

High-Commitment Leadership: A Study of Iranian Executives

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This study tests Conger-Kanungo hypothesis that employee empowerment can help build a strong positive attitude among subordinates. The findings on Iranian executives and managers point to the conclusion that encouraging employee participation, setting motivational goals, removing bureaucratic barriers and rewarding performance lead towards building a loyal workforce.

INTRODUCTION

Senior managers as a group are a popular subject of writing and research. They symbolize personal and professional success by reaching higher echelons of their organizations, entrusted with strategic choices required to enable their organizations to successfully respond to environmental challenges.

Many researchers have attempted to uncover the secrets of effective performance in senior positions. There is no shortage of recipes. Most researchers have used primarily normative approaches to the study of managerial effectiveness. Through case studies (Kotter, 1982; Levinson and Rosenthal, 1984; Conger, 1989) or general observations (Katz, 1975; Blanchard and Johnson, 1982; Muczuk and Reimann, 1987; Conger and Kanungo, 1988) they have generated wide-ranging prescriptions for executive performance.

Most of the work on managerial leadership is generally based on U.S. managers. In this paper, we provide empirical evidence on Iranian senior managers from the vantage point of their immediate subordinates who themselves are in middle and upper-middle management positions.

THIS STUDY

The purpose of our study is to identify the correlates of managerial ability to make an emotional impact on employees in higher organizational echelons. We focus on the ability of a senior manager to make a positive affective imprint on their subordinates and create a loyal following among their employees. The study will identify the characteristics of those senior managers who are successful in building a sense of loyalty among the managers who report directly to them.

Emotional impact

Today's organizations face unprecedented turbulence and significant challenges. Senior executives need to mobilize their organizations to respond effectively or otherwise risk failure. Energizing and leading today's human resources requires more than transactional leadership where subordinates put in an effort in return for monetary and extrinsic rewards (Bass, 1985). It increasingly requires substantial emotional bonding between the employees and the organization. What is needed is a dedicated and loyal workforce which is transformed, confident, and prepared to go beyond the normal and traditional bounds of performance to ensure organizational success (Bass, 1985). A workforce that is loyal to its management and its vision and direction.

This research is premised on the assumption that employees' loyalty to the organization evolves as a result of their everyday experiences at work. The most immediate and direct experience is the relationship between the employee and his/her superior. The loyalty to the immediate boss will generalize over time to commitment to the organization as a whole. Those subordinates who consider their boss as the ideal manager will, over time, develop positive affective attitudes towards the organization as a whole.

In this study, we identify those executives who have made a significant emotional impact on their subordinates. We then examine the behaviors and characteristics that distinguish this group. The paper's contributions are twofold. First, it will use a large scale sample to empirically verify the validity of several key propositions in the literature. Secondly, it will provide a recipe for senior executives based on the views of middle and upper-middle managers.

Emotional impact and empowerment

To understand the unique features of those executives who leave a strong emotional impact, we used the empowerment concept developed by Conger and Kanungo (1988). In a comprehensive conceptual treatment of the construct of empowerment, the authors proposed a series of managerial actions and strategies that would lead to empowered employees. The fundamental assumption in their work is that empowerment of employees is a "principal component of managerial and organizational effectiveness." (Conger and Kanungo, 1988, pp.471). This argument is shared by other researchers who have studied the subject (see for example, Bennis and Nanus, 1985; Block, 1987; Kanter, 1979; House, 1977).

While the concept of empowerment has been very popular for some time, it has received little theoretical or empirical assessment, particularly in cultures other than the western culture. Its emotional appeal has led academics and practitioners to accept its validity without much critical analysis. In their closing remarks, Conger and Kanungo (1988) called for an examination of the linkage between empowerment practices and leadership, particularly as a tool for influencing and mobilizing the employees (pp.480).

In this study, we operationalized the management practices and strategies alluded to by Conger and Kanungo (1988). We then examined the extent to which they help create a positive feeling among the employees in an Iranian corporation. The empowerment

literature is premised on the assumption that empowering employees has two possible effects, both positive and constructive. First, employees who have power are more likely to achieve their expected outcomes and those without power are more likely to have their output controlled by the individuals who wield power (Conger and Kanungo, 1988; Hills and Mahoney, 1978; Pfeffer, 1981).

Power is usually defined as a function of the dependence or interdependence of actors. The more an actor depends on another individual, the more the latter's relative power (Pfeffer, 1981). Various sources of interpersonal power are legal (position), coercive (through punishment), remunerative (material rewards), normative (symbolic rewards), and knowledge (information) (Bacharach and Lawler, 1980; French and Raven, 1959). Sharing of power with subordinates will increase their control and the likelihood of their success. The increased probability of success will in turn lead to a higher degree of satisfaction and greater loyalty to the organization.

The second speculated consequence of empowerment is its impact on the subordinates' personal efficacy. Subordinates as a group operate in a role set (Tsui, 1984). Different stakeholder groups in the role set have differing and sometimes conflicting expectations and demands which need to be satisfied by the subordinates. The dynamics of group interaction within the role set are further complicated due to the creation of multiple realities in the set (Smith, 1982). Each group tends to develop a framework for viewing the world around them. Such a framework is their perceived structure of reality and will help them study and interpret phenomena. Smith (1982) postulated that groups use social comparison processes to learn about themselves and to shape their paradigms. Their interaction with other groups and the feedback they receive from the other members of the role set help develop their structure of reality and to develop their own self image.

Subordinates who are empowered interpret it as a reflection of the superior's trust and confidence in them and their abilities (Smith, 1982). They also build a higher expectation that their effort will result in the desired level of performance (Bandura, 1986; McClelland, 1975; Conger and Kanungo, 1988). Both of these outcomes will result in a positive perceived structure of reality (Smith, 1982) enhancing subordinates' belief in their own effectiveness and their satisfaction with the organization.

The positive consequences of empowerment identified above would lead to the conclusion that through empowerment, managers express their trust in their subordinates and their abilities. Such an attitude will help build emotional ties with their employees and generate subordinate loyalty.

EMPOWERING MANAGERIAL PRACTICES
1. Fostering subordinate participation in decision making
2. Expressing confidence in subordinates and having high expectations
3. Providing autonomy from bureaucratic controls
4. Setting motivational and meaningful goals
5. Feedback/ Rewarding performance
6. Modelling

Empowering managerial practices

Based on a review of the literature, Conger and Kanungo (1988) proposed a number of managerial practices that would lead to empowered employees. They are briefly discussed below and summarized in the following table.

1) Fostering subordinate participation in decision making: Allowing subordinates to provide input and to take part in making decisions signals the superior's trust in their subordinates and his/her respect for their views, both of which will improve the personal efficacy of their subordinates (Block, 1987; Kanter, 1979). Participation in decision making is also an important form of sharing control and power with employees (Burke, 1986; House, 1989).

2) Expressing confidence in subordinates and having high expectations: The subordinates' view of themselves is significantly influenced by the signals they receive from their superiors. Positive signals from higher levels help increase employees' self-confidence. Bandura (1986) suggested that when individuals are persuaded by others that they are capable of performing specific tasks, they are more likely to believe in their own abilities.

3) Providing autonomy from bureaucratic controls: Bureaucratic organizations are designed to minimize unexpected outcomes, standardize employee behavior, and avoid uncertainty. To this end, they use rules and procedures to control individual behavior and inhibit autonomy and self-expression. As Block (1987) and Kanter (1983) pointed out, employees in such organizations tend to exhibit a diminished sense of self-efficacy. By removing bureaucratic controls, superiors will help enhance the subordinates' view of their own abilities.

4) Setting motivational and meaningful goals: Expectations that are too low fail to ignite employees. They have little emotional impact because they are of little challenge. On the other hand, goals that are unrealistically high are frustrating. Employees see little

connection between effort and performance so their sense of self-efficacy is diminished (Bennis and Nanus, 1985; Tichy and Devanna, 1986).

5) Feedback/ Rewarding performance: To enhance and sustain their framework and their psychological filters, employees need to get their view of the world and themselves reinforced by other groups, particularly their superiors. Constructive, timely feedback, along with performance-based rewards will help employees assess the validity of their structure of reality and will help them make the required adjustments. As a result, their self-efficacy will be enhanced.

6) Modelling: Employees' sense of self-efficacy can be improved through vicarious experiences of observing others perform effectively on the job. A boss's superior performance can convince the subordinates that they can perform at a similar level or at least make some improvements (Conger and Kanungo, 1988; Bennis and Nanus, 1985). So supervisors who mentor their subordinates and act as their role models, help build the latter's sense of self confidence.

While there has been much written on leadership and on each one of the above management strategies, this paper's purposes are:

1) To empirically verify the impact of the above managerial practices on perceived ability of executives to create a positive bond with employees. As Conger and Kanungo (1988) pointed out, there is a need to examine the linkage between empowerment practices and executive leadership. The assumption in the literature is that the former results in the latter. In this paper, we empirically examine the nature of this linkage.

2) To focus on subordinates of executives who themselves are in middle and upper-middle management positions. There are three important reasons for using subordinates as the focal group. First, senior managers function in a role set. They need to create and sustain mutually satisfactory relationships with the various stakeholder groups in their role set (Tsui, 1984). The demands by different groups are not always consistent. In many cases, they may be contradictory. Assigning priorities to different stakeholder groups will help facilitate making decisions in the face of conflicting demands.

In a recent survey, top managers ranked their subordinates as their second most important stakeholders after their customers (Kouzes and Posner, 1988). This is due to the subordinates' role in implementing top managers' decisions. Despite such level of importance, there is little in the literature on subordinates' views and perspectives.

Secondly, empowerment is viewed here as a relational concept between the boss and the subordinate. It is a characteristic of the relationship between them. Any attempt to understand this phenomenon could either use the superiors or the subordinates as the informant group. Using the superiors as informants produces generally distorted results because of problems with self reporting. They can engage in selective attention, self delusion, defensiveness, ethnocentrism, or outright rejection in interpreting their relationship with subordinates (Smith, 1982). Subordinates, on the other hand, are the

recipients of empowering practices and are more likely to provide undistorted information.

Third, compared to the other members of the role set, subordinates are the closest to top management. Their relatively small social distance from the top is likely to enable them to provide more detailed and in-depth information about senior managers (Smith, 1982). Therefore, one would expect higher volume, more frequency, and better quality of information to be communicated between top managers and their subordinates than any other group in top managers' role set (Tsui, 1984). The subordinates' structure of reality is richer and more fine grained because it consists of a greater number of dimensions of top management behavior as well as more detailed information on each dimension.

3) To investigate these concepts in a non-western culture. Most of the literature on empowerment and leadership originated in the U.S. While many concepts may be valid in other cultures, the notion of the relationship between the boss and the subordinate can be significantly impacted by country culture. We need to empirically verify the extent to which these constructs are culture-free, and what aspects, if any, are culture-dependent. Due to the reasons indicated above, we measured both empowerment practices and managerial ability to build loyalty in terms of subordinates' perceptions. While more objective measures of effectiveness could be used, our interest here is to study the subordinate-superior dyad, and to identify the ways in which it can be strengthened.

METHOD

Developing the instrument

As part of a larger study, a questionnaire was designed containing items to measure Conger and Kanungo's empowering practices and employee loyalty (see Javidan and Dastmalchian, 1992). The preliminary version was pre-tested with twenty Canadian middle managers from as many public and private sector organizations. They were asked to comment on each item in terms of its relevance, face validity, wording, and clarity.

The feedback from this group, and other considerations, resulted in 37 items relating to the various empowering practices and 4 items measuring perceived effectiveness. Table 1 shows a few sample questions. Each item asked the respondents to rate their immediate superior on a 7-point scale. Respondents were asked to report the degree to which they agreed with each statement. The range of possible responses was from "strongly disagree" (1) to "strongly agree" (7). In order to avoid substantive bias, several questions were worded negatively. We felt that too many negatively worded items may be perceived as threatening and would impede honest responses from respondents.

Data collection

In 1992 and 1993, the author administered three intakes of a five-week residential program in Iran for senior managers in public and private sector organizations. On the first day of the program and without any briefing, each participant was given a questionnaire and asked to assess their immediate superior. A total of 143 Iranian senior executives participated in the three programs. Table 2 presents the demographic

information regarding the participants. As can be seen from this table, the majority of participants have over 5 years of experience with their organizations and have at least one year of experience with their bosses. Many work for large organizations with over 500 employees and are over 40 years of age. Most of them hold general management positions.

Table 1

The Structure of the Instrument

	No. of Questions	Sample Questions
1. Managerial effectiveness	4	1. I feel fortunate to work for my superior 2. My superior is an ideal manager
2. Fostering subordinate participation in decision-making	7	My superior encourages discussion on issues
3. Expressing confidence in subordinates along with high expectations	7	My superior has high performance expectations
4. Providing autonomy from bureaucratic control	6	My superior sometimes temporarily relaxes rules to allow for something new to happen
5. Setting motivational/meaningful goals	8	My superior establishes a set of realistic goals for the unit
6. Feedback/rewarding performance	7	My superior provides prompt feedback
7. Modelling	2	My superior is a good mentor for subordinates

Table 2

Characteristics of Survey Participants

2. INDIVIDUALS CHARACTERISTICS

A. Length of service with the organization

1. Less than one year	1.9%
2. 1 to 5 years	26.6%
3. 6 to 10 years	39.9%
4. 11 to 15 years	18.4%
5. 16 to 20 years	8.9%
6. Over 20 years	3.2%

B. Length of service with superior

1. Less than one year	13.9%
2. 1 to 3 years	42.4%
3. 3 to 5 years	15.8%
4. Over 5 years	27.8%

C. No. of employees in the supervisor's unit

1. Less than 5	1.3%
2. 5 to 9	2.5%
3. 10 to 49	11.4%
4. 50 to 99	17.7%
5. 100 to 499	17.7%
6. Over 500	47.5%

D. Respondents' age

1. Under 30	0.6%
2. 30 to 34	7.0%
3. 35 to 39	30.4%
4. 40 to 49	57.6%
5. Over 50	4.5%

G. Organizational level:

Respondent

1. President	9%
2. Executive VP	6%
3. Vice-president	2.5%
4. Assistant VP	3%
5. GM	62%
6. No information	17.5%

Superior

1. President	14%
2. Executive VP	2%
3. Vice-president	9%
3. Assistant VP	2.5%
4. GM	47%
6. No information	25.5%

Table 3
Means, SD, and Correlations Between the Variables in Managerial Effectiveness

Item	N	Mean	SD	Q1	Q2	Q3	Q4
Managerial effectiveness	158	16.77	7.48				
Q1. I feel fortunate to work for my boss	139	5.06	1.53	0.90			
Q2. The performance of my superior's unit is above average	141	5.21	1.51	0.82	0.70		
Q3. My superior is a natural leader	143	4.52	1.67	0.85	0.64	.058	
Q4. My superior is my role model	141	4.01	1.72	0.91	0.80	0.62	0.75

Note: All correlations are significant at 0.01.

THE RESULTS

The Dependent Variable: Managerial effectiveness

As shown in Table 3, the correlation matrix of the four scales in our measure of managerial effectiveness on employees showed that all the variables are significantly correlated ($p=0.001$, 2-tailed) ranging from 0.58 to 0.91. We are therefore, justified in measuring the dependent variable as the sum of these four scales.

The Independent Variable: Empowering Management

The correlation matrix of the scales in our measure of the concept of employee empowerment showed that all the variables except very few are significantly correlated ($p=0.001$, 2-tailed). The principal component factor analysis of the variables produced five factors with eigenvalues of over one. Items that had loadings lower than 0.40 were dropped. Also, those items with multiple loadings of 0.40 or higher were deleted. As a result, only one of the five factors was left. The only remaining factor consisted of 28 variables with an eigenvalue of 18.7, accounting for 50.5% of the variance.

The convergence of all the remaining variables on one factor is an indication that the dimensions we used to operationalize the construct of empowerment are all parts of a unitary latent structure. Our results provide strong empirical support for the concepts developed by Conger and Kanungo (1988). They produce an empirically based profile of empowering managers.

Coefficient alpha (Cronbach's alpha) was computed to examine the internal consistency reliability of the scales. Table 4 shows the means, standard deviations, and Cronbach's alphas for our dependent and independent variables' scales. As can be seen from this table, Cronbach's alphas are 0.90 and 0.97 which shows that the internal consistency reliability estimates of the scales are quite high and fully acceptable.

Table 4
Reliability Coefficients

Scale	Mean	SD	Cronbach's alpha
Dependent Variable	16.77	7.46	0.90
Independent Variable	123.10	38.60	0.97

Empowerment and Managerial effectiveness

To examine the relationship between empowerment and managerial effectiveness, we conducted a multiple regression analysis with Managerial Effectiveness as the dependent variable and Employee Empowerment as the independent variable. We also used several variables as control variables:

A) Length of work experience with the corporation: It is postulated here that length of experience with the organization has an impact on the individual's loyalty. Cognitive Dissonance theory (Bandura, 1986) would lead to the conclusion that the longer the person has worked for the organization, the greater his loyalty. Furthermore, loyalty is a concept that develops and evolves over time and with positive experience. So employees with longer work experience should, in theory, develop greater loyalty.

B) Length of work experience with the supervisor: For the same reason stated above, it is postulated that this variable could have an impact on employee loyalty because subordinates need time to develop their view of their supervisor. Loyalty is a deep and mutual relationship. Employees' loyalty to the boss is related to the nature of their experience with him or her over time.

C) Size of the unit: The larger the unit in which the employee works, the harder it presumably is for him/her and the supervisor to develop a personal relationship. So one might expect that it is harder for employees in larger units to feel loyalty towards their boss or organization.

D) Superior's and subordinate's organizational level: It is postulated here that the higher the levels of the boss and the subordinate, the higher their potential loyalty. The higher the employee's position, the higher he/she has been rewarded for their work and contribution and the more positive their outlook towards the organization (Payne and Mansfield, 1973). Furthermore, the higher the levels of the two, the greater their similarities (Kanter, 1989; Javidan and Dastmalchian, 1993). Therefore, it is expected that employee loyalty to the boss is higher at higher organizational echelons.

The correlation matrix of the dependent, independent and control variables showed that the only significant correlation ($p=0.01$) was between Managerial Effectiveness and Empowerment. There were no other significant correlations. The lack of significant correlations among the independent variable and the control variables points to low levels of multicollinearity.

Table 5 below shows the results of the regression analysis. As can be seen from this table, the model shows a strong and significant regression relationship. It accounts for 27% of the variance in the dependent variable. The table also shows that only one variable, Empowerment, has a significant Beta ($p=0.01$). Given the lack of multicollinearity among the variables in the model, this is rather strong evidence. Therefore, our analysis confirms a significant relationship between the dependent and independent variables.

Regression Results Managerial Effectiveness

VARIABLE	BETA
Experience with the organizations	-0.05
Experience with the superior	0.07
Size of unit	-0.30
Respondent' position	0.10
Superior's position	-0.17
Empowerment	0.050*
Multiple R 0.52*	
R Square 0.27	

* Significant at 0.001.

DISCUSSION AND CONCLUSION

In a recent survey of 2185 employees, more than 96% of respondents considered "loyalty" an "important factor" in the company's success or failure, yet 60% reported that their loyalty to their organization has declined over the past five years. (*Industry Week*, March 1, 1993). In these times of high uncertainty, downsizing, and constant change, senior executives face a significant challenge. The constant turmoil in their organizations has corroded employee morale. They can no longer expect a long term relationship with their organization. In the absence of organizational loyalty, employees feel justified in feeling the same way towards the organization.

Yet, given the unprecedented changes and environmental pressures, more than ever executives need a loyal workforce that is intrinsically motivated and committed to the organization. Under these paradoxical conditions, managers face a fundamental challenge; how to build and maintain a strong emotional impact.

In this paper, we attempted to address this challenge. We argued that while employee loyalty is under extreme pressure, it is still feasible to achieve. We showed that managerial practices can have a substantial impact. Our findings from Iranian managers seem to confirm Conger and Kanungo's (1988) assertion that employee empowerment, if properly done, can help build a strong positive attitude among subordinates.

Managers and executives who build their direct reports' self-confidence, encourage active participation in discussions and decisions, set motivational goals, remove bureaucratic barriers, reward performance, and role model the desired behavior, seem to succeed in building a loyal workforce.

Our study also produced an empirically based profile of the construct of empowerment which again confirms the conceptual model presented by Conger and Kanungo. Our findings on Iranian executives and managers point to the conclusion that to a large extent, the concepts examined here are not culture specific and are applicable in settings other than Western cultures.

A number of issues need further research work. Despite strong findings, our work should be regarded as preliminary. Our instrument to measure empowerment needs further work to ensure its validity, reliability, and generalizability. Our measures of managerial effectiveness tend to focus on the relationship with the supervisor. We need to examine the linkage between positive attitude towards the boss and loyalty to the organization, particularly since there are so many changes confronting a typical organization. We also need to develop more reliable and valid instruments to operationalize the concept of emotional impact. Furthermore, our research studies Iranian executives. To ensure generalizability of our findings, we need to replicate the study in a variety of organizations in different countries.

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