

Comparison of Leadership Styles (Authoritarian vs. Bureaucratic and Participatory vs. Unbridled) of Managers and the Amount of Entrepreneurship by Employees

Vali Rashidi¹, Arash Nazari², Zeynab Nazari³, Amene Moosapour⁴

¹Faculty member of Payam Noor University, Branch of Shirvan, Iran

²Teacher at Education Organization of RazaviKhorasan, Branch of Torqhabeh, Iran

³Teacher at Education Organization of North Khorasan, Branch of Shirvan, Iran

⁴Teacher at Education Organization of North Khorasan, Branch of Torqhabeh, Iran

Received: January 27, 2015

Accepted: March 31, 2015

ABSTRACT

This study aims to investigate leadership styles of managers including bureaucratic and participatory as well as the amount of entrepreneurship by employees. This study is an applied research. Its aim is to study the correlation between research's variables and thus it is of the correlational type. Considering the main purpose and scope of the research, the target population includes all the government employees in Shirvan city. Since the size of sample is large and access to all persons in the sample, because of variety in their job, is not possible, in this study the convenience and judgment sampling is used. Formula for determination of the statistical sample is based on sampling in an unlimited community. The results show that there is significant relationship between leadership styles of managers and the amount of job creation by employees, the main hypothesis. Other results are as follows: employees of managers with bureaucratic style of leadership create more jobs than that of managers with authoritarian style; and employees of managers with participatory style of leadership create more jobs than that of managers with unbridled style.

KEYWORDS: leadership styles, managers, entrepreneurship by employees, bureaucratic, participatory

INTRODUCTION

A case study on entrepreneur woman in China indicated the fact that most entrepreneur women in China are engaged in the textile and dressmaking industry, which include approximately 48% of entrepreneur people. The research also shows that 76 percent of the businesses have about 10 years or more than 10 years job experience and 64% of China's entrepreneurs have emigrated from the coastal areas into the country. It also shows that 36% of them are from the border areas of China and a large number of entrepreneur women have an average age of 40 to 50 years, which include approximately 60% of the number of entrepreneur women. In addition, the study also shows that about 60% of women studied have technical training or higher education and 96% of them are members of the Communist Party of China.

Research conducted in 1980 in Switzerland showed 1500 female entrepreneur and 300 male entrepreneur divided the population of the country into three separate categories. Among these women, 16 percent of them live alone and 37% of them with husbands who are not entrepreneur and 47% of them have entrepreneur husbands and working together. This study shows that the percentage of unmarried women compared with married women in the whole population is very low. In addition, compared to other women, entrepreneur women have more kids. The research also shows that the average age of entrepreneur women in Switzerland is between 19-60 years. The women working at all levels and across the country were working. The emphasis of this study indicates that entrepreneurial women than men in jobs such as restaurant and service activities are very active. However, in productive works, construction, and transportation are less active. Most of these women are with a history of a traditional family that most of them have household mothers and their fathers are self-employed. The research showed that the main motive for entrepreneurial activities of these women was that they were interested to be their president and to decide about their own affairs freely (Hisrich, Brush, 1985, p. 175). Hisrich and Akinidin 1986 published the results of their researches on entrepreneurship in a book entitled "Irish entrepreneurship, characteristics, issues and future success". In their research, they point out that among 272 Irish entrepreneurs studied in Ireland, the average experience of their companies reach to seven years. Among these industrial companies, approximately 31% are manufacturing companies. This study shows that 45% of these companies do not any export and only 20% of these companies do exporting jobs. This research also shows that the top entrepreneur among all studied entrepreneurs is a forty years old man. He is a man interested to the independence, competitiveness, flexibility, goal setting and famous to having a lot of energy (Hisrich and Akinid, 1986:75-76).

Akbari did a study about assessment of barriers to the institutional entrepreneurship in the North Wood Industry Co. in 1384. The results of the field study indicated that the company was faced with three effective barriers including conservative corporate culture, inappropriate reward system and focusing on the short-term profits. However, the tight control in the company was not confirmed as the major obstacle.

Tabatabai and Husseinian did a study about empowering women who are head of family through group counseling, awareness and entrepreneurship in 1384. The results of the research showed that the group counseling is effective on the self-esteem of women who are heads family, including those lacking any head and those with inappropriate head. As well as, professional and personal informative and training programs is effective on the self-esteem and entrepreneurial attitudes female-headed households. In the field of examining the relationship between job creation and leadership style in Iran enough study is not done. In the following, we explore researches conducted in this area:

Soltanpanah et al. (1389) in a study about determining the impact of leadership style on the amount of entrepreneurship by employees of governmental organizations expressed that entrepreneurship is one of the factors affecting the development of the main goals of the organization, which leads to the change and growth and increase productivity. Styles of managers in organizations can be effective on their entrepreneurship and can develop their entrepreneurial behaviors.

Entrepreneurship is defined as the process of creating anything of value by spending time and effort that is associated with financial, psychosocial and social risks as well as the probability of gaining financial rewards, personal satisfaction and independence. The main purpose of this paper is to investigate the relationship between the management style and entrepreneurship of government employees and to answer the key question that which style of management further influence on the entrepreneurship by employees. The main hypothesis of the research investigates the relationship between leadership style and the amount of entrepreneurship by employees of government agencies. The method of research is descriptive-correlational and the study population is consisted of employees of government agencies in Sanandaj city. To analyze data, SPSS and Lisrel were used. The results showed that there is significant positive correlation between autocratic, compassionate, consultative and participatory leadership styles with entrepreneurship (Soltanpanah et al., 1389).

Moghimi in his book about entrepreneurship in civil society entities that was published in 1383, emphasis on the Iranian NGO, investigated the challenges and issues that NGOs in Iran are faced with. In part of the book, he describes the relationship between leadership style and entrepreneurship by executives. Moqimi in this sector has stated that whatever the leadership style of participative managers is more team oriented and empowering, organizational entrepreneurship in NGOs will also increases.

METHODOLOGY

This research is an applied one and with respect to the collecting method of the necessary data, it can be considered a descriptive research. Since the purpose of this study is to investigate the relationship between variables, it can also be considered of the correlation type. Considering the main purpose as well as locational scope of research, all employees of government offices in Shirvan city are part of the study population. Since the number of people in the community is large and access to all persons due to the variety in their job is not possible, in this study the convenience and judicial sampling is used. The formula for determination of the statistical sample is based on sampling is an unlimited population. In order to implement statistical techniques, SPSS is used.

Researches hypotheses

The main hypothesis

- There is significant relationship between leadership styles of managers and the amount of entrepreneurship by employees.

Comparing hypotheses:

- Employees of managers with bureaucratic style of leadership create more jobs than that of managers with authoritarian style.
- Employees of managers with participatory style of leadership create more jobs than that of managers with unbridled style.

The main hypothesis

There is significant relationship between leadership styles of managers and the amount of entrepreneurship by employees.

H₀: there is no significant relationship between leadership styles and entrepreneurship.

H₁: there is significant relationship between leadership styles and entrepreneurship.

Table 1: Correlation between the leadership style of managers and the amount of entrepreneurship

| Variable 1 | Variable 2 | The correlation coefficient | Significant level |
|-------------------|--------------------------------|-----------------------------|-------------------|
| Leadership Styles | The amount of Entrepreneurship | 0.123 | 0.041 |

According to the above table, the correlation between two variables is equal to 0.123 and since the significance level of the test is less than 0.05, thus, the null hypothesis is rejected and there is significant relationship between the two studied variables. By using the regression, we evaluate the status of the relationship.

Table 2
Regression of leadership style and the amount of entrepreneurship

| T | Beta | The coefficient of determination | Significant level |
|-------|-------|----------------------------------|-------------------|
| 2.050 | 0.045 | 0.15 | 0.041 |

The significance level of these two indexes is less than 0.05; then there is significant relationship between these two indexes and the coefficient of determination is 0.15. As a result, leadership styles predict about 15% of changes in the dependent variable, i.e. entrepreneurship.

Comparative hypotheses

First comparative -hypothesis: employees of managers with bureaucratic style of leadership create more jobs than that of managers with authoritarian style.

H₀: the average of entrepreneurship by both groups of bureaucratic and authoritarian is the same.

H₁: there is significant difference between the average of entrepreneurship by both groups of bureaucratic and authoritarian.

Table 3:

| | Count | Average | Standard deviation | Average error |
|----------------------|-------|---------|--------------------|---------------|
| Bureaucratic | 51 | 3.27 | 0.40 | 0.058 |
| Authoritarian | 19 | 3.35 | 0.41 | 0.092 |

Table 4:

| | Upper bound | Lower bound | Standard deviation error | Mean difference | Significant level | T-statistics | Significant level | F Statistics |
|---------------------------------------|--------------|------------------|--------------------------|------------------|-------------------|------------------|-------------------|--------------|
| The amount of entrepreneurship | 0.14 0.15 | -0.296 -0.297 | 0.111 0.109 | -0.073 -0.730 | 0.53 0.509 | -0.675 -0.668 | 0.885 | 0.021 |

According to Tables 5 and 6, it can be concluded since the significant level of both variables is more than 0.05. Thus, there is no significant difference between the average and variance of both styles and the average of these two styles in terms of entrepreneurship are almost equal.

Second comparative -hypothesis: employees of managers with participatory style of leadership create more jobs than that of managers with unbridled style.

H₀: the average of entrepreneurship by both groups of participatory and unbridled is the same.

H₁: there is significant difference between the average of entrepreneurship by both groups of participatory and unbridled.

Table 5:

| | Count | Average | Standard deviation | Average error |
|----------------------|-------|---------|--------------------|---------------|
| Collaborative | 31 | 3.36 | 0.42 | 0.07 |
| Ungovernable | 72 | 3.37 | 0.52 | 0.06 |

Table 6:

| | Top | Lower | Standard deviation error | Mean | Significant level | T-statistics | Significant level | F Statistics |
|---------------------------------------|--------------|----------------|--------------------------|----------------|-------------------|--------------|-------------------|--------------|
| The amount of entrepreneurship | 0.20 0.18 | -0.22 -0.20 | 0.1 0.098 | -0.01 -0.01 | 0.922 0.916 | -0.098 | 0.208 | 1.6 |

According to Tables 3 and 4 it can be concluded that as the level of significance both statistics provided over standard 0.05 is the result of the mean and variance of entrepreneurial styles significant difference is the average of these two terms of Entrepreneurship is almost equal.

2. Managers That Light Leadership They Collaborative Is Level Entrepreneurship Employees Most of Of the Managers Is That Light Leadership They Snaffle Disjointed Is.

Null hypothesis: mean values and unbridled entrepreneurial partnership between equals.

Assuming an average rate of entrepreneurship and unbridled corporate groups are significantly different from each other.

According to Tables 5 and 6, it can be concluded that since the significant level of both presented variables is more than 0.05, thus, no significant difference between the average and variance of both styles was observed and the average of these two styles in terms of entrepreneurship are almost equal.

Conclusions

The main hypothesis states that there is significant relationship between leadership styles of managers and the amount of entrepreneurship by employees. According to the above table, the amount of correlation between two variables is equal to 0.123 and since the significance level of the test is less than 0.05, thus, the null hypothesis is rejected and there is significant relationship between the two studied variables. The coefficient of determination is 0.15. Therefore, the index of leadership styles predicts about 15% of changes in the dependent variable, i.e. entrepreneurship. From comparative assumptions, it results that employees of managers with bureaucratic style of leadership are more entrepreneur than those of managers with authoritarian style. According to the results, it can be stated that since the significance level is more than 0.05, thus, there is no significant difference between the mean and variance of entrepreneurship of both styles and the value of these two styles in terms of entrepreneurship is almost equal. Employees of managers with participatory style of leadership are more entrepreneur than those of managers with unbridled style. According to the results of research, since the significance level of both presented statistics is more than, thus, there is no significant difference between the mean and variance of entrepreneurship of both styles and the mean of these two styles in terms of entrepreneurship is almost equal.

REFERENCES

- Akbari, Hasan. 1384. "Investigating barriers of organizational entrepreneurship in the North Wood Industry Co.", MA thesis, School of Humanity Sciences, Tarbiat Modares University.
- Soltanpanah, Hisrich, Reza Shafei, and Sarah Enayati Fathullah. 1389. "Investigating effect of leadership style on entrepreneurship of employees of governmental organizations". First International Conference on Management and Innovation, Tehran.
- YahyaAbadi Tabatabai, Sahnaz, and Simin Husseinian. 1384. "Empowering women headed families through group counseling, notification and entrepreneurship", *Journal of Family Studies*, Vol. 1, No. 4.
- Moghimi, M. 1383. "Entrepreneurship in civil society entities with giving emphasis on Iranian NGOs, Tehran, Tehran University Press.
- Hisrich, R. D. Brush, C. G. 1985. *The Women Entrepreneur: Starting, Financing and Managing a Successful New Business*: Lexington: Lexington Books, MA.
- Hisrich, R.D., Brush. C.G. 1984. *The woman Entrepreneur: Characteristics and Prescriptions for Success*, Leyington Books, Leyington, MA.