

LEADERSHIP STYLES IN PUBLIC AND PRIVATE BANKS OF RAWALPINDI AND ISLAMABAD[#]

Tanvir Akhtar
Rawalpindi, Pakistan

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Maryam Raza Butt
Department of Public Administration
Fatima Jinnah Women University
Rawalpindi, Pakistan

The study was designed to explore the leadership styles used by the managers of public and private sector banks. Two leadership styles, task-oriented and people-oriented were taken into consideration. A sample of 80 middle managers was selected from National Bank of Pakistan and Muslim Commercial Bank. T-P Leadership Questionnaire (Sergiousanni, Metzews, & Burden, 1969) was used to measure the leadership styles. It is a 5-point scale with 35 items, measuring task-oriented and people-oriented leadership styles. Analysis of the data indicated that the middle managers of National Bank of Pakistan, which is a public sector bank rely more on people-oriented leadership style, whereas the middle managers of Muslim Commercial Bank, which is a private sector bank, use more of task-oriented leadership style for the management of their subordinates.

Leadership is a complex process by which a person influences others to accomplish a mission, task, or objective, and directs the organization in a way that makes it more cohesive and coherent. A person carries out this process by applying various leadership attributes, such as beliefs, values, ethics, character, knowledge, and skills. Although your position as a manager, supervisor, leader, etc. gives you the authority to accomplish certain tasks and objectives in the organization, this power does not make you a leader. It simply makes you the boss. Leadership makes people want to achieve high goals and objectives, while, on the other hand, bosses tell people to accomplish a task or objective (Bass, 1989). Until approximately 1930, there was not much interest in the idea of leadership, or directing the activities of subordinates, probably because it was not

[#] Correspondence concerning this article should be addressed to Tanvir Akhtar, 624-C Range Road, Westridge III, Rawalpindi. <tanvir_akhtar@yahoo.com>.

considered an important and distinctive area of study (Weber, 1947). Gradually the importance of leadership was recognized, partly due to frequent disobedience/disobeyance of the subordinates.

Wehrich and Koontz (1993) have proposed that leadership is a compound of at least four ingredients. These are power, fundamental understanding of people, ability to inspire followers, and the style of the leader. Johnson (1968) has used different approach to define leadership. He related leadership to every aspect of American society on following four leadership values: Competence, good values and beliefs, clear direction, and spirit, that is, personal energy and enthusiasm. On the other hand, Davar (1996) talks about two leadership styles, task-oriented and people-oriented. In task-oriented approach, the leaders are mainly concerned with the task and focus primarily on getting the job done. They engage in such actions as organizing work, including subordinates to follow rules, setting goals, and making leader and subordinate roles explicit (Gary, 1996). The task-oriented leader may achieve a high output of work from the group, however, this leader is apt to develop low morale as the work is accomplished through coercion and a general high handedness. Such high output is often of short duration (Michigan State, 1994). While, people-oriented leadership style reflects how much a leader is concerned for the people around him, providing support and encouragement for them (Vecchio, 1988). People-oriented leaders are primarily concerned with establishing good relations with their subordinates and being liked by them. They engage in such actions as doing favors for subordinates, explaining things to them, and assuring their welfare (Gary, 1996). The people-oriented leaders tend to develop high morale, and when affective at facilitating group goals and directions will also produce a high output. Output will be lessened, however, if the people-oriented leader is not a competent facilitator (Michigan State, 1994).

Fiedler, a well-known and earliest advocate of situational theory, further elaborated his propositions in the form of contingency theory. The situational leadership approach contains an underlying assumption that different situations require different types of leadership (Hoy & Miskel, 1987). Whereas contingency theory is a 'leader-match' theory, which emphasizes on matching leaders to appropriate situations. It is concerned with styles and situations. According to this theory, in extreme situations the task-oriented leader will be more effective, but when the situation is moderately favorable the person-oriented leader will be more effective (Fiedler, 1967).

Investigations have been performed on task-oriented leaders, who are concerned with task accomplishment, and on people-oriented leaders, who are concerned with employee satisfaction. The task-oriented leaders suppresses employee satisfaction and cohesiveness and was often described as autocratic, restrictive, socially distant, directive, and structural. As Stogdill (1974) reported, socially distant or directive styles of task-centered leaders were most often associated with productivity but in case they demonstrated an autocratic or restrictive behavior it tends to inhibit the productivity. On the other hand, people-centered leadership was not found to be consistently related to productivity either, nor did it always enhanced employee satisfaction. These leaders were most often described as democratic, permissive, follower-oriented, participative, and considerate. On the basis of his research work, Stogdill (1974) concluded that the task-centered leadership seems to accomplish the desired direction and the people-centered leadership tends to promote employee satisfaction and promotes group cohesiveness. Each style may have merit, however, and must be measured in relation to the goals and objectives of the institution, for each may produce the desired institutional outcomes (Foster & Boloz, 1980).

Halpin (1966) found that usually leaders use a combination of task-oriented behavior and people-oriented behavior. Some leaders are very task-oriented and some are much more concerned about human relationships. However, generally leaders exemplify a balance of the two behaviors somewhere in between. Cartwright and Zander (1960) identified these two characteristics in research on leader behavior. One dimension is concerned with the achievement of some specific group goals, and the other is concerned with the maintenance of strengthening of the group itself.

Heft and Deni (1984) conducted a research on altering preferences for leadership styles of men and women (undergraduate resident advisors) through leadership training. In this study, new graduate resident advisors in the required training for residence education class were randomly assigned to a control group or to a leadership training group, both groups completed the T-P leadership questionnaire as a pre-and post-test. Analysis of pre-and post-test scores on the two leadership scales (task and concern for people) revealed no main effect for task. Post hoc tests indicated that men in the leadership-training group showed a greater increase in scores on the people dimension than did the women.

In summary, studies show that task-oriented and people-oriented leadership styles are widely used by the organizational leaders. Both

the styles are important as one is concerned with the completion of task and achievement of organizational goals and the other is concerned with human relations. Management studies have repeatedly shown that effective leaders find a balance between the extremes of task and people orientation. This balance gets the job done. While allowing leaders enough flexibility to focus on the needs and demands of employees. As the needs, the situation, the leaders and the members change, the balance is also needed to be changed from time to time to maintain appropriate leader behavior.

The present study is designed to explore the leadership styles of public and private sector bank managers. The present study will help the managers to identify their leadership style and which style is most appropriate for the success of their organization.

METHOD

Sample

A total of 80 middle managers were taken from public and private banks. Forty managers were taken from different branches of National Bank of Pakistan (NBP) in Rawalpindi and Islamabad, (public sector bank) and forty managers from the branches of Muslim Commercial Bank (MCB) in Rawalpindi and Islamabad (private sector bank). The head offices of both the banks under study were contacted to get the list of branches of the banks located in Rawalpindi and Islamabad. Then applying systematic sampling every third branch was selected from the list given by the head offices. At least four managers were selected at random from each branch. Convenient sampling was then used to select the managers i.e., the managers available at the time of visit were taken as the sample of the study.

Instrument

T-P Leadership Questionnaire was used in the present study to measure task-oriented and people-oriented leadership styles of public and private bank managers. The T-P Leadership Questionnaire is adapted from Sergiouanni, Metzger, and Burden's revision of Leadership Behavior Description Questionnaire (1969). The questionnaire is comprised of 35 items, 18 measuring task-oriented leadership style and 17 measuring people-oriented leadership style. The questionnaire has five options ranging from always, frequently, occasionally, seldom, and never.

Pilot Study

Before the main data collection, a pilot study was carried out, on 5 middle managers of banks (3 from public sector and 2 from private sector) to check the cultural relevance and comprehensibility of the managers for the scale. The T-P scale was re-administered to a separate sample of 5 middle managers (2 from public sector and 3 from private sector) at random with instructions to check whether the items contained in the scale are relevant with the overall organizational climate. Overall evaluations indicated that all the items contained in the scale are culturally relevant, comprehensible, and seem to be measuring-task and people-oriented leadership styles.

Procedure

In the main study, the T-P Leadership Questionnaire was given to the managers of public and private banks. The respondents were instructed to read the questions carefully and respond best to their knowledge. The managers were also required to mention their name, age, gender, and salary. After the collection of data mean, standard deviation, and *t*-test analysis was used, in order to find out the leadership style being used by the managers of public and private banks.

RESULTS

To find out the leadership styles used by public and private sector banks the responses of middle managers of the bank were analysed.

Table 1

Means, Standard Deviations, and t-value of Task-Oriented leadership style in public and private banks

Banks	<i>N</i>	<i>M</i>	<i>SD</i>	<i>t</i>
Public	40	21.10	4.21	
Private	40	38.20	3.62	2.43*

* $p < .05$; $df = 78$

The mean value of managers of public banks ($M = 21.10$) is lower on task-oriented leadership style when compared with the private bank managers ($M = 38.20$). The difference has a significant t -value at $p < .05$ indicating that there is a difference in the use of task-oriented leadership style by public and private bank managers.

Table 2

Means, Standard Deviations, and t-value of People-Oriented leadership style in public and private banks

Banks	<i>N</i>	<i>M</i>	<i>SD</i>	<i>t</i>
Public	40	36.30	5.05	3.16*
Private	40	23.50	5.54	

* $p < .05$; $df = 78$

The mean value of managers of public banks ($M = 36.20$) is higher on people-oriented leadership style when compared with private bank managers ($M = 23.50$). This difference also has a significant t -value which is indicative of leadership style preferred and used more by public bank managers. Analysis shown in Table 2 support the assumption that people-oriented leadership style is preferred and used more by public bank managers. On the contrary, the task-oriented leadership style is preferred and used more by private bank managers (See Table 1).

DISCUSSION

The current study found that middle managers of public sector bank rely more on people-oriented leadership style and middle managers of private sector bank rely more in task-oriented leadership style. When leaders and subordinates were studied for development of Leadership Behavior Questionnaire developed at Ohio State University, similar results were obtained by Hemphill and Coons (1973). They found that leaders preferred behaviors, which were of 'initiating structure' while the subordinates preferred behavior for leaders, which was covered under the 'factor consideration'. Initiating structure involves the degree to which leader defines and organizes relationships among group members and establishes well-defined channels of communication and methods of accomplishing group's task.

Consideration involves the degree of two way communication and consultation, mutual trust, respect, and warmth a leader exhibits towards his followers. The findings of the present study also indicated that middle managers of private sector bank use more of task-oriented approach or initiating structure. Fiedler (1967) also developed a model containing the relationship between leadership style and the favorableness of the situation. His studied showed that in very favorable and unfavorable situations, the task-oriented leader performs best.

In Pakistan, especially in semi-government organizations, leadership is usually conceived in terms of having better command and control over their subordinates and getting better results from the employees as most of these organizations are commercial in nature (Akhtar, 1997). The present study also revealed that in private sector banks managers rely on task-oriented leadership style as task-oriented leaders tend to have control over their subordinates and they direct them to meet organizational goals.

Government employees in Pakistan prefer their leaders to be caring, honest, responsible, intelligent, and patriotic (Altaf, 1988). The present study also showed that middle managers of public sector banks rely more on people-oriented leadership style, as the employees want their leaders to emphasize more on human aspects.

Leadership styles vary from country to country because of cultural differences. Osuoha (2001) studied interaction between elements of a nation's culture and leadership style, and empirically compared leadership styles of Nigerian and United States managers in financial institutions. The leadership styles studied were 'initiating structure' and 'consideration'. Results of the analysis revealed significant differences in initiating structure leadership styles between Nigerian and United States managers in financing institutions. It was proposed that the difference was perhaps differences in the culture of a nation. Leadership styles also varies from organization to organization even in the same country. As Akhtar (1997) found out that in Pakistan task-oriented leadership styles is used more by army leaders. On the contrary, people-oriented leadership style is more prevalent with political leaders, while organizational leaders use a mixture of the two leadership styles. Present study has also revealed that leadership varies from organization to organization as in public sector bank, National Bank of Pakistan (NBP) managers use more of people oriented leadership style and in private sector bank Muslim Commercial Bank (MCB) managers rely more on task-oriented leadership style for the management of their subordinates. This study is a step towards understanding the dynamics

of leadership at workplace with special reference to private and public sector banks.

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