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On the relationship between leadership styles and relevant organisational outcome criteria
in the public sector

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On the relationship between leadership styles and relevant organisational outcome criteria in the public sector

Over more than three decades there has been a huge amount of research exploring the effects of different leadership styles on organisational outcome criteria. Important Questions like “What is the most effective leadership style?” or “Are certain leadership behaviours more effective than others?” remain nearly unacknowledged (Yukl, 1999; Yukl, 2002; Yukl, Gordon, & Taber, 2002). Moreover, integrated research efforts that test the relationship of various leadership styles are virtually non-existent (House & Aditya, 1997).

A number of meta-analyses have support the existence of positive relationships between leadership styles and several indicator of leadership effectiveness. The major disadvantage of these meta-analyses is the focusing on one isolated leadership theory. For example, Judge, Piccolo and Ilies (2004) supported the notion that initiating structure and consideration are positively related to performance. Additionally, a meta-analysis on the relationship between transformational and transactional leadership and performance also confirmed positive correlations (Judge & Piccolo, 2004). Despite this meaningful body of research on leadership and more than one hundred empirical studies, we still do not know which leadership styles has the strongest relationship to outcome criteria such as performance.

For practitioners it is important to know, which leadership style to focus on in leadership selection, training, or feedback interventions. From a theoretical point of view it is disappointing not to have a complete comparison and contrasting of the different leadership constructs in order to further advance leadership theory. For example, the overlap in relative criterion-oriented validity of various leadership styles could yield insight into the processes that underlie the relationships between leadership styles and criteria of effective leadership such as followers’ performance.

From a theoretical perspective, the fact that there are several separated leadership theories is precarious. No theory existed that aimed at unifying these separated theories. Various researchers (Judge, Piccolo, & Ilies, 2004; Keller, 2006; Rowold & Heinitz, 2007; Yukl, 2002) claim, that one of the major challenges in leadership research is to investigate the similarities and differences between the different leadership styles (construct validity). Thus, the present research analyses the relationships of eight leadership styles (transformational and transactional leadership, instrumental leadership, laissez-faire, initiating structure and consideration, leader-member-exchange and ethical leadership). Also, this study sought to address which leadership style is more effective than others (criterion validity).

Within the present work, three constructs had been selected to indicate different facets of effective leadership. First, job satisfaction was included as an indicator of satisfied followers. Next, followers' affective commitment has important implications for their intention to stay within the respective organization and other positive, work-related attitudes (Meyer, Stanley, Herscovitch, & Topolnysky, 2002). Third, job performance is a highly important indicator of effective leadership. At least one of these three indicators have been included in a large number of leadership studies and meta-analyses (Dumdum, Lowe, & Avolio, 2002; Judge et al., 2004; Judge & Piccolo, 2004). Consequently, these three indicators of effective leadership were included into the present study.

Method

Samples and Procedures

The study was conducted in a Governmental Agency in Germany and the sample consisted of $N=112$ participants (Nölting, 2007). These participants rated the leadership style of their respective supervisor. The mean age of the participants was 41.67 years ($SD = 11.92$); 67.2 per cent were female, and according to this 32.8 per cent were male employees. On average, the employees served for 12.70 years ($SD=11.28$) within the Agency. 25.9% of this sample had a Primary High School graduation, 20.7% a Secondary High School graduation and 53.4% an university degree. 61.2 % of the rated leaders were female, 38.8% were male. The leaders had a mean tenure of 14.95 years ($SD=10.81$). 51.2% of the leaders were part of the Middle or Top Management.

Instruments

Transactional and transformational leadership. Four items from a German validated version (Heinitz & Rowold, 2007) of the Transformational Leadership Inventory (Podsakoff, MacKenzie, & Bommer, 1996; TLI; cf. Podsakoff, MacKenzie, Moorman, & Fetter, 1990) were utilized to assess transactional leadership (sample item: "...provides me with positive feedback if I perform well"). Also, 22 items from the TLI were utilized for the assessment of transformational leadership (sample item: "...has inspiring plans for the future").

Laissez-Faire. For the assessment of Laissez-Faire, four items were newly designed (sample item: "...tries to avoid decisions").

Consideration and initiating structure. The leadership style of consideration was assessed by 22 items from a German validated version (Fittkau-Garthe & Fittkau, 1971) of the

SBDQ (Fleishman, 1953) (sample item: "...shows interest in the individual well-being of his/her subordinates"). Initiating structure was assessed by 12 items from the same questionnaire (sample item: "...assigns specific tasks to his/her subordinates").

LMX. For the assessment of leader-member exchange, a German validated version (Schyns, 2002) of Graen and Uhl-Bien's (1995) LMX scale was used (7 items, sample item: "I trust my coach enough to defend his/her decisions.").

Ethical leadership. The ten items from the Ethical Leadership Scale developed by Brown (Brown, Trevino, & Harrison, 2005) were utilized to assess ethical leadership (sample item: "...sets an example of how to do things the right way in terms of ethics").

Job Satisfaction. Seven items from Neuberger and Allerbeck's (1993) scale for the assessment of job satisfaction were implemented in the present study (e.g., "I am satisfied with my colleagues").

Affective Commitment. Eight items from a German validated version (Schmidt, Hollmann, & Sodenkamp, 1998) of Allen and Meyer's questionnaire (Allen & Meyer, 1990) were utilized to assess affective commitment (e.g., "I really feel as if this organization's problems are my own").

Job Performance. Four items were newly constructed in order to assess subordinates self-rated performance (e.g., "My job performance is high").

Results

Table 1 summarizes the descriptive statistics and intercorrelations of the different leadership styles and outcome criteria. With except for correlations concerning the organisational outcome criterion job performance, all correlations are statistically significant. The results revealed strong positive correlations of the assessed leadership styles.

Table 1

Descriptive Statistics, Internal Consistency Estimates, and Intercorrelations

	M	SD	TA	TF	LF	C	IS	LMX	EL	JS	AC	JP
TA	3.05	.86	.94									
TF	3.11	1.12	.73**	.89								
LF	2.25	1.01	-.63**	-.49**	.86							
C	3.53	.98	.74**	.68**	-.53**	.97						
IS	3.31	.64	.88**	.73**	-.65**	.73**	.81					
LMX	3.33	.95	.85**	.73**	-.60**	.82**	.82**	.94				
EL	3.26	.94	.80**	.72**	-.52**	.86**	.76**	.85**	.94			
JS	3.50	.76	.65**	.54**	-.59**	.62**	.60**	.72**	.66**	.76		
AC	3.39	.77	.52**	.37**	-.47**	.45**	.50**	.58**	.57**	.64**	.84	
JP	4.14	.63	.13	.06	-.09	.04	.16	.19*	.13	.14	.28**	.85

Note. Estimates of internal consistency (Cronbach's Alpha) are presented along the diagonal;

* $p < .05$; ** $p < .01$.

Discussion

The present studies demonstrated positive effects of all leadership styles (with exception of laissez-faire). The organisational relevant criteria job satisfaction and affective commitment were found to be correlated with different leadership styles. In contrast, job performance was found only to be related with Leader Member Exchange. Considerable overlap between the leadership constructs was identified (i.e., strong convergent validities). These results highlight the importance of all leadership behaviours for job satisfaction and affective commitment.

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