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Perceptions of Ideal Leadership held by IT Executives, Business Executives and IT Managers

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Abstract

Leadership of the IT unit appears to be a critical success factor in strategic planning and implementation of technology by organisations. One moderator of successful leadership seems to be the perception of leadership held by the senior business executives. This study evaluated the perceptions of ideal leadership held by the deputy CEO, his first line reports, the CIO and his first line reports and to key IT and business unit managers. This paper shows that the perceptions of ideal leadership held by the organisation exceed those behaviours observed in practice. It shows that though the same model of leadership is held by these communities, the IT executive has higher expectations of leadership behaviour than the Business Executive does.

Introduction

This study extends the work of Stewart and Gable (1996) and Stewart (1997) in their efforts to show how expressed leadership style by the IT executive is moderated by the existing relationships between the IT community and the organisation, the organisation's experience with and expectation of IT and organisational culture. A conceptual model relating these variables has been proposed (Stewart and Gable 1996). One key variable in this model is the beliefs of leadership as held by the business executives.

This paper reports on a study conducted as part of a three year \$200,000 research project funded by the Australian Research Council through their Collaborative research grant scheme. This scheme requires active participation by an industry partner. The industry partner is a large government agency with over 2,000 employees and 8 divisions. It sees itself as a lead agency in management practices and has some considerable successes in implementing large information systems. This agency is participating in this research project as part of their commitment to improving leadership practices within the organisation and more effective use of IT resources.

The issue of leadership beliefs has been raised as a significant variable in restricting leadership practices (Bryman 1993). This study used a validated instrument measuring leadership style (the Multifactor Leadership

Questionnaire MLQ5X (short form) (Bass and Avolio 1995) to determine if there were any variations in perception of an ideal leader between the senior IT executive (SITE), the senior business executive (SBE) and the senior IT manager (SITM).

It has been observed that there are differences in behaviours of the senior IT executive depending on the strategic value of IT to the business executive (McFarlan and McKenny 1983, Earl 1989, Feeny, Edwards and Simpson 1998). It is proposed (Stewart and Gable 1996, Stewart 1997) that a significant variable in the successful uptake of IT is the leadership style used by the IT Executive. A moderator to the expressed leadership style may be the expectations and beliefs of the senior business executive as beliefs create reality (Snyder 1981, 1984).

We sought to determine if there were differences in the expected pattern of leadership behaviour according to Bass and Avolio's Full Range Leadership Model (FRLM), and if there were statistically significant variations in this pattern between the business and IT communities. In addition, we sought to determine if there were any variations in expectations between the senior IT executives and IT managers. We have also completed a study of actual leadership practices of IT managers and executives in this organisation (Stewart 1998). We can now contrast the expected ideal state with those believed in use by managers, and with those actually experienced by the followers.

This paper first briefly describes the underlying theory of Transformational Leadership (Bass and Avolio (1985, 1994, 1995) and then presents results from the Ideal Leadership Belief study. Finally, we contrast these Ideal Beliefs with reports on actual practices.

Transformational Leadership

Burns (1978) was one of the first to distinguish transformational leadership. Prior studies in leadership centred on other dimensions: leadership focus (task or relationships), leadership behaviour (initiating structure versus consideration of the individual) or leader decision making style (autocratic, authoritative, participative, and democratic). Burns recognised that these aspects did not yield insight into exceptional leadership behaviour and thus identified two fundamentally different types of leadership: transactional and transformational.

Bass (1985) operationalised these concepts in a series of empirical studies that led to a validated instrument measuring leadership style: the Multifactor Leadership Questionnaire (MLQ) available through Mind Garden (Bass and Avolio (1995)). Research using the MLQ has now generated over 100 research papers.

Transactional leadership involves an exchange of elements of value between the leader and the follower. Forms of Transactional Leadership Behaviours include an orientation towards punishment or reward. Non leadership behaviour is known as Laissez Faire leadership (LF).

Transformational leadership involves changing the belief state and the perception of needs and values of the follower. These factors are summarised in Table 1 (Bass and Avolio, 1997: 30..36).

Factor	Description
Idealised Attributes (IA)	General personal attributes that generate respect
Idealised Behaviour (IB)	Admiration, trust and belief in the ability of the leader.
Inspirational Motivation (IM)	The use of expressive language, appropriate metaphors and emotional appeals heightening awareness and gaining commitment
Intellectual Stimulation (IS)	Behaviours that question values, beliefs, expectations and past procedures
Individualised Consideration (IC)	Changing the tasks according to individual strengths and weaknesses or changing the management style as is appropriate.
Contingent Reward (CR)	The expectation of the leader is clearly articulated and a suitable reward for achievement of that expectation negotiated
Active Management by Exception (MBE A)	The leader continually monitors progress and punishes any deviation from the desired performance.
Passive Management by Exception (MBE P)	The leader is reactive and only responds in a negative fashion when something serious goes wrong
Laissez Faire (LF)	Refers to the absence of leadership or the avoidance of involvement or both.

Table 1 Factors of the Full Range Leadership Model

Leadership outcomes can be measured in terms of task attainment or effectiveness (EFF), follower satisfaction with the tactics of the leader (SAT), or extra effort by the follower as a direct result of the leader's tactics (EE).

Recent studies (Bass and Avolio 1998) present a more parsimonious 6 factor model grouping IA and IB together, and MBE P + LF. The MLQ 5X survey is still used to identify leadership behaviours according to either factor model.

The reliability and validity of the MLQ has been established in a variety of organisational settings including different sectors and levels of management. The underlying construct validity has been improved in the MLQ 5X form. This instrument can be used to evaluate followers experience of leadership behaviours, leader self-reports of frequency of leadership behaviours, and peer and superior evaluation of the perceived frequency of use of the strategies in the nine factors. I used the instrument to determine what was the expected

frequency of behaviour of each strategy expected in an ideal leader.

Conduct of the Study

The MLQ 5X form (short) was given to key personnel within the organisation. These personnel include the Deputy CEO (Deputy Director General), the executive directors of each of the divisions (8 people), the IT director and his four key staff, and each of the managers of key IT projects within the organisation. The project was championed by the IT director and sanctioned by the Deputy Director General.

The survey instrument was issued at the conclusion of a one-hour interview that sought details on relationships with the IT community, examples of leadership, and issues of innovation. There was no injection of any theory of leadership. The interviewees were to complete the MLQ 5X form in their own time, as well as an instrument designed to get the respondent's perception of the value of various Information Systems to their business unit. Respondents were assured of confidentiality. Letters of introduction and the interview questions were distributed several weeks prior to the conduct of the interviews.

Several months after the completion of the Ideal Leadership study, two reviews of actual leadership practices were undertaken. A time delay was imposed to avoid same instrument bias. In addition, some staff changes meant that respondents were using the MLQ in the Actual Behaviour study for the first time.

Two studies have been undertaken within this organisation; Ideal Beliefs and Actual Behaviours. The Actual Behaviour studies report Follower Experiences and Leader Self-Reports. This latter study consisted of two parts: Information Resource Management Division (IRMD) Study of all 257 employees and 50 managers, and the Top 21 Study of the top 21 managers in the IRMD. The results of the Top 21 Study have been presented elsewhere (Stewart 1998).

Results of the Study

Table 2 shows the job class of the respondents in the Ideal Leadership Study. These respondents include the Deputy Director General, The CIO, each key IT manager reporting to the CIO and several divisional heads and key IT staff.

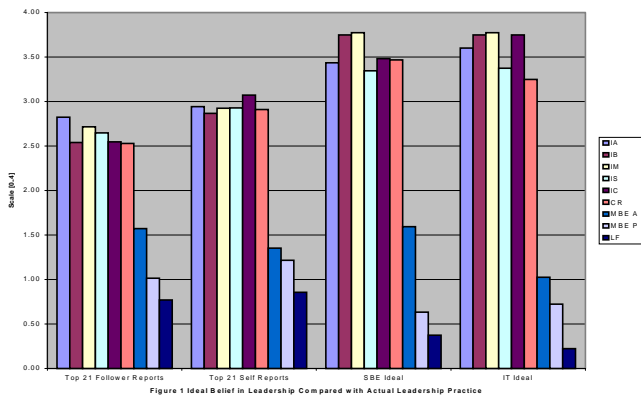
Employment Class	Number	Average Age
Senior Business Executives (SBE)	8	49
Senior IT Consultants (Internal) (SITC-I)	2	38
Senior IT Executives (SITE)	4	44
Senior IT Managers (SITM)	4	43
Total	18	45

Table 2 Demographics

Of these respondents, none have received any formal training in leadership and all but 6 had bachelor's degrees. Three had a master's qualification and three had formal studies in business.

Comparisons of the perceptions of ideal leadership between SITE and SBE are shown in Figure 1, together with those results of actual practices.

The ideal studies are labeled SBE Ideal and IT Ideal which contrast the expected behaviours of and ideal leader



as reported by Senior Business Executives (SBE) and IT managers and executives (IT).

The same pattern of results are seen in each study. Ideal leaders are expected to make extensive use of transformational tactics with the frequency of use of each approaching or exceeding 3.5. This means that such behaviours are frequently to almost always in use. There is the same order of expected frequency of use of transformational behaviours in both populations: IM, IB, IC, IA, and then IS. Contingent reward systems are valued highly in both populations. The less successful transactional behaviour practices of Management by exception is expected to be occasionally or rarely used, with Senior Business Executives expecting more active management by exception, than for the IT community. Very low frequency of non-leadership (LF) is expected.

Two tailed t-tests were calculated for heteroscedastic data. This analysis of the Ideal Study revealed differences between SITE and SBE populations at or below the 0.05 confidence level for Idealised Attributes ($p = 0.034$), Idealised Behaviour ($p = 0.003$), Individualised Consideration ($p \sim 0.05$) and Management by Exception – Active ($p = 0.02$), with IT executives expecting more frequent use of transformational tactics and less frequent use of Management by Exception – Active.

Comparison of the Ideal State for IT managers and their self reported behaviour shows significant depression of all transformational behaviours, and an elevation of both MBE A and MBE P. Follower reports show even greater depression of transformational behaviours and elevated active management by exception.

Discussion of results

Both groups expected an ideal leader to frequently use transformational tactics and less frequently use transactional tactics. The pattern of desired behaviour matches the recommendations from the Full Range Leadership Model. The order of expected frequency of use of transformational leadership conforms to the correlations of these tactics with organisational performance. For public sectors organisations, the correlations with organisational performance are as

follows: IA+IB+IM 0.4, IS 0.3 and IC 0.25 (Avolio & Bass 1997). The correlations of follower measures with use of transformational tactics are 0.8, 0.7, 0.65 respectively (Avolio & Bass 1997). The desired thresholds for good leadership on transformational tactics are 3, contingent reward (between 2..3), MBE A between (1..2), MBE P <1 and LF <1 (Avolio 1996). The desired states for transformational tactics exceed 3 (average 3.5), as does contingent reward. Follower perceptions show that leaders are not achieving the desired thresholds in transformational tactics. These results are close to those reported in an aggregated study of actual performance of managers (Bass and Avolio 1997 p. 53). Thus, we can state that the leadership practices of the organisation are on par with other organisations.

Thus, the expected behaviours of leaders are the same in both communities, with high levels of expectation of the use of transformational tactics. Business leaders are more tolerant of Management by Exception practices.

The variation between leader self-reports and follower reports is to be expected. The variation between ideal state and actual behaviour is also not surprising. Of key concerns are the elevated levels of MBE A and the depressed values in all transformational tactics. A detailed study of these responses is underway. This fact led to the IT executives to sponsor a leadership development program which is reported elsewhere.

Extension to the study

A study is currently underway in which the results of a qualitative assessment of leadership beliefs are compared with these results. An action research project is underway in which the IT management team is seeking to develop a leadership culture and improved leadership practices. These results will be reported in subsequent papers. The effect of these differences on systems implementation is now being examined in a series of related studies. We plan to repeat the study in a variety of public service agencies and the relationship between expressed leadership style and successful systems implementation is being addressed. We are working on establishing leadership normative data and best practice benchmarks for the IT industry.

Conclusion

This study has explored variations in the perception of leadership behaviour of an ideal leader. There is some indication that some differences may exist between beliefs of leadership held by senior IT and business executives. It is hypothesised that these differences constrain the delivery and planning of information systems and information technology infrastructure for the organisation. Hence, recognition of these variations may improve the relationships between these communities and improve organisational uptake and deployment of information technology.

References

The first author on request can supply detailed references.