Leadership practices in corporate sector: A study of Sui Southern Gas Company, Karachi

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Abstract

Leadership styles practiced around the world vary situation to situation and organization to organization. There is no fixed style of leadership that is preferred across the board. Therefore, it is not possible to say that any one leadership style should be effective for all people and in all situations. However, some are preferred more than others. In this study, we selected three styles of leadership on the basis of assumption and understanding of Sui Southern Gas Company Limited. Therefore, this is the limitation of the study. In the survey that we conducted, we found that although there is a leadership preference by the respondents, but in practice they do not observe what they preach. This is a contradiction of their own statements. We conclude that among the three leadership styles that we took for the survey, none of them is practiced as such in the company.

Keywords: Leadership, Leadership Theories, Leadership Styles, Leadership Traits.

Introduction

Leadership excellence is the key to organizational success. It is not rare to see that one man at the top changed the entire profile of a company, from failure to success or vice versa. In Pakistan, we have many success and failure stories. While success stories are from the private sector, the failure stories include PIA, Pakistan Steel, PTCL, KESC, and many more. People give many reasons for failure of these organizations, but at the end it is the leadership that has failed to save these organizations. The top position in the government hierarchy, i.e., the prime minister himself is a glaring example. Pakistan is the sixth most populous country in the world. That means it has enough human resource to excel in economic terms. But during the last almost seventy years, Pakistan has not been able to make a positive impact in the world economy. Experts analyze the causes and identify many reasons. But at the end of the story, the most important fact that comes out is the leadership failure.

In our opinion, leadership excellence is a key factor in steering an organization to progress and prosperity. Leadership qualities have been defined by many authors. Edward (2015) mentioned six important
qualities. These are: critical thinking, communication, collaboration, creativity, commitment and compassion. If we analyze these factors we will see that these things are usually taught at home and schools. While there is a dearth of mental maturity with our parents because of which they are not able to inculcate these qualities in their offsprings, the school management is equally responsible for neglecting to groom the children. Critical thinking comes from reading story books and writing their reviews. In almost all the schools except few elite schools, no such things are practiced. Communication comes from social interactions; our children do not get sufficient exposure to social platforms. Similarly collaboration is taught at home. We do think that this trait is practiced to some extent in the society but practicing at a larger canvas is needed. Creativity is taught at the schools through scientific experiments and creative writings which are rarely practiced at school. Commitment and compassion are two of the most important qualities that help a man to perform effectively and move forward.

According to the Great Man Theory (Ololube, 2013) leaders are born, not made. It says that leadership qualities are inherent. It portrays leaders as heroes.

Trait Theory (Amanchukwu, Stanley & Ololube, 2015) states that certain qualities are inherited in people making them leaders. It often identifies certain characteristics that are shared by leaders. However, scholars believe that there is an inconsistency between leadership traits and leadership effectiveness.

Situational Theory (Amanchukwu, Stanley & Ololube, 2015) says that the best courses of action are chosen by leaders on the basis of situational conditions. Therefore, it is argued that different styles of leadership are appropriate at different situations.

Contingency Theory (Charry, 2012 and Lamb 2013) focuses on individual variables related to the environment. The theory says that there is no single leadership style which is considered appropriate for all situations. It says that the basic concept of effective leadership is a fit between a leadership style and the leader’s qualities.

Behavioral Theory (Naylor, 1999) says that actions of leaders are important and not the intellectual quality or internal states of mind. According to this theory people can learn leadership skills through training and observations.

Participative Theory (Lamb, 2013) says that ideal leadership style is the participative one in which input of others is sought. Participative leaders motivate and encourage their team members for contribution.
this leadership team members are involved improving commitment and collaboration.

Transactional Theory (Charry, 2012) focuses on organization, supervisory role and team performance. The theory advocates rewards and punishments. According to this theory a leader create structures that the subordinates need to follow. Rewards and punishments are given on the basis of performance.

Relationship Theory (Lamb, 2013) also known as transformational theory talks more about the connections formed between the followers and their leader. Creating a connection means the process by which one person engages the other that helps to increase morality and motivation in followers as well as their leaders. High ethical and moral standards are possessed by the leaders.

Skills Theory (Wilinski, 2010) says that learned knowledge and acquired skills / abilities are major factors in the practice of effective leadership. It supports that capacity to lead effectively is due to inherited traits. However, it emphasizes that acquired knowledge; learned skills and a developed style are important factors for leadership excellence.

LEADERSHIP STYLES

Autocratic leadership (Amanchukwu, Stanley and Ololube, 2015) is rather an old form of leadership which is less practiced in organizations these days. In this kind of leadership, leaders have complete power over their followers. It is an extreme form of transactional leadership. The followers do not have the option for any suggestions even if these are in the interest of the company. Although it is not considered a good style of leadership but in crises situations when decision must be made quickly autocratic leadership style is the most preferred one.

Bureaucratic Leadership Style (Schaefer 2005, Santrock, 2007) follows rules, regulations and procedures rigorously and precisely. It is good for those situations where safety risks or large financial transactions are involved. It is also good for performing routine tasks but it is not effective in situations where flexibility, creativity or innovations are involved.

Charismatic leadership style (Bell, 2013) builds expectations both from the leaders as well as the followers. It is also called transformational leadership. Such leader inspires and motivates the employees to move forward through eagerness in their teams. It creates excitement and commitment from the team for increased productivity and goal achievements.
Democratic /Participative Leadership Style (Amanchukwu, Stanley and Ololube, 2015) encourages creativity and projects are managed by team members and decisions are taken accordingly since it includes team members in the decision making process. A democratic leader makes the final decision but include team members in the process. The team members feel their contribution more meaningful and organization worthy. The team is motivated for more than a final reward.

Laissez-Faire Leadership Style (Goodnight, 2011) is either the best one or the worst one depending upon the team. Laissez-faire is a French phrase meaning ‘let it be’. It allows people to work on their own. It allows the team to manage their work themselves including setting their own deadlines. It provides the subordinates the required resources but do not get involved in the process of decision making. It is good when the team is monitored periodically and gives feedback accordingly. Since it gives complete autonomy, it creates high job satisfaction and increased productivity.

Transactional Leadership Style (Amanchukwu, Stanley and Ololube 2015) says that the team members agree to follow the leader in any specified task or job. It forms the relationship efforts for pay (transaction). The organization pays the team members in return of their accomplishments. Individual team members may be punished if they do not meet the required standard of work.

LITERATURE REVIEW

Krogh, Nonaka and Rechsteiner (2011) developed a framework. The framework was for situational leadership in organizational knowledge creation. The framework forms three layers of activity: the core layer of local knowledge creation, a conditional layer providing resources and context for knowledge creation and a structural layer forming the direction for knowledge creation and overall frame of reference. Hannah, Sumnath, Lester, and Cavarretta (2014) critically evaluated the leadership idealism and pragmatism. They found that leadership theories have shifted from managerial functions to interpersonal dynamics. According to the authors the newer trend has as good a place as the traditional styles. The new genre of leadership has addressed previously neglected topics like leaders’ vision, inspirational messages, intellectual stimulation, transparency, emotional effects, morality and individualized attention. The authors also pointed out a number of shortcomings like adaptability among the developing leaders. According to the authors leadership is a performative science. It is a process in which a leadership phenomenon can be created socially. Currie
and Lockett (2011) are of the opinion that the researchers should move beyond distributing leadership. For them how power is distributed is more straightforward question. It evokes an aspiration on how leadership is defined and the relationship between leadership and followership. Recognition of political, social and power relations within organizations is required by distribution leadership. Muir (2014) found that leader identity development occurs due to adult learning principles. A formal mentoring experience was instrumental in developing their leadership traits. For developing leadership identity another key factor was a reflection on critical learning moments.

Jill (2013) finds very rapid internet-enabled innovations in educational technology, including email, intercultural skills, blogging, learning analytics and learning design, virtual conferencing, social media usage, etc. All these are gradually making a crucial impact on leadership. The interaction between advanced information technology and leadership influence emerging organizational behavior. Now leadership has opportunities for skill development and understanding of organizational problems. It appears that there is a need of commitment for e-leadership as strategic functions across the organizations. New e-leadership is influencing interpersonal and cultural skills. For a successful leadership this has become an essential attribute. Leaders now need to communicate with electronic medium to their team members.

Aasland et.al., (2010) studied destructive leadership. They found that destructive leadership is prevalent both in passive form and active form. According to them Laissez-Faire leadership was the most prevalent destructive leadership. This was followed by supportive disloyal leadership and derailed leadership. Contrary to common belief tyrannical leadership was found to be the least destructive one. Many leaders display destructive as well as constructive leadership behavior in their practice.

Pseudo transformational leadership was defined by Christie, Barling and Turner (2011) as self serving and highly inspirational leadership behavior. It discourages independent thought in subordinates. Fear of the leader was higher in pseudo transformational leadership as compared to transformational and laissez-faire leadership. For transformational leader variables trust, satisfaction with the leader, and reverence for the leader were higher as compared to both the pseudo-transformational leader and the Laissez-Faire leader.

Yang, Zhang and Tsui (2010) wanted to know about transformational leadership. They wanted to know whether middle managers have the potential to impudence the job performance of
employee’s two levels below them. According to their findings it does have a direct effect on employees’ job performance. They also included collectivism as a potential mediator and found that it has a direct effect on employees. This effect is demonstrated when superiors or middle managers’ behavior are emulated by the supervisors. The results supported bypass and cascading performance.

OBJECTIVE OF THE RESEARCH

There are many leadership theories and styles. We wanted to know which one(s) specifically is practiced at Sui Southern Gas Company.

RESEARCH METHODOLOGY

The findings of the literature review were tested through a primary survey. The survey was conducted in the head office of Sui Southern Gas Company Limited. The period of survey was the month of March – April 2015. In this regard a predesigned questionnaire was administered to the selected employees (mostly managers) of the company.

Before the questionnaire was designed and the survey conducted the following hypotheses were developed:

H1: The employees of Sui Southern Company believe that the authoritarian way of leadership is the best.

H2: The employees Sui Southern Company think that the democratic leadership is the best.

H3: The employees Sui Southern Company feel that Laissez-Faire Leadership (give the employees the freedom of action and choice) is the best.

RESULT

More than half of the respondents disagreed with the notion that authoritarian leadership is the best style of leadership. Some were neutral while a lesser number of employees think that it is the best for leadership. More than half of the employees are of the opinion that they should be supervised closely otherwise they would not work. While answering the question whether they employees are lazy, there was a mixed reaction. As high as 60% of the respondents replied that they should be supervised, some were neutral while 26% replied that they should not be. While answering a question whether the employees are lazy, 48% of the respondents was of the opinion that they are lazy, 43% replied that they are not. This indicates that employees were divided and do not have a unified opinion about their being lazy. This also reflects that laziness do prevail in the working of employees of the company.
As high as 80% of the respondents were of the opinion that rewards or punishment should be given to motivate the employees. 56% of the employees feel insecure about their jobs in the organization. 73% of the respondents were of the opinion that the leader is the best judge for assessing the performance of his team members. 78% of the respondents replied that effective leaders give orders and clarify procedures.

As high as 62% of the respondents were of the opinion that employees want to get involved in the decision making process. 74% of the respondents think that the leader should guide the team members for achieving results without any pressure. 86% of the respondents think that leaders should give frequent supportive communication to their subordinates. A high as 88% of the respondents think that leaders need to help their subordinates in accepting to their responsibilities for completing their jobs. 66% of the respondents were of the opinion that leaders should help their subordinates in finding their passion. 78% of the respondents were of the opinion that people are basically competent and do a good job when they are given a task. 52% of the respondents think that in the best style of leadership people are given freedom of action and choice to perform. 40% of the respondents replied that in complex situations leaders should allow their subordinates to work on their own to find a solution while 42% disagreed, 10% were of the neutral opinion. Almost equal number of respondents agreed (42%) and disagreed (44%) on the issue that leaders should stay out while subordinates perform. 38% of the respondents said that leaders should allow their subordinates to appraise themselves while 35% disagreed on this point. 42% of the respondents were of the opinion that leaders should give complete freedom to their subordinates to solve the problems on their own, 32% disagreed, rest were of the neutral opinion. 30% of the respondents were of the opinion that there should be little input from the leaders, 37% disagreed with the statement, rest stayed neutral. 54% of the respondents disagreed on the point that workers should leave alone to do their work, 35% were neutral on this point, rest agreed that should be left alone to do their work.
IT IS FAIR TO SAY THAT MOST EMPLOYEES IN THE GENERAL POPULATION ARE LAZY

AS A RULE EMPLOYEES MUST BE GIVEN REWARDS OR PUNISHMENTS IN ORDER TO MOTIVATE THEM TO ACHIEVE ORGANIZATIONAL OBJECTIVES
MOST EMPLOYEES FEEL INSECURE ABOUT THEIR WORK AND NEED DIRECTION

EFFECTIVE LEADERS GIVE ORDERS AND CLARIFY PROCEDURES
THE BEST STYLE OF LEADERSHIP IS TO GIVE THE SUBORDINATES FREEDOM OF ACTION AND CHOICE

IN COMPLEX SITUATIONS LEADERS SHOULD LET THE SUBORDINATES WORK PROBLEMS OUT ON THEIR OWN
LEADERSHIP REQUIRES STAYING OUT OF THE WAY OF SUBORDINATES AS THEY DO THEIR WORK

AS A RULE, LEADERS SHOULD ALLOW SUBORDINATES TO APPRAISE THEIR OWN WORK
LEADERS SHOULD GIVE SUBORDINATES COMPLETE FREEDOM TO SOLVE PROBLEMS ON THEIR OWN

IN MOST SITUATIONS WORKERS PREFER LITTLE INPUT FROM THEIR LEADER
Model Summary

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a. Predictors: (Constant), EFFECTIVE LEADERS GIVE ORDERS AND CLARIFY PROCEDURES, IT IS FAIR TO SAY THAT MOST EMPLOYEES IN THE GENERAL POPULATION ARE LAZY, MOST EMPLOYEES FEEL INSECURE ABOUT THEIR WORK AND NEED DIRECTION, AS A RULE EMPLOYEES MUST BE GIVEN REWARDS OR PUNISHMENTS IN ORDER TO MOTIVATE THEM TO ACHIEVE ORGANIZATIONAL OBJECTIVES, EMPLOYEES NEED TO BE SUPERVISED CLOSELY OR THEY ARE NOT LIKELY TO DO THEIR WORK, THE LEADER IS THE CHIEF JUDGE OF THE ACHIEVEMENTS OF THE MEMBERS OF THE GROUP

b. Dependent Variable: AUTHORITARIAN LEADERSHIP IS THE BEST STYLE OF LEADERSHIP
### Model Summary

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**a. Predictors:** (Constant), IN GENERAL IT IS BEST TO LEAVE THE SUBORDINATES ALONE, AS A RULE, LEADERS SHOULD ALLOW SUBORDINATES TO APPRAISE THEIR OWN WORK, LEADERS SHOULD GIVE SUBORDINATES COMPLETE FREEDOM TO SOLVE PROBLEMS ON THEIR OWN, IN MOST SITUATIONS WORKERS PREFER LITTLE INPUT FROM THEIR LEADER, LEADERSHIP REQUIRES STAYING OUT OF THE WAY OF SUBORDINATES AS THEY DO THEIR WORK, IN COMPLEX SITUATIONS LEADERS SHOULD LET THE SUBORDINATES WORK PROBLEMS OUT ON THEIR OWN

**b. Dependent Variable:** THE BEST STYLE OF LEADERSHIP IS TO GIVE THE SUBORDINATES FREEDOM OF ACTION AND CHOICE
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LIMITATION OF THE STUDY

The study was limited to the employees of Sui Southern Gas Company and therefore not a representative sample of the wider population.

The study was limited to only three styles of leadership which do not cover all leadership styles and their variances practiced in organizations.

CONCLUSIONS

The preference of the respondents mentioned above in the bar charts are self explanatory.

The R square, adjusted R square and Durbin Watson values show that there is not a single preference of leadership style by the respondents. Although individually they have given their preferences but when judging along with the features of individual leadership style the result shows that in practice there is no preference.

Therefore:

H1 is neither rejected nor accepted. There is no decision by the respondents
H2 is neither rejected nor accepted. There is no decision by the respondents
H3 is neither rejected nor accepted. There is no decision by the respondents

In the survey that we conducted we found that although there is a leadership preference by the respondents but in practice they do not observe what they preach. This this is a contradiction of their own statements. We conclude that among the three leadership style that we took for the survey none of them is practiced as such in the company.

REFERENCES


The study included 25 research participants including 11 mentor dyads. Three themes emerged from the data: (a) the mentor partnership–leader identity discovery, (b) leader identity development through critical learning moments, and (c) leader identity development through self-knowledge. Findings of this research suggest that adult learning principles are instrumental components to the leader identity development process. The participants believed that their formal mentoring experience was pivotal to the discovery and development of their leader identity. Additionally, critical reflection on the critical learning moments was another of the key factors that led to their development of their identity as a leader. Suggestions for future research include: (a) the effects of adult learning approaches on leader identity development, and (b) the effect mentoring may have on the different stages of identity.