between the independent variable and the dependent variables. The demographic information collected from the surveys will determine if any relationships that may exist between the IV and DVs are specific to the size of an organization.

A limitation may be that not all leadership styles are taken into account with this study. The FRLT is chosen to cover the widest range of leadership styles but by no means covers all leadership styles and situations. Perceptions of leadership by participants may be different and being self-rating there may be a difference between a self-rater's perceptions versus a rater's perceptions of leadership style. Also the survey does not differentiate between domestic and non-domestic respondents.

Nature of the Study

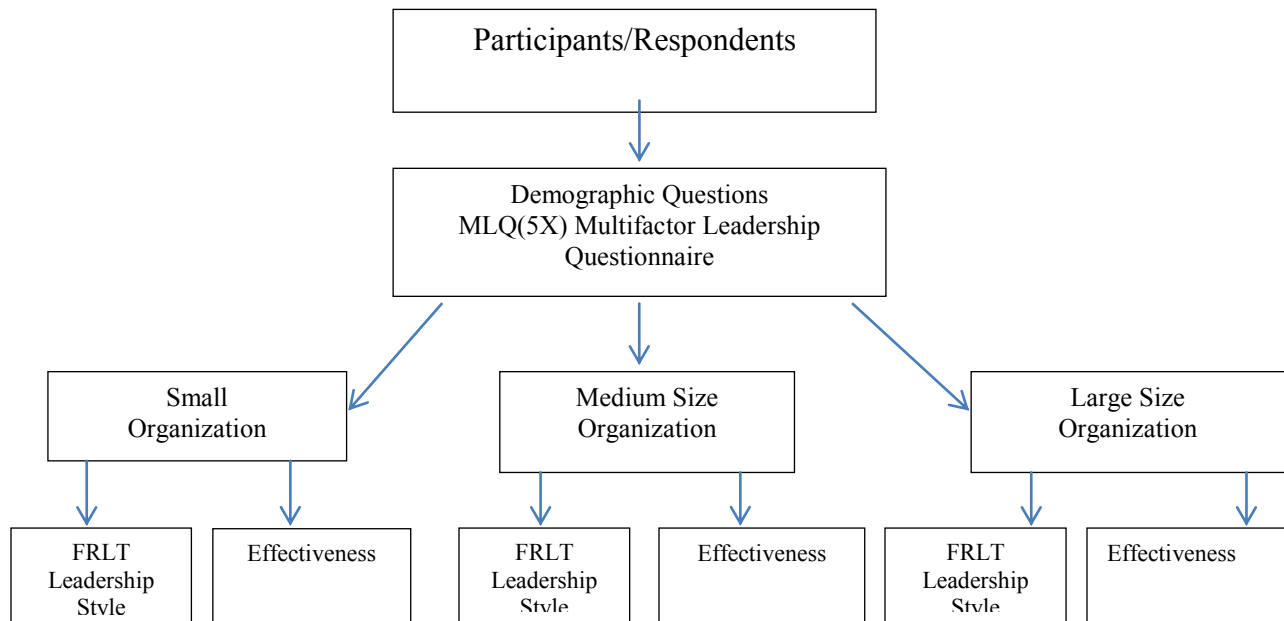


Figure 1. Relationship between Participants and outputs.

Organization of the Remainder of the Study

This study is organized into five chapters. Chapter one is the introduction to the study. Chapter two is a literature review of the history of leadership, styles of leadership, effectiveness and the changing business environment. Chapter three contains details of the research design, population and sample, instrumentation/measures, data collection and analysis, validity, reliability, and ethical considerations. Chapter four will contain an introduction, description of the population and sample, summary of results, details of analysis and results and conclusions. Chapter five will be a summary and discussion of the results, the implications of the results, any limitations, recommendations for future research and conclusions.

CHAPTER 2. LITERATURE REVIEW

This study investigated differences in leadership styles and effectiveness based on the organizational characteristic of size. The intent of this literature review was to investigate the existence of research on organizational characteristics, leadership styles and effectiveness and to understand the relationships of the constructs. The literature review investigated the rapidly changing business environment which forces organizations to find a competitive advantage which includes leadership styles to increase effectiveness. This literature review examined the development of leadership styles and effectiveness and investigated prior research and recent studies on leadership styles, and effectiveness to determine the extent of linkage to organizational characteristics.

Rapidly Changing Business Environment

The speed of change with technology, increased reliance on knowledge workers, globalization, diversity and social responsibility are only a few of the challenges that must be overcome for organizations to compete effectively in the 21st century (Holt & Marques, 2012; Dess & Picken, 2000). Organizations need leaders that have the skills, creativity and courage to build or recreate organizations within the framework of these new challenges (Warrick, 2011). Throughout history, many leadership theories were developed to deal with the changes in the requirements of leading organizations and their subordinates. Today's business environments are changing at an unprecedented rate requiring leadership to adapt to these changes.

Historically, the cyclical emergence and re-emergence of traditional managerial ideologies were based on linear thinking where there was a logical flow of progression in style. The Industrial Era is passing by and the new Information and Knowledge Era is taking its place requiring new leadership modifications and developments (Stage & Dean, 2000). The frantic

pace of change itself-in technology, geopolitics, new emerging markets, problems in the management of Goliath corporations, nimble, flexible David corporations and customers and consumers that are more demanding and smarter makes adaptation to a continuous renewal thought and practice a necessity (Winston, 1997).

In the new emerging economy, traditional ways of corporations having competitive advantages are narrowing. Distinguishing themselves against each other is no longer based solely on quality, technology, products, services or pricing. The new competitive advantage that is emerging is a corporation's ability to conceptualize and manage change – to compete by increasing its capacity for change (Winston, 1997). This change depends on the manager's abilities to influence their employees.

With the onset of the information era, organizational hierarchy is being reduced, minimized and in some cases eliminated. The knowledge age, information technology and the Internet have equalized competitive advantages and know no boundaries (Stage & Dean, 2000). In today's business environment, where change is necessary for survival, organizations must be willing, able and eager to change. Success will depend on adaptability, flexibility and speed. The ability to move decisively in and out of markets, change product features quickly, add value overnight and staying ahead of the rapidly-rising change curve requires constant, unrelenting, innovation and change (Winston, 1997).

Today's dynamic business environment levels out the playing field among companies where the prior competitive advantages will no longer enable a company to stay ahead of their competition. Today's competitive advantages rely on a company's ability to apply innovation and creativity as a competitive advantage not only to stay ahead of the competition but also to

ensure its survival. Today's business environments are changing at an unprecedented rate requiring leadership to adapt to these changes.

Development of Leadership Theories and Styles

There are many approaches to categorize leadership. One of the first attempts to study leadership in a systematic way was the trait approach. Leader's traits or personality characteristics were expected to be the key to their success as a leader and they were born with these traits. A second approach, the style approach, refers to the behavior of a leader, which include task behaviors and relationship behaviors.

Trait and Style

The trait approach and style approach focus on two different areas for leadership. The trait approach emphasizes personality characteristics and identifies major leadership traits as intelligence, self-confidence, determination, integrity and sociability. The style approach emphasizes behavior of a leader based on a blend of task behavior and/or relationship behaviors (Northouse, 2007).

The trait approach is utilized to identify traits necessary for a particular position and then filling the position with a person that exhibits those traits. A person is born with certain innate traits and the assumption is that selecting the right people will improve the performance of an organization (Northouse, 2007). A century of research to back up the trait approach gives it a measure of credibility that other approaches do not have (Northouse, 2007). The style approach, in contrast to the trait approach, which is based on personality traits a person is born with, is based on utilizing behaviors that can be identified as effective in the organization. A leader's behavior is then modified to improve a person's leadership style to match the employees and the style that works best with those employees. The key to the style approach as a leader is to

balance their behavior between the parameters of task and relationship (Northouse, 2007) that fits best with the employees. A wide range of studies of leadership styles validates the credibility of the style approach.

Both the style approach and trait approach have solid research to support their concepts as components of solid leadership. Both have proved to be effective, the difference of one being born with traits necessary to be effective in a position the other being where a leader identifies which style will be effective and then adapting to meet that style.

Skills

Another approach, the skills approach, focuses on a leader's skills and abilities. A comprehensive skill-based model was developed where a leader's effectiveness depends on their skills and abilities, composed of competencies, individual attributes, career experiences, environmental influences and leadership outcomes (Mumford, Zaccaro, Harding, Jacobs & Flieshman, 2000; Northouse, 2007). If a leader combines their real life experiences with learning and developing their skills and abilities this would enable the leader to be more effective.

The trait approach, skills approach and style approach look at leadership from the perspective of the leaders. Most leadership theories can be grouped around a common theme: leadership from the point of view of the leader and his or her traits, skills and style or from the follower and their interests and environment. Situational leadership, contingency theory and path-goal theory focus on the follower and the context. (Northouse, 2007).

Situational

Situational leadership is based on the belief that the most effective leaders are those that are able to adapt his or her leadership style to the particulars of the situation in which the leader is operating in at the time. Situations influence and determine a leaders' behavior and

organizational effectiveness is affected by situational factors not under the control of the leader (Vroom & Jago, 2007). Situational leadership is comprised of directive and supportive dimensions. A leader must assess their employees and base their level of directive or being supportive on the employee's skills, motivation and, commitment, being aware of the changing needs of the employees and their changing skills and motivations over time. A leader's directive and supportive behaviors have four distinct styles: directing, coaching, supporting and delegating. Situational leadership stresses assessing follower's skills, motivations and commitment, adapting level of leadership style whether directive or supportive, to followers at that time and modifying leadership style over time to match the development of their followers and their development (Northouse, 2007).

Contingency

Contingency theory, of which the most widely recognized is Fiedler's contingency theory, is matching the leader to the appropriate situation. A leader's effectiveness depends on the leader's style and the context of the situation and is contingent on the appropriateness of the fit between the leader's style and the situation. Contingency theory has leadership styles categorized as task motivated, concerned about reaching a goal or relationship motivated, concerned with developing close personal relationships, Fiedler studied the relative effectiveness of these two leaders to see if one was more effective than the other in eight different situations (Vroom & Jago, 2007).. In contingency theory, situations are characterized as leader-member relations, task structure and position power. The situational factors determine the degree of favorable-unfavorableness of the situation and contingency theory suggests that the effectiveness of the leader depends on the leader's style of task motivated or relationship motivated being matched to the situation (Northouse, 2007).

Path-Goal

Path-goal theory, one of the dominant theories on leadership through the 1970's was about managers motivating their employees to accomplish the goals of the manager (House, 1996). Path-goal theory stresses that a leadership style that best motivates subordinates will be one that employees think they are capable of performing their work, their efforts will result in a certain outcome and they believe their reward will be worthwhile to them. Leadership behaviors are categorized as directive, supportive, participative or achievement oriented. Leadership behaviors are best matched when a leader understands the subordinates characteristics and task characteristics. Subordinate characteristics, their need for affiliation, structure, control, and self-perception determine how the subordinate interprets the leader's behavior. Task characteristics design, formal authority and primary work group, will impact how a leader's behavior influences motivation of employees. The most effective leadership behaviors are those that best fits the subordinates characteristics, needs, and the task, work characteristics (Northouse, 2007).

Leader-Follower

Another approach, leader-follower theory, concentrates on the relationships a leader forms with individuals and that leaders may develop different types of relations with different members of the same work group (Phillips & Bedeian, 1994). The leader-follower approach is based on the leader-member exchange (LMX) model offered by Graen and colleagues (Phillips & Bedeian, 1994) and recognizes or proposes that there is a dyadic relationship between a leader and his or her followers. Furthermore, the dyadic relationships vary but also may be categorized into groups. These groups are referred to as in-groups, those that work well with the leader, do more than expected and enjoy favorable relationships with the leader and the out-groups, those

that come to work only to do their jobs as required, nothing more and have a neutral or negative relationship with the leader (Northouse, 2007).

As the Leader-Follower, LMX theory evolved, it addressed the importance of favorable relationships between the leaders and all followers moving from a dyadic, 1 on 1 relationship, and in and out groups, to a favorable dyadic relationship with all followers and having everyone feeling they are part of the in-groups (Northouse, 2007). The ability of the leader to develop positive dyadic relationships with the followers depends on many personal attributes and interpersonal skills. Four main attributes are attitudinal similarity, intra and extraversion, internal and external locus of control and growth need strength (Phillips & Bedeian, 1994). A leader will have strengths and weaknesses that will facilitate or hinder their ability to develop favorable dyadic relationships. Having the will to do so is not always sufficient.

Research has shown that high-quality, favorable leader-member relationships produced less employee turnover, more positive performance, better attitudes, greater commitment and many other favorable employee behaviors (Northouse, 2007). Research also shows that favorable impact is inversely related to the number of out-groups in an organization. The greater the number of in-groups and out-groups the greater the belief among followers that favoritism is present that injustice is an accepted practice, trust in leadership is questioned and attitudes and performance are negatively impacted (Northouse, 2007). Leadership-follower theory may have a very positive impact or very negative impact on an organization. It depends on the leader's ability to develop positive dyadic relationships with as close to 100% of the followers as possible. Anything short will result in a negative impact from those in the out-groups.

Leadership theories and models are continually being refined and developed to address various issues of the leaders, the followers and the situations. Leadership styles have a direct

relationship on the effectiveness of an organization (Flood et al., 2000). Current theories of leadership focus on transformational and transactional leadership as core concepts in the field of leadership.

Transactional and Transformational Leadership Style Theories

Transactional and transformational leadership concepts were first introduced by Burns (1978) and developed by Bass and Avolio (2004) to encompass the “full range model of leadership”. According to this theory, there are two basic levels of influence. One comes from the understanding that the leader creates a cost-benefit interaction between the leader and the subordinates. This influence is transactional leadership, meaning the employees will respond to the wishes or commands of the leader because the employees will benefit. Transactional, transformational and passive avoidance address leadership behaviors that cover most of the spectrum in leadership theory.

Transactional leadership involves a social exchange between followers and leaders that involve a number of reward based transactions. Transactional leadership is more of a collectivism type of leadership. Everyone is treated the same and all subordinates perform with an expectation that they will be rewarded for what they do and it is in their best interest to do what the leader wants. Transactional leadership can be further categorized into contingent reward, an exchange process whereby the followers will receive rewards for a certain amount and type of effort, and management-by-exception which involves corrective measures through negative feedback and reinforcement. This takes place in a passive form or an active form. The active form is corrected immediately as the leader continues to watch for mistakes and the passive form is when corrective action is taken later when standards have not been met or a problem emerges from the incorrect actions (Humphreys, 2001; Northouse, 2007).

Transactional leadership is one of the first leadership theories based on an expected reward for a particular behavior or task. Transactional leaders display relatively low forms of leadership activities (Cable & Judge, 2003), in that what is needed is the expected exchange of reward for the behavior and/or task and the challenges of vision, inspiration, motivation and development of the subordinates is not necessary at the lowest levels of transactional leadership. Almost all forms of leadership are based on some type of reward for actions and behaviors, no matter how minimum or in what form (extrinsic to intrinsic) but the other leadership styles are more complex in that they address higher forms of leadership abilities i.e. vision, inspiration, motivation and development of the subordinates.

Transformational Leadership inspires followers to share a vision, empowering them to achieve the vision, and provides the resources necessary for developing their personal potential. Transformational leadership involves idealized influence or charisma, inspirational motivation, intellectual stimulation and individualized consideration. Idealized influence or charisma includes ethics, morals, strong role models, inspirational motivation yields high expectations, inspiration, commit to a vision, intellectual stimulation offers opportunities for problem solving, being creative and innovative, and individualized consideration means leaders offer a supportive climate and help followers become fully actualized. (Northouse, 2007).

There are followers that will only respond when led by one or a combination of transformational factors. Two of the factors, inspirational and intellectual, are important for those employees that will be groomed for future leadership roles in the organization. Development of future leaders is required to be a successful organization. Transformational leaders evaluate the potential of all followers in terms of abilities and potential expansion of future responsibilities (Dvir, Aviolio, & Shamir 2002). Idealized influence and individual considerations enable

employees to operate at high levels of ethics and high levels of satisfaction, again, both very instrumental to being a successful organization.

Leadership theory based on emotional excitement is a transformational style of leadership. This is based on a relationship between the leader and subordinates that breaks the dependency of subordinate's basic expectations and relies instead on inspiration. It captivates employees and urges them on to tackle new and challenging goals and objectives.

Transformational enables employees to be aware of the need to grow, exercise self-expression, motivates them to perform at higher levels. It influences the expectations, changes their beliefs and values and raises them in their hierarchy of needs. Transformational leadership is a result of the leader's character, the strength of his/her beliefs, and the ability to express a compelling vision (Vigoda-Gadot, 2007).

Transactional leaders may motivate their subordinates to achieve their personal goals; however, transformational leaders motivate individuals to go beyond expectations. They have the ability to inspire their employees to go beyond self-interest to concentrate on a higher level, intrinsic goal. Transactional managers are focused on activity, whereas the focus of transformational managers is on the outcomes achieved through inspirational motivation (Turner & Lloyd-Walker, 2008).

Transformational and transactional leadership have specific applications. Transformational leadership, in its simplest definition, is a process that changes and transforms people (Northouse, 2007). Transactional style leadership, in its simplest form, is based on the exchange between the leader and the follower based on their own interests (Humphreys, 2001). Transformational leadership is representative of new theories developed in the last two decades (Dvir et al., 2002) and is based on four main factors. Factor one is idealized influence, also called

charisma. This factor includes ethics, morals, strong role models and provides vision, a source of mission, instilling pride, gaining respect and trust (Humphreys, 2001). Factor two, is inspirational motivation, a companion to charisma, and involves communication of high expectations, inspiration, motivation, commitment to a vision and achievement of more than self-interest (Northouse, 2007). Factor three, is intellectual stimulation and promotes intelligence, being creative and innovative, problem solving, logic and rationalization (Humphreys, 2001). Factor four is individual attention. This factor promotes a supportive climate, coaching, advising and paying close attention to individual differences between followers, and helping followers become fully actualized (Humphreys, 2001; Northouse, 2007).

Transactional style of leadership differs from transformational leadership in that transactional leaders do not consider the personal development and needs of the followers. Transactional leadership is based on two factors. The first factor is contingent reward, in which the reward of the follower is based on or contingent on the follower meeting an agreed upon and mutually understood goal (Humphreys, 2001). The second factor is management-by-exception, which consists of two forms: active and passive. The active form observes followers behaviors for violations or mistakes and takes corrective action as they occur. Passive form of management-by-exception intervenes only after problems occur and or standards have not been met but avoiding corrections if goals are met. Active catches problems as they occur and are then corrected, passive, catch and correct after an accumulation of problems exceeds a threshold limit (Humphreys, 2001).

Transactional leadership is the style most often applied today in business and industry. To remain competitive today with new technology and accelerating organizational change, organizations must continually develop leaders who will support the new environment of

innovation and technology (Humphreys, 2001). Transformational leadership style is more applicable for developing people in an organization and research supports substantial organizational rewards (Humphreys, 2001). Both transactional and transformational leadership styles have their place in business as long as they are applied in the proper environment and support the organizations goals and objectives.

Transformational leadership gives a leader many options to get results from employees. Another aspect of employees that presents a challenge for leaders is the fact that there are employees that will only respond when led by one or a combination of transformational factors. Two of the factors, inspirational and intellectual, are important for those employees that will be groomed for future leadership roles in the organization. Development of future leaders is required to be successful organizations. Transformational leaders evaluate the potential of all followers in terms of abilities and potential expansion of future responsibilities (Dvir et al., 2002). Idealized influence and individual considerations enable employees to operate at high levels of ethics and high levels of satisfaction, again, both very instrumental to being a successful organization. Transformational leadership has been shown to have a positive relationship with performance (Dvir et al., 2002) and gives a leader another tool for developing their followers, thereby improving the performance of their organizations.

Leadership is a process where a leader influences the behaviors of their subordinates to achieve certain outcomes. Transformational and transactional are two main styles and a third style, passive avoidance or laissez-faire leadership is a style that is often included in the continuum of leadership from transformational to transactional to passive avoidance laissez-faire.

Passive-Avoidance

Passive avoidance laissez-faire is associated with a leaders' hands-off approach of leadership, allowing subordinates to make their own decisions (Alston, Dastoor & Sosa-Fey, 2010). In fact passive avoidance laissez-faire leadership is often referred to as a non-leadership style, characterized by the absence of leaders making decisions and failing to take an interest and responsibility in their subordinates or organizations (Hargis et al., 2011).

Most organizations have employees with various levels of skills, traits, education, behaviors, personalities and motivations. Industries, organizations and businesses have similar and many times very different requirements of their employees. If all employees were the same, including their aspirations and expectations of life, a one leadership-style-fits-all would be sufficient. Assuming, however, real world differences between employees and the requirements of employees by their employers, there exists a need for various leadership styles to get the most out of employees.

People are not machines. They respond to their situations, including their leaders and a leader must be able to apply various leadership styles accordingly to whichever style yields the greatest results.

Change Oriented Models: Multifactor Leadership Theory

Searching for one best style of leadership has given way to change-oriented models acknowledging that leaders must adapt their leadership styles as their situations and subordinate warrant (Schriesheim, Wu & Scandura, 2009; Groves & LaRocca, 2011) Previous leadership models did not take into account the necessity for leaders to change their styles nor a broad range of leadership styles to include most situations a leader may face in today's fast paced leadership environment.. A multifactor leadership theory was developed by Bass (1985) and over the last 20

to 30 years has become one of the most dominant leadership theories due to inclusion of the broad range of leadership styles included in the theory (Hargis et al., 2011).

The full range model of leadership was developed to take into account the wide range of leadership styles from transformational to transactional and later included the laissez-faire style of leadership (Michel, Lyons & Cho, 2011). It is necessary to include a “full range” of leadership styles in models and measures to adequately assess leadership styles and this study uses the most commonly applied measure of the full range of leadership –the Multifactor Leadership Questionnaire (MLQ5X) (Bass & Avolio, 2004).

Effectiveness

Flood et al. (2000) found leadership styles have a direct relationship on the effectiveness of an organization Transformational leadership theory was introduced by Burns (1978) and further expanded and refined by Bernard Bass (1985). Bass (1985), in his presentation of transformational leadership, proposed that transformational leader behavior would be more effective during great organizational and environmental changes (Humphreys, 2001).

Most studies about the relationship between leadership and performance show a more positive relationship between transformational leadership and performance than with transactional. The relationship between transformational leadership and measurement of performance is positive and quite strong whereas transactional leadership explains a relatively low percentage of the performance criteria. In many organizations, especially public ones, transformational leadership is more effective than transactional. It seems that transactional leadership has the ability to strengthen the effectiveness of formal performance, which can accurately be rewarded and quantitatively measured (Vigoda-Gadot, 2007). Mandell and Pherwani (2003) organizational research studies found that transformational leaders were more

effective than were transactional leaders as measured by the Management Leader Questionnaire (MLQ) and individuals that score high on transformational leadership exhibit superior performance.

Overall, research and case studies indicate transformational leadership can lead to substantial organizational rewards and has been positively correlated to leader effectiveness ratings, leader and follower satisfaction, follower efforts, and overall organizational performance (Humphreys, 2001). Based upon previous research, and Bass's (1985) conceptualization of transformational leadership, behaviors associated with transformational leadership would exhibit a significant relationship with support for emerging technology. Such a relationship was not expected with the passive transactional leader behaviors. Transformational leaders would support emerging technology to a greater degree than their transactional counterparts (Humphreys, 2001).

A limitation to both the transactional and transformational leadership styles is a main focus on the traits and behaviors of the individual leaders as a pathway to effect change. When the leader passes off the position to the next leader, unless the new leader has the exact same traits and behaviors a continuation of the same success will not be possible due to any differences between the leaders (Randall & Coakley, 2007).

Research has indicated that effectiveness is a competitive advantage and increasing effectiveness increases an organizations competitive advantage. Research also shows that leadership style has an effect on the performance of the employees and thus the effectiveness of the organization. The challenge is to find which leadership style is most effective and if this varies according to characteristics of the organization.

Studies

Prior Research

Previous research studies indicate organizations must be able to change quickly and be flexible to react to their environments (Bennett, 2009). Restructuring and downsizing increases the reliance of organizations on a smaller number of employees and teamwork to accomplish today's goals and objectives. Pryor et al. (2011) point out that leadership is influencing both the individual employee and a team or group of employees. Leadership styles have an effect on an employee's behavior and attitudes, work effort, productivity, satisfaction and the success of a company. Appropriate leadership style is necessary for the employees to reach their maximum performance in a company (Bennett, 2009). The focus of prior research was on the interaction of leadership and subordinates and effectiveness without reference to organizational characteristics.

Recent Studies

There is a dearth in studies of the relationships or interactions between leadership styles and characteristics or attributes of the organizations such as size. The focus of recent research is on leadership and how it has an effect on employees and their organizations not how the characteristics or attributes of an organization, such as size, may require a certain type of leadership style. Studies continue to focus on the interaction between employees and their managers with a shift from manager and individual towards team and group interactions and emotional support and coaching for the employees.

A study on transformational leadership conducted by Fitzgerald and Schutte (2010) acknowledges that transformational leadership is a motivational style of leadership that involves a leader presenting a clear organizational vision and motivating and inspiring employees to work towards the vision by building relationships with the employees, understanding their needs and

helping them reach their potential. The study takes to task how to increase a leader's level of transformational leadership abilities. It points out that previous research finds that adaptive emotional functioning, defined as Emotional intelligence (EI), may contribute to the development of the transformational style of leadership (pp. 495-496).

This study looks at the relationship between self-efficacy and EI, which may increase the leader's transformational leadership abilities. Self-efficacy is the cognitive process by which a person evaluates their ability to perform. This study seeks to find if leaders with a higher EI are more receptive to self-efficacy-based leadership training and if this results in an increase in transformational abilities in a leader (p. 495).

The second study on transformational leadership conducted by Gupta, Huang and Yayla (2011) examines the relationship between transformational leadership in a collective or group situation and social capital (pp.31-32). Organizations are increasingly dependent on the performance of teams for the success of their operations. Collective transformational leadership is a team's capability for engaging in transformational leadership in a collective manner among the group members. Social capital is a team's ability to function as a unit producing an advantage. This study examines the relationship between social capital and performance and if this is contingent upon collective transformational leadership. A theoretical model is put forth that extends extant research by studying teams and the role of transformational leadership collectively enacted by the team as a catalyst of social capital on team performance (p. 32). Team literature suggests that transformational leadership is the key aspect of the context that affects team members' ability to benefit from team interaction. When teams collectively apply transformational leadership, members experience an increase in intellectual stimulation, individualized consideration, inspirational motivation and idealized influence (p. 33).

Results of the study demonstrate that the level of collective transformational leadership determines the impact of team social capital on performance. Extant literature suggests that when teams have a high level of social capital it has a positive effect on their performance. However, the literature also shows that the increase in performance is only when accompanied by high levels of collective transformational leadership. The results of this study show the effect of social capital on performance is contingent on the transformational leadership within the team (p. 42).

A study by Kopelman, Prottas and Davis (2008) examines the lack of prior construct validation research on McGregor's theory of individual differences in managerial assumptions in his X/Y Theory of leadership (p. 256). Business practices need to change to their environments and have been adopting practices such as decentralization, job enlargement, teams, delegation and participative/consultant management. Successful execution of these strategies is in large part due to the theory X/Y selection and application of leaders and managers (p. 257). This study posits that changes in business practices and tendencies that demonstrate Theory Y is more effective than Theory X necessitates the development of construct-valid measures of McGregor's X/Y Theory.

A study conducted by Ferris et al. (2009) examines accountability in today's organizations. This study provides a preliminary test of a model for accountability, investigating how organizations and job characteristics influence accountability and employee influence tactics (pp. 518-519). This was prompted by the changes in the business environment resulting in changes in relationships i.e. downsizing, span of control, teams, etcetera, and the challenges to accountability of employees in the changing structures in organizations (p. 531).

Results of the study demonstrated support for the accountability and influence model. Accountability increases with hierarchical level and employees feel more accountable for their

work the more their work is observable, verifiable and less ambiguous. This study adds to the knowledge of relationships between employee behavior and attitudes and replicates and extends results of prior studies of accountability but using different measures of variables (p. 529). Ferris et al. (2009) believes that accountability is critical to organizations and will increase in importance due to structural changes and new structures that emerge in the business environment.

The more recent studies conduct research in areas such as managers applying emotions to assist employees (Toegel et al., 2013), leadership and employee response to problems and opportunities (McClean, Burrell & Detert, 2013) and empowering leadership in teams (Lorinkova et al., 2013). Gupta et al. (2011) look at leadership in terms of collective transformational leadership, social capital and performance. Studies on emotional intelligence, leadership and performance indicates higher levels of emotional intelligence translate into more effective leadership (Alston et al., 2010) Findings of another study investigating work group effectiveness and leadership suggests to some extent results are contingent on followers perceptions of their organizations values rather than their leader's personal values.

Research has increased focus on transformational leadership as a group level phenomenon where transformational leaders direct their behaviors towards groups of employees (Hoffman, Bynum, Piccolo & Sutton, 2011). Other studies look at integrating leadership theories to present new models of leadership. A study that conducted one of the most comprehensive meta-analysis of leadership literature developed an integrated model that combined leadership traits and behaviors to predict leadership effectiveness. The study recommend further research to investigate the integration with comparing and contrasting theories and perspectives to develop

an integrated understanding of how new leadership models may influence the performance of an organization (Derue, Nahrgang, Wellman and Humphrey, 2011).

Methodology and Approach

This study chose quantitative research methodology based on survey research and techniques which are appropriate to show relationships (Gravetter & Wallnau, 2005; Swanson & Holton, 2005). Survey research methodology provides numeric description of attitudes or opinions (Creswell, 2009) and allows a substantial amount of information to be gleaned from a relatively small sample of population. Quantification of behaviors, observations, motivations, et cetera enables statistical analyses for summarizing and comparing data (Babbie, 2004). In the study of the social sciences, surveys are one of the most commonly utilized methods to test theories of behavior for the purpose of increased understanding of the workings of society (Groves et al., 2009).

The methodology and approach will allow quantification of leadership styles and effectiveness and the statistical analysis of the survey data may demonstrate relationships between the independent variable and the dependent variables. The demographic information collected from the surveys will determine if any relationships that may exist between the IV and DVs are specific to the size of an organization.

Quantitative research methodology is positivistic meaning it believes that the nature of reality is fixed, stable, observable and measurable. This presents the challenge of operationalizing such concepts as leadership styles arguably subjective judgments. Another characteristic of quantitative research, knowledge being objective and quantifiable and gained through scientific and experimental research, requires instruments that are used to measure constructs, in this case, leadership styles to be well documented in prior studies to instill

confidence that the methodology is best for the study at hand. This means research methodology should be utilized with a highly structured research design where a researcher can be objective and the phenomena being studied may be broken down and assigned numerical values or at least probabilistic values (Chen, 2011).

Operationalizing the concepts, the requirements of being quantifiable and objective along with sampling, validity, reliability and bias issues presents challenges for a quantitative study. This researcher analyzed and evaluated the leading instruments and their methodologies to determine which is best suited for this study on leadership styles, effectiveness and the organizational characteristic of size while minimizing the challenges presented when doing a quantitative research study of this type.

Appropriateness of the Instrument

This quantitative study will apply a proven instrument that has already been tested and proven in previous studies where quantitative issues of sampling, validity, reliability and bias have been addressed and associated problems minimized. Many extant studies are in existence that will verify the significance of the MLQ5X and the contributions that have been made to the areas of leadership style and organization management. Reviews of the instrument along with their commentary on issues such as validity, reliability and bias will support this decision.

According to Mandell and Pherwani (2003) one of the most effective instruments for measuring leadership styles is the Multi-factor Leadership Questionnaire (MLQ, 5x-Revised; Bass & Avolio, 1996). The MLQ rates forms of transformational leadership, transactional leadership and laissez-faire leadership by components of each style. The latest version of the MLQ (5x-Revised) is available in in two forms, the self-rating form, where individuals rate themselves as leaders and the rater form where associates rate their leaders (p. 392). Many other

studies support the value of the MLQ (5x-Revised; Bass & Avolio, 1996) test for determining leadership style.

This study looks at the three constructs of leadership, transformational, transactional and passive avoidant, and the construct of effectiveness according to the size of the organization. There are different leadership theories and models as well as whether a situation responds more effectively to a certain style of leadership or whether the leader is effective by applying their style to the situation (Northouse, 2004). The categorical variable in this study may indicate that an organization of a particular size will be more effective with a certain style of leadership.

The chosen leadership theory for this study is the Full Range Leadership Theory (FRLT) which instead of focusing on one style of leadership covers a range of leadership styles from passive-avoidant to transformational (Avolio & Bass, 2004). Therefore the overall construct of leadership is divided into three constructs: transformational, transactional and passive-avoidant styles of leadership. Transformational leadership involves positively motivating followers into putting forth more effort and exceeding their own expectations through inspirational and visionary stimulation. Transactional leadership involves clarification of expectations, followers meeting expectations or taking corrective actions and rewards for their performance. Passive avoidance leadership style is associated with non-reaction until serious problems occur, being inactive and passive in their leadership role (Avolio & Bass, 2004).

Effectiveness is the ability of an organization to meet its goals. The effectiveness of a leader is the ability to achieve organizational goals through his or her followers. The construct of effectiveness of a leader will be the effectiveness in meeting others' job-related needs, effectiveness in representing their group to higher authority, effectiveness in meeting organizational requirements and being effective in leading groups (Avolio & Bass, 2004).

A review of the MLQ by John W. Fleenor, Director of Knowledge Management for the Center of Creative Leadership (Fleenor & Sheehan, 2010) reports the MLQ instrument is easily administered, extensively research and validated and has become known as the benchmark measure for transformational leadership being recommended in all appropriate settings (para. 15). A number of studies have shown that the MLQ is a valid measure of leadership style. As the model has evolved it is found to be stable in homogenous contexts including environmental risk, leader-follower gender and leader hierarchical levels and the validity of the model has been established and the same constructs were valid for both male and female (para. 9). According to Schriesheim and Scandura (2009) the MLQ5X has been through thorough psychometric and theoretical work and is the most popular measure of transformational and transactional for scholars in the field has contributed greatly to the field of leadership theory (p. 614).

A review by Sheehan (Fleenor & Sheehan, 2010) finds this model has considerable data that summarizes the psychometric properties of the instrument and the construct and external validities well documented along with suitable scale reliabilities. The manual explains how the construct validity is assured and a series of factor analyses results in a six-factor model with adequate reliabilities. There is a strong empirical base with the MLQ5X being used in almost 300 research programs, doctoral dissertations and master's theses' (para. 5). Appropriate psychometric steps are taken in the development of this model and external validity for the effects is strong. A summary of correlations between MLQ and personality tests where the correlations are in the predicted direction give credibility to the psychometric soundness along with additional evidence of validity. The strong psychometric properties reveal the MLQ to be based on sound theory and to have strong construct and external validity (para. 10).

Summary

This study investigated differences in leadership styles and effectiveness based on the organizational characteristic of size. The intent of this literature review was to investigate the existence of research on organizational characteristics, leadership styles and effectiveness and to understand the relationships of the constructs. The literature review investigated the rapidly changing business environment which forces organizations to find a competitive advantage which includes leadership styles to increase effectiveness. This literature review examined the development of leadership styles and effectiveness to be able to identify research into organizational characteristics. The review looked at prior research that focused on leadership styles and effectiveness and found it based on the interaction of leaders and their employees and recent studies that investigate leadership styles interaction on employee's emotional and social aspects, employee empowerment and team leadership.

The literature review confirms that the focus of research has been on leadership, leadership styles and how it has an effect on employees and their organizations. None of the prior or current research was on whether the characteristics or attributes of an organization, such as size, relates to leadership styles and effectiveness. The review provides the foundation for this study which extends current research into differences in leadership styles and effectiveness based on a characteristic of an organization, in this case, the size of an organization based on number of employees.

CHAPTER 3. METHODOLOGY

The purpose of this research study will be to investigate leadership styles (dependent variable) and effectiveness (dependent variable) based on organizational size (independent variable). There are many classifications of leadership styles but this study will focus on what Bass, Avolio, Jung and other colleagues refer to as the full-range model of leadership behavior (Michel, Lyons & Cho, 2011). The dependent variable, leadership style, will be defined as transformational, transactional or passive avoidance. The dependent variable of effectiveness will be measured by how effective the leaders are in meeting other's job related needs, representing their group to higher authority, meeting organizational requirements and leading groups.

The independent variable, organizational size, will group domestic, for-profit organizations operating for more than 3 years, as small, medium or large based on their number of employees. For the purposes of this study, a small business is defined as having less than 100 employees, a medium sized business having 100 – 499 employees, and large businesses having more than 500 employees. This research could demonstrate that the effectiveness of organizations may be influenced by the leadership style and which leadership style is most effective according to the size of the organization based on the number of employees. This study extends the knowledge base of both, leadership and organizational management by investigating the relationship among leadership styles, organizational effectiveness and size of organizations.

The focus of the research will be to investigate leadership styles (dependent variable), effectiveness (dependent variable) based on organizational size (independent variable). The research questions to be answered were:

ResQ1: Is there a significant relationship between leadership styles among managers in organizations and organizational size?

ResQ2: Is there a significant difference in organizational effectiveness based on organization size?

Research Design

This study will employ quantitative research methodology based on survey research and correlational techniques which are appropriate to show relationships (Gravetter & Wallnau, 2005; Swanson & Holton, 2005). Survey research methodology provides numeric description of attitudes or opinions (Creswell, 2009) and allows a substantial amount of information to be gleaned from a relatively small sample of population. An existing and well proven survey instrument will be utilized to measure the leadership style and effectiveness of the leader. Demographic questions will be incorporated into the same survey instrument to record organizational data.

This study will use a survey instrument to compare leadership styles and effectiveness among small, medium and large organizations.

Non-experimental descriptive research study will compare the differences in leadership styles and the effectiveness of managers applying different leadership styles within small, medium and large organizations. The Multifactor Leadership Questionnaire 5x (MLQ5x) (Avolio & Bass, 2004) will be used for leadership style and effectiveness and demographic questions added to the MLQ5x surveys will determine if any relationships that may exist between the IV and DV are specific to the size of an organization.

Data analysis will consist of a chi square analysis to analyze research question one, whether there is a difference in managers' leadership styles among organizations categorized as

small, medium and large size organizations. An ANOVA will be used to analyze research question two, whether there is a difference in organizational effectiveness in organizations categorized as small, medium and large size organizations. If significant differences are found, post hoc analyses will be conducted to determine where the significant differences lie.

This research could demonstrate that the effectiveness of organizations may be influenced by the leadership style (Avolio & Bass, 2004) and which leadership style is most effective according to the size of the organization based on the number of employees. Businesses may base future training programs and recruitment practices on these results to maximize their success as an organization.

Sample

The population will be people in management positions holding executive and functional positions within their organizations. The executive positions will consist of those managers with the titles of: Chief Executive Officer/President/Owner/General Manager/Partner/Director/Assistant Director/Vice President and Assistant Vice President. The functional positions will consist of those managers with the titles of: Department Head/Manager and Assistant Manager.

The sample frame will consist of approximately 2300 people holding executive and functional positions within their organizations. People in the management positions will be determined by data from Survey Monkey, an Internet services company utilizing their database tools. The sample will consist of 159 randomly selected respondents from the sample frame of 2300 people holding management positions within their organization as determined by the data from Survey Monkey database tools. The executive positions will consist of Chief Executive Officer, President, Owner, General Manager, Partner, Director, Assistant Director, Vice

President and Assistant Vice President. The functional positions will consist of Department Head, Manager and Assistant Manager.

G*power 3.1.4 (Faul, Erdfelder, Buchner, & Lang, 2012) was used to calculate an adequate sample size for a chi square and an ANOVA. The one-way ANOVA required the most stringent sample size. Using an alpha of .05, a power of .80, and a medium effect size ($f = .25$) for three groups, the calculated sample size was 159. One hundred and fifty-nine participants are required to achieve empirical validity.

The participants of the survey will meet the criteria of management positions from the selection criteria of the Survey Monkey database and selection tools. An alpha of .05, a power of .80 and medium effect size of $f = .25$ is chosen as generally accepted parametrics in statistics (Keppel & Zedeck, 2001; Gravetter & Wallnau, 2005). G*power 3.1.4 (Faul, Erdfelder, Buchner, & Lang, 2012) was used to calculate an adequate sample size for a chi square and an ANOVA. The one-way ANOVA required the most stringent sample size. Using an alpha of .05, a power of .80, and a medium effect size ($f = .25$) for three groups, the calculated sample size was 159. One hundred and fifty-nine participants are required to achieve empirical validity.

The target population will be managers in executive or functional positions in businesses in the United States utilizing an existing and well proven survey instrument to measure the leadership style and effectiveness of the leader. Demographic questions will be incorporated into the same survey instrument to record organizational data. Distribution of the surveys and data collection will be conducted over the internet by Survey Monkey. The survey will be distributed to prequalified participants from Survey Monkey databases. The sampling frame will be an on-line internet panel consisting of randomly selected managers who readily volunteer to respond to internet surveys for the purpose of yielding information and extending knowledge on aspects of

business organization. The survey will be closed after the goal of having at least 159 respondents out of a population of managers holding functional or executive positions within their organizations.

Instrumentation/Measures

The three constructs of the Full Range Leadership Theory, transformational, transactional and passive-avoidant leadership styles will be measured using the Multi Factor Leadership Questionnaire 5x (MLQ5x). Participants will be categorized into one of three leadership styles. The MLQ5x will also measure the construct of effectiveness. Referred to as an outcome of leadership the MLQ5x measures the effectiveness of leader's interactions within the different levels of the organization. Effectiveness will be measured with an average effectiveness score; each participant will have an effectiveness score. Applying the MLQ5x assures application of a proven instrument. The DVs of transformational, transactional and passive avoidant leadership styles will be measured using a five point Likert scale for rating the frequency of leader's behaviors. The Likert scales range from 0 for "Not at all" to 4 meaning "Frequently, if not always" (Avolio & Bass, 2004). Participants will be categorized into one of three leadership styles for resq1. For resq2, averages effectiveness scores will be used for analysis.

In resQ1, the dependent variables will be leadership style. The three types of leadership style will be transformational, transactional, and passive avoidant. Transformational scores will be calculated by averaging items 2, 6, 8, 9, 10, 13, 14, 15, 18, 19, 21, 23, 25, 26, 29, 30, 30, 32, 34, and 36 from the MLQ. Transactional scores will be calculated by averaging items 1, 4, 11, 16, 22, 24, 27, and 35 from the MLQ. Passive avoidant scores will be calculated by averaging items 3, 5, 7, 12, 17, 20, 28, and 33 from the MLQ. Participants will be categorized as only one leadership style; data will be categorical. The independent variable in resQ1 will be

organizational size (small vs. medium vs. large). Small organizations will consist of <100 employees, medium organizations will consist of 100 - 499 employees, and large organizations will consist of ≥ 500 employees. Organizational size will be categorical.

In resQ2, the dependent variable will be organizational effectiveness. Organizational effectiveness will be measured by averaging items 37, 40, 43, and 45 from the MLQ; data will be continuous. The independent variable in resQ2 will be organizational size (small vs. medium vs. large). Small organizations will consist of <100 employees, medium organizations will consist of 100 - 499 employees, and large organizations will consist of ≥ 500 employees. Organizational size will be categorical.

The research questions seek to determine if there are significant differences on scales of the MLQ by organizational size. ResQ1 looks at significant differences on transformational, transactional, and passive avoidant leadership styles by organizational size (small vs. medium vs. large). ResQ2 looks at significant differences on organizational effectiveness scores by organizational size (small vs. medium vs. large).

Data Collection

Recruiting and selection of participants will be accomplished through Survey Monkey utilizing their web based Survey Monkey databases. The Survey Monkey tools will select those in management positions from their database that hold executive and functional positions. An invitation to participate in the web-based survey will be sent to members who meet the executive and functional position criteria of the Survey Monkey database. After they receive the recruitment materials, they will be directed to a web-based survey. After receiving the recruitment materials, anyone who gets to the website and agrees to participate is selected to

participate. The survey website will be closed after data is collected from the first 159 respondents.

Participants will receive an e-mail invitation from Survey Monkey to participate in the survey. This will contain a consent form and instructions. Upon consent, participants will supply demographic information and if they meet the demographic requirements will be directed to a website with the MLQ5X survey. Upon collection of the first 159 respondents the website will be closed.

Data Analysis

Data analysis will consist of a chi square analysis to analyze research question one, whether there is a difference in leadership styles among managers in organizations categorized as small, medium and large size organizations. Data analysis from an ANOVA will be used to analyze research question two, whether there is a difference in organizational effectiveness in organizations categorized as small, medium and large size organizations. The ANOVA is used to evaluate mean differences among populations and the chi square test for differences between proportions and tests of independence (Swanson & Holton, 2005).

Data will be entered into SPSS 21.0 for analysis. To assess H01, which states there is no significant difference in leadership styles of managers in organizations categorized as small, medium and large based on the number of employees, a chi square will be conducted. The chi square is the appropriate analysis when the goal of research is to assess the relationship between two categorical variables. The dependent variables will be leadership style from the MLQ. Leadership style will consist of three levels: transformational, transactional, and passive avoidant. The calculated chi square and the critical value will be compared to determine significance. An alpha of .05 will be used for analysis. Prior to conducting the chi square, data

will be assessed to be certain data comes from random samples of a mutually exclusive distribution. Additionally, the assumption of expected frequencies must be met. The expected cell frequencies should not be too small. Traditional caution is that expected frequencies below five should not compose more than 20% of the cells, and there should not be any expected frequencies of less than one (Pagano, 2009).

To assess H02, which states there is no significant difference in organizational effectiveness of organizations categorized as small, medium or large, an ANOVA will be conducted. The ANOVA is the appropriate analysis when the goal of research is to determine if there are differences in a continuous dependent variable by two or more groups. The dependent variable will be organizational effectiveness from the MLQ. The one-way ANOVA is used when the groups are defined on only one independent variable (Howell, 2010). If the ANOVA is found to be significant, post hoc analyses will be conducted to determine where the differences lie. Prior to conducting the ANOVA, the assumptions of normality and homogeneity of variance will be examined. Normality assumes that the scores are normally distributed and will be assessed with a Kolmogorov Smirnov test. Homogeneity of variance assumes the three groups have equal error variances and will be assessed using Levene's test. In many cases, the ANOVA is considered a robust statistic in which assumptions can be violated with relatively minor effects (Howell, 2010). If the assumptions of the ANOVA are not met, the non-parametric equivalent of the ANOVA, the Kruskal Wallis, will be conducted. If significant differences are found, Mann Whitney U tests will be conducted to determine where those differences lie.

The three constructs of the Full Range Leadership Theory, transformational, transactional and passive-avoidant leadership styles will be measured using the Multi Factor Leadership Questionnaire 5x (MLQ5x). This instrument will also measure the construct of effectiveness.

Referred to as an outcome of leadership the MLQ5x measures the effectiveness of leader's interactions within the different levels of the organization. Applying the MLQ5x assures application of a proven instrument. The DVs of transformational, transactional and passive avoidant leadership styles will be measured using a five point Likert scale for rating the frequency of leader's behaviors. The Likert scales range from 0 for "Not at all" to 4 meaning "Frequently, if not always" (Avolio & Bass, 2004).

The research questions seek to determine if there are differences on scales of the MLQ by organizational size. ResQ1 looks at differences on transformational, transactional, and passive avoidant leadership style by organizational size (small vs. medium vs. large). ResQ2 looks at differences on organizational effectiveness by organizational size (small vs. medium vs. large).

Table 1.

Dependent and Independent Variables and Level of Measurement

Hypothesis #	Dependent Variable/Level	Independent Variable/Level
1	Leadership Style(categorical)	Organization size – small vs. medium vs. large (categorical)
2	Organizational effectiveness scores (continuous)	Organizational size – small vs. medium vs. large (categorical)

A review of the MLQ5X by Fleener and Sheehan (2010) finds that appropriate psychometric steps taken in the development of this model and the strong psychometric

properties and soundness reveal the MLQ5X to be based on sound theory and have strong construct and external validity making this one of the most popular measures of transformational and transactional leadership and has contributed greatly to the field of leadership theory.

In resQ1, the dependent variables will be leadership style. The three types of leadership style will be transformational, transactional, and passive avoidant. Transformational scores will be calculated by averaging items 2, 6, 8, 9, 10, 13, 14, 15, 18, 19, 21, 23, 25, 26, 29, 30, 30, 32, 34, and 36 from the MLQ. Transactional scores will be calculated by averaging items 1, 4, 11, 16, 22, 24, 27, and 35 from the MLQ. Passive avoidant scores will be calculated by averaging items 3, 5, 7, 12, 17, 20, 28, and 33 from the MLQ. Participants will be categorized as only one leadership style; data will be categorical. The independent variable in resQ1 will be organizational size (small vs. medium vs. large). Small organizations will consist of <100 employees, medium organizations will consist of 100 - 499 employees, and large organizations will consist of ≥ 500 employees. Organizational size will be categorical.

In resQ2, the dependent variable will be organizational effectiveness. Organizational effectiveness will be measured by averaging items 37, 40, 43, and 45 from the MLQ; data will be continuous. The independent variable in resQ2 will be organizational size (small vs. medium vs. large). Small organizations will consist of <100 employees, medium organizations will consist of 100 - 499 employees, and large organizations will consist of ≥ 500 employees. Organizational size will be categorical.

Validity and Reliability

The Multi Factor Leadership Questionnaire 5X (MLQ5X) will be utilized to measure the leadership styles of managers within the organization. This instrument also measures outcomes of leadership that include effectiveness of leaders interacting within different levels of the

organization. Leadership style is a dependent variable and is categorical. Organizational effectiveness is a dependent variable and is continuous. The independent variable in the analyses will be organizational size and will be treated as a categorical variable. Application of the MLQ5X, a proven instrument, will demonstrate propensity of leadership style and also rate effectiveness.

Many extant studies are in existence that will verify the significance of the MLQ5X and the contributions that have been made to the areas of leadership style (Avolio & Bass, 2004). The instrument has already been tested and proven in previous studies where quantitative issues of sampling, validity, reliability and bias have been addressed and associated problems minimized. Prior quantitative research studies and reviews of the instrument along with their commentary on issues such as validity, reliability and bias will support this decision. A demographic survey will record organizational data such as number of employees, managerial position of the participant, number of years in position, longevity of company, type of organization, et cetera.

A review of the MLQ5X by Fleenor and Sheehan (2010) finds that appropriate psychometric steps taken in the development of this model and the strong psychometric properties and soundness reveal the MLQ5X to be based on sound theory and have strong construct and external validity making this one of the most popular measures of transformational and transactional leadership and has contributed greatly to the field of leadership theory.

Ethical Considerations

In research, all interactions with human beings must consider the principles of justice, beneficence and respect for the people involved in the research. In sampling, the principle with the greatest chance of not being met is justice. The principle of justice requires that all members of a population has a reasonably equal chance of being selected to participate and once selected

for the study share equally in the burdens, risks and anticipated benefits of the study (Groves et al., 2009).

There are no foreseeable ethical issues or concerns with the sampling procedures for this study. The participants are randomly selected with everyone having an equal chance of being selected and any burden, risk or benefit being equally shared among participants. The three basic principles of the Belmont report are respect, beneficence and justice (Swanson & Holton, 2005). Respect for the participant is met by asking for their consent and they are given control over their decision to participate and exit the survey at any time. Beneficence is met by informing the participants what is involved and any risks to them for their participation. Justice and equity is met by random sampling giving everyone equal opportunity to participate and also equal share in any benefits or burdens from participation in this study.

CHAPTER 4. RESULTS

This chapter reports the results of the data analysis and includes the description of the population and sample, sample size, power and demographics of the sample of participants. It contains a brief summary of the results and findings of the data analysis followed by a detailed presentation of the data analysis and results, and conclusions.

The focus of the research was to investigate organizational effectiveness, leadership styles and organizational size. This chapter presents the analyses to answer the following research questions:

ResQ1: Is there a significant relationship between leadership styles among managers in organizations and organizational size?

ResQ2: Is there a significant difference in organizational effectiveness based on organization size?

The results presented in this chapter allows acceptance or rejection of the following hypotheses:

H01: There is no significant relationship between leadership styles of managers and the size of the organization.

HA1: There is a significant difference in leadership styles of managers in organizations based on the size of the organization.

H02: There is no significant difference in organizational effectiveness based on the size of the organization.

HA2: There is a significant difference in organizational effectiveness based on the size of the organization.

Description of the Population and Sample

The population consisted of people in management positions holding executive and functional positions within their organizations. The executive positions consisted of those managers with the titles of: Chief Executive Officer/President/Owner/General Manager/Partner/Director/Assistant Director/Vice President and Assistant Vice President. The functional positions were managers with the titles of: Department Head/Manager and Assistant Manager.

The sample frame was approximately 2300 people holding executive and functional positions within their organizations. The sample was 159 randomly selected respondents from the sample frame of 2300 people holding management positions within their organization. The participants of the survey met the criteria of serving in executive or functional positions with approximately 70% in an executive position and 30% in a functional position.

Data were collected for 159 participants. Data were assessed for inclusion criteria, univariate outliers, and missing cases. To participate in the research, individuals had to give consent, they had to be a manager in an executive or functional position, be employed in a for-profit organization, and work for an organization that has been in business for at least three years. All participants met the inclusion criteria. Outliers were assessed with the creation of z scores. Data were standardized to a mean of 0.00, and cases greater than 3.29 standard deviations from the mean were considered outliers (Tabachnick & Fidell, 2012). Three outliers were removed from the dataset. One case had data missing in patterns and was removed from the dataset. Final data analysis was conducted on 155 participants.

For research question one, participants were grouped into transformational, transactional, and passive avoidant leadership styles. Of the 155 participants, nine participants were grouped

into more than one category. Three participants were transactional and passive avoidant, one participant was transformational, transactional, and passive avoidant, and five were transformational and transactional. These nine leaders were not included in the analysis for research question one. The sample size for research question one was 146 and the sample size for research question two was 155. Transformational was the predominant leadership style followed by transactional and passive avoidant. Table 2 presents the leadership styles of the participants for research question one.

Table 2

Frequencies and Percentages for Participants' Leadership Styles

Leadership style	<i>n</i>	%
Transformational	109	75
Transactional	30	21
Passive avoidant	7	5

Note. Percentages may not total 100 due to rounding error.

Participants were asked to indicate their current position. Many participants indicated they were owners (56, 36%) or managers (37, 24%). Frequencies and percentages for participants' current positions are presented in Table 3.

Table 3

Frequencies and Percentages for Participants' Current Positions

Current position	<i>n</i>	%
Chief Executive Officer	11	7
President	4	3
Owner	56	36
General Manager	11	7
Partner	9	6
Director	13	8
Assistant Director	3	3
Assistant Vice President	1	1
Department Head	9	6
Manager	37	24
Assistant Manager	7	5

Note. Percentages may not total 100 due to rounding error.

Means and standard deviations were presented for participants' scores on transformational, transactional, passive avoidant, and effectiveness scores.

Table 4

Means, Standard Deviations, and Cronbach's Alpha Values for the Variables of Interest

Scale	<i>M</i>	<i>SD</i>	No. of items	α
Transformational	4.00	0.59	20	0.94
Transactional	3.58	0.63	8	0.75
Passive avoidant	1.94	0.73	8	0.80
Effectiveness	4.13	0.70	4	0.79

Summary of Results

Research question one asked, is there a significant relationship between leadership styles among managers in organizations and organizational size. To assess research question one, and to determine if there was a significant relationship between leadership styles among managers in organizations and organizational size, a chi square analysis was conducted. The variables of interest in the chi square analysis were leadership styles (transformational vs. transactional vs. passive avoidant) and organization size (1 - 99 vs. 100 - 499 vs. 500 or more). Prior to conducting the analysis, data were assessed to be certain the expected cell count assumption was met. The assumption was not met, four (44.4%) cells had an expected cell count of < 5 . Results were interpreted with caution. An alpha of .05 was used for analysis. The chi square analysis was not significant, indicating that the null hypothesis could not be rejected in favor of the alternative hypothesis.

Research question two asked, is there a significant difference in organizational effectiveness based on organizational size. To assess research question two, and determine if

there was a significant difference in organizational effectiveness based on organizational size, an ANOVA was conducted. The dependent variable in the analysis was organizational effectiveness. The independent variable was organizational size (1 - 99 vs. 100 - 499 vs. 500 or more). The assumptions of normality and homogeneity of variance were assessed prior to analysis. An alpha of .05 was used for analysis. The result of the ANOVA was not significant, indicating the null hypothesis could not be rejected in favor of the alternative hypothesis.

Details of Analysis and Results

Research Question One

Is there a significant relationship between leadership styles among managers in organizations and organizational size?

H01: There is no significant relationship between leadership styles of managers and the size of the organization.

HA1: There is a significant difference in leadership styles of managers in organizations based on the size of the organization.

To assess research question one, and to determine if there was a significant relationship between leadership styles among managers in organizations and organizational size, a chi square analysis was conducted. Prior to conducting the analysis, data was assessed to be certain the expected cell count assumption was met. Traditional caution is that no more than 20% of the cells contain expected value < 5 (Pagano, 2009). The assumption was not met, four (44.4%) cells had an expected cell count of < 5 . Results will be interpreted with caution. An alpha of .05 was used for analysis.

The result of the chi square analysis was not significant, $\chi^2(4) = 5.30, p = .258$, indicating there was not a significant relationship between leadership style and organizational size. The null

hypothesis, there is no significant relationship between leadership styles of managers and the size of the organization, cannot be rejected in favor of the alternative. The result of the chi square analysis is presented in Table 5.

Table 5

Chi Square Analysis to Assess the Relationship between Leadership Style and Organizational Size

Organization size	Grouping			$\chi^2(4)$	<i>p</i>
	Transformational	Transactional	Passive avoidant		
	<i>n</i>	<i>n</i>	<i>n</i>		
1 - 99	70 (66.4)	17 (18.3)	2 (4.3)	5.30	.258
100 - 499	15 (17.9)	6 (4.9)	3 (1.2)		
500 or more	24 (24.6)	7 (6.8)	2 (1.6)		

Note. Expected values are presented in parenthesis.

Research Question Two

Is there a significant difference in organizational effectiveness based on organizational size?

H02: There is no significant difference in organizational effectiveness based on the size of the organization.

HA2: There is a significant difference in organizational effectiveness based on the size of the organization.

To assess research question two, and determine if there is a significant difference in organizational effectiveness based on organizational size, an ANOVA was conducted. Prior to analysis, the assumptions of normality and homogeneity of variance were assessed. Normality was assessed with a Kolmogorov Smirnov test. The assumption was not met, however with samples of 30 or more participants, non-normality is typically not problematic (Pallant, 2010).

Homogeneity of variance was assessed with a Levene's test and was met. An alpha of .05 was used for analysis.

The result of the ANOVA was not significant, $F(2, 152) = 0.40, p = .672$, partial $\eta^2 = .01$, indicating there were not differences on effectiveness scores by organization size (1 - 99 vs. 100 - 499 vs. 500 or more). The null hypothesis, there is no significant difference in organizational effectiveness based on the size of the organization, cannot be rejected in favor of the alternative. The result of the ANOVA is presented in Table 6. Means and standard deviations are presented in Table 7. A bar chart visually presents the mean scores by organization size in Figure 2.

Table 6

ANOVA to Assess Differences in Effectiveness Scores by Organization Size

Source	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>p</i>	Partial η^2
Organization size	0.40	2	0.20	0.40	.672	.01
Error	75.21	152	0.50			

Table 7

Means and Standard Deviations for Effectiveness Scores by Organization Size

Size	<i>M</i>	<i>SD</i>
1 - 99	4.10	0.70
100 - 499	4.13	0.76
500 or more	4.23	0.68



Figure 2. Bar chart of mean effectiveness score by organization size.

Conclusion

Research question one asked, is there a significant relationship between leadership styles among managers in organizations and organizational size. To assess research question one, and to determine if there was a significant relationship between leadership styles among managers in organizations and organizational size, a chi square analysis was conducted. The variables of interest in the chi square analysis were leadership styles (transformational vs. transactional vs. passive avoidant) and organization size (1 - 99 vs. 100 - 499 vs. 500 or more). An alpha of .05 was used for analysis. The chi square analysis was not significant, indicating that the null hypothesis, there is no significant relationship between leadership styles of managers and the size of the organization, cannot be rejected in favor of the alternative hypothesis.

Research question two asked, is there a significant difference in organizational effectiveness based on organizational size. To assess research question two, and determine if

there was a significant difference in organizational effectiveness based on organizational size, an ANOVA was conducted. The dependent variable in the analysis was organizational effectiveness. The independent variable was organizational size (1 - 99 vs. 100 - 499 vs. 500 or more). An alpha of .05 was used for analysis. The result of the ANOVA was not significant, indicating the null hypothesis, there is no significant difference in organizational effectiveness based on the size of the organization, cannot be rejected in favor of the alternative hypothesis.

The null hypothesis cannot be rejected for either research question one or research question two. The following chapter 5 is a summary and discussion of the results, implications and limitations of this study. Chapter 5 also contains conclusions and recommendations for future studies.

CHAPTER 5. DISCUSSION, IMPLICATIONS, RECOMMENDATIONS

The purpose of this research study was to investigate organizational effectiveness of leadership styles based on organizational size. The intent was to enable small, medium and large organizations to improve their organizational effectiveness by identifying leaders that have the skills, creativity and courage to build or recreate organizations within the framework of new challenges presented in the current global marketplace (Warrick, 2011).

Summary of the Results

Research question one asked is there a significant relationship between leadership styles among managers in organizations and organizational size. A chi square analysis was not significant, indicating that the null hypothesis could not be rejected in favor of the alternative hypothesis. There is no significant relationship between leadership styles of managers and the size of the organization. Research question two asked, is there a significant difference in organizational effectiveness based on organizational size. The result of an ANOVA analysis was not significant, indicating the null hypothesis could not be rejected in favor of the alternative hypothesis. There is no significant difference in organizational effectiveness based on the size of the organization.

The null hypothesis cannot be rejected for either research question one or research question two. No significant differences exist between leadership style and effectiveness based on organizational size. Does this mean that there are no differences between organizational characteristics and leadership style? There are limitations to every study that will have to be taken into account.

Discussion of the Results

The results of this study indicates that the effectiveness of the organizations categorized as small, medium and large based on their number of employees is not influenced by the style of leadership applied to their organization because of their size. The ability to increase organizational effectiveness for a competitive advantage in the marketplace based on an organizations size by changing leadership style in the organization has not been established. No significant differences exist between leadership style and effectiveness based on organizational size. Does this mean that there are no differences between organizational characteristics and leadership style? There are limitations to every study that will have to be taken into account.

Implications of the Study Results

This study investigated differences in leadership styles and effectiveness based on the organizational characteristic of size. The findings showed no difference exists between effectiveness and leadership styles based on the organizational characteristic of size. The participants of this study were managers in executive and functional positions within their organizations who would apply their leadership style to their employees.

The findings can be used to provide senior management with insight into the necessity to search for the managers with a leadership style that works best for their organization regardless of the size of their organization. This study shows that size of the organization does not limit the leadership style that works best for the effectiveness of the organization. Therefore organizations must be careful to determine the best leadership style. Organizations are not able to make a blanket assumption that if they are a smaller organization and have less than 100 employees a transactional style of management will be best to achieve a high level of effectiveness. The findings are also relevant as a contribution to the growing literature on improving the

effectiveness of organizations to compete in a global marketplace. This study adds to the prior and current literature that exists on leadership and effectiveness.

The focus of previous research are on leadership and how it has an effect on employees and their organizations not how the characteristics or attributes of an organization, such as size, may require a certain type of leadership style. The more recent studies conduct research in areas such as managers applying emotions to assist employees (Toegel et al., 2013), leadership and employee response to problems and opportunities (McClellan et al., 2013), empowering leadership in teams (Lorinkova et al., 2013), emotional intelligence team leadership and social interaction.

This study did not support the existence of a difference between effectiveness and leadership style based on the organizational characteristic of size. There have been hundreds if not thousands of studies on leadership and the interaction with employees. With so few studies on organizational characteristics and effectiveness of leadership styles, this researcher believes further studies will bear out whether or not differences exist between leadership styles and effectiveness due to organizational characteristics. This researcher believes that research investigating how organizations may react to various leadership styles may find that it may be dependent to some degree on the characteristics of the organization. If this is the case it will yield another area for improving the competitiveness of an organization.

Limitations

Leadership theory covers many different aspects of leadership from skills and traits to behavioral to situational to name only a few. This study of the Full Range Leadership Theory assumes coverage of the broadest assimilation of leadership theory which in today's dynamic business environment enables a leader to apply the best leadership style to their organizational situation. Previous research on this topic has shifted from a singular leadership style and

matching a leader's style to the situation to a leader that has the ability to match an appropriate leadership style with the organizational situation and culture.

A limitation may be that not all leadership styles are taken into account with this study. The FRLT was chosen to cover the widest range of leadership styles but by no means covers all leadership styles and situations. Another limitation may be perceptions of leadership by participants may be different than perceptions of those who work with or report to the individual leader. Studies with self-rating may find a difference between a self-rater's perceptions versus a rater's perceptions of leadership style. Also the survey does not differentiate between domestic and non-domestic respondents.

Other limitations include the management positions, time and budget constraints. There are limited numbers of people in management positions, the costs of reaching higher level managers and the response rate of people in those positions. Delimitations include businesses operating within periodic time frames, such as, in business for 10 to 20 years, 20 to 30 years, et cetera, and investigation into individual industries.

Recommendations for Further Research or Intervention

Recommendations for future studies will have to deal with the limited nature of the positions of management. These include the high costs and time constraints of reaching leaders in management positions, and limited number of management positions in comparison to most other populations. Response rates of individuals in these management positions also drive up the costs of reaching them along with the limited number of participants available for the study.

Future studies should investigate whether leadership styles vary in effectiveness according to individual industries. This study looked at leaders but did not differentiate the industries of the managers. Different industries may have an impact on which leadership style is

more effective for a manager. Future studies should look to investigate if there is a difference in effective leadership when leaders are rated by peers and subordinates versus self-rating. One last recommendation is to investigate effective leadership styles according to length of operation. Is there a more effective leadership style for businesses that have been operating for less than 10 years, 11 to 20 years, and 21 to 30 years? A change in leadership style may be required the longer the organization is in business.

Conclusion

The purpose of this research study was to investigate leadership styles and effectiveness based on organizational size. This would indicate what leadership style and effectiveness based on characteristics of the organization may assist organizations to identify leaders that have the skills, creativity and courage to build or recreate organizations within the framework of new challenges presented in the current global marketplace (Warrick, 2011). Understanding if a relationship exists would contribute to the competitiveness of an organization.

Research question one asked is there a significant relationship between leadership styles among managers in organizations and organizational size. A chi square analysis was not significant, indicating that the null hypothesis could not be rejected in favor of the alternative hypothesis. There is no significant difference between leadership styles of managers and the size of the organization.

Research question two asked, is there a significant difference in organizational effectiveness based on organizational size. The result of an ANOVA analysis was not significant, indicating the null hypothesis could not be rejected in favor of the alternative hypothesis. There is no significant difference in organizational effectiveness based on the size of the organization.

The null hypothesis cannot be rejected for either research question one or research question two. No significant differences exist between leadership style and effectiveness based on organizational size. Prior research focused on the interaction between leadership styles and employees. More recent studies focus on emotional intelligence team leadership and social interaction.

The findings of this study can be used to provide senior management with insight into the necessity to search for the managers with a leadership style that works best for their organization regardless of the size of their organization. This study shows that size of the organization does not limit the leadership style that works best for the effectiveness of the organization. Therefore organizations must be careful to determine the best leadership style.

This researcher believes that further investigating how organizations may react to various leadership styles may find that it may be dependent to some degree on the characteristics of the organization. If this is the case it will yield a new area for improving the competitiveness of an organization by enabling organizations to better match the leadership style with the characteristics of an organization to improve effectiveness.

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APPENDIX A. STATEMENT OF ORIGINAL WORK

Academic Honesty Policy

Capella University's Academic Honesty Policy ([3.01.01](#)) holds learners accountable for the integrity of work they submit, which includes but is not limited to discussion postings, assignments, comprehensive exams, and the dissertation or capstone project.

Established in the Policy are the expectations for original work, rationale for the policy, definition of terms that pertain to academic honesty and original work, and disciplinary consequences of academic dishonesty. Also stated in the Policy is the expectation that learners will follow APA rules for citing another person's ideas or works.

The following standards for original work and definition of *plagiarism* are discussed in the Policy:

Learners are expected to be the sole authors of their work and to acknowledge the authorship of others' work through proper citation and reference. Use of another person's ideas, including another learner's, without proper reference or citation constitutes plagiarism and academic dishonesty and is prohibited conduct. (p. 1)

Plagiarism is one example of academic dishonesty. Plagiarism is presenting someone else's ideas or work as your own. Plagiarism also includes copying verbatim or rephrasing ideas without properly acknowledging the source by author, date, and publication medium. (p. 2)

Capella University's Research Misconduct Policy ([3.03.06](#)) holds learners accountable for research integrity. What constitutes research misconduct is discussed in the Policy:

Research misconduct includes but is not limited to falsification, fabrication, plagiarism, misappropriation, or other practices that seriously deviate from those that are commonly accepted within the academic community for proposing, conducting, or reviewing research, or in reporting research results. (p. 1)

Learners failing to abide by these policies are subject to consequences, including but not limited to dismissal or revocation of the degree.

Statement of Original Work and Signature

I have read, understood, and abided by Capella University's Academic Honesty Policy ([3.01.01](#)) and Research Misconduct Policy ([3.03.06](#)), including the Policy Statements, Rationale, and Definitions.

I attest that this dissertation or capstone project is my own work. Where I have used the ideas or words of others, I have paraphrased, summarized, or used direct quotes following the guidelines set forth in the *APA Publication Manual*.

Learner name
and date James A. Walter 3/18/14

Mentor name
and school Dr. W. Don Gottwald School of Business and Technology