

**VISIONARY MANAGEMENT AND ITS RELATIONSHIP  
WITH THE MANAGERIAL OUTCOME**

by

**NUR FARIDATUL ZAIHAN MD YOUSOF**

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of the requirements for the degree  
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## DEDICATION

*Specially dedicated to  
my dearest mother,  
Hjjh. Julusol Ashikhen Hj. Mohamed Ramthan,  
my father, Mohd Yousof Wan Chik, and  
my two wonderful sisters, Edley Marhani and  
Nur Elina Fithre, for their love, encouragement and support.*

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## ABSTRAK

Kajian ini meneliti persepsi-persepsi pekerja terhadap majikan/pemimpin mereka. Pengurus yang berwawasan pada kebiasaannya memberikan kesan terhadap pekerja. Oleh itu, adalah wajar untuk menilai sejauhmanakah keberkesanan ciri-ciri pengurusan berwawasan pihak majikan/pemimpin terhadap pekerja dan organisasi mereka secara keseluruhannya. Dalam menilai persepsi pekerja terhadap majikan/pemimpin dan keberkesanan pemimpin terhadap organisasi, terdapat 9 ciri-ciri pengurusan berwawasan yang wajar dianalisis. Ciri-ciri tersebut adalah mempunyai pemikiran yang berperancangan, menjiwai wawasan tersebut, entusiastik dengan wawasan, memiliki ketekunan, mempunyai pemikiran yang global, berdedikasi terhadap wawasan, memiliki kredibiliti, mempunyai kemahiran berkomunikasi dan berkongsi paradigm. Manakala hasil pengurusan di dalam kajian ini dikaitkan dengan persepsi pekerja terhadap majikan/pemimpin serta kesan kepimpinan terhadap organisasi. Satu sampel kumpulan pekerja telah dipilih untuk tujuan kajian, mereka terdiri daripada pekerja dalam pelbagai posisi di pihak pengurusan. Ini adalah untuk memastikan yang mereka dapat memberikan penilaian yang sewajarnya terhadap majikan/pemimpin mereka. Sejumlah 180 unit borang kajiselidik telah dihantar dan dari jumlah tersebut hanya 52% maklumbalas yang diterima. Hasil dari kajian ini menunjukkan yang hanya 3 ciri-ciri pengurusan berwawasan yang berkesan terhadap persepsi pekerja. Ciri-ciri tersebut adalah memiliki pemikiran yang berperancangan, berdedikasi terhadap wawasan and berkongsi paradigm dengan pekerja.

## ABSTRACT

This research examines the subordinates' perceptions towards their superiors. Visionary managers usually give a strong impact on their subordinates, therefore, it is essential to evaluate to what extent the visionary management characteristic of managers/superiors has significant effect towards their subordinates and the organisations in general. In order to evaluate the subordinates' perceptions towards the leader and the leader's impact towards the organisation, there are 9 characteristics of the visionary management that should be analyzed. Those characteristics are having a mental map, living the vision, enthusiasm for the vision, persistence, having a global outlook, dedication to the vision, credibility, communication and sharing a paradigm. While the managerial outcome in the study relates to the subordinates' perceptions towards the leader and leader's impact towards the organisation. A sample of subordinates has been selected for the study, those subordinates whom they themselves are in various managerial positions. This is to ensure that they can directly make an assessment on their superiors. A total of 180 sample has been selected and out of that figure, only 52% respond rates that be achieved. The result of the study, it indicates that only three characteristics that are significant in the subordinates' perceptions towards the leader. Those characteristics are having a mental map, dedication to the vision and sharing a paradigm with their subordinates.

# Chapter 1

## INTRODUCTION

### 1.0 Introduction

The challenge that today's organisations are facing shows that managers must cope with an increasingly turbulent environment which is unpredictable and full of uncertainty. The faster technological change, privatisation and deregulation of markets and industries, increasing globalization of capital, markets and competitors, and changing demographics of the workforce are forcing organisation in public and private sectors to radically change their way of doing business (Javidan & Dastmalchian, 1995).

Today's organisations will need to have leaner staff, to empower their employees by sharing decisions, to obtain commitment and innovation from employees, and to evolve a culture that promotes the ability to be adaptive and responsive. They also need leaders who have the vision required to shape meaningful strategies and deploy them throughout the organisation (Rowe, Mason, Dickel, Mann, Mockler, 1994).

With the Vision 2020, organisations must think way beyond the recent conditions of their businesses. They must emphasise the strategic direction of their business and evaluate the consequences of their actions. There is a need for visionary management at senior levels of the organisation in order to depict a picture of the desirable but uncertain and elusive shape of the organisation and reduce the psychological uncertainty and discomfort of employees by communicating a sense of purpose and direction.

### 1.1 Research Questions

The research questions in this study are as follows:

- (I) What are the characteristics of Visionary Management?
- (II) What is the relationship between the Visionary Management

and the Managerial Outcome?

- (III) To what extent the Visionary leadership of leaders have an impact towards the subordinates and organisations?

## **1.2 Purpose Of Study**

It is hope that this study will contribute to the body of knowledge on Visionary Management specifically in the Malaysian context. It is an attempt to study the private sector executives/managers through an empirical study of the critical elements of visionary management and its consequences on organisations. This study replicates the study by Javidan and Dastmalchian (1995) on Taiwanese and Iranian executives/managers. It represents a comparative profile of visionary managers as perceived by their subordinates who are themselves in various managerial positions.

This study is an attempt to establish the relationship between visionary management and its managerial outcome between the private sector executives/managers. It integrates the current literature on visionary management and provides the information on the impact of visionary managers on their subordinates. It also provides the information on managers' perceptions of the concepts of visionary management and adds into the body of knowledge on the topic. So far, not much research work has been done in this visionary management topic, therefore, this research is a part of the contribution toward this topic.

## **1.3 Definitions and Related Concepts**

### **1.3.1 Vision**

The Oxford Dictionary defines a vision as a power of seeing/sight. Vision is the force that translates current, non-existent concepts into reality and performance. Visionary leadership is an optimistic outlook on future possibilities based on reality and probability. This vision must be vividly engraved in the minds of every member of the leadership team/organisation so they can paint the picture for their employees. As employees assimilate the vision into their own vision of the future, the tremendous

potential lying dormant in most organisations becomes the transformational force that energises the organisation along the road. The vision must promote the goals, objectives and strategies that evolve from various plans guiding each organisation (Johnson, 1993).

The vision should convey an intuitive, appealing picture of what the organisation can be in the future. Visionary is therefore having or showing foresight or wisdom (Oxford Advance Dictionary). Tichy and Devanna (1986) suggest some techniques to help executives develop a shared vision of what the organisation should be like. One technique is to ask the executives to write a magazine article in journalistic style describing the organisation as they would like it to be five years into the future.

Most writings seem to agree that leadership vision, or visioning, as the process that can be broken down into three distinct stages; (1) the envisioning of an image of a desired future organisational state (Bass, 1987) which (2) when effectively articulated and communicated to followers (Bennis and Nanus, 1985; Tichy and Devanna, 1986; Gluck, 1984) serves (3) to empower those followers so that they can enact the vision (Sashkin, 1987; Srivasta, 1983; Conger and Kanungo, 1987; Robins and Duncan, 1987). Such a view points enormous control in the hands of the individual leader (Bennis and Nanus, 1985; Meindl, Erlich and Dukerich, 1985; Gupta, 1984).

The concept of vision and visionary management is interactive and relational. It manifests itself in the relationship between the manager and his/her role set (Solomon, Suprenant, Czepiel, and Gutman, 1985), particularly his/her subordinates. A vision without a group and context is nothing but an idea in the manager's mind. It needs a group for which it is designed and whom it mobilises and energises. The manager's subordinates gain advantage from the vision. Therefore, to examine visionary management, we need to view it from the point of view of subordinates.



### 1.3.2 Visioning

In meta leadership, it achieves influence by relating the individual to the environment through "visioning." The leader's (superior's) perception of the environment through "visioning." The leader's (superior's) perception of the environment is articulated in such a way that it expresses the leader's conviction, while showing empathy for the beliefs and values of others.

These four - perception, articulation, conviction and empathy (PACE) - are the components of "visioning". Effective meta leadership occurs when sound perception of the environment leads to the articulation of an existing vision, conditioned by the leader's own conviction and empathy for others. This removes doubts and creates the psychological ground for common action, releasing energy and/or creating enthusiastic followers (subordinates).

Each element (PACE) of visioning is important and interacts with the others:

#### Perception

The leader's superior ability to perceive what is happening in the environment is crucial. Subordinate's confidence in the leader's (superior's) perceptual skills will reduce their doubts and uncertainty, creating the psychological ground for common action.

#### Articulation

The leader's perception will have no impact if it is not articulated in an exciting and understandable way. In addition, however, articulation includes the integration of perception with the leader's (superior's) own convictions and empathy for the beliefs and values of others.

#### Conviction

Leaders achieve most impact when what they perceive in the environment resonates with their own convictions. They draw inspiration from this, which adds power to their articulation. The leader's (superior's) conviction is strong enough to impose itself on the environment, in effect altering that what is perceived.

## Empathy

The way perception is articulated will reflect the leader's empathy with the beliefs and values of others. Sensitivity to these will also help to balance the extent to which the leader's conviction is allowed to dominate.

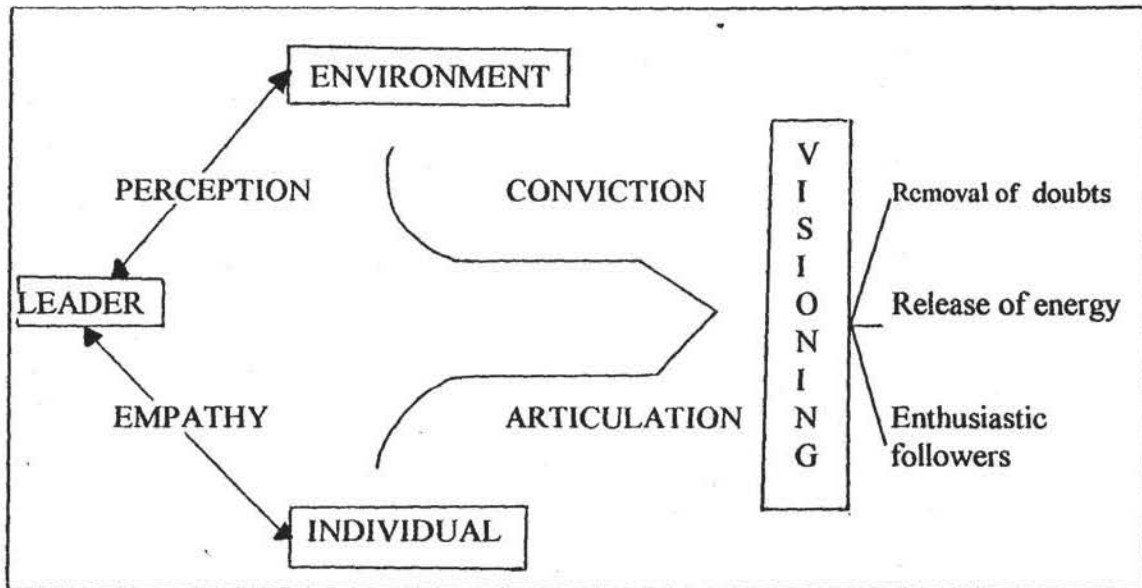


Figure 1.1: Meta Leadership through Visioning by PACE

### 1.3.3 Visionary management

Some writers have focused on the nature and the importance of vision and the visionary management. Visionary role can be classified into several categories according to the organisational needs. Johnson (1993) categorisations are as follows:

- 1.3.3.1 Directive leadership style
- 1.3.3.2 Coaching leadership style
- 1.3.3.3 Participative leadership style
- 1.3.3.4 Delegating leadership style.

#### 1.3.3.1 Directive leadership style

During the new evolution process of the vision, manager begins with more directive behaviour to indoctrinate his subordinates. At the initial stage, usually, the directive style of leadership should be considered to bring about the organisation to the desired goals. At this stage the assumption is that the employee does not know what the

organisational vision is.

The visionary role in the directive style provides the vision of where the organisation is going and how the individuals fit into the scheme of things. A solid, realistic vision is vital to long term personal and organisational success. The visionary explains or paints the vision on a continuous basis until everyone knows what it is and is committed to reaching it. At that point the visionary keeps building a better vision of higher performance as the organisation works towards excellence. Communication skill is very important to articulate the vision across to their subordinates.

#### ***1.3.3.2 Coaching leadership style***

Coaching leadership style is more appropriate when the subordinates lack of commitment to the organisational vision. At this stage the visionary role in the coaching style provides a vision that is continually repainted in terms of where the organisation is going and how they can get there. The visionary keeps improving the vision and shaping it so people see a bright yet realistic future that they want to be a part of. Communication skills is a must. Leadership by example is very important.

#### ***1.3.3.3 Participative leadership style***

The participative leadership style is more appropriate when the subordinates occasionally lose sight of the vision. The visionary role in the participative style is quite different. As time progresses, the leader can switch from telling to selling modes of presenting the vision. Visionary leadership may be likened to a hypodermic needle, with the active ingredient (vision) loaded into a syringe (words) which is injected into the patient (subordinate) to effect change. Continuous support for the efforts increases the desire to improve performance among the subordinates.

#### ***1.3.3.4 Delegating leadership style***

The delegating leadership style is the high performance leadership that produces long term result. The visionary role in the participative style provides continuing vision of

potential achievements using past successes as examples of what can be accomplished. Vision is accompanied by subordinate's team and organisational rewards that attend success. Subordinate's team vision has great impact on organisational excellence. They shared their personal vision and serve as a guide to success.

#### **1.4 Managerial Outcome or Impact**

The concept of managerial outcome has focused on the superior's personal impact on his/her subordinates and the extent he/she is regarded as a role model (Javidan, 1991).

Based on Javidan (1991) study of visionary management, the visionary management concept in the study was summarised as follows:

- (i) Having a mental map
- (ii) Living the vision
- (iii) Enthusiasm for vision
- (iv) Persistence
- (v) Dedication to the vision
- (vi) Global outlook
- (vii) Sharing a paradigm
- (viii) Credibility
- (ix) Communication.

In this study there is a slight variation from Javidan (1995) study whereby, the managerial outcome concept here derived from what the subordinates perceived their superior (personal impact of managers) and the leader's impact towards the organisation (organisational or corporate performance) which are summarised as follows:

- (I) Subordinate perceptions toward the leader
  - (i) Satisfaction working with superior's/leader's  
(Job satisfaction):
    - Feeling of gratitude working under one supervisor.
  - (ii) Leader's unit/division performance:

- Considered that the performance of one superior's unit is above average.

- (iii) Leadership effectiveness:

- Perceived superior's as a natural leader.

- Perceived superior's as a role model.

- (II) Leader's impact towards the organisation

- (Organisational performance):

- (i) Employees morale.

## Chapter 2

### LITERATURE REVIEW

#### 2.0 Introduction

Yukl (1994), in order to understand the visionary leadership, there are several major studies on leadership that needed to be evaluated. It also depends on the researcher's methodological preferences and conception of leadership. Most leadership research can be classified into one of the following four leadership approaches:

- (i) Trait approach
- (ii) Behaviour approach
- (iii) Power-influence approach
- (iv) Situational approach.

There are also some research that does not fit into any single approach but integrated into several approaches. These exceptions include participative leadership, charismatic leadership, leadership in decision groups and several others.

#### 2.1 Related Theories

##### 2.1.1 Trait approach

The trait approach emphasises the personal attributes of leaders. Underlying this approach was the assumption that some people are natural leaders who are endowed with certain traits not possessed by other people. Hundreds of trait studies were conducted during the 1930s and 1940s to discover these elusive qualities. The predominant research method was to look for a significant correlation between individual leader attributes and a criterion of leader success, without examining any explanatory processes. The early leadership researchers were not sure what traits and skills would be essential for leadership effectiveness.

The kinds of traits studied most often in the early leadership research included physical characteristics (e.g., height, appearance), aspects of personality measured by

psychological tests (e.g., self esteem, dominance, emotional stability), and aptitudes measures by psychological tests (e.g., general intelligence, verbal fluency, creativity). In 1974, Stogdill reviewed 163 trait studies conducted from 1949 to 1970. Many of the same traits were again found to be related to leader effectiveness, and some additional traits and skills were found to be relevant (See Table 2.1).

Table 2.1: Traits and Skills Found Most Frequently to Be Characteristic of Successful Leaders

TRAITS	SKILLS
Adaptable to situations	Clever (intelligent)
Alert to social environment	Conceptually skilled
Ambitious and achievement oriented	Creative
Assertive	Diplomatic and tactful
Co-operative	Fluent in speaking
Decisive	Knowledgeable about group task
Dependable	Organised (administrative ability)
Dominant (desire to influence others)	Persuasive
Energetic (high activity level)	Socially skilled
Persistent	
Self-confident	
Tolerant of success	
Willing to assume responsibility	

Based on Stogdill (1974).

Stogdill (1972) suggested that the following trait profile is characteristic of successful leaders:

*The leader is characterised by a strong drive for responsibility and task completion, vigour and persistence in pursuit of goals, venturesomeness and originality in problem solving, drive to exercise initiative in social situations, self-confidence and sense of personal identity, willingness to accept consequences of decision and action, readiness to absorb interpersonal stress, willingness to tolerate frustration and delay, ability to influence other persons' behaviour, and capability to structure social interaction systems to the purpose at hand.*

#### 2.1.1.1 Major approaches in trait research:

##### 2.1.1.1.1 McClelland's research on managerial motivation.

This research on managerial motivation has been conducted by McClelland and his associates (McClelland, 1965, 1985). In most of the research, need's strength and was

measured with a projective technique called the Thematic Apperception Test (TAT). This study consists of a series of pictures of people in ambiguous situations, and someone who takes the test is asked to make up a story about a picture. These stories measure of three underlying needs: power, achievement and affiliation.

#### **2.1.1.1.2 Miner's research on managerial motivation.**

Miner (1965) formulated a theory of managerial role motivation to describe the type of motivational traits required for success in most management positions in large, hierarchical organisations. The following traits were selected for investigation based on an analysis of role requirements common to managerial positions: (1) a positive attitude toward authority figures, (2) desire to compete with others for status, resources, and political support, (3) a desire to take charge and be actively assertive, (4) a desire to exercise power over other people, (5) a desire to assume a position of high visibility, and (6) willingness to carry out routine administrative activities such as preparing budgets, writing reports, and serving on committees. Miner's research over a period of thirty years includes more than thirty-three studies on the relationship between managerial motivation and advancement (Miner, 1978, 1985).

#### **2.1.1.1.3 Critical incident research on competencies**

Boyatzis (1982) describe a program research conducted in a variety of different private and public sector organisations to discover competencies related to managerial effectiveness. The competencies included personality traits, motives, cognitive and interpersonal skills, knowledge, self image, and some specific behaviours. The primary measure of competencies was "behavioural event interview".

### **2.1.2 Behavior approach**

Most of the research on leadership behaviour during the past three decades has followed the pattern set by pioneering research programs at Ohio State University and the University of Michigan. It reviews the behaviour of leaders and managers through questionnaires, laboratory experiments, field experiments and critical incidents to



discover how effective leaders differ from the ineffective ones.

### **2.1.2.1 Major approaches in behavioural research:**

#### **2.1.2.1.1 Ohio State leadership studies**

Major objective of this study of leadership was to identify effective leadership behaviour. The researchers develop questionnaires for subordinates to use in describing the behaviour of their leader or manager. A preliminary questionnaire composed of these 150 items was administered to samples of military and civilian personnel, and each person was asked to describe the behaviour of his or her supervisor (Fleishman, 1953; Halpin and Winer, 1957; Hemphill and Coons, 1957).

Factor analyses of the questionnaire responses indicate that subordinates perceived their supervisor's behaviour primarily in terms of two dimensions or behaviour content categories, which were subsequently labelled as "consideration" and "initiating structure". Questionnaires were called Leader Behaviour Description Questionnaire (LBDQ) and the Supervisory Behaviour Description (SBD or SBDQ).

A modification of the questionnaires was known as Leader Opinion Questionnaire (LOQ) which some researchers treated as a means of study for leaders behaviour but some viewed it as a measure of attitude rather than behaviour of leaders. Finally, a fourth questionnaire (Leader Behaviour Description Questionnaire, Form XII) which narrowed down the scope of consideration and initiating structure and added ten additional scales were designed later (Stogdill, Groode and Day, 1962).

#### **2.1.2.1.2 The Michigan leadership studies**

The focus of the Michigan research was the identification of relationships among leader behaviour, group processes, and measures of group performance. The initial research was a series of field studies with a variety of leaders, including section managers in an insurance company (Katz, Maccoby and Morse, 1950), supervisors in a large manufacturing company (Katz and Kahn, 1952), and supervisors of railroad

section gangs (Katz, Maccoby, Gurin and Floor, 1951).

Information about managerial behaviour was collected with interviews and questionnaires. Objective measures of group productivity were used to classify managers as relatively effective or ineffective. The results were summarised by Likert (1961, 1967).

The research found three types of leadership behaviour differentiated between effective and ineffective managers basically task-oriented behaviour, relationship-oriented behaviour and participative leadership.

#### **2.1.2.1.3 Universal theories of effective leader behaviour**

These theories postulate that same style of leadership is optimal in all situations. Most dominant universal theory postulates that effective leaders both task oriented and person oriented, known as "high-high" leader. Blake and Mouton (1964) developed managerial grid theory to describe managers in terms of concern for people and concern for production.

In Japan, formulation of a two factor theory called PM Leadership Theory (Misumi & Peterson, 1985). Misumi proposed that effective leaders are high in both performance behaviour and maintenance behaviour (the "PM" leader).

#### **2.1.3 Power-influence approach**

In this category, the research considers whether effective leaders have or use different types of power than ineffective leaders. Most research based on the power taxonomy proposed by French and Raven (1959). In several studies, questionnaires were administered to subordinates to measure how much a leader used each type of power, and the criterion of effective leadership in this research was usually to measure a subordinate satisfaction or performance. Research on power was reviewed by several researchers (Podsakoff and Schriesheim, 1985; Hinkin and Schriesheim, 1989; Rahim,

1989; Schriesheim, Hikin and Podsakoff, 1991; Yukl and Falbe, 1991).

Most of the power studies found that expert and referent powers were positively correlated with subordinate satisfaction and performance. Legitimate, reward and coercive power were inconsistent, and the correlations between these power sources were negative or non-significant.

There are two theories that focus on power processes namely Social Exchange Theory and Strategic Contingencies Theory. Social exchange theory describes the process by which individual leaders gain or lose power over time while strategic contingency's theory describes how the different subunits of an organisation gain or lose power.

Whereas in terms of research on influence tactics, there were strong differences found in the objectives of influence attempts made with subordinates, peers and supervisors (Erez, Rim and Keider, 1986; Kipnis, 1980; Yukl and Falbe, 1990). The differences in position power and role expectations.

Yukl and Tracey (1992) proposed that the effectiveness of an influence tactic used by a particular agent in a particular context depends on 5 aspects of the situation: (1) amount of intrinsic resistance by the target due to the nature of the request, (2) potential of the tactic to influence target attitudes about the desirability of the requested action, (3) agent possession of an appropriate power base for use of the tactic in that context, (4) agent skill in using the tactic, and (5) prevailing social norms and role expectations about use of the tactic in that context. The assumption is that a tactic is more successful if the target perceives it to be socially acceptable form of influence behaviour.

A variation of social exchange theory, called leader-member exchange (LMX) theory, describe how leaders develop different exchange relationships over time with various subordinates (Dansereau, Graen and Haga, 1975; Graen and Cashman, 1975). The

There are four behaviours defined in the theory basically: Supportive leadership, Directive leadership, Participative leadership and Achievement-oriented leadership.

#### 2.1.4.1.2 Leadership substitute theory

Kerr and Jermier (1978) developed a model to identify aspects of the situation that reduce the importance of leadership by managers and other formal leaders. It makes a distinction between two kinds of situational variables: substitutes and neutralisers.

#### 2.1.4.1.3 The multiple linkage model

The multiple linkage model (Yukl, 1971, 1981, 1989) focus on the interacting effects of managerial behaviour and situational variables on performance of the manager's work unit. Their model includes four types of variables: managerial behaviours, intervening variables, criterion variables and situational variables.

#### 2.1.4.1.4 LPC contingency model

Fiedler's (1964, 1967) LPC contingency models describe how the situation moderates the relationship between leader traits and effectiveness. He predicts leadership effectiveness from a trait measure called the least preferred co-worker (LPC) score. The relationship between leader LPC score and effectiveness depend on situational favorability. Favorability is measured in terms of three aspects of the situation basically leader-member relations, position power and task structure.

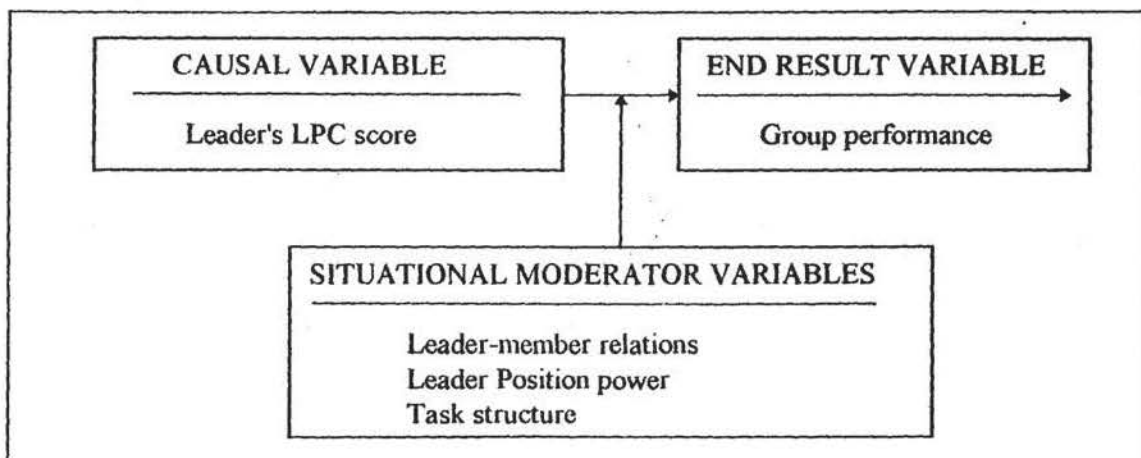


Figure 2.3: Causal Relationships in Fiedler's Contingency Theory

#### **2.1.4.1.5 Cognitive resources theory**

Fiedler and his colleague (Fiedler, 1986; Fiedler and Garcia, 1987) deal with the cognitive abilities of leaders. According to this theory, the performance of a leader's group is determined by a complex interaction among two leader traits (intelligence and experience) one type of leader behaviour (directive leadership) and two aspects of the leader situation (interpersonal stress and the nature of the group's task).

### **2.2 Other Types of Leadership Theory**

Leadership has been studied also in other different ways, these approaches include Traitistic, Charismatic, Behavioural, Power, Situational - Contingency, Managerial Grid (Stodgill, 1974; Yukl, 1993), Transformational (Bass, 198; Selznick, Newman, Logan and Hegarty, 1989) and Principle Centred Leadership (Covey, 1991).

Other approaches including Total Quality Management (Deming, 1986; Juran, 1989 and Siti Maimon-Kamso, 1995). Strategic Management (Ansoff, 1979; Thomas, 1983; Wheelen and Hunger, 1983; Glueck and Jauch, 1984; Comerford and Callaghan, 1985; David, 1993; and Siti Maimon-Kamso, 1992, 1995). Leadership study is a very wide topic and Visionary Management is a part and partial of its component in leadership that is a leader visionary management.

In the discussion of visionary leadership, it relates strongly to charismatic and transformational leadership, nevertheless, it has its own strength and drawbacks in describing vision in both theories. These studies relate to the attempts to explain why followers of some leaders are willing to exert exceptional effort and make personal sacrifices to accomplish the group objective or mission.

#### **2.2.1 Charismatic leadership**

Charisma means "divinely inspired gift" originated from a Greek word. According to Weber (1947), when there is a social crisis, a leader with exceptional personal qualities emerges with a radical vision that provides a solution to the crisis, and the leader

attracts followers who believe in the vision and perceive the leader to be extraordinary (Trice & Beyer, 1993).

### **2.2.1.1 Major research on charismatic leadership:**

#### **2.2.1.1.1 House's theory of charismatic leadership**

According to House (1977), a charismatic leader has profound and unusual effects on followers; they perceive that the leader's beliefs are correct, they accept the leader without question, they obey the leader willingly, they feel affection toward the leader, they are emotionally involved in the mission of the group and organisation, they believe that they can contribute to the success of the mission, and they have high performance goals.

The theories explain charismatic leadership in terms of a set of propositions involving observable processes. It identifies how charismatic leaders behave, how they differ from other people, and the conditions in which they are most likely to flourish. The involvement of leader traits, behaviour, influence and situational conditions makes this theory more comprehensive.

#### **Charismatic Leader Traits:**

They are likely to have strong need for power, high self-confidence, and a strong conviction in their own beliefs and ideals.

#### **Charismatic Leadership Behaviours:**

They are likely:

- To engage in behaviours designed to create the impression among followers that the leader is competent (influencing people).
- To articulate ideological goals relating to the mission of the group to deeply rooted values, ideals and aspirations shared among followers (articulating an appealing vision).
- To set an example in their own behaviour for followers to imitate (role modelling).

- To communicate high expectations about follower performance while simultaneously expressing confidence in followers (develop commitment).
- To behave in ways that arouse motivation towards the group's mission.

Research on the theory:

Podsakoff, MacKenzie, Morrison, and Fetter (1990) developed a questionnaire to measure charismatic and transformational leadership behaviours. The results indicate that subordinate of managers who used three charismatic behaviours such as articulates a vision, models desirable behaviours, communicates high performance expectations trusted their manager more, more loyalty towards their manager and exhibits more organisational citizenship behaviours. Other studies did by Howell and Frost (1988); Howell and Heggins (1990); and House, Spangler, and Woycke (1991).

#### 2.2.1.1.2 *An attribution theory of charisma*

Conger and Kanungo (1987) proposed a theory of charismatic leadership based on the assumption that charisma is an attributional phenomenon. The follower attribution of charisma depends on several aspects of leader behaviour.

Leadership Behaviours:

Charisma is more likely:

- To be attributed to leaders who advocate a vision that is highly discrepant from status quo, but within the latitude of acceptance of followers.
- To leaders who act unconventional ways to achieve the vision therefore, can impress the followers.
- If the leaders make self-sacrifices, take personal risks, and incur high cost to achieve the vision they intended to. A leader who actually risks substantial personal loss in terms of status, leadership position or membership in an organisation.
- If a leader communicates self confident about their vision and he is confidence and enthusiastic about the vision.

- If the leaders use personal power and persuasive appeals to obtain commitment to a new vision than leaders who use authority or a participative decision process.

#### Influence Processes:

- Personal identification is influence derived from the desire of followers to please and imitate a greatly admired leader.
- Internalisation is an influence process that involves incorporation of values as principals for behaviour. They are able to internalise their followers' attitudes and beliefs.

#### Traits and skills:

- Need to be sensitive to the needs and values of followers as well as the environment in order to identify a vision is innovative, relevant, timely, and appealing.

#### 2.2.1.1.3 *A self-concept theory of charismatic leadership*

Shamir, House and Arthur (1993) formulated a new theory which includes the affection of followers toward the leader, their emotional involvement in the mission of the group or organisation, their belief that they can contribute to the success of the mission, their performance to high performance goals and the leaders activate a number of motivational processes.

#### Leadership Behaviours:

- Clearly articulate an appealing vision to emphasise particular values, and help followers interpret their experiences.
  - Enhance follower's self-esteem, self-worth, and self efficacy by making references to the collective identity
- role modelling in order to provide an example of exemplary behaviour for followers to imitate.

Make self sacrifices and demonstrate courage and convictions about their



vision and strategy.

Influence processes:

- Personal identification (based on individual followers' values).
- Social identification (by making a link between self concept of individual followers and the shared values and identities of the group).
- Internalisation (influence followers to embrace new values and self concept of the followers and link them to the task objectives).
- Self-efficacy (belief that one is competent and capable in attaining difficult task objectives).

### **2.2.2 Transformational and cultural leadership**

Burns (1978) describe transforming leadership as a process in which "leaders and followers raise one another to higher levels of morality and motivation." Bass (1985) proposed that the leader transforms and motivates followers by: (1) making them more aware of the importance of task outcomes, (2) inducing them to transcend their own self-interest for the sake of the organisation or team, and (3) activating their higher-order needs. Transformational Leadership Behaviours (Bass, 1985) included three components including charisma, intellectual stimulation and individual consideration. Transactional Leadership Behaviours included contingent reward, active management by exception and passive management.

Most of the research on the theory used Multi-factor Leadership Question (MLQ) to measure various aspects of transformational and transactional leadership (Bass, 1985). Scales measuring separate aspects of the transformational and transactional leadership are based on factor analysis of the initial questionnaire.

Several studies examine how leadership behaviour described by subordinates on the MLQ was related to various criteria of leadership effectiveness such as performance ratings by superiors and the level of task commitment reported by subordinates (Avolio

and Howel, 1992; Bass, Avolio and Goodheim, 1987; Hater and Bass, 1988; Seltzer and Bass, 1990; Waldman, Bass and Einstein, 1987; Waldman, Bass and Yammarino, 1990; Yammarino and Bass, 1990). The results of the research conclude that effective leaders use a mix of transformational and transactional behaviours.

#### ***2.2.2.1 Major descriptive research on transformational leaders:***

The descriptive research did by:

##### ***2.2.2.1.1 Tichy and Devanna (1986)***

According to Yukl (1994), they conducted a study of twelve CEOs in a variety of organisations and the data collected through interviews. The interviews were analysed to identify typical processes that occur when leaders transform and revitalise organisations, the behaviours that facilitate this process, and the traits and skills' characteristics of transformational leaders. The process can be viewed as a sequence of phases, beginning with recognition of the need for change, followed by creation of a new vision and then institutionalisation of change.

##### ***2.2.2.1.2 Bennis and Nanus (1985):***

According to Yukl (1994), they conducted a five-year study of dynamic, innovative leaders, including sixty top-level corporate leaders and thirty leaders of public sector organisations. The outcome of the research, it provided insights about the nature of effective transformational leadership such as developing a vision, developing commitment and trust, and, facilitating organisational learning.

The research by Tichy and Devanna and Bennis and Nanus indicate that in general, transformational leaders formulate vision, develop commitment to it among internal and external stakeholders, implement strategies to accomplish the vision, and embed the new values and assumptions in the culture of the organisation. Based on all the above theories of leadership, basically there were some limitations in each. Siti Maimon-Kamso (1994), suggests that the leadership theories have some inadequacies. Under her research there are three dimensions of the holistic leadership model named

"himself" made up of three components that basically characteristics (taken mainly from the Trait Approach), habits (from Principle-Centred) and principles (from Principle-Centred Leadership). Each component had ten items.

As for interpersonal competence, there are 10 items basically ability to influence, participative, unifying, motivating/remanding, ability to negotiate, ability to negotiate, ability to solve problem, ability to communicate, ability to decentralise decisions and exemplary. While in terms of vision, there are ten items also which relates to the business, vision, strategies and several others.

Basically based on all the above theories on leadership, there are some variables from those theories/models that can be used in order to derive the framework for visionary leadership concept. Visionary leadership concept in this study of visionary management is an integration of the leadership concepts and organisational behaviour models.

Theories/Models	Inadequacies
Traitistic (characteristics and charisma)	Lacks of overall organisational vision and interpersonal competence.
Behavioural and Power	Lacks of overall organisational vision, interpersonal competence and traitistic components
Situational/Contingency	Lacks of overall organisational vision, interpersonal competence and traitistic components
Managerial Grid	Lacks traitistic components and overall organisational vision.
Transformational approach	Lacks traitistic components.
Principle-Centred	Lacks of overall organisational vision and traits (except habits and principles)

Continue: Table 2.2: Leadership Theories/Models and Their Inadequacies

<b>Theories/Models</b>	<b>Inadequacies</b>
Total Quality Management	Lacks of overall organisational vision except for quality) and traitistic components
Strategic Management	Lacks of traitistic components and inter-personal competence.

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Based on Siti Maimon-Kamso (1994).

### 2.3 Visionary Management

A great deal of attention has been given to study the senior executive's management performance (Javidan, Dastmalchian, 1995). The dimensions of visionary management are based on the assessments of a large number of senior managers by those individuals who report directly under their supervision. Managers rank their subordinates as their second most important stakeholders after customers (Kouzes and Posner, 1988).

Most authors agree on the need for vision, mission and dreams in the success of an organisation. But there are some variation in the views whether a vision is a series of specific goals (Blanchard and Johnson, 1982; Manz and Sims, 1988) or broad statements of direction (Peters, 1987; Bennis and Nanus, 1985; Kotter, 1982 & 1988).

There is also a debate on whether the vision is developed through a systematic and methodical process (Lorange, 1980; Band, 1990) or it is developed through an incremental process (Fechter & Horowitz, 1991; Quinn, 1980; Wrapp, 1975) or use a logical step by step process to create and implement a powerful new sense of direction in his/her own organisation (Nanus, 1992). Practical examples are used to show how to perform a vision audit; analyse opportunities and threats; formulate alternative visions; turn vision into action; monitor and track the vision once implemented (Nanus, 1992).