

DESIGNING A MODEL TO IRANIAN PROSPEROUS ORGANIZATION MANAGERIAL GRID

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Abstract

The Purpose of this study is surveying and applying managerial grid model in Iranian prosperous organization, according to Robert Blake and Jane Mouton dominant patterns of behavior to understanding the dominant leadership style and consequently studying its effects on organizational performance. This research employs the two dimensions of the leadership grid in the organization and by utilizing the administration of questionnaire, defines the ranking of each dimension. The resulting scores are then intermixed and placed on a two-dimensional grid. The Finding of study shows that, all companies are roughly close to the middle-of-the-road management area (5, 5 score) in the leadership grid.

Keywords: Leadership style, Successful organization, The Managerial Grid Model

1- Introduction

The activity of leading a group of people or an organization, or the ability to do this is leadership. Over the years, leadership has been studied immensely in various tenors and theoretical foundations (Jogulu Uma and Wood Glenice (2006). Much effort has been made to apprehend better leadership in organizations during the last fifty years (Manning and Curtis, 2009). Moreover, there are plenty of momentous reasons for the popularity of the topic and continuation of researches, of which the leading and prominent one is resolutely changing the business environment. Thereupon, organizations are faced with changes like never before, calling for greater leadership skills at every level of the organization in order to deal with enhancing challenging problems and hardships (Manning and Curtis, 2009).

Accordingly, there is a wide range of methodologies and models for studying leadership styles. Pursuant to the main purpose of this research which includes defining the dominant leadership style and consequently studying its effect on organizational performance, the one we are getting help from is called the Leadership Grid or the Managerial Grid Model. The model was developed by Robert Blake and Jane Mouton in 1964, 1978, and 1985 and the research was accomplished at the Universities of Michigan and Ohio State for the first time. Furthermore, regarding Marturano and Gosling “this grid appears to be the most well-known

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model of managerial behavior and is still being used in leadership development and consulting practices around the world” (Kippenberger, 2002). This model originally identified five different leadership styles based on two dimensions of ‘concern for people’ and ‘concern for production’ in the organization - on a scale from 1 (minimum concern) to 9 (maximum concern), two additional patterns of behavior have been identified by Blake and McCauley in 1991 (Kippenberger, 2002).

This research is based on survey and employs quantitative research methodology. By utilizing the administration of questionnaire, we try to define the ranking of each dimension. Afterwards, the resulting scores are intermixed and placed on a two-dimensional grid. This way allowed us to determine the dominant and more employed leadership style among the Iranian successful organizations in separation of their managers, employees, and altogether and consequently comparing the perceptions of employees in regard to the employed style by their managers.

Totally, leadership is one of the several assets a successful manager must have within her/his organization since this can be considered as a core competency for the organization. For this purpose, we are going to conduct a survey in order to find out about one of the most important secrets of successful organizations.

2- Methodology

Even though, this research project was inspired by Blake and Mouton works, and has been intended to utilize their leadership styles definition, but the research design employed is based on the administration of questionnaire in face-to-face interviews. The fundamental reason for this choice is related to the main purpose of the project; this study more focuses on defining and investigating the dominant leadership style and consequently studying its effects on organizational performance in separation of people's position in the organizations and Blake and Mouton concentrated on defining and comparing various leadership styles or management behaviors. Furthermore, the research provides the opportunity of studying employees' perception about the type of employed style in their organizations and simultaneously compares it with the current employed one by their managers. It is worthy of attention that during conducting this study, the researcher faces with the following limitations:

- Getting a long time of permission for conducting the research in the six various Iranian organizations
- Time limitation of managers and employees
- “The time needed for data collection increases markedly for delivery and collection of the questionnaires where the samples are geographically dispersed”

2-1 The Design Strategy

The survey strategy is the chosen strategy among several various existing strategies during this study. The major reasons for selecting such strategy are as follows: (Leithwood, 2005).

- It allows the researcher to collect a large amount of data from a sizeable population.
- Data obtained by using a questionnaire administered to a sample are standardized, allowing easy comparison for the researcher.
- The survey strategy is perceived as authentic and credible by people in general and is both respectively easy to explicate and understand.
- It allows the researcher to collect the quantitative data which then the researcher can analyze quantitatively using descriptive and inferential statistics.
- Having more control over the research process by the researcher and also when sampling is used, it provides the opportunity of generalizing findings for the researcher. More precisely, these findings can be representative of the whole population.

2-2 Data Collection Technique

Perhaps not surprisingly, the questionnaire is one of the most widely used data collection techniques within the survey strategy. Because the respondent is asked to respond to the same set of questions, it provides an efficient way of collecting responses from a large sample prior to quantitative analysis (Leithwood, 2005). As a result, the choice of questionnaire was the selected option for the purpose of conducting the research in the six various Iranian successful organizations. It is noteworthy that the administration of questionnaire was based on face to face interviews as well as through the net in which “the questionnaire was posted to respondents, who return them by post (mail) after completion” (Leithwood, 2005). As a result, in regard to the Iran Insurance Company the following points are considerable:

- In regard to the employees of this company, the questionnaire was distributed among eight various branches of this company which were located in different areas of the Capital by the researcher herself.
- In regard to the managers and supervisors, the questionnaire was distributed among different branches of this company which were located in different cities of Iran. The responsibility of distributing the questionnaires was accomplished by the kind cooperation of the Research and Educational centre of Iran Insurance Company and was done through the net (Marturano and Gosling, 2008).

2-3 The Questionnaire and Its Specifications

As the next step to rank each dimension of the grid model two questionnaires were designed, one for employees and the other for managers and supervisors. The questionnaires are composed of nine items, each with five questions. It should be noted that the designed questionnaire was inspired from the work of Maders and the type of employed questions that are ‘closed questions’ (Stashevsky and Burke Ronald, 2006).

For tasks execution, questions focuses on checking staff’s work, assessing employees’ progress, level of managers’ intervention in problem solving, monitoring employees, and employees’ welfare.

For decision-making, questions focuses on group or individual decision making, consistency of decisions, importance given to the employees’ ideas and creativity, and selling decisions.

For violation of rules, policies, and procedures questions focuses on the essentiality of uniform rules, importance given to respecting rules, enforcing rules, strict rules, policies, and procedures, adjusting the rules, and enacting rules.

For contested decisions, questions focuses on insistency on enforcing decisions, binding decisions, informing and reporting a taken decision, remarking the genesis of decision and decision explanation, and acceptance of change in a taken decision.

For obligations to reconsider a decision questions, focuses on proceeding according to new instructions, changing instructions periodically, acceptance of change in workplace, postponing a decision, and using previous experiences in a process of decision making.

For relation with the head, questions focuses on team work, importance given to the relationship with team members, freedom of action, asserting by results and accomplishments, and importance given to the relationship with superior managers.

For disputes between subordinates, questions focuses on stressing on existence of conflicts, minimizing or eliminating conflicts, ways of facing conflicts, impacts of conflicts, and seeking the best compromiser.

For employees motivation, questions focuses on preference for taking responsibility, possibility of decision making by staff, earnings and work, performance and work pressure, and tasks distribution.

For performance indicator, questions focuses on setting goals, employee satisfaction, trust in subordinates, transmitting instructions, and systems of promotion (White and Yaron, 2007).

2-4 The Method of Filling out the Questionnaire

The type of applied closed questions in the questionnaires is ranking questions “where the respondents are asked to place things in rank order” (Saunders et al, 2007). This means that it provides the opportunity of discovering their relative importance to the respondents for the researcher. As a result, in answering the questionnaires, the participants in the survey were asked to determine the prevalent employed management method in their organizations by number one as well as the substitute one (the one which is employed as the second management method in each organization) by number two, each in their own specified columns. This action should be done for the entire nine items in the questionnaires. It is noted that each item has only two answers (one as the prevalent method and the other as the substitute method). In other words, the respondents were asked to indicate their significance and importance they attach/supplement to two of the five issued questions for each item with a logical comparison. Generally each questionnaire has only eighteen answers. It is worthy of attention that managers and employees at any age, at any organizational level, and at any educational level were asked to fill out the questionnaires. Furthermore, in the following study, the common approach of test re-test is utilized to assess reliability. As a result the questionnaires were distributed among at least five persons in each organization. Overall forty five participants were asked to participate in the conducted survey and fill the questionnaires out. After the process of analyzing the acquired data, the obtained reliability was equal to 0.73 through the Lambda coefficient.

2-5 Sampling

Choosing the sample was the next step. The selected organizations are among the list of one hundred superior companies which is a collection of Iranian big companies according to the Industrial Management Institute (IMI). This research had been conducted in the six of these organizations, each with distinct functions. These organizations were selected randomly. The questionnaires were distributed among at least thirty managers and supervisors as well as thirty employees in each organization. Thus, the acquired sampling size is as follows:

The sample size that needed to obtain a 95% confidence interval was calculated through utilizing the following equations (Equation 1 and Equation 2) according to the “Theories of sampling and its applications” (Amidi, 2003) which is based on a 95% confidence level and +/- 5% margin of error.

$$n = \frac{n_0}{1 + \frac{1}{N}(n_0 - 1)} \tag{1}$$

$$n_0 = \frac{\left(\frac{z_{1-\frac{\alpha}{2}}}{d}\right)^2 p(1-p)}{d^2} \tag{2}$$

Table 2. The results of sampling

Position	N	α	d	p	n0	n
Manager	1500	0.05	0.072	1/2	185	165
Employee	13000	0.05	0.07	1/10	n0 \cong n = 197; when n goes to infinity (more than 10000), then it is approximately equal to n0.	

According to the above-mentioned equations, the recommended sample size for managers and supervisors is equal to 165 and also the recommended sample size relative to employees is equal to 197.

2-6 The Method of Analyzing Data

As the final step, after gathering the questionnaires, the answers given to each item were weighted according to the Maders Table [9] for each participant in the survey. As a result, two various X and Y are obtained for each participant in the survey, one for the prevalent method column as X1/Y1 and the other for the substitute method column as X2/Y2. Afterwards, the mean of the resulting scores are calculated for each column and intermixed and placed on a two-dimensional grid including 'concern for people' (X axis) and 'concern for production' (Y axis) in the organization - on a scale from 1 (minimum/least concern) to 9 (maximum/uppermost concern) (Marturan. These two points indicate an area in the nine-by-nine matrix which specifies each organization current employed leadership style in separation of people status which include managers, employees, and all together. By this way the dominant and more efficient style that is held in common among the six various Iranian successful organizations can be determined and simultaneously the opportunity of comparing employees' perception about the employed style with their managers is provided. Moreover, the obtained outcomes indicate the companies' location in the nine-by-nine matrix according to their employed leadership style and determine the leaders' characteristics under the employed style in each organization. The Maders Table is demonstrated in Table 2.

Table 3. The Maders table (Maders, 2003)

Solution Situation	A	B	C	D	E	Prevalent Method/ Maniere habituelle	Substitute Method/ Solution de rechange
1	0.5/0.5	0/0	0/1	1/1	1/0	/	/
2	1/1	0/0	1/1	0.5/0.5	0/1	/	/
3	1/1	0/0	0/1	0.5/0.5	1/1	/	/
4	0.5/0.5	1/0	0/0	0/1	1/1	/	/
5	0/1	1/1	0.5/0.5	1/0	0/0	/	/
6	1/1	0.5/0.5	0/1	0/0	1/0	/	/
7	1/1	1/0	0/0	0/1	0.5/0.5	/	/
8	0/0	1/0	0.5/0.5	1/1	0/1	/	/
9	0.5/0.5	0/1	1/0	1/1	0/0	/	/
Total/Tataux						/	/

Generally, this study is a quantitative research which is based on "meanings derived from numbers, collection results in numerical and standardized data, and analysis conducted through the use of diagrams and statistics" (Leithwood, 2005). Hence, the acquired data from the administration of questionnaire are analyzed through the SPSS 19 and the obtained outcomes allow us to define and investigate the dominant leadership style.

3- Results

This part indicates an area in the nine-by-nine matrix which determines the organization's current employed leadership style according to the Managerial Grid Model. By this way the dominant and more employed style which is exerted in each organization can be specified in separation of participant's job status and all together. It also allows us to compare the perspective of the employee's of each organization with regard to the employed leadership

style with the current applied one by their managers. It should be noted that the position of each participant in the nine-by-nine matrix is drawn in separation of participant’s job position and all together according to each organization (dispersion graph).

Table 4. The location of the successful organizations in the grid model

Company	Position	X1	Y1	X2	Y2
Iran Aluminum Company (IRALCO)	Manager	4.450	4.650	5.117	4.683
	Employee	4.680	4.480	5.360	5.160
	Total	4.555	4.573	5.227	4.900
Agricultural Bank of Iran (BK)	Manager	4.875	4.281	4.953	5.328
	Employee	4.849	4.546	4.947	4.974
	Total	4.856	4.468	4.949	5.079
Behpakhsh Company	Manager	5.071	5.024	4.714	4.952
	Employee	5.087	5.174	4.543	4.978
	Total	5.080	5.102	4.625	4.966
Iran Insurance Company	Manager	5.019	4.574	5.370	5.704
	Employee	4.856	3.952	5.606	5.452
	Total	4.911	4.165	5.525	5.538
Mapna-MDI Company	Manager	5.218	5.295	5.333	5.205
	Employee	3.861	4.472	5.444	4.333
	Total	4.789	5.035	5.368	4.930
Iran Tractor Manufacturing Company (ITM)	Manager	4.586	3.517	5.034	5.759
	Employee	4.361	3.722	5.042	6.042
	Total	4.462	3.631	5.038	5.915
Total	Manager	4.876	4.573	5.112	5.275
	Employee	4.702	4.333	5.154	5.220
	Total	4.778	4.437	5.136	5.244

Figure 2. The employees' graph

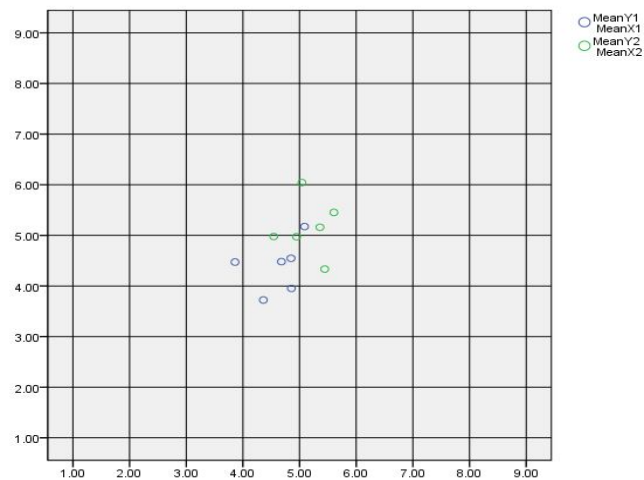


Figure 3. The managers Graph

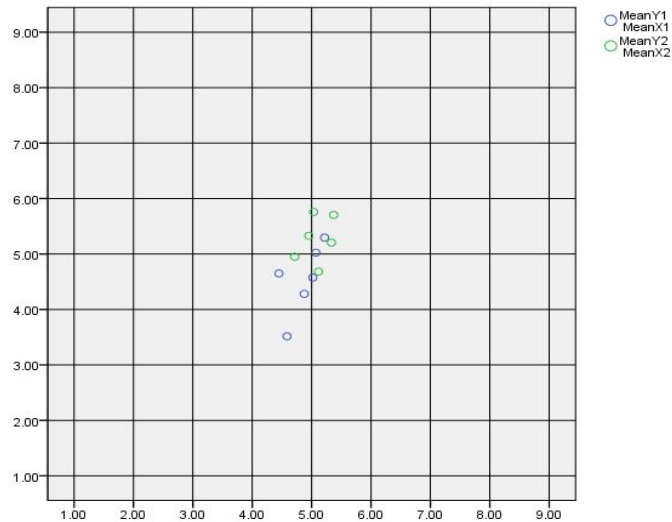


Figure 4. The total graph

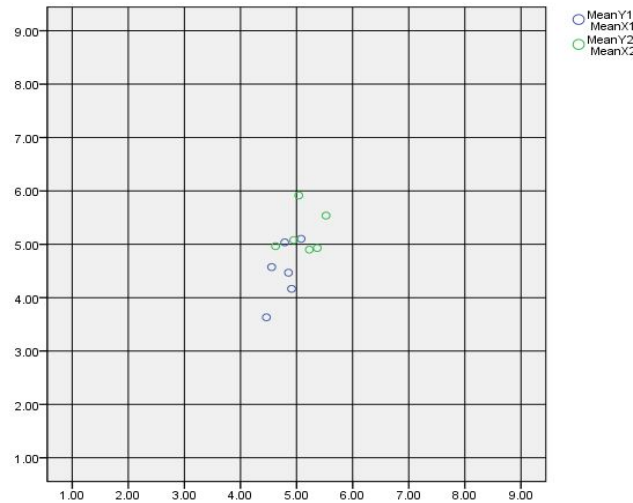


Table 4 and its relevant graphs (Figures 2, 3, and 4) indicate the located area of the six Iranian prosperous and propounded organizations in the nine-by-nine matrix respective to their employed leadership style(s) separate from their staff’s position including the employees and managers. As it is indicated, all companies are roughly close to the middle-of-the-road management area (5, 5 score) in the leadership grid. It is worthy of attention that the acquired results are representative of two important points which include:

1. The middle-of-the-road management style is held in common among the six various Iranian successful organizations.
2. The employees’ perception in regard to the employed leadership style in their organizations is hardly close to the current employed style by their managers.

Generally, this style may at first appear to be an ideal compromiser. However when you compromise, you necessarily give away a bit of each concern so that neither production nor people’s needs are fully met nor leaders under this style are [7]:

- the compromisers, sensitive, keen, and strong to keep everyone happy
- not strong on either task or people
- underachieving, failing to get the best out of people or their productive capacity
- settling for average performance and often believe that this is the most anyone can expect

Consequently, the following graphs (Graphs) show the position of all the employees and managers in the leadership grid separately according to the acquired results from the administration of questionnaire. As mentioned before, two different scores can be calculated for each participant in the survey including (X1, Y1) with regard to the prevalent method column as well as (X2, Y2) with regard to the substitute method column. It is worthy of attention that the more colorful points are representative of at least two managers. Therefore, as it is demonstrated, the colony of managers is more concentrated in the middle of the graph compared with the other areas of the following graph, which approves that style of middle-of-the-road management is the most applied style in these companies according to the managers and employees and all together.

Figure 5. The employees' dispersion graph

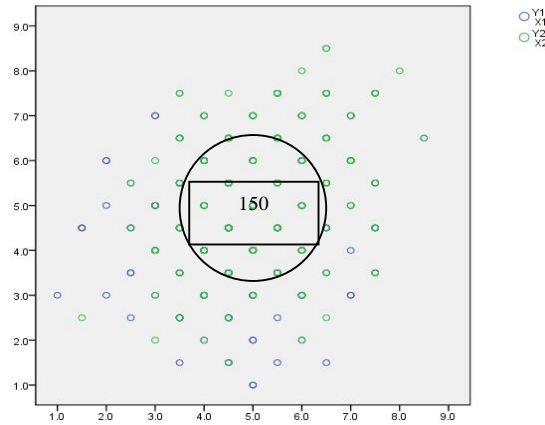
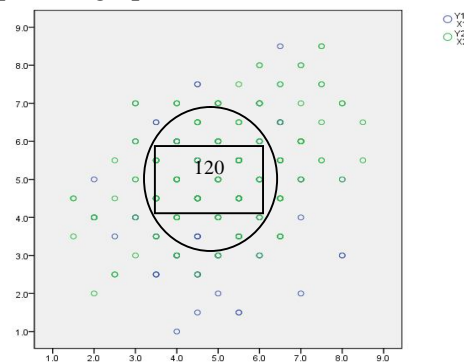


Figure 6. The managers dispersion graph



4- Conclusion

Nowadays, with the rapid changing environment of business, competition among organizations becomes more and more vigorous, survival and continuity of organization in this challenging environment demand choosing right leadership style to react, to change quickly, and to mobilize employees for the success of organization. The obtained results during the research indicate the middle-of-the-road management as the employed style which is held in common among the six various successful organizations according to the grid model. This means that the leader has moderate concern for the two dimensions. In other words, both needs are not fully met. It might be important that organizations in Iran focus on enhancing the leadership behavior of management team, so that organizations would be more prepare for this new business environment.

Apprehending how staffs are led in successful organizations provide some immediate insight into how the employed style can bring the organization forward and make it closer to its final

objectives. Thereupon the consequences provide the opportunity for managers to ponder profoundly about their employed style in their organizations and comprehend better their points of strengths and weaknesses in relation to their applied style. The consequences of such critical self-assessment will be the manager's higher potential to understand employees' satisfaction as well as organizational performance and simultaneously allowed the leader/manager to develop their general leadership skills to its uttermost.

As mentioned before, this research provides the opportunity for managers to identify and critically assess their employed leadership style. But as future works, it is suggested through which ways the successful organizations can improve their current situation in the nine-by-nine matrix as well as to what extent training is useful for improving the current situation of organizations from the middle-of-the-road management style to the team management style. Also what the employed leadership is in the unsuccessful organizations. Indeed, the success and effectiveness of any types of organization including profit or non-profit ones in accomplishing and fulfilling their objectives depend on managers as well as their employed leadership style and consequently implementing a successful leadership in various types of organizations through selecting an appropriate style can be considered as a core competency for the organization and it can take advantage of it.

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