



Tomas Bata University in Zlín  
Faculty of Management and Economics

Doctoral Thesis

**Interactions between Leadership Styles and  
Person-Organization Value Fit on Employee  
Performance: Case by  
Sri Lanka and Czech Republic**

**Interakce Mezi Styly Vedení a Hodnotou Vztahu  
Osoba-Organizace na Výkon Zaměstnance: Případ  
Srí Lanky a České Republiky**

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## ABSTRACT

Person-organization value fit and leadership research, done by scientists, reveal important influences of these factors on employee performance. Therefore this thesis mainly focused on three objectives to evaluate: (1) How leadership behaviour affects on employee performance; (2) How person-organization value fit affects on employee performance; and (3) Whether there is an interaction effect between leadership behaviour and person-organization value fit on employee performance; in commitment, participation for group decision making and trust on their leaders in the work place, under Sri Lankan and Czech Republic cultural context. The aim of the study is to find out the possible solutions for enhancing employee performance through improved person-organization value fit.

A questionnaire survey was undertaken to evaluate employees' ratings on these variables. Pre tested questionnaires were distributed among middle level employees in the Plantation Sector organizations in Sri Lanka and "EX" organization in Czech Republic. Cronbach's alpha was above the sufficient level of reliability for all items in the instrument. Complete questionnaires were included for data analysis using Analysis of Covariates (ANCOVA). According to the findings, most of the hypotheses were supported by the study population of Sri Lanka. Results showed that the highest R-square values were given by the models under "administratively competent team-oriented leadership". Further, results revealed that interaction of person-organization value fit and leader behavior was significant on employee commitment and participation for group decision making at 1% probability. Based on the results, it can be concluded that leadership style and person-organization value fit are better predictors for enhancing employee performance in Sri Lanka. Hence, results of this study provide insight into how; the management of these organizations in Sri Lanka can enhance employee performance through these criteria. Even though person-organization value fit was higher in the study population of Czech Republic than Sri Lanka, hypotheses were not supported by their findings. Theoretical and practical implications of the results and directions for future research are discussed.

## ABSTRAKT

Hodnota vztahu osoba-organizace a vedení výzkumu provedené vědci odhalí důležité vlivy těchto faktorů na výkonnost zaměstnanců. Proto je tato práce zaměřena hlavně na tři cíle hodnocení: (1) Jak ovlivňuje chování vedoucího výkon zaměstnance; (2) Jak ovlivňuje hodnota vztahu osoba-organizace výkon zaměstnance, a (3), Zda se jedná o účinek interakce mezi chováním vedení a hodnotou vztahu osoba-organizace na výkon zaměstnance; co se týče závazků, účasti na rozhodování ve skupině a důvěře v jejich vedoucí v pracovním prostředí v rámci kulturního kontextu Srí Lanky a České republiky. Cílem studie je zjistit možná řešení pro zvýšení výkonnosti zaměstnanců prostřednictvím zlepšení vztahu osoba-organizace.

Bylo provedeno šetření formou dotazníku pro hodnocení výkonnosti zaměstnanců v těchto proměnných. Zkušební dotazníky byly distribuovány mezi zaměstnanci na střední úrovni v organizaci Plantation Sector na Srí Lance a "EX" organizaci v České republice. Cronbachův koeficient alfa byl nad dostatečnou úrovní spolehlivosti u všech položek. Kompletní dotazníky byly zahrnuty pro analýzu dat pomocí ANCOVA (analýza kovariance). Podle zjištění, byla většina hypotéz podporována studijním obyvatelstvem Srí Lanky. Výsledky ukázaly, že nejvyšší R square hodnoty byly dány modely v rámci "administrativně příslušného týmově orientovaného vedení". Další výsledky ukázaly, že interakce hodnoty vztahu osoba-organizace a chování vedoucího byla významná pro závazek zaměstnance a jeho účast na rozhodování ve skupině s 1% pravděpodobností. Na základě výsledků lze konstatovat, že vůdčí styl a hodnota vztahu osoba-organizace jsou lepšími předpověditeli pro zvyšování výkonnosti zaměstnanců na Srí Lance. Tudiž výsledky této studie poskytují náhled do způsobu řízení těchto organizací na Srí Lance, jež mohou zvýšit výkonnost zaměstnanců prostřednictvím těchto kritérií. Přestože byla hodnota vztahu osoba-organizace vyšší u studijních obyvatel České republiky než na Srí Lance, hypotézy nebyly tímto zjištěním podloženy. Jsou zde diskutovány teoretické a praktické výsledky a směry pro další výzkum.

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## ROZŠÍŘENÝ ABSTRAKT

Podle nedávného výzkumu je hodnota vztahu osoba-organizace jedním z faktorů, které mají vliv na výkonnost zaměstnanců jako je závazek, spolupráce, komunikace, výnosy a zisk v organizacích. Způsob vedení je dalším důležitým faktorem, který ovlivňuje výkonnost zaměstnance. Stejně jako oba tyto faktory má vliv na výkonnost zaměstnanců teoretická racionální prognóza účinku interakce mezi chováním vedení a hodnoty vztahu osoba-organizace. Zásadním problémem pro lídry v dnešním managementu je pochopit způsoby, jak uchovat své kreativní a inovativní zaměstnance a zvýšit jejich výkonnost zlepšením hodnoty vztahu osoba-organizace.

Tato práce se soustředí hlavně na tři cíle hodnocení: (1) Jak ovlivňuje chování vedoucího závazek zaměstnance, účast na rozhodování ve skupině a důvěru ve vedoucí; (2) Jak ovlivňuje hodnota vztahu osoba-organizace závazek zaměstnance, účast na rozhodování ve skupině a důvěru ve vedoucí, a (3), Zda se jedná o účinek interakce mezi chováním vedení a hodnotou vztahu osoba-organizace na výkon zaměstnance; co se týče závazků, účasti na rozhodování ve skupině a důvěře v jejich vedoucí v pracovním prostředí v rámci kulturního kontextu Srí Lanky a České republiky.

Dřívější výzkumy se soustředily pouze na přímý dopad vedení a hodnoty vztahu osoba-organizace na zaměstnancův výkon v organizacích. Současný výzkum se liší od dřívějších studií zahrnutím nových aspektů, tj. interakce, kulturní hodnoty při určování efektivního vedení a mění se výzkum území a proměnných. Hlavním cílem studie bylo pochopení možných řešení pro zvýšení výkonnosti zaměstnanců prostřednictvím vylepšené hodnoty vztahu osoba-organizace.

Stupnice pro měření chování vedoucích a hodnoty vztahu osoba-organizace byly upraveny ze studie projektu GLOBE z roku 2004. Závazek zaměstnance a důvěra ve vedoucí byly měřeny podle stupnice, kterou vypracoval Li ve své studii v roce 2006. Stupnice pro měření zaměstnanců byly konstruovány samostatně prostřednictvím literárního průzkumu. Cronbachův koeficient alfa byl nad dostatečnou úrovní spolehlivosti u všech položek. Pilotní studie byla provedena v České republice a na Srí Lance pro vyhodnocení dotazníku z důvodu přehlednosti, zkrácení, nejednoznačných otázek, formulace, načasování a významu pro organizační nastavení obecně. Pro studii bylo vybráno 250 zaměstnanců z řad středních manažerů, junior manažerů a úředníků v organizaci Plantation Sector na Srí Lance a 33 zaměstnanců v "EX" organizaci v České republice. Bylo provedeno šetření formou dotazníku pro hodnocení výkonnosti zaměstnanců v těchto proměnných. Všechny otázky byly zvýšeny o 7 bodů na Likertově měřítku a některé byly srovnány opačně. Kompletní dotazníky byly

zahrnuty pro analýzu dat pomocí ANCOVA (analýza kovariance) v obecném lineárním modelu postupu SAS. Demografické proměnné (věk, pohlaví, vlastnictví společnosti a celkové pracovní zkušenosti) jsou považovány za kovariance.

Podle zjištění, byla většina hypotéz podporována studijním obyvatelstvem Srí Lanky. Výsledky ukázaly, že nejvyšší R square hodnoty byly dány modely v rámci "administrativně příslušného týmově orientovaného vedení". Proto nejvýznamnějším stylem vedení pro zlepšení hodnoty vztahu osoba-organizace a výkonu zaměstnance bylo administrativně kompetentní týmově-orientované vedení na Srí Lance. Další výsledky ukázaly, že interakce hodnoty vztahu osoba-organizace a chování vedoucího byla významná pro závazek zaměstnance a jeho účast na rozhodování ve skupině s 1% pravděpodobností. Zaměstnanecká důvěra záleží hlavně na stylu vedení.

Na základě výsledků lze konstatovat, že vůdčí styl a hodnota vztahu osoba-organizace jsou lepší prognózy pro zvyšování výkonnosti zaměstnanců na Srí Lance. Tudíž výsledky této studie poskytující náhled do způsobu řízení těchto organizací na Srí Lance mohou zvýšit výkonnost zaměstnanců prostřednictvím těchto kritérií. Přestože byla hodnota vztahu osoba-organizace vyšší u studijních obyvatel České republiky než na Srí Lance, hypotézy nebyly tímto zjištěním podloženy. Jsou zde diskutovány teoretické a praktické výsledky a směry pro další výzkum.

## **EXTENDED ABSTRACT**

According to the recent research, person-organization value fit is one of the factors affecting on employee performance such as commitment, cooperation, communication, and profit gains in organizations. Leadership behaviour is another important factor affecting on employee performance. As both of these factors affect on employee performance, there is a theoretical rational of predicting an interaction effect between leadership behaviour and person-organization value fit. It is a critical issue for leaders in today's management to understand the ways of retaining their creative and innovative employees and enhancing their performance by improving person-organization value fit.

This thesis mainly focused on three objectives to evaluate: (1) How leadership behavior affects on employee commitment, participation for group decision making, and trust in their leaders; (2) How person-organization value fit affects on employee commitment, participation for group decision making, and trust in their leaders; and (3) Whether there is an interaction effect between leadership behavior and person-organization value fit on employee commitment, participation for group decision making, and trust in their leaders in Sri Lankan and Czech Republic cultural context.

Earlier researches have focused only on direct effect of leadership and person-organization value fit on employee outcomes in organizations. Present research differs from the earlier studies by including new aspects; i.e., interaction in to account, cultural values in determining effective leadership, and changing research territories and variables. The ultimate objective of the study was to understand the possible solutions for enhancing employee performance through improved person-organization value fit.

Scales for measuring leader behaviors and person-organization value fit were adapted from GLOBE project study in 2004. Employee commitment and trust in leaders were measured by the scales developed by Li (2006) study. Scales for measuring employee participation were self constructed by referring available literature. Cronbach's alpha was above the sufficient level of reliability for all items in the questionnaire. Pilot study was conducted in Czech Republic and Sri Lanka to evaluate the questionnaire for clarity, bias, ambiguous questions, wording, timing and relevance to the organizational setting in general. For the present study, 250 employees were selected from middle managers, junior managers and clerical staff in the organizations under the Ministry of Coconut Development in Sri Lanka and 33 employees in the "EX" Organization in Czech Republic. A questionnaire survey was undertaken to evaluate employees' ratings on these variables. All questions were raised on 7 points Likert-type scale and some were reverse coded. Complete questionnaires were included for data

analysis using Analysis of Covariates (ANCOVA) in general linear model procedure in SAS. Demographic variables (age, sex, company tenure and total work experience) were considered as covariates.

According to the findings, most of the hypotheses were supported by the study population of Sri Lanka. Results showed that the highest R-square values were given by the models under “administratively competent team-oriented leadership”. Therefore, the most significant leadership style for improving person-organization value fit and employee performance was administratively competent team-oriented leadership in Sri Lanka. Further, results revealed that interaction of person-organization value fit and leader behavior was significant on employee commitment and participation for group decision making at 1% probability. Employee trust mainly depends on the style of leadership.

Based on the results, it can be concluded that leadership style and person-organization value fit are better predictors for enhancing employee performance in Sri Lanka. Hence, results of this study provide insight into how the management of these organizations in Sri Lanka can enhance employee performance through these criteria. Even though person-organization value fit was higher in the study population of Czech Republic than Sri Lanka, hypotheses were not supported by their findings. Theoretical and practical implications of the results and directions for future research are discussed.

# CHAPTER 1

## INTRODUCTION

### 1.1 Key areas to be covered

Leader has been a feature of human interaction since the dawn of time, although the word “leadership” seems not to have been coined until 1818 (Hedges, 1995). True study of leadership was impossible until there was a concrete concept to describe it, and certainly the area has been considerably explored by social scientists, management researchers and many others from a variety of academic disciplines only since the beginning of the twentieth century (Hedges, 1995). Even though study of leadership itself has followed many paths’ thereby taking into consideration many facets of human interrelationships, the idea of “interaction effect of leader behaviour and person-organization value fit” seems largely to have escaped academic scrutiny.

According to the recent research, person-organization value fit is one of the factors affecting on employee performance such as commitment, cooperation, communication, and profit gains in organizations (Li, 2006; Wolf, 2007). Leadership behaviour is another important factor affecting on employee performance (ISR USA, 2008; Huang et al., 2005; Li, 2006). As both of these factors affect on employee performance there is a theoretical rational of predicting an interaction effect between leadership behaviour and person-organization value fit. It is a critical issue for leaders in today’s management to understand the ways of retaining their creative and innovative employees and enhancing employee performance by improving person-organization value fit. Hence this research, seeks to study direct influence and interactive influence of leadership behaviour and person-organization value fit on employee performance in Sri Lankan and Czech Republic cultural context.

Person-organization value fit is the congruence of an individual's beliefs and values with the culture, norms, and values of an organization. Recent researchers have mentioned that although there are various conceptualizations of person-organization value fit, it is broadly defined as the compatibility of individuals with the organization in which they work (Krist, 1996; McCulloch and Turban, 2007). Person-organization fit concerns in two different ways such as complimentary and supplementary fit. Complimentary fit occurs when a person or the organization provides attributes that the other party needs; for example, the person may have skills needed by the organization and supplementary fit occurs when a person and organization are similar on fundamental characteristics (Krist, 1996; Muchinsky and Monahan, 1987). Theoretical and empirical research suggests that individuals and organizations are most effective when their values, needs, and interests are aligned (Daniel and Timothy, 1995).

Manifestations of this alignment, which often is called person-organization value fit, which include job satisfaction, involvement, cooperation, communication, and commitment (Chatman and Barsade, 1995; Alstine, 2005; Li, 2006; McCulloch and Turban, 2007). Wolfe has shown that employee-organization fit (person-organization fit) can generate high profit and reduction in employee turnover of small business (Wolf, 2007).

But relatively little empirical evidence only exist on effect of person-organization value fit on employee commitment, participation for group decision making and trust in their leaders in Asia and no study in Sri Lanka. Every organization seems intent on finding skilled employees these days to achieve competitive advantage in the business world. But focusing only on job skills might leave these companies with a fewer employees and a bit light on the profit. Hence recruiting the whole person to organization is the principal theory of the person-organization value fit model (Chatman, 1989). And also Chatman has mentioned that person-organization value fit is influenced by the selection and socialization. Leader can enhance the socialization process in organizations by formal and informal associations with subordinates, if the leader emphasizes team-building and employee involvement in decision making (Chatman, 1989, 1991). Person-organization value fit model says that employee attitudes are enhanced when the fit between the organization culture and the employee is met. These attitudes include greater job satisfaction, organizational commitment and greater team spirit among co-workers (Bowen et al., 1991).

Many researches have mentioned that how human resource practices contribute to organizational performance in which selective hiring, innovative recruitment, self-managed teams and decentralization of decision making, compensation policy, extensive training, job security, and information sharing. Results have provided overall support for all human resource practices except of job security. Selective hiring was found to be a key practice that improved organizational performance (Vlachos, 2008; Ashok Som, 2008). Person-organizational value fit model explains about the importance of these factors in selective hiring in organizations. Chatman (1991), in her influential study, found that recruits whose values, when they enter, match those of the firm adjust to it more quickly, feel most satisfied, and remain with the firm much longer. Though person-organization value fit is so important phenomenon in organizational management, even organizations have to keep those employees whose values do not fit with their organizational cultures, because of labour shortage or because of the need to remain creative and innovative human resources (e.g. Li, 2006).

In this phenomenon it is necessary to study, whether leader can enhance employee performance even under low person-organization value fit by adapting



suitable behavioural acceptance of employees and their cultures. With relation to leadership behavioural styles and person-organization value fit, in early studies did suggest that leader behaviour may influence person-organization value fit (Meglino, 1991; Reichers, 1987; Silverhart and Hinch., 1996; Weiss, 1978; Li, 2006). Reichers (1987) noted that a leader can influence the level of person-organization value fit if the leader really tries; the harder he or she tries, the value fit can be higher. Further research seemed to suggest that all leader behaviours will not influence person-organization value fit to the same extent. The leader behaviours that involve more intensive interaction between leader and his or her subordinates may have greater impact on person-organization value fit by affecting the values, attitudes and behaviours of subordinates (Meglino et al., 1991; Weis 1978).

Situational leadership models suggest that leaders should make changes in their own behaviours in order to be truly effective. Among these, Ohio State study (1950s), Michigan study (1950s), Blake and Mouton's Managerial Grid (1970), House's path-goal model (1971), Hersey and Blanchard's situational leadership model (1977) and Vroom and Yetton's decision making model (1973) are prominent. Most studies conducted by leadership researchers in different part of the world reflect an awareness and understanding of leadership research conducted in United State and other Western countries. Most researches have been designed and tested in one culture and replicated in another culture rather than truly designed to test similarities and differences across all cultures. In order to fill this gap, few non western scholars motivated to think about their own behavioural theories of leadership. With this idea, few non western theories were stood out; i.e., Misumis's P-M theory (1985) in Japan and Sinha's nurturant-task oriented leader behaviour theory (1984) in India. Misumi's PM leadership instrument was adapted for use in China, but researchers found it is necessary to add an additional leadership factor, labelled "C" for character and moral, to adequately characterize Chinese leadership (Ling and Fang, 2003; House, 2004). These facts provide some insights to understand the necessity of own research in different cultures or societies.

Another most recent leadership and culture study was GLOBE study conducted in 62 countries including Eastern and Western part of the world (House et al., 2004). A major question addressed by GLOBE project is that in the extent to which specific leader characteristics and actions are universally endorsed as contributing to effective leadership, and the extent to which these qualities and actions are linked to cultural characteristics. In the GLOBE project they have empirically proven that effectiveness of leader behaviour is culturally contingent. Even Hofstede (1980) found that the single most important difference between people's perceptions and attitudes is attributable to their national identity and the values connected with it.

Situational leadership models involved a paradigmatic shift in thinking away from concentration on “the leader only” and towards the “relationship potential between leader and followers”. Hence, these findings made some motivation to present research to move further to investigate the effectiveness of selected leader behaviours empirically to improve person-organization value fit, employee commitment, participation for group decision making, and trust in their leaders in Sri Lankan and Czech Republic cultural context. As such, one contention of this thesis is that any means of improving organizational management system by identifying effective leadership behaviours for enhancing employee performance even under low person-organization value fit.

## **1.2 Research problem**

Sri Lanka began to shift away from a socialist orientation in 1977 and since then, the government has been deregulating privatizing and opening the economy to international competition. With the emergence of the market economy, the need of effective management of employees has become an utmost priority to organizations in Sri Lanka. With globalization, human activity has provided the competitive edge to business enterprises specially nations like ours. For organizations striving to meet competitive challenges in a technologically driven, sustaining and managing of creative and innovative human resource hold the key to future success (IPM Sri Lanka, <http://www.ipmlk.org>). The role and responsibility of human resource practitioners in Sri Lanka is shaping and developing human resource for organizational success which would be an influencing factor for the national development. Strengths, weaknesses and challenges faced by Sri Lanka over the years, in first dealing with the challenges of an open economy and currently dealing with a knowledge economy (Hashim, 2008; <http://web.worldbank.org>).

Plantation sector of Sri Lanka which has been selected as the research territory plays an important role in the economy by providing foods, materials and foreign exchange. In the year 2005, labour productivity of Sri Lanka, estimated on the basis of annual value addition per employee, Sri Lankan Rupees 138,300 per person, which is the highest for the period of year 2001 to 2005. The increase in overall productivity was mainly due to the significant increase in productivity in the agriculture sector and a marginal increase of productivity in the service sector in 2005 compared to 2004. Although there was an improvement in productivity in the agriculture sector, it remained around half or even lower than the productivity in the industry and service sectors in 2005. Further low level of productivity in agriculture has remained throughout the period of year 2001 to 2005. Central Bank Report of Sri Lanka has elaborated that there was a significant decrease in number of employee strikes in the

plantation sector in year 2005 compared to 2004. This is an indication of improvement in the relationship between employers and employees. This report has said that further improvements in labour relations could lead to productivity improvement in all sectors of Sri Lanka. This problem of low labour productivity will not be able to solve in a short period of time but will prolong by years in up and down if responsible parties will not involve deliberately (Annual Report, Central Bank of Sri Lanka, 2005). In this point of view, it is very important to conduct our own research regarding human resource practices to understand how employee performance can be improved by leadership and person-organization value fit in organizations rather than increasing wages and fringe benefits. Increasing number of employees and continuous increasing of wages create an unhealthy economy within the system and as well as it leads to higher level of inflation within the economy.

Even in the Czech Republic, economic transformation is not yet over. The economy grew at the rate of (GDP) 6% annually from 2005-2007 and the strong growth continued throughout the first three quarters of 2008. The current right-of-centre coalition government had committed itself to reduce the GDP deficit to 3% by 2008, from 4.7% in 2006. Planned reforms involve in reduction of currently mandatory expenditures to meet Maastricht criteria for adoption of the Euro. Free trade in services and agricultural goods, as well as stronger regulation and *rising labour costs*, will mean tougher competition for Czech producers (CZ, The world fact book, online, 2009). In this situation, enhancing employee performance is essential rather than increasing number of labours and wages even for Czech Republic organizations, in order to achieve higher employee productivity. On the other hand, for any society, low employee productivity creates an uncertainty in existence of organizations in the economy and as well as it creates employee unrest within the system. If it is to be economically viable in the society, employee productivity should be enhanced through higher employee morale. Hence, this research is focused on these criteria to understand the ways of improving labour productivity through higher employee performance.

### **1.3 Purpose of the study**

Both leadership and person-organization value fit are global issues in the competitive environment, to enhance their profit by sustaining competitive advantage in organizations. Leadership is fundamentally a relationship-based influence between people, and therefore is considerably dependent upon the quality of understanding between the interactive parties. The leader's job is to motivate employees to carry out the organizations decisions to achieve the desired outcomes by creating an environment in which people can motivate themselves. Many interesting issues remain unclear such as which kind of leader

behaviours are more appropriate than others in cultural basis to improve person-organization value fit and even their interactions on employee performance. If organizations utilize their human resource in productive way, cost of production can be lowered (Allen et al., 2005). Therefore, this study addresses the new aspects that has lately attracted attention in management theory and practices; i.e. impact evaluation of leadership and person-organization value fit on employee performance. And also this study seeks to identify possible changes on the part of leader behaviour and as well as on the part of employees and organizations in order to enhance employee performance.

Also Li (2006) has rightly mentioned that future research should further test the effectiveness of leader behaviours in different cultures or societies that can improve person-organization value fit and employee performance. In order to fill this existing research gap in the literature, present study extended the previous research in changing culture, leader behaviours, and some variables of employee performance. Therefore this study was focused to investigate the main effects and interaction effect of leader behaviour and person-organization value fit in relation to employee commitment, participation for group decision making, and trust in their leaders. Above summary of prior research creates three objectives for the current study to find out,

1. The effect of leadership behaviour on employee commitment, participation for group decision making, and trust in their leaders.
2. The effect of person-organization value fit on employee commitment, participation for group decision making, and trust in their leaders.
3. Whether there is an interaction effect between leadership behaviour and person-organization value fit on employee commitment, participation for group decision making, and trust in their leaders.

The study was conducted in five organizations, under the Ministry of Coconut Development in Sri Lanka and “EX” Organization in the financial sector in Czech Republic. The study was aimed to understand the cultural similarities and varies of both countries under the present research concept.

## **1.4 Significance of the study**

This study is significant for the following reasons:

1. In the extensive literature in both developed and developing countries, only very little evidence has been written about the interaction effect of leadership behavioural styles and person-organization value fit. The present study will enhance the very limited research in this area. Hence, the findings of this study will move scholarly towards a theoretical advancement.
2. It would seem to be an opportune time to undertake such a study at the face of the competition of globalization to understand and aware the ways of enhancing employee productivity through higher employee performance.
3. This study may provide useful guidance for leaders in human resource management and policy makers in organizations.
4. It is hoped that the approach used in this study will contribute some insights for on-going research or future research.
5. A further significant aspect of this research topic is, relating to the own country study. Research variables have been chosen by considering the own organizational and cultural values.
6. Finally, it is expected that this study may serve as a catalyst for further research in other countries to determine whether the results are context specific or whether the results may be common to other cultures as well.

## **1.5 The organization of the thesis**

This chapter provides an introduction to the present study, problem area for the research, purpose of the study, objectives and significance of the study. Chapter 2 outlines the contexts of the research territories, cultural values of these nations, economic aspects of Sri Lanka and Czech Republic and economic point of view to research. Based on the literature review in the chapter 3, a conceptual framework is formulated and presented in the chapter 4. In chapter 5, detailed account of the research approach and methodology are addressed. Chapter 6 presents the findings from the questionnaire and Chapter 7 reports the results of the quantitative data analysis. Chapter 8 elaborates the contribution of the thesis to science and practice and area for further research. The final chapter, No. 9 presents the conclusion of the study.

## **CHAPTER 2**

# **ECONOMIC ASPECTS AND SOCIAL VALUES OF THE RESEARCH CONTEXTS: SRI LANKA AND CZECH REPUBLIC**

This chapter presents the general overview of Sri Lanka and Czech Republic, in which the research was carried out. This includes; the economic aspects of Sri Lanka and Czech Republic, cultural ethos of these nations, role of the research territory of Sri Lanka, and currently importance of doing research in these countries.

### **2.1 Significant aspects of the economy of Sri Lanka**

Sri Lanka is a middle income developing nation with a Gross Domestic Product (GDP) of about \$27.4 billion and with per capita GDP of about \$4,400 (2008). Sri Lanka has achieved the 90.7% literacy rate in local languages and life expectancy of 75.4 years rank well above those of India, Bangladesh, and Pakistan. Income inequality in Sri Lanka is severe, with striking differences between rural and urban areas. About a quarter of the country's population of about 21 millions remains impoverished. Civil conflict, falling agricultural labour productivity, lack of income-earning opportunities for the rural population, and poor infrastructure outside the Western Province are impediments to poverty reduction. Following the 2002 ceasefire and subsequent economic reforms, the economy grew more rapidly, recording growth rates of 6.0% in 2003, 5.4% in 2004 and 6.8% in 2007 that down from 7.7% growth in 2006 ((Sri Lanka, Word fact book, online, 2009).

#### **Cultural ethos in Sri Lanka**

Sri Lankan social values are formed by the influence of a Sinhalese civilization and Buddhism, British colonization, and independence and democracy. The heritage of traditional cohesive self-sufficiency, national pride, cast dignity and the familial system, are rooted in the feudal system and the code of conduct of the Sinhalese Buddhist civilization. Researchers have found some main socio cultural patterns in Sri Lanka as: dependence, lack of self-confidence, accepting the status quo, work is for livelihood, resistance to change, kinship and respect for authority. These behavioural patterns are critical to judge the relevance of western social, cultural, political, and economical aspects of objective rationality of individualism (Gamage et al., 2003).

## **Human nature**

Within the historical legacy of feudalism, Sri Lankan self-esteem is identified with family. Sri Lankans think in terms of collective way and not individual values as society is not built on the individual but on the family. It comes naturally for Sri Lankans to put the focus on combined interest of the family. The Sri Lankan cultural orientation is supported by shared values which function as the basis of shared behaviour. Further, compared to the West, Sri Lankans prefer a more “structured” social order and therefore, Sri Lankans are less autonomous and more dependent on their place in the surrounding social system. Society in Sri Lanka always expects social responsibility and sharing attitude, rather than favouring quick achievement of higher expectations by individuals. The result is less assertive orientation to personal achievement in the wider social context in Sri Lanka (Gamage et al., 2003).

### **2.1.1 Individualism and collectivism in Sri Lanka and Czech Republic**

Hofstede (1980) defines individualism as “a preference for a loosely knit social structure in which individuals take care of themselves and their immediate families only,” and collectivism as “a tightly knit social organization in which individuals can expect other in-group persons to look after them” (House et al., 2004). Of the 53 countries he analyzed the United State was the most individualistic and in contrast Japan was found to be more collectivistic. Subsequently, researchers have also noted that the Czech Republic is also more collectivistic than the U.S. (Early et al., 1999). When compare to South Asia, Czech Republic is less collectivistic than these countries (House et al., 2004).

According to the GLOBE study, Czech Republic comes under the Eastern Europe societal cluster and Sri Lanka falls under the South Asian cultural cluster. In-Group collectivism practices and values and Institutional collectivism practices and values are similar in Eastern Europe cluster. In South Asian cluster, In-Group collectivism values and practices are similar but institutional collectivism practices are lower than values. According to these elaboration and findings, Czech Republic has a good balance between what people expect and what society practices. In Sri Lanka, institutional collectivism practices should be improved because of what people expect is higher than what the society practice (House et al., 2004).

In one exploratory study, Jago and colleagues (1993) found that German, Austrian, and Swiss managers were the most participative, Polish and Czech managers the most autocratic, and the U.S. and French managers between the extremes. First unlike managers of other nations, polish managers were more likely to be participative only on trivial matters and not on important issues.

Second there were differences across countries in scenarios in which subordinate conflict was likely-for example the U.S. and polish managers were likely to become autocratic in conflict-producing situations (cited by House et al., 2004).

### **2.1.2 Role of the coconut plantation sector in the economy of Sri Lanka as the research territory**

In the nineteenth and twentieth centuries, Sri Lanka became in to plantation economy, famous for its production and export of cinnamon, rubber and Ceylon tea and coconut, which remains a trademark national export. In Sri Lanka, total agriculture contributes to Gross Domestic Product (GDP) in 13.4 percent as a whole that includes Coconut, Tea, Rubber and other agricultural crops. Total plantation contributes to GDP in 4.4 percent as a whole and coconut sector solely contributes to GDP around 1.7 percent in the country. Not like other plantation crops, domestic consumption is very high in coconut. Accounting to the recorded statistics in year 2006, domestic consumption was 2221 million nuts and exported only 562.51 million. Even though it is so small in exported portion, contribution to GDP is considerably high. There are number of export products such as mattress fiber, bristle fiber, twisted fiber, coir yarn, coir twine, coir fiber pith, desiccated coconut, and coconut shell charcoal. Those are exported to the countries where European Union, Eastern Europe, rest of the Europe, Asia, Africa, Middle East, Far East, and America.

Coconut palm is referred to as the “Tree of Life” and provides food, drink, shelter and materials for industries. Coconut occupies about 412,550 ha of land and is the largest plantation crop in Sri Lanka. It is found in all administrative districts except in the higher elevations but is concentrated in the coconut triangle in the Puttalam, Kurunegala, Gampaha, Colombo and Kalutara districts. Coconut is predominantly a small-holder crop with 75 percent of the area below 8 hectare (Sri Lanka Coconut Statistics, 2006).

#### ***How coconut sector important to the world economy***

Coconut continues to play a dominant role in almost all the coconut producing countries particularly in the Asia and Pacific region. Millions of people are still depending on the coconut industry for their livelihood and fortune. The area under coconut in the world is 12,167 million hectares and the estimated coconut extent in APCC countries is 10.691 million hectares in year 2005. Coconut area expanded at a rate of 0.14 percent per annum in the APCC countries while the total world area grew at the rate of 0.24 percent per year during 2001-2005. APCC countries contribute 87.86 percent of the total world coconut area. In line with increased population and income, domestic consumption of coconut is increasing rapidly. Countries such as Sri Lanka,



India, Thailand, and Vietnam are producing purely or largely for domestic markets (Coconut Statistics, 2006).

### ***Role of the coconut sector institutions of Sri Lanka***

Coconut sector comes under the purview of the Ministry of Plantation Industries. Government provides considerable assistance to the growers for the upliftment of the industry and their livelihood. This assistance is channeled through three organizations; i.e. Coconut Development Authority, Coconut Cultivation Board, and Coconut Research Institute which are administering under the Ministry of Coconut Development. Other than these-semi government organizations there are private organizations that are involving in the coconut industry in Sri Lanka. Out of them, mainly Chilaw Plantation Limited, Kurunegala Plantation Limited, and BCC Lanka play a major role in the sector.

Coconut Development Authority plays as the policy formulation body in the coconut sector, determination of its development priorities, development and promotion of new techniques in the processing of coconut, monitoring of quality control aspects, provide assistance in increasing the efficiency of establishments of manufacturing coconut products, maintenance of standards of quality of products, product and market development, and enforcement of government policies on international and external marketing (CDA, [www.cda.lk](http://www.cda.lk)).

Coconut Cultivation Board provides mainly assistance for the development of coconut lands, provides an advisory service to the coconut growers, administers the government subsidy programs for coconut cultivation, rehabilitation of coconut lands, maintain coconut nurseries, conducting training programs for different categories of people, provide crop protection programs and some more different services in status quo.

Primary function of Coconut Research Institute is conducting research regarding development of the coconut palm, providing advisory assistance to the estate sector, and providing expert guidance on all matters relating to coconut cultivation (CRI, [www.cri.lk](http://www.cri.lk)).

## **2.2 Geographic location of Czech Republic**

The Czech Republic lies in the very heart of Europe that its neighbours include not only the developed western countries, Germany to the west and Austria to the south, but also countries in process of transformation; i. e. Poland to the north and Slovakia to the east. The Czech Republic is the western part of former Czechoslovakia and consists of three historical places that are Bohemia in the west, Moravia in the east and Silesia in the northeast. The area of the

Czech Republic is 78,866 square kilo meters and it has a population of 10.3 million. Annual population growth rate is 0.1% and literacy level is 99.8% (Kralovec, 2008, [www.fao.org/ag](http://www.fao.org/ag)).

### **2.2.1 Economy of Czech Republic**

The Czech Republic is one of the most stable and prosperous of the post-Communist states of Central and Eastern Europe. Growth in 2000 to 2007 was supported by exports to the European Union (EU), primarily to Germany and a strong recovery of foreign and domestic investment. The current account deficit has declined to around 3.3% of GDP as demand for automotive and other products from the Czech Republic remains strong in the European Union. Rising inflation from higher food and energy prices are a risk to balanced economic growth. The Czech Republic possesses a developed, high-income economy with a GDP per capita of 82% of the European Union average. Czech Republic has seen a growth of over 6% annually from 2005-2007. Most of the government own institutions have been privatized, including banks and telecommunications. The country has fully implemented the Schengen Agreement and therefore has abolished border controls with all of its neighbours (Germany, Austria, Poland, Slovakia) on December 21.2007. The last Czech government had expressed a desire to adopt the euro in 2010, but the current government has postponed it due to budget deficits and an exact date has not been set up. Current government plans to meet the criteria for joining the euro zone around 2012 (CZ, World fact book, online, 2009).

In the early 1990s, most state-owned industries were privatized through a voucher privatization system. Every citizen was given the opportunity to buy, for a moderate price, a book of vouchers that he or she could exchange for shares in state-owned companies. State ownership of businesses was estimated to be about 97% under communism but non-private sector is less than 20% today. Unemployment declined to 5.0% in May 2008 but rates of unemployment are higher in the coal and steel producing regions of Northern Moravia and Northern Bohemia, and among less-skilled and older workers. The economy grew at the rate of 5.7% in 2007 and similar growth was expected in 2008. Planned reforms involving reduction of currently mandatory expenditures to meet Maastricht criteria for adoption of the euro will prepare the Czech Republic for accession to the Euro zone in 2012 at the earliest.

Czech Republic became a European Union (EU) member on May 1, 2004. Most barriers to trade in industrial goods with the EU fell in the course of the accession process. The process of accession had a positive impact on reform in the Czech Republic, and new EU directives and regulations continue to shape the business environment. Free trade in services and agricultural goods, as well

as stronger regulation and *raising labour costs*, will mean tougher competition for Czech producers. Also Czech Republic's economic transformation is not yet complete. The government still faces serious challenges in completing industrial restructuring, increasing transparency in capital market transactions, transforming the housing sector, reforming the pension and health care systems, and solving serious environmental problems (Economy of Czech Republic, [www.traveldocs.com](http://www.traveldocs.com)).

### **2.3 Economic point of view of the research**

If an organization utilizes its human resource in maximum potential, cost of production can be lowered, as human resource involve in both labour and entrepreneurship in production process. In microeconomics, it explains how house holds and firms make decisions and how these decision makers interact in the market place. A central principal of microeconomics is that households and firms optimize—they do the best they can, to meet objectives and to solve constraints under scarcity (Allen et al., 2005; Hirschey, 2006). Management decisions are often made in light of constraints imposed by technology, resource scarcity, contractual obligations, laws and regulations. To make decisions that maximize values, managers must consider how external constraints affect their ability to achieve organizational objectives. Organizations frequently face limited availability of essential inputs, such as skilled labour, raw materials, energy, and specialized machinery etc. In a firm, its total fixed cost- is the cost that total cost per period of time incurred by the firm for fixed inputs. It is almost fixed. Total variable cost is the cost that incurred by the firm for variable inputs uses to produce outputs (Salvatore, 2004; Allen et al., 2005; Hirschey, 2006). In short run manager or leader can take decision to increase its production by higher rate of variables. Thus cost for variable inputs will goes up. In this situation leadership style is highly interactive. Leader can employ more labour and entrepreneurs to increase its production as well as leader can increase their employees' performance to achieve more outputs.

In other way according to the macroeconomic theory, continuous increasing of wages is a big economic problem, to enhance its production and productivity through employees. When people demand higher wages, it increases costs to firms, which means they have to increase their selling price which leads to higher inflation. So it becomes a bit of a vicious cycle (Zappone, 2008). As well when increase wages, purchasing power goes up and demand for goods and services also goes up. But production can not be increased as so quickly, because there is a planned investment in the economy. As a result prices will go up to maintain the economic balance as production is same as early that create an inflation and it affects to the social balance of the economy. If inflation is high in the economy, in equilibrium will exist. It is a social problem which

government should interfere (Mauldin, 2008). The quantity theory of money states that the central bank, which controls the money supply, has ultimate control over the rate of inflation. If the central bank keeps the money supply stable, the price level will be stable or if the central bank increases the money supply rapidly, the price level will rise rapidly. Countries with high money growth have high inflation (Mauldin, 2008). As a result enhancing employee performance through proper human resource practices is essential rather than increasing number of labours and wages.

The main theme of the current study is to test empirically how employees can be motivated to take best, out of their potential to meet organizational objectives through improving leadership and person-organization value fit. Because of, wage is not an always a motivating factor of employees but their preference is far beyond than that (Herzberg, 1959). As a leader, it always will be his or her toughest job to turn around people who have lost the motivation to make a positive contribution to the team. But, contrary to popular perception, his or her job as a leader or manager is not to motivate your staff as motivation is internal. Instead, leaders are responsible for creating an environment in which people can motivate themselves and this can be done without relying on merit increases, incentives and bonuses (Falcone, 2002).

## **Summary**

This section presented a brief description of the research territories, social and cultural values connected with their historical legacy, and economic point of view to the research. In the next chapter, it is argued that the critique of the selected concepts and logical reasoning for the research through available literature.

## **CHAPTER 3**

### **REVIEW OF RELATED LITERATURE**

The objective of this literature review is to get insights in to development of conceptual frame work to support the proposed research effort. This section includes the literature relating to leader behaviour effectiveness in different cultures, importance of organizational culture in organizational development, and relationships between leadership behaviours and person-organization value fit in relation to employee performance in organizations. This review is designed to increase the clarity in our understanding in the areas of available empirical facts and lack of research and weakness in the current literature.

There are many studies in relation to effectiveness of different leader behaviours that have been widely acknowledged in the West and few in the East. As well as there are many studies in relation to person-organization value fit. But there is a lack of research on their alternative impact on employee performance. For the present study, person-organization value fit model was combined with leadership behavioural theories to develop a new theoretical base for an interaction effect of person-organization value fit and leader behaviour.

#### **3.1 The concept of leadership**

In this section researcher presents the studies related to leadership effectiveness in Western and Eastern countries and also novel concept on culturally endorsed leadership theory. Here researcher emphasizes how leadership affects on employee performance and why societal culture and organizational culture important in this phenomenon. According to novel theories of leadership effectiveness, present study was based on culturally endorsed implicit theory of leadership of GLOBE project (House et al, 2004).

Leadership is a dynamic relationship based on mutual influence and common purpose between leaders and collaborators in which both are moved to higher levels of motivation and moral development as they affect real, intended change (Freiberg and Freiberg, 1996). Three important parts of this definition are the terms relationship, mutual, and collaborators that define as, relationship is the connection between people, mutual means shared in common, and collaborators cooperate or work together. This definition of leadership says that the leader is influenced by the collaborators while they work together to achieve an important goal. In contrast, Yukl (2002) argues for a broad conception of leadership that encompasses the determination of the group or organizations objectives, organization of work activities, motivation of followers, facilitation of cooperative relationships and team work, and enlistment of support from people

outside the group or organization (cited by House et al., 2004). The GLOBE survey definition of leadership is the ability of an individual to influence, motivate, and enable others to contribute towards the effectiveness and success of the organization of which they are members (House et al., 2004).

Yukl (1989), concluded that the skills most often linked to leadership were found to be intelligence, dominance, self-confidence, achievement drive, interpersonal skills and activity (cited by Hedges, 1995). The most admired leaders were reported to be those who were honest, competent, forward looking and inspiring (with honest, outstandingly first on the list), then followed by courageous, straightforward, imaginative, dependable, supportive, caring, cooperative, mature, ambitious, determined, self-controlled, loyal and independent. It seems inaccurate to call these qualities “skills” perhaps the required skill is in the leaders communicating to the followers the possession of those qualities.

From a study of United State has mentioned, leaders actually engaged in leading, rather than a purely theoretical study, suggests that a list of characteristics needed by future leaders should include broader education, boundless curiosity, belief in people, teamwork, willingness to risk, devotion to long-term growth, commitment to excellence, virtue and vision (cited by Hedges, 1995). Americans are generally enamoured with the notion of leadership and place a premium on leaders. For most Americans, the term leadership evokes a positive connotation-it is a desirable characteristic and highly praised. Organizational success is often attributed solely, if not mistakenly, to the chief executive. But positive semantic evaluation of leadership is not universal (cited by House et al., 2004). Europeans seem less enthusiastic about leadership than do Americans. Lots of studies on leadership and management are related to America, Europe, or any other western countries. It is very less with relation to Asia and far less with relation to Sri Lanka. As such, many conclusions ignored the possibility that national culture and organizational culture might be moderating factors which would alter results. This creates some motivation to do this research in Sri Lankan cultural context and Czech Republic cultural context.

### **3.1.1 The behaviourist tradition in leadership research**

This section explains how leader behaviour can influence their subordinates in the work situations. This clearly shows that leader affects on employee performance. Even though there are fewer researches have done on direct relationship between leader effectiveness and employee performance, these theories make some sense on, leader influences subordinates in their work accomplishment.

According to the early theories of leadership, a famous series of studies on leadership behaviours has been conducted in Ohio State University, starting in the 1950s. They found two critical characteristics either of which could be high or low or and they were independent of one another. Those independent variables are initiation of structure, (the degree to which the leader defines, organizes, and establishes the way of getting the job done) and consideration, (the degree of two-way communication, trust, respect and warmth a leader shows). Follow-up studies indicated a high level of consistency and stability in description of each factor. In spite of recognition that these two factors really did not explain all the behaviours of a leader (Hedges, 1995).

University Michigan studies also explored the area of leader behaviour. Their focus was to identify relationship between leader behaviour, group process and group performance (Hedges, 1995). They categorized three types of behaviours which differentiated between effective and ineffective managers: task oriented behaviour, relationship oriented behaviour and participative leadership. Task-oriented behaviour explains that effective managers do not do the same kind of work as their subordinates. Their tasks were different, and included planning and scheduling work, coordinating activities and providing necessary resources. They also spent time guiding subordinates in setting task goals that were both challenging and achievable. In relationship-oriented behaviour, effective managers not only concentrated on the task, but also on their relationship with their subordinates. They are more considerate, helpful and supportive of subordinates, including helping them with their career and personal problems. They recognize effort with intrinsic as well as extrinsic reward, thanking people for effort. In overall, the effective preferred a general and hands-off form of supervision rather than close control. They set goals and provide guidelines, but then give their subordinates plenty of leeway as to how the goals can be achieved.

Third behaviour is participative leadership behaviour that concerns as effective leaders use a participative style, managing at the group level as well as individually, for example using team meetings to share ideas and involve the team in group decisions and problem-solving. By their actions, such leaders model good team-oriented behaviour. The role of the manager is more facilitative than directive, guiding the conversation and helping to resolve differences. The manager, however, is responsible for results and is not absolved of responsibility. As such, they may make final decisions that take recommendations from the team into account. The effect of participative leadership is to build a cohesive team which works together rather than a set of individuals. In these two models they explain about the importance of concerning on employees or followers in effectiveness. The results of Michigan

study resembled those of the Ohio studies, since task oriented behaviour aligns very closely with initiating structure and relationship-oriented behaviour with consideration (Hedges, 1995).

Fiedler's contingency theory (1967) postulates that there is no best way for managers to lead. Situations will create different leadership style requirements for a manager. Path-Goal theory (1971), assumes that leaders are flexible and that they can change their style, as situations require. Effective leaders clarify the path to help their followers to achieve their goals and make the journey easier by reducing roadblocks and pitfalls. Also it says the leader facilitates, coaches and rewards effective performance (House, 1971). Research demonstrates that employee performance and satisfaction are positively influenced when the leader compensates for the shortcomings in either the employee or the work setting.

After these theories, another theory was developed; i.e., Hersey-Blanchard situational leadership theory (1977) and it was based on the amount of direction (task behaviour) and amount of socio-emotional support (relationship behaviour) a leader must provide in given situation and the "level of maturity" of the followers. According to this theory in determining the appropriate leadership style to use in a given situation, the leader must first determine the maturity level of the followers in relation to the specific task that the leader is attempting to accomplish through the effort of the followers.

Blake and Mouton's Managerial Grid was based on these two-factor ideas: a combination of deferent levels of concern for people and concern for production within a particular leader could result in 81 different positions on the grid, thus showing that leadership behaviour can be extremely varied. They described only five major positions so as to delineate the contrasts, and claimed the superiority of the '9, 9' style of leadership, strong in both concern for people and for production simultaneously, in every situation (Blake and Mouton, 1979). Role theory shows that supportive role to the employees in organizations and it explains about within organizations: there is much formal and informal information about what the leader's role should be, including 'leadership values, culture, training sessions, modelling by senior managers, and so on. According to these theories, all those leadership behaviours interact with employees to enhance their performance. Hedges, 1995 has reviewed that distinguished between leaders adopting an autocratic, democratic or laissez-faire style of leadership, and concluded that democratic leadership was preferable from both productivity and behavioural perspective. McGregor's Theory X and Theory Y (1960) explains that if people are happy then they will be optimally motivated to do the work they are given. In addition, it is assumed that they will also think intellectually about the work and, with a minimum guidance, will plan, monitor



and improve much of what they are doing. But all these theories are in western cultures especially in America and their viability in other cultures should be researched.

After developing these western theories of leader behaviours, then non western scientist began to think on their own theories of leadership which would be more effective in their cultures than these western theories. This clearly explains that the necessity of own research on cultural basis in each society. Later theories on leadership have shown that leader effectiveness is culturally contingent. For the development of any organization or society, its own research is essential. This creates another motive to do the current study.

### **3.1.2 Non western conceptualization of leadership**

Research programs by two non western theorists stood out in importance. The first in Misumi's research in Japan and the second is Sinha's research in India. Later House and his team (2004) have studied about Western and non-Western cultures in their GLOBE project study conducted in 62 cultures in worldwide. They all have identified that leader can influence employee performance by adopting suitable behaviours based on their cultural values.

Japan's management system has become popular in the world by its vigorous development system that has been identified by own cultural value system. Misumi's performance-maintenance (PM) theory of leadership in Japan (1985) has identified four types of leaderships classified by their focus on two basic leadership factors labelled performance and maintenance. The performance (P) function reflects two aspects: a leaders planning, guiding and developing work procedures; and pressure on subordinates to work hard and get the work done. The maintenance (M) function reflects the leader's promoting of group stability and social process. These central leadership functions in the PM theory are similar to the "task oriented" and "support- oriented" leadership functions in western theories of leadership. Misumi's results suggest that for effective leadership in Japan, supervisors must emphasize performance-oriented and maintenance-oriented factors together. Performance factor should be separated in to a planning factor and a pressure factor in dealing with people (House, 2004). Misumi's PM leadership instrument was adapted for use in China, but researchers found it necessary to add an additional leadership factor, labelled "C" for character and morals, to adequately characterize Chinese leadership (Ling and Fang, 2003; House, 2004).

Similar to Misumi's research in Japan, early efforts to study leadership in India were influenced by conceptual links to western social scientists. However research results were often inconsistent and at odds with prevailing beliefs about

the nature of effective leadership in Indian organizations. Research data often have supported the interpretation that democratic, participative, and considerate leaders were most effective, whereas managers and workers often voiced a preference for paternalistic and nurturing leaders who are also authoritarian and assertive (House, 2004).

To reconcile these inconsistent beliefs about effective leadership, Sinha (1980, 1984) developed a Nurturant–Task oriented model (NT) that incorporated a combination of leadership styles. The model suggests that an ideal leader in India is both nurturant and task oriented. According to the theory, a nurturant-task oriented leader needs to show affection, care for subordinates, and commitments towards their growth. However House (2004) has mentioned, the nurturance is contingent on the subordinate’s task accomplishment-the leader becomes a benevolent source of support provided that the subordinate respects and obeys the supervisor, works hard, and is highly productive. In short, the leader is paternalistic and authoritative. At this point in the relationship, however the leader can encourage the subordinate to be more independent and to actively participate with the leader in decision making. These findings provide a conclusion that effectiveness of leadership is culturally contingent.

### **3.1.3 Leadership and multiculturalism**

Drucker (1988) had pointed out the importance of taking into account the difference between people in different nations when studying management and leadership in any context: he asserts “because management deals with the integration of people in a common venture, it is deeply embedded in culture (reviewed by Hedges, 1995). What managers do is exactly the same but how they do it may be quite different”. Laurent (1986) has researched managers of many different types of companies in nine West European countries and he found that the “most powerful determinant of their assumptions was by far their nationality” (Hedges, 1995).

#### ***The GLOBE survey on culture and leadership***

The broadest and most thorough study of leadership and culture was done by House and his team (2004) reported on the Global Leadership Behaviour Effectiveness Research Program (GLOBE) that surveyed, 17300 mid-level managers representing 951 organizations in 62 countries (Grisham, 2006). The research addressed how organizational practices are influenced by social forces, and it cross referenced the work with that of Hofstede (2001), and Schwartz (1994). A major question addressed by GLOBE, in the extent to which specific leader characteristics and actions are universally endorsed as contributing to effective leadership, and the extent to which these qualities and actions are

linked to cultural characteristics. The editors found that leadership is culturally contingent upon the culture in which the leader functions (Grisham, 2006).

### **3.1.4 Patterns of leader acceptance in different cultures**

Dorfman (2004) has mentioned that leadership styles emphasizing participation, which are commonly accepted the individualistic West, are of questionable effectiveness in the Collectivistic East (cited by House et al., 2004). Asian managers place heavy emphasis on paternalistic leadership (Porvaznik, 2008) and group maintenance activities (cited by House et al, 2004). Charismatic or value-based leadership may display a highly assertive manner, as in the case of John F. Kennedy or Martin Luther (House et al., 1997).

Also literature says, a leader who “listens carefully to what you say” is seen as more rewarding in the U.S. than in China. The Malaysian leader is expected to behave in a manner that is humble, modest, and dignified. As in the literature, in India, there is a preference for leadership that is proactive, morally principled, ideological, bold, and assertive, in contrast to reactive, pragmatic, instrumental, quiet, and nurturing. By considering all those factors and cultural values of countries the GLOBE study has identified six global leadership characters as follows,

- Charismatic/value based leadership: It describes the ability to inspire and motivate others. It includes subcategories of visionary, inspirational, self-sacrifice, integrity, decisiveness, and performance orientation. The highest reported score was in the Anglo cluster (6.05) and the lowest score was in the Middle East cluster (5.35) out of 7 points in the scale.

- Team-oriented leadership: It describes ability to build common purpose. It includes the subcategories of collaborative team-orientation, team integrator, diplomatic, malevolent, and administratively competent. The highest reported score was in the Latin American cluster (5.96), second highest was in Eastern Europe (5.88) and next highest is in South Asia (5.86). The lowest score was in the Middle East cluster (5.47) (Figure 1).

- Participative leadership: It describes in degree to which others are involved in decisions. It includes the subcategories of non-participative and autocratic. The highest reported score was in Germanic Europe cluster (5.86) and the lowest score was in the Middle East cluster (4.97).

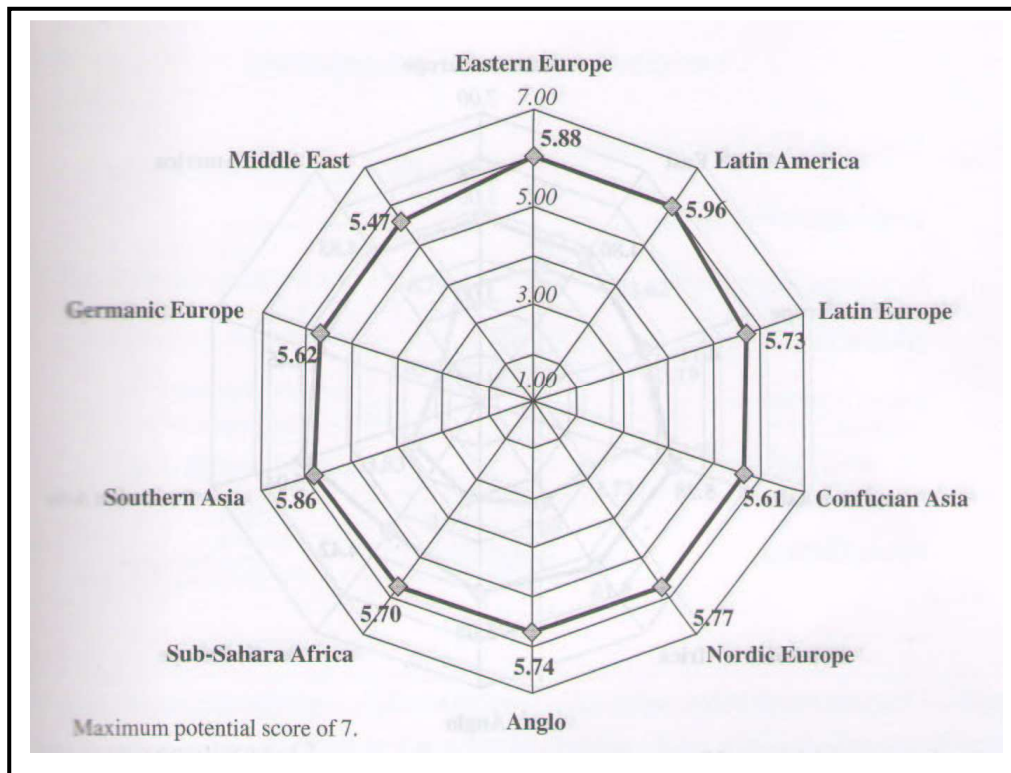


Figure 1 Team-oriented leadership dimension scores for each culture cluster<sup>1</sup>

- Autonomous leadership: Individualistic and independent attributes. The highest reported score in Eastern Europe (4.2) and the lowest score in Latin America (3.51).
- Self-protective leadership: Ensures safety and security of self and group. It includes the subcategories of self-centred, status, consciousness, conflict inducer, face-saver and procedural. The highest reported score in South Asia (3.83) and the lowest score in Nordic Europe (2.72).
- Human-oriented leadership: It includes compassion and generosity. It includes the subcategories of modesty and human orientation. The highest reported score was in South Asia (5.38) and the lowest score was in Nordic Europe (4.42) (Figure 2).

<sup>1</sup> Source to figure 1: GLOBE study (House et al., 2004)

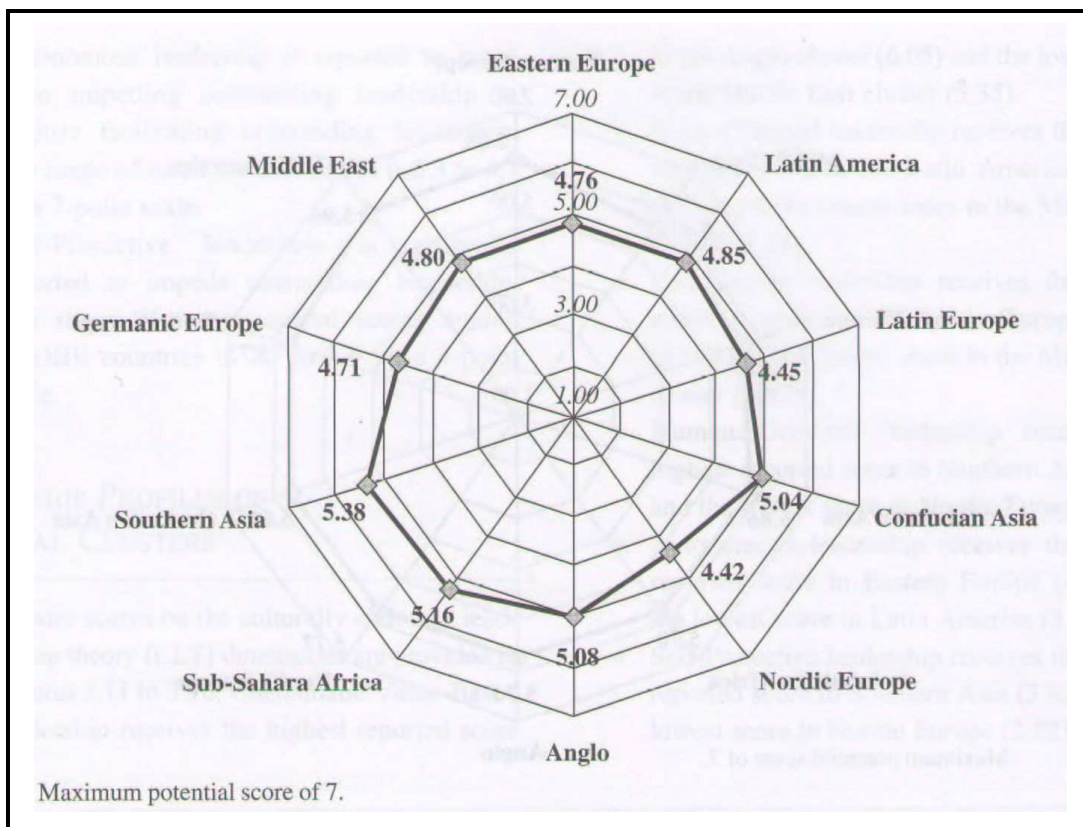


Figure 2 Human-oriented leadership dimension scores for each culture cluster<sup>2</sup>

According to above leadership profiles of cultural clusters, the most suitable leadership dimensions for South Asian cluster are charismatic/value-based leadership dimension (score is 5.97), team oriented leadership dimension (score is 5.86), and human-oriented leadership dimension (5.38) in respect to GLOBE findings. As charismatic leaders are extreme characters and rarely existing in the society in practice the most suitable and practicable behavioural models for Sri Lanka are team-oriented leaders and human-oriented leaders in behavioural perspective.

As in the literature, leaders in countries where cultural norms are more tradition-bound, often take factors other than merit in to account, in deciding on salary increases. On the other hand, leaders from modern societies tend to focus more on issues of merit, orderliness, punctuality, intended rationality, and progress. Hence the differential role demand placed on leaders may vary according to demographic composition of organizations, national or regional political systems, or the strategic requirements of the leader's or organizations (cited by House et al., 2004). Organizational management practices in China, India, and Hong Kong are often based on kinship relationships that is, hiring

<sup>2</sup> Source to figure 2: GLOBE study (House et al., 2004)

relations is often the norms rather than the expectations. Large Indian firms practice many of these same behaviours, such as obedience to elders based on difference to the wisdom of experience (House et al., 2004). According to the literature these paternalistic management practices exist predominantly in whole South Asia as well.

In a summary researcher can conclude that followers differ by nation in their preferences and acceptance for intensity and kind of communication with leaders, task versus person orientation (Blake and Mouton, 1970; Misumi, 1974), and responses to organizational development efforts (Deyo, 1978). They also differ regarding preferences for close versus general supervision, democratic versus autocratic leader behaviour, importance of morality and emphasis placed on interaction facilitation (House et al., 2004).

Model leader behaviour patterns differ widely across countries in there emphasis on individualistic versus team orientation; particularism versus universalism (Dorfman, 1998; Dorfman and Howel, 1988); performance versus maintenance orientation (Shenkar, et al., 1988; Smith, et al., 1989; Smith, et al., 1992); authoritarian versus democratic orientation; paternalism (House et al., 2004); leader influence processes (Rahim et al., 1994; Schmidt and Yeh, 1992); and consensual decision making and service orientation (House et al, 2004). In general, cross-cultural studies support the importance of considerate leadership in increasing subordinates satisfaction. The universality of leader supportiveness should not be surprising because supportive leaders show concern for followers and are considerate and available to listen to followers problems (House, 2004).

### **3.1.5 Empirical evidence of effects of leader behaviour on employee performance**

Previous researches have consistently shown that charismatic leadership has significant effects on follower outcomes (Fuller et al., 1996; Lowe et al., 1996). These findings have proved that, charismatic leadership has both direct and indirect effects on employees' extra effort to work, satisfaction, as well as organizational commitment, which are mediated by employees perceived person-organization value fit. This finding also provided evidence that the relationship between charismatic leadership and person-organization value fit is significant. The analysis also provided the significant effects of person-organization values fit on employee outcomes. In the past twenty years a number of researchers have begun to investigate the effect of charismatic leadership. Scholars often use different terms to describe this specific type of leadership such as, charismatic, transformational, visionary, or value-based leadership. The terms charismatic leadership or charisma is better for describing the core essence of such leadership, which means that the leader has

extraordinary power to influence followers and is able to obtain a special type of leader-follower relationship (Conger et al., 2000).

Li (2006) has given evidence that among Oriented Chinese Firms, feminine leadership (interactive style and team-oriented leader behaviours) has significant effect on person-organization value fit as well as on employees trust in their leaders and commitment. Also he has mentioned that feminine leadership has a positive and significant effect on employee motivation and commitment. Li (2006) has mentioned that feminine leadership is not equally pronounced in all woman managers nor is it totally absent in all male managers. Feminine leaders are more concerned with everybody winning and greater sensitivity for the concerns of other people. Feminine approach is not an idea that appeals only to women but any body can practice it if they really want (Li, 2006). Feminine leadership dimensions in the Li (2006) study and human-oriented leadership dimensions in the GLOBE study (House et al., 2004) are more or less similar because both consider kindness, caring and generosity etc.

Li (2006) has rightly noted that further research should further test the effectiveness of leader behaviour in different cultures or societies. Also he has mentioned that since human resource management covers more issues than motivation, commitment and trust, future research should measure the effect of leader behaviours and person organization value fit on other dimensions of employee performance, such as group decision making and conflict management. According to the literature, feminine managers differ from traditional top-down masculine managers on a number of dimensions. As well as Li (2006) has mentioned that interactive style under feminine leadership may include good listening, showing empathy, sharing information and soft approach dealing with people. Also he has mentioned that team oriented behaviour suggests that, team building, subordinate participation in decision making, fostering mutual trust and respect among organizational members. In general, cross-cultural studies support the importance of considerate leadership in increasing subordinates satisfaction.

### ***Performance orientation as a leadership characteristic***

It refers to the extent that a leader stresses continuous improvement and has high standards of performance. Performance orientation has not been directly studied in the leadership literature. But there are some earlier theories which explain this clearly such as Ohio state study and Michigan study. Fisher and Edwards (1988) showed a clear relationship between consideration style of leadership and employee productivity. Also they showed that the correlation between considerate leadership and job performance (cited by Fisher and Bibb,

2002). By bringing emotion into the work situation, charismatic leaders are able to commit their employees to the chosen course of action (Bas et al., 2002).

Siengthai and Bechter (2001) showed that leadership supports for innovation, organizational structure, human resource management, and organizational performance. Also they mention that the world of business is now in a permanent state of flux where constant innovation is the only strategy for survival for both individual and organization. Also he has mentioned, not only good management and financial success, but also innovation appears to be those whose leader had the creative idea. Under these conditions, a strong corporate culture emphasizing uniformity, loyalty, and adherence to company expectations would be advantageous.

This literature review explains us clearly that the necessity of further research in relation to leader behavioural effectiveness in own cultural basis to enhance employee performance in organizations.

### **3.2 Organizational culture and employee performance**

This section explains that how organizational culture affects on employee performance, person-organization value fit and, organizational profit gain. Organizational culture affects on employee performance and organizational performance. In the current study, organizational culture profile (As practices) and employees' values profile (As values) along these criteria are measured in order to measure person-organization value fit.

#### **3.2.1 Definition and importance of organizational culture**

Organizational culture is defined as shared motives, values, beliefs, identities, and interpretations or meanings of significant events that result from common experiences of members of collectives that are transmitted across generations (House et al., 2004).

Another researcher says basically, organizational culture is the personality of the organization (McNamara, 1997-2007). Culture is comprised of the assumptions, values, norms and tangible signs (artefacts) of organization members and their behaviours. Members of an organization soon come to sense the particular culture of an organization. Culture is one of those terms that are difficult to express distinctly, but everyone knows it when they sense it. For example, the culture of a large, for-profit corporation is quite different than that of a hospital or from a university. The culture of an organization can be explained by looking at the arrangement of furniture, what they brag about, what



members wear, etc. It is similar to what you can use to get a feeling about someone's personality (McNamara, 1997-2007).

Another definition is organizational culture refers to the shared pattern of beliefs, assumptions, and expectations held by organizational members and their characteristic, the way of perceiving the organization's artefacts and environment, and its norms, roles, and values as they exist outside the individual. Culture is collective in nature in that it evolves over time as people interact with each other and develop and share common beliefs and values and common uncertainties and ways of coping with them. In essence, an organization's culture is the repository of what its members agree about. There are three basic factors that make a significant difference in how influential a culture will be in shaping the attitudes and behaviours of its members (Jones, 2008).

1. Cultural strength is based on the *extent* of shared beliefs and values that exist in an organization. The greater the degree of shared beliefs and values, the stronger the culture's influence since there are more assumptions that guide behaviour.
2. Organizational cultures whose beliefs and values are *more widely shared* across organizational members tend to have a more powerful effect because a greater number of personnel are guided by them.
3. In cultures where beliefs and values are *clearly ordered*, the effect on member behaviour will be more pervasive since there is less ambiguity about which beliefs and values should prevail in conflict situations.

Being aware of an organization's culture at all levels is important because the culture defines appropriate and inappropriate behaviour. In some cultures for example, creativity is stressed, in others the status quo is valued and some cultures are more socially oriented, while others are task-oriented, "business only environment". In some organizations teamwork is the key and in others, individual achievement is encouraged and valued. Organization culture also determines the way in which employees are rewarded. Management tends to focus on a dominant source of motivation, such as pay, status, or opportunity for personal growth and achievement. This accessibility of management and the ways in which decisions are made are reflections of an organization's culture as well (Khan, 2005).

Organizations whose members are acculturated to behave morally according to specified principle practices "the organizational good" that "the organizational good" is the soul of an organization and as such, it shouldn't change.

Organizations reflect the values and beliefs of larger society; they have unique cultures of their own. Many organizations have strong traditions and cultures, which are centred, around a common good, and some are determined to keep it so. These organizations believe that the ultimate measuring stick of success is not producing numbers or dollars alone, but adherence to such virtues as honesty, integrity, trust, loyalty, and giving back to the community, while providing quality service and products (Bruhn, 2005).

### **3.2.2 Organizational culture measurements by different researchers**

#### *Culture study by Hofstede*

Hofstede defines as culture is the collective programming of the mind that distinguishes the members of one group or category of people from others. It is always a collective phenomenon, but it can be connected to different collectives. Societal cultures reside in (often unconscious) values, in the sense of broad tendencies to prefer certain states of affairs over others (Hofstede, 2001:5). Organizational cultures reside rather in (visible and conscious) practices: the way people perceive what goes on in their organizational environment. At the beginning, Hofstede has found five cultural dimensions such as, power distance, individualism, masculinity, uncertainty avoidance, and long-term orientation (<http://www.geert-hofstede.com>).

1. Power distance is the degree of inequality among people which the population of a country or organization considers as normal.
2. Individualism versus collectivism is the extent to which people feel they are supposed to take care for or to be cared for by themselves, their families or organizations they belong to.
3. Masculinity versus femininity is the extent to which a culture is conclusive to dominance, assertiveness and acquisition of things versus a culture which is more conclusive to people, feelings and the equality of life.
4. Uncertainty avoidance is the degree to which people in a country or organization prefer structured over unstructured situations.
5. Long-term versus short term orientation (long-term: values oriented towards the future like saving and persistence, short-term: values oriented towards the past and present, like respect for tradition and fulfilling social tradition).

### ***Culture study by Jennifer Chatman***

In the web page, <http://www.era.net> has shown that, person-organization fit can be broken down into some very specific dimensions. Some of the most useful work has been performed by Jennifer Chatman, whose Organizational Culture Profile (OCP) identifies the following major dimensions: innovation, stability, orientation towards people (fair and supportive), orientation towards outcomes (results-oriented, achievement-oriented), easygoing vs. aggressive, attention to detail, and team orientation.

### ***Culture study by Robert House and his team (GLOBE study)***

The GLOBE study identified nine independent variables or cultural dimensions, measured by questions that asked how things were in their organization (consider as organizational “practices”). The descriptions of nine dimensions are uncertainty avoidance, power distance, collectivism 1: Institutional collectivism, Collectivism 11: In-group collectivism, gender egalitarianism, assertiveness, future orientation, performance orientation, and human orientation. These dimensions are significantly differentiated among societies and organizations (House et al., 2004).

### **GLOBE conceptual model on leadership and Organizational culture**

GLOBE research program is an integration of implicit leadership theory, value-belief theory of culture, implicit motivation theory (McClelland, 1985), and structural contingency theory of organizational form and effectiveness. By using all those theories, the integrated theory was developed (cited by House et al., 2004).

#### ***Implicit leadership theory***

In this theory individuals have implicit beliefs, convictions, and assumptions concerning attributes and behaviours that distinguish leaders from followers, effective leaders from ineffective leaders, and moral leaders from evil leaders. These beliefs, convictions, and assumptions are referred to as individual implicit theories of leadership. It is believed that implicit leadership theories held by individuals influence the way they view the importance of leadership, the values they attribute to leadership, and the values they place on selected leader behaviours and attributes. Substantial experimental evidence supports this theory (House et al., 2004). A major part of the GLOBE research program has designed to capture the culturally endorsed implicit theory of leadership of the societies studied.

### *Value- belief theory*

According to value-belief theory, the values and beliefs held by members of the culture influence, the degree to which the behaviours of individuals, groups, and institutions within cultures are enacted, and the degree to which they are viewed as legitimate, acceptable, and effective (House et al., 2004).

### *The integrated theory*

GLOBE developed an integrated and cross-level theory of the relationship between cultural values and practices and leadership, organizational and societal effectiveness. House and his team have extended their new knowledge base by a more comprehensive conceptualization of cultural dimensions and by introducing new dimensions. They have further conceptualized and measured culture in terms of practices and values. At the organizational level, they have introduced nine new dimensions of organizational culture as mentioned above.

Following section explains the importance of studying the concept of organizational culture and person-organization value fit in organizations. Fit can generate high performance work system and high profit in organizations if they are best practiced. This provide a clear out line to present study in which an importance of doing this research by the present researcher.

## **3.3 Organizational culture and person-organization value fit**

Organizational culture has been an important theme in management and business research for some two decades. One reason for this is that organization culture has the potential to affect a range of organizationally and individually desired outcomes (Chow et al., 2001). Organizational culture impacts significantly on organization, its employees' behaviour and motivation and ultimately on organization's financial performance (Chow et al., 2001). Shore et al., (1995) argue that, much research literature focuses on ways of developing and enhancing commitment among employees, suggesting that organizations view commitment as a desirable attribute (Shore et al., 1995).

Sheridan (1992), found an association between organizational culture values and the rates at which new recruits voluntarily terminated their employment (Chow et al., 2001 and O'Reilly et al., 1991). They found a relationship between the fit of organizational culture with employee preference for culture (person-organization fit) and organizational commitment, job satisfaction, and turnover. These studies explain relative importance of organizational culture and the person-organization fit in influencing outcomes.

### **3.3.1 Person-organization value fit**

"Person-organization value fit is the congruence of an individual's beliefs and values with the culture, norms, and values of an organization." Organizational culture influences the way employees relate to each other, to customers, to shareholders, and to business partners. It drives behaviours and unites employees around a shared set of values and also leads to lift employee's performance and improve their work environment. As a strategic business tool, person-organization value fit plays an important role in human resource functions in organizational management. Companies with strongly, formally articulated values that are focused on the needs of their constituencies have an important advantage over those without such values. Companies must regularly take the pulse of their organizations to ensure they have a clear sense of who they are, what they stand for, and what behaviours their people must exhibit for the enterprise to be successful. In today's organizations human resources are now viewed as a source of competitive advantage. There is a greater recognition that distinctive competencies are obtained through highly developed employees skills, distinctive organizational cultures, management processes and systems.

Person-organization fit focuses on the fit of the person with the organization rather than fit with a specific job, or vocation (Wheeler et al., 2005; McC. and Turban, 2007). Researchers have concerned on two type of fits; i.e., complimentary and supplementary. Complimentary fit occurs when a person or the organization provides required qualities that the other party needs; for example, the person may have skills needed by the organization. Supplementary fit occurs when a person and organization are similar on basic characteristics (Krist, 1996; Muchinsky and Monhan, 1987). Most research has examined supplementary fit as value congruence and values are fundamental characteristics of both individuals and organizations (Cable and Ed., 2004; Krist, 1996; Schneider et al., 1995). In contrast, perceived fit is the extent to which individuals believe they fit to the organization.

Accumulating research suggests there are various conceptualizations of person-organization value fit (Kristof-Brown et al., 2005; Verquer et al., 2003). The concept of fit has received extensive conceptual development and empirical investigation over the last two decades (Tinsley, 2000). Krist (1996) concluded that researchers broadly define person-organization fit 'as the compatibility between individuals and organizations' and noted that the positive benefits associated with fit. But in the current study, researcher has focused on alternative impact of leadership and person-organization value fit on employee performance.

### **3.3.2 Past research on person-organization value fit**

Chatman (1991), in her influential study, found that recruits whose values, when they enter, match those of the firm adjust to it more quickly, feel most satisfied, and remain with the firm much longer. Harris and Mossholder (1996) showed that the discrepancy between employees' assessments of the current culture and the ideal culture influenced their commitment and optimism about the organization's future.

Also past research has found that person-organization value fit to have effect even on organizational performance. O' Reilly et al., (1991) also showed; person-organization fit had positive relationship with employees' job satisfaction and commitment. Pervin and Rubin (1967) suggested that individuals who do not fit their organizations experience feeling of incompetence and anxiety, while those who fit have more positive and less negative effects. Posner (1992) found; person-organization value fit was directly related to positive work attitude. Vancouver and Schmitt (1991) tested the effects of two type of person-organization fit, i.e., fit between hierarchical levels (supervisor-subordinates) and a fit within a level (member-constituency), and found that both fits are positively related to job satisfaction and commitment, and negatively to intention to leave. Verquer and his team have found that value dimensions of congruence in person-organization fit demonstrated stronger relationships to all three outcomes, job satisfaction, commitment and intent to turnover (Verquer et al., 2003).

A study conducted in Taiwan has found that person-organization fit is a key element in both the level of job satisfaction that employees experience and also in their level of organizational commitment. An organization is not a passive or stable institution and it evolves and grows within and organizational culture. This research has been found; involvement in an organization that had a bureaucratic organizational culture resulted in the lowest level job satisfaction and organizational commitment. An innovative culture was next highest and a supportive culture had the highest level of employee job satisfaction and organizational commitment. Also this research has indicated that organizational culture plays an important role in the level of job satisfaction and commitment in Taiwan and also has strongly mentioned that person-organization fit is an important variable within the organizations in non-western cultures (Silverthorn, 2004). Taris and Feij has mentioned , good or optimal fit leads to positive work outcomes, while poor person-organization value fit is usually associated with negative results. Also they have mentioned, fit and work outcomes may be assumed to be U-shaped or inverted U-shaped because of an employee will only be satisfied when the amount of supervision supplied by his or her executive is similar to the amount of supervision desired by the employee; excess support as

well as lack of support from the supervisor will lead to job dissatisfaction (Taris and Feij, 2001).

Another research says, person-organization value fit may also have negative effects. For example, extremely high level of person-organization value fit may lead to high levels of conformity and homogeneity (Bowen et al., 1991; Chatman, 1989). Then both the organization and its members may become less innovative and less capable to adapt to the changes in the environment. There is some evidence indicating that organizations with little internal variability in employees' perspectives perform better in the short run but worse in the long run, presumably as a result of inferior adaptation (Denison and Mishra, 1990). Research has found that even person-organization value fit is significantly and positively related to both extrinsic and intrinsic career success (Bretz and Jude, 1992). People those who experience extrinsic success would be more involved in their jobs, display greater commitment, and be less likely to leave than those who do not. It also makes a sense that higher level of job and life satisfaction would be associated with lower turnover and more functional adaptive behaviour. It would appear then, that individuals should consider fit based career management strategies. Since fit has potentially long term benefit, it would appear that fit-based job search strategies are preferred (Bretz and Jude, 1992). Another research conducted by Kristof-Brown and team has found by his meta-analysis that person-organization fit had strong correlation with job satisfaction and organizational commitment and more moderate for intent to quit.

The relationship between person-organization value fit and most other attitudes had been moderate with co-worker satisfaction, supervisor satisfaction, and with employees' trust in their managers. The correlation with organizational satisfaction had been substantially higher (Kristof-Brown et al., 2005). Wolfe, 2007 has shown that employee-organization fit can generate high profit and reduction in employee turnover in small business. Also he has mentioned a study conducted by 243 small business, suggested that firms have 7.5% higher revenue growth, 6.1% higher profit growth, and 17.1% lower employee turnover when following a hiring strategy of attracting, finding and selecting employees that are a fit to the culture and values of the organization. Further it has been mentioned that when person-organization fit was integrated with a self-management strategy, as opposed to a controlling management strategy, as well as implementing a family-like environment, the results for retailers were nothing short of remarkable and 74.7% lower turnover. Low-skilled services enjoyed 57.9% lower turnover and manufacturing watched 19.4% fewer employees walk out the door (Wolf, 2007). Chatman (1991: 481) had rightly noted that future research on person-organization fit should be more explicitly interactional. Based on Chatman's future research direction, Li (2006) has done his interactional research and found that person-organization value fit affects on

employee commitment, motivation and trust in leaders in Chinese cultural context.

### **3.3.3 Person-organization value fit as a selection criterion in organizations**

Every organization seems intent on finding skilled employees these days to achieve competitive advantage in the business world. But focusing only on job skills might leave these companies with a few employees and a bit light on the profit. For several years, Wolfe has been encouraging managers to hire and promote employees based on a three-way fit: such as, job, team and company culture. It says overall companies that followed a person-organization fit had shown that, significantly higher firm performance than did companies following a person-job fit strategy (Wolf, 2007).

The conventional selection models focus almost completely on the first fit on knowledge, skills and attitude and job (KSA's and job) and are geared more towards finding new employees than retaining them. The later focuses on the whole person in an attempt to satisfy the individual enough to stay by matching the culture of the organization and the individual by their values (Bowen et al., 1991). Studies have also identified that employee behaviours are also enhanced in those hired under a person-organization fit model. These findings indicate those organizations that use the model has low rates of turnover and absenteeism. Research has also indicated that employees hired under the model exhibit greater "organizational citizenship behaviours" which are behaviours exhibited by employees that go above and beyond the job requirements (Bowen et al., 1991).

#### ***Person-organization fit model by Chatman***

Chatman (1989) has reviewed that interactional researchers incorporate the elements of both persons and environments together. This view has a fairly long theoretical tradition, beginning with Lewin's (1951) proposition that behaviour is a function of the person and the environment. To be accurate and complete, interactional researchers in organizations must accurately conceptualize and measure person and situations, document the reciprocal effects of person on situations and situations on persons, also be comprehensive and externally valid (Chatman, 1989).

Chatman (1989) has defined that person-organization value fit is as the impact that organization has on people and the impact that people have on organization are predicted through information gathered about people and information gathered about organization. The questions became what aspects of people and what aspects of organization are important to consider. Although many aspects



of organizations and people are important in determining behaviour (e.g. abilities, job requirements, personality characteristics, and vocations) a fundamental and enduring aspects of both organizations and people is their values (Chatman, 1989). Chatman (1989) has used Q-sort methodology to assess person and organizational values to build person-organization value fit model in his research which present research was based.

Also previous research has indicated that job applicants make entry decisions on the basis of perceived fit. It seems that fit would be most beneficial early in one's organizational tenure. Since early career success has been shown to affect later carrier success, the logic of basing job decision on immediate fit seems compelling. Organization might want to consider the potential benefits from selecting on the basis of fit. Since fit appears to lead to higher levels of job satisfaction, selecting individuals who fit would presumably result in a more satisfied work force (Bretz and Jude, 1992). Given the relationship between satisfaction and other work attitude and behaviours, organization might benefit in some very tangible ways from attracting and selecting those who fit (Bretz and Jude, 1992).

Researches have demonstrated that applicants are attracted to and make entry decisions on the basis of fit (Jude and Bretz, 1991), organizations recruits and hires on the basis of fit (Kristof-Brown, 2000), and those who fit achieve higher level of success than those who do not.

### ***Person-organization fit and possible outcomes***

What can a leader or manager learn by knowing the extent to which a person's values are similar to an organization's shared values? Person-organization fit is useful because it enhances managers' ability to predict the extent to which a person's values will change as a function of organizational membership and the extent to which he or she will adhere to organizational norms. Organization characters can shape and modify people's values (Chatman, 1989).

Based on person-organization fit model, it has described three things. Low person-organization value fit could have at least three immediate outcomes: The person's values could change and become more similar to the organization's value system, the organization's values could change, or the person could leave the organization. In addition to individual or organizational value change and exit, another relevant type of outcomes might be extra-role behaviours. People who share organizational values may more likely to contribute to the firm in constructive ways. According to this model, person-organization value fit can be influenced by selection and socialization (Chatman, 1989).

**Selection:** Selection is the set of procedures through which an organization chooses its members. Selection process partly serve as more suitable function for recruiting firms, the screening out of people who have values that are incompatible with the organization's norms and values and for job seekers, the screening out of firms that have undesirable norms and values.

**Socialization:** Organization socialization is the process through which an individual comes to understand the values, abilities, expected behaviours, and social knowledge that are essential for assuming an organization membership (Chatman, 1989).

This is the basic model for the present research that followed to measure and understands the concept of person-organization value fit. In the process of selection and socialization, leader can play a vital role to enhance person-organization value fit in organizations. As both the leader behaviour and person-organization value fit affect on employee performance there may be an interaction effect between these variables as well.

### **3.4 Leader behaviour and person-organization value fit**

Person-organization fit is influenced by selection (the organizational values existing at the time of membership) and socialization (change in individual value following membership and tenure) (Chatman, 1989, 1991). The two processes are typically viewed as complementary, such that if more effort organizations direct for selecting new members, it will need less socialization the new recruits, and other way around. Since socialization is one of the two processes affecting person-organization fit, it may be worthwhile to examine socialization practices contributing to better organizational effect. Chatman (1991) studied both formal and informal socialization practices and their effect on person-organization value fit. She found that informal, as opposed to formal, socialization practices affect fit and went on to suggest that more explicit attempts to assess interactions with supervisors would be fruitful. Normally recruits learn less about the norms and values of the firm through formal socialization practices and more about the technical aspects. Hence leader behaviours may contribute to greater person-organization fit by informally conveying to the recruits norms and values of the organization (Li, 2006).

Li (2006) has mentioned in his study on interactions between person-organization value fit and leader behaviour with relation to Chinese firms that no study to the best of his knowledge had empirically examined the interactions on person-organization value fit and leader behaviours in available literature. Findings of many studies (Reichers, 1987; Silverhart and Hinch., 1996; Li,

2006) had suggested that leader behaviour may influence person-organization fit. Reichers (1987) noted that a leader can influence the level of person-organization value fit if he or she really tries: the harder he or she tries to increase this fit, the higher can the value fit be. This phenomenon has been supported by the theories such as; Michigan Study, Ohio State study, and path-goal theory of leadership.

A Taiwan study has mentioned that there are different approaches that organizational managers can use to improve members person-organization value fit, such as recruitment, socialization and leadership. By highlighting relevant behaviour to organizational values or influencing socialization process, leaders can play a critical role in fulfilling such a function (Lord and Brown, 2001; Huang et al., 2005). Li (2006) has mentioned that feminine leadership approach with its emphasis on interactive and team oriented leader behaviour are the most relevant leadership behaviours for improving person-organization value fit in China. Feminine leadership behaviour refers to the verbal and non verbal behaviours that a leader adopts when interacting with his or her subordinates.

Many scholars argue that feminine leadership behaviour will affect employees' motivation and commitment (Li, 2006; Stanford et al., 1995). A research has found that in Oriental Chinese societies, leader (or manager) can enhance person-organization value fit by changing their leadership styles to proper direction (Li, 2006).

### **3.5 Measurement of person-organization value fit**

Different researchers have used different methods in analyzing person-organization value fit in their researches. In the late 1980s and early 1990s, various dimensions of person-organization value fit were defined and researched, including goal congruence (Vancouver and Schmitt, 1991), value congruence (Harris and Mossh, 1996; Meglino et al., 1989) need-structure fit, and personality climate fit. The majority of empirical studies have concentrated on value congruence of employees and organization.

Value congruence is measured to ensure participants are considering the same value dimension, and to control for the effect of individuals' own values on their perceptions of their organization (Hofstede, 2001). In the present research, researcher wishes to study the organizational culture profile (OCP) to measure person-organization value fit. Organizational culture profile has been used by number of researchers to measure person-organization fit in their studies (O'Reilly et al., 1991; Verquer et al., 2003). Very recently OCP has been developed by House and his team in 2004 in their GLOBE study conducted in 62 countries in world wide including South Asia. To address this issue they have

developed 735 questionnaire items on the basis of prior literature and also on their own theories. Responses to these questions by middle managers in two pilot studies have been analyzed by conventional psychometric procedures (e.g., item analysis, factor analysis, cluster analysis, generalizability analysis). This analysis had resulted in identification of the nine major attributes of cultures and six global leader behaviours. The nine cultural dimensions are uncertainty avoidance, power distance, institutional collectivism, in-group collectivism, gender egalitarianism, assertiveness, future orientation, performance orientation and human orientation (House et al., 2004).

In the present research, researcher used these organizational culture profiles developed by House et al., (2004), to measure organizational practices and personal values along these dimensions. This is a reflection of a combination of studies by earlier researchers in organizational research.

### **3.5.1 Dimensions of organizational culture measurements**

#### ***Performance orientation***

Performance orientation is the degree to which an organization encourages and rewards group members for performance improvement and excellence.

Performance orientation relates to the extent to which the organization is focused on ambitious and challenging goals, results, competition and winning through innovation and performance improvement. At the leadership level, performance orientation reflects the leader's excellence and constant pursuit of improvement. It relates to the extent to which leaders set ambitious goals, communicate high expectations for their subordinates, build self confidence, and intellectually challenge them (House et al. 2004).

#### ***Future orientation***

Future orientation is the degree to which individuals in organizations or societies engage in future-orientation behaviours such as planning, investing in the future, and delaying individual or collective gratification.

Number of researchers such as Hofstede (2001), House et al. (2004) have emphasized the importance of the future orientation construct for organizations. Future orientation in an organizational setting involves preparing the organization to meet future environmental changes and also it is an essential leadership attribute. The future orientation of organizational managers is also related to their flexibility that is ability of an organization to adapt to changing environment. There are three aspects of an organization's culture determine its

flexibility: a strong vitality, a future orientation, and a sense of mission and direction. Future orientation cultural practices and values scores were significantly related to the team-oriented leadership. Also future orientation practices and values scores were significantly related to the human oriented leadership dimension (House et al., 2004).

### ***Gender egalitarianism***

Gender egalitarianism is the degree to which an organization minimizes gender role differences while promoting gender equality. According to GLOBE findings gender egalitarianism cultural practices were significantly related to the team-oriented leadership dimension and human-oriented leadership dimension (House et al., 2004).

### ***Institutional collectivism***

Institutional collectivism is the degree to which organizational and societal institutional practices encourage and reward collective distribution of resources and collective action.

According to the GLOBE study, institutional collectivism practice in Asia was 4.35 and value was 5.03. The cluster with the highest institutional collectivism values scores were Latin America, the Middle East, and Southern Asia. On the other hand, Nordic Europe, Anglo countries, and Eastern Europe scored among the lowest on institutional collectivism values. According to GLOBE study respondents in most clusters other than Confucian Asia, Anglo, and Nordic Europe desire more of institutional collectivism than they actually have. Institutional collectivism practices and values scores were significantly related to the team-oriented leadership dimension and human-oriented leadership dimension (House et al., 2004).

### ***Power distance***

Hofstede conclude that “the basic issue involved in power distance is human equality. Inequality can occur in areas such as prestige, wealth, and power; and different societies put different weights on status consistency among these areas” (Hofstede, 2001 p.75). Following Hofstede (2001) the GLOBE project definition of power distance is “the degree to which members of an organization or society expect and agree that power should be shared unequally.” In organizations social norms and social arrangements are manifested in terms of the power hierarchy. One of the factor affect on decision making is the degree to which the specific situational context might give the leader power, control, or influence (Fiedler, 1967). The organizational power distance practices of South

Asia were 4.41 and value was 3.77 in 7 points in the scale. It means practices are higher than what employees' value (House et al., 2004).

### ***Human-orientation in organizations***

Human orientation is the degree to which individuals in organizations encourage and reward for being fair altruistic, friendly, generous, caring and kind to others.

Literature says various studies conducted across countries had shown that business leaders often have an image reflecting a human orientation. In general, generosity was judged to be of low importance. GLOBE findings have mentioned that the faster climbing managers were less rejecting of generosity as an important trait compared with managers with low rate of advancement. In all most all countries, managers were less rejecting of generosity in top management than in middle and lower management levels (House et al., 2004). These results indicate that more successful managers seemed to attribute more important to being generous and that top management was more associated with generosity compared with lower management levels. Human orientation practices and values scores were significantly related to the team-oriented and human-oriented leadership (House et al., 2004).

### ***Uncertainty Avoidance***

Uncertainty avoidance is the extent to which members of an organization strive to avoid uncertainty by relying on established social norms, rituals, and bureaucratic practices.

Uncertainty has been described as a cognitive experience. Anxiety/uncertainty management theory proposes that communication effectiveness is influenced by individuals' capacity to manage uncertainty and anxiety (Hofstede, 2001). The organizational uncertainty avoidance cultural practices and values were significantly related to team-oriented and human-oriented leadership dimensions.

## **3.6 Employee performance dimensions**

### **3.6.1 Employee commitment**

One of the earliest researchers in organizational commitment was Becker (1960), who regarded commitment as a continuous process for an individual towards the organization, and noted that individuals remain in organizations because they acquire benefits ([www.osra.org/2004/ozag.pdf](http://www.osra.org/2004/ozag.pdf)) (cited by Jahangir,

2003). Grusky (1966) also had viewed commitment is a similar way to Becker (1960). According to Grusky the strength of a person's to an organization is influenced by the reward she/he has received from the system and the kind of experience she/he has had to undergo in order to receive the rewards (cited by Jahangir, 2003). Jahangir (2003) has mentioned commitment as the willingness of an employee to exert high level of effort on behalf of the organization, a strong desire to stay with organization, and an acceptance of its major goals and values. Lee (1971) defined commitment where employees feel some degree of belongingness or loyalty towards the organization. He found that commitment comes from employees' work accomplishment, relations with supervisors, and length of organizational service (Lee, 1971). Another group of researchers identified a different type of commitment termed "normative" that refers to the employees' feeling of obligation or responsibilities to remain within the organization (Jahangir, 2003).

Past research has mentioned further that organizational culture, job satisfaction, and education were strong predictors of commitment and more educated staff members tend to report higher level of organizational commitment. As well as it has showed that with an organizational culture that values and respects staff members to create more favourable staff perceptions of organizational culture had been most effective in producing higher level of organizational commitment (Sikorska and Eliz., 2005). Also research has mentioned, organizational culture characterized by high adaptability and a human resource management systems characterized by high performance work practices have been found a significant and direct effect on employee commitment (Taylor et al., 2008). A study conducted in Malaysia has shown that commitment can be enhanced by communication, training and development, reward and recognition, and team working in the work place and they are positively associated. Also communication has been perceived as a dominant corporate culture dimension and it was associated with significant improvements in employees' organizational commitment as well (Boon and Aru, 2006).

International Survey Research (ISR) in United State has stated that the level of commitment of employees have to their organization is a key driver of its financial performance (ISR, [www.isrinsight.com](http://www.isrinsight.com), 2008). Committed employees are prepared to go an extra mile for their employer and to exert the maximum effort in their work for the benefit of the organization as a whole. Even it has mentioned that the most powerful influence on employee commitment is the quality of leadership (ISR). Some other researchers investigated commitment in terms of identification and defined it as a notion of membership with the organization (Jahangir, 2003). Employees who are more committed are less likely to intend to leave their jobs, more likely to perform well, and behave pro-

socially. Research has proven that commitment has been linked to lower intent of leave in India and Japan (Jahangir, 2003).

To a popular belief that U.S. employees have higher level of organizational commitment than employees in Japan or South Korea that has been found as higher job satisfaction in United State than In Japan. These research findings clearly show us an importance of organizational culture, leadership, and person-organization value fit in enhancing employee commitment.

### **3.6.2 Employee participation for group decision making**

Participation in organizations has been conceptualized in multiple ways. Consequently, organizational participation has been studied under a series of labels, including employee involvement, workplace democracy, and empowerment (Cooper, 2002). More recently management scholars have focused on the decision making aspect and defined participation as “employee involvement in decision making”. Participation programs designed strictly to enhance organizational outcomes, by working on democratizing the work place emphasizes the people as well as the organization (Cheney, 1995). Empowerment has been characterized as an effort by management to enhance employee commitment and productivity through encouraging participation and involvement in organizational decisions. Several outcomes that have been related to participation efforts are organizational commitment (Shadur et al., 1999; Steel and Llo., 1988), performance (Spreitzer and Mishra, 1999), Job satisfaction (Cooper, 2002) and fewer turnovers (Vandenberg et al., 1999). Shadur et al., (1999) found that perceptions of involvement were strongly related to employees’ organizational commitment. In addition participation in organizations occurs in many forms. Some of the more common structural or programmatic examples include self directed work teams, total quality management, and continuous improvement programs (Cooper, 2002).

*Employee involvement:* Cooper has reviewed Cotton (1993) and defined, employee involvement as a participative process to use the entire capacity of workers, designed to encourage employee commitment to organizational success. Self directed work teams and gain sharing have there strongest effect on both “productivity and employee attitudes” (Cooper, 2002). Shadur et al., (1999) presented three types of involvement. First, suggestion involvement, fundamentally involves the communication of ideas through formal programs in which, decision-making control remains with management. Second, job involvement emphasizes teamwork in the form of shared roles and responsibilities. Finally, high involvement places decision-making authority in the hand of workers where the decisions are directly related to their work tasks.



Research has mentioned that employee perceptions of participative climate were better predictors of job satisfaction and performance than actual participation in specific decisions. Participative decision making was conceptualized as a socially constructed phenomenon defined through superior/subordinate interaction. For subordinates, the nature of communication with the superior is an important characteristic of the participative environment (Harrison, 1985). Both quality and quantity of the communication had strongly associated with participation in decision making (Harrison, 1985; Cooper, 2002). Motivating employee participation is the key to a successful team, and higher profits. Although every individual is motivated by different needs, reviewers have showed that the most important things people look for in organizations are mutual respect and personal involvement. When workers feel good about themselves, the work they do, and the company or organization they work for, it is much easier to gain their cooperation (motivating-employees, online).

### **3.6.3 Employee trust in their leaders**

The way defines trust as, "the state of readiness for unguarded interaction with someone or something" (Susan, 2008). Trust forms the foundation for effective communication, employee retention, and employee motivation and contribution of discretionary energy, the extra effort that people voluntarily invest in work. When trust exists in an organization or in a relationship, almost everything else is easier and more comfortable to achieve. Lack of trust exists within an organization for numerous reasons. A lack of respect shown by upper level employees, too little information shared with the lower level employees, small amount of employee freedom, and low organizational moral/motivation are few of the many reasons that will be explored. Past research has shown that employee trust is definitely a must (Boe, 2002). If an organization wants to a good thing happen in its future, if an organization wants a future at all, it must understand the need for high level of employee trust and it must work daily to maintain that trust. Employee trust on leaders refers to the trust an employee has in their leaders at the work environment. Organizational trust assumes that the daily business routines of an organization are carried out with the best of intentions toward those who work for it. For there to be employee trust, however, there must first be organizational trust.

The consequences for lack of employee trust in their leaders are, organizational culture of insecurity, high employee turnover, low employee morale, damaged customer relations, high organizational stress level, and reduce employee productivity. "Trust influences communication, and communication influence trust. When leaders readily and consistently share information and

involve employees in the running of business, good things results for both parties” (Lee, 2007). Allowing employees to be “up to speed” on their organizations status not only makes for better business, it makes for better employees. Making organizational information public it leaves less room for rumours. Also, the more information an employee has about the place they work, the more interested they are in its future success. When a company or an organization shares information with its employees, the employees are naturally more willing to trust in their leaders and surroundings because they genuinely feel that they are important. “When information is not shared, or there is a perception that information is not shared, employees feel betrayed”.

Employees who are valued for their work, well trained, inspired to take on new responsibilities, and treated with respect will be more fully engaged in their jobs and happier at work. Investing in employees training is a sound way of a company to increase employee efficiency, corporate moral, employee loyalty, and ultimately profit margins. Employee feels respected and valued when employer invest in their professional growth, which they give back to the company in terms of productivity, commitment, and enthusiasm, for their work (Human Resource, [www.hr.com](http://www.hr.com)). Acrement, 2008 has mentioned that building a successful management system demands that leaders actions creates a strong sense of employee trust. Trust can be build in several ways within the organizational setting by keeping predictability, congruity, reliability, integrity, openness, acceptance, and sensitivity (Acrement, 2008). It is now an international concern about the building of trust within the organization. The most important leadership quality is credibility, which means that, above all else. Competence, caring, fairness, candour, and authenticity form the essential mix for leader trust. Employee trust in the firm's top management seems to be critical to the firm's performance (Robert et al., 2004).

## **Summary**

This chapter argued critique of the selected concepts and logical reasoning for the research. According to this literature survey, it clearly explains that development of leadership theories from beginning to present time and how leader affects on employee performance. And also this literature explains how person-organization value fit affects on employee performance. Based on this review, conceptual framework is depicted in the Chapter 4.

## **CHAPTER 4**

# **RESEARCH DESIGN AND DEVELOPMENT OF THE CONCEPTUAL FRAME WORK**

### **4.1 Chapter introduction**

In the previous chapter the review of literature revealed that how leadership behavioural styles and person-organization value fit affect on employees' performance (employee outcome) in organizations. According to the past theories and empirical findings of leader behaviour, it is one of the factors affecting on employee performance. Many behavioural theories of leadership have supported to this phenomenon. Also many empirical researches have proven that person-organization value fit affect on employee performance in organizations. As both factors; i.e., leadership behaviour and person-organization value fit affect on employee performance, there is a theoretical rational for describing an interaction effect between these two factors on employee performance as well. The objective of this chapter is to elaborate ontological and epistemological overview for the research, to propose a conceptual framework and to build up hypotheses for the study.

Hence, the chapter is divided into three major sections. The first section emphasizes the research philosophy and restatement of significance of the key concepts in brief. In the second chapter, a conceptual framework for this research is proposed and the third section presents the research questions and hypotheses generated for the study.

### **4.2 Ontological and Epistemological overview**

The idea of this research came with my experience on working in several organizations and environments. I felt that if people feel as they are a part of the organization, then they really work hard towards the goal of the organization. In this situation leadership is the critical role model of the organization that can create an environment which employees feel to be wok hard to meet its goals. This can create by making an environment that poster, sense of effective leadership consisting of good listening, team working, empowering, employee development, empathy and managerial competencies.

Thus, the ontological approach of this thesis was to use my experience as the starting point to formulate and attempt to answer my questions. From an ontological perspective, I began the journey with the goal in mind and went through a deep literature survey, in order to find the research gap existing for my research area.

From an epistemological perspective the question was, does my research embrace enough of the published literature? How would I test the hypotheses in the most unbiased way possible? The answers to these questions lie in the basic approach to the research. At the beginning, I reviewed literature in many disciplines as possible on leadership behavioural patterns and person-organization value fit studies.

Once after I found the point of lack of existing research I moved on these disciplines and then I found the critical research point for the study, and also connected different possible paths to differentiate my research from earlier researches. This study connected person-organization value fit model and culturally endorsed implicit theory of leadership (CLT) together to develop a new model for the current study.

### **4.3 Significance of the selected concepts**

In the following sections the significance of the chosen concepts are emphasized and the relationships between these concepts are identified. This in turn leads to the development of the conceptual framework.

#### **Leader behavioural theories and employee performance**

Many academic scholars and theorists of leadership studies have empirically tested the concept of leadership based on their behavioural patterns on effectiveness and ineffectiveness in leadership process. All those leadership theories have addressed leader behaviour effectiveness with relation to personal attributes of leadership. Although there are many theories on effectiveness of leadership, the interactive effect of leader behaviour and person-organization value fit on employee performance is a new concept that has been tested very rarely empirically in the available literature. Researcher found only from the most recent study in China (Li, 2006). Drucker (1998) has pointed out the importance of taking into account the differences between people in different nations when studying management and leadership; because management deals with people who are deeply embedded in culture (cited by Hedges, 1995). Laurent (1986) has researched managers of many different types of companies in nine West European countries and he found that the most powerful determinant of their success was by far their nationality (Hedges, 1995).

Some non western theorists even talked about new behavioural models of leadership based on their cultural bases and three theorists stood out in importance, i.e., Misumi's theory in Japan, Sinha's theory in India and GLOBE culturally endorsed implicit theory of leadership in 62 countries including East

and West regions. All these theories have provided insights in to the concept of effectiveness of culture based leadership and management. Culturally endorsed implicit theory of leadership (CLT) says that leader effectiveness is a function of the interaction between strategic organizational contingencies and leader attributes and behaviours. In this critique researcher argues that there is a necessity of own research in leadership and organizational culture in relation to Sri Lanka and Czech Republic, in order to understand the ways of enhancing employee performance in organizations.

Sri Lankans expect group loyalty at work, team spirit, and obedience to elders in their work place and also less autonomous and more dependent on their place in the surrounding social system. Especially in Sri Lanka people are respecting for the common social acceptance, values and also they fear for isolation. Under the authoritarian and paternalistic behaviour of social and organizational cultural system in South Asia (House et al, 2004), researcher supposed that leaders in Sri Lankan organizations must possess an additional character that “administratively competent” in order to be truly effective. Referring to the available literature, the researcher assumes that “administratively competent team-oriented leader behaviour” and “human-oriented leader behaviour” are the most effective leadership styles for Sri Lanka in order to enhance employee performance in organizations.

Also team-oriented leader behaviour is the most effective behaviour of leadership even in Eastern Europe including Czech Republic (House et al., 2004). Hence, researcher supposes that these leadership behaviours are the most effective styles of leadership even in Czech Republic cultural context. Administratively competent team-oriented leader behaviour possesses characteristics of “team spirit, group loyalty, orderliness, administrative competencies, and organized” mostly. Human-oriented leader behaviour possesses that “kind enough to listen for subordinates’ opinions, clear future direction, opportunity for involvement, soft approach in dealing with employees, and considering of everybody winning”.

### **Organizational culture and person-organization value fit**

As in the literature, organizational culture has been an important theme in management and business research for some two decades. One reason for this is that organizational culture has the potential to affect a range of organizationally and individually desired outcomes (Chow et al., 2001). Chatman (1991), Meglino et al. (1989), and O’Reilly et al., (1991) investigated individual and organizational value congruence by examining profile similarities between individual and organizational value profiles. All three studies reported significant positive relationship between individual-organizational value

congruence and both job satisfaction and organizational commitment, even after the effects of several control variables were statistically removed.

Many recent researches have suggested that person-organization value fit affects employee performance (Li, 2006). Chatman (1991) has rightly noted that future research on person-organization value fit should be more explicitly interactional. By going along this existing research gap Li (2006) has done his interaction research between person-organization value fit and leader behaviour in Chinese cultural context. Further he has given a new research clue based on his research findings that future research should further test the effectiveness of leader behaviour in different cultures or societies. As logical reasoning at this point of view present researcher predicts that both “administratively competent team-oriented leader behaviour” and “human-oriented leader behaviour” will interact with person-organization value fit to improve employee performance in Sri Lankan cultural context and Czech Republic cultural context.

Based on the preceding literature review, the conceptual framework (Figure 3) depicts the measured variables and their relationships in the present study.

#### **4.3.1 New theoretical development of the current study**

Matching of “organizational values” and “personal values” (person-organization value fit) is a critical identified contributor to enhance employee performance (here, employee commitment; participation for group decision making; and employee trust on their leaders) in organizations. Another critical factor for enhancing employee performance is “leadership behaviour” in the organization. As both, person-organization value fit and leader behaviour are critical factors in enhancing employee performance; ultimate performance will be decided by the interaction effect of leadership and person-organization value fit.

Each society or culture itself decides the effective model of leadership based on their social and cultural values. More appropriate leadership styles for Sri Lanka and Czech Republic are “human-oriented leader” and “administratively competent team-oriented leader” behaviours at least for the organizations in the research territories. If leaders can adapt one of these two leader behaviours, they can enhance employee performance in their organizations by improving person-organization value fit.

## 4.4 Proposed Conceptual Framework

To give direction to the investigation, the researcher developed a conceptual framework based on insights gain from the literature review. While a number of theories and issues pertinent to the study were discussed in the previous chapter, the following three concepts were chosen as the basis for analysis of the research problem. These were leadership styles of the organizations, employee-organization value fit, and employee performance in commitment, participation for group decision making, and trust in their leaders.

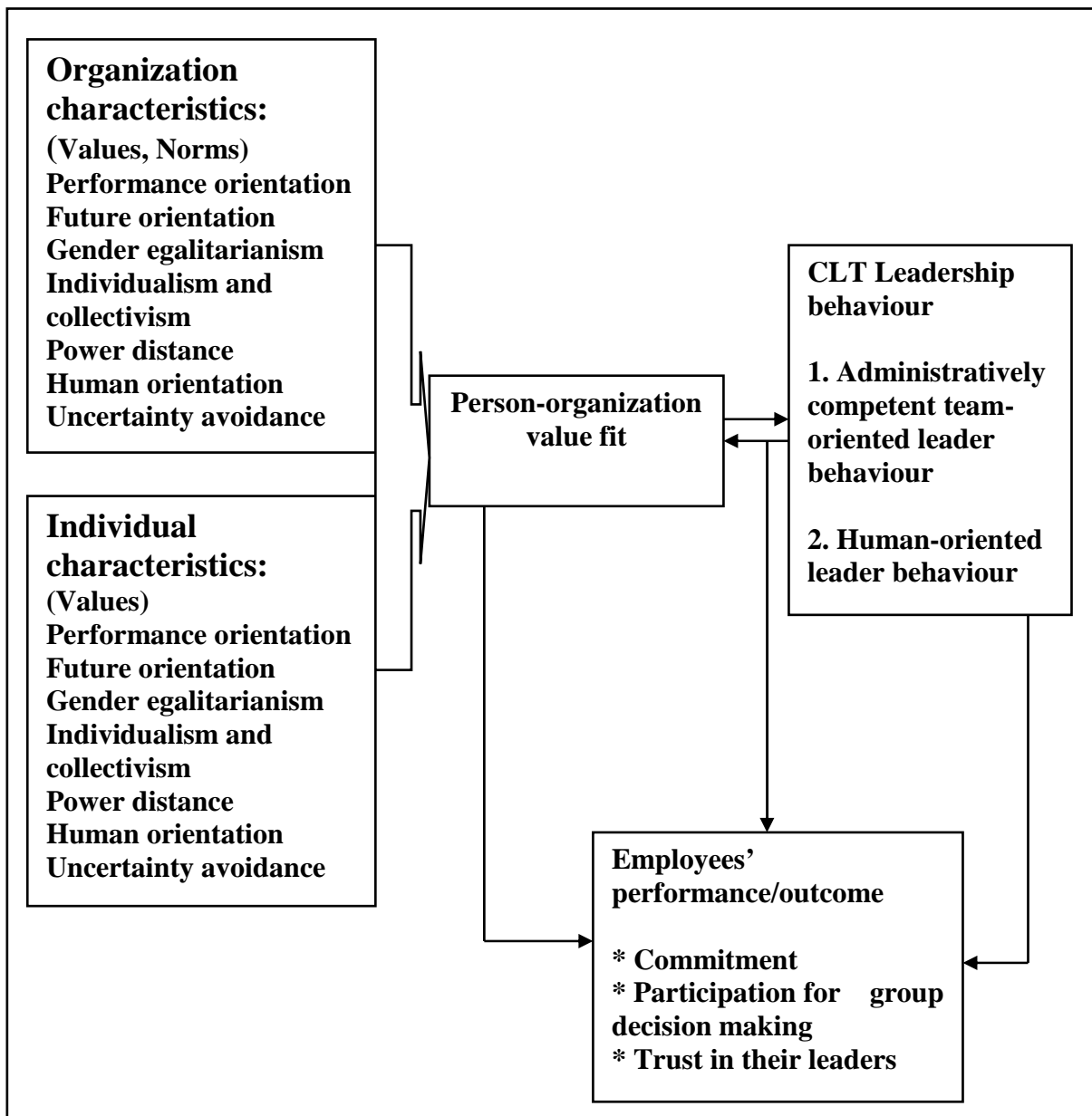


Figure 3 Conceptual framework of research variables and their relationships

#### **4.4.1 Research questions and hypotheses development**

Three main researchable questions were identified for the study as follows:

- (1) Whether there is a significant effect of leadership behaviour on employee commitment, participation for group decision making, and trust in their leaders
- (2) Whether there is a significant effect of person-organization value fit on employee commitment, participation for group decision making, and trust in their leaders.
- (3) Whether there is a significant interactive influence of leadership behaviour and person-organization value fit on employee, commitment, participation for group decision making, and trust in their leaders.

#### **Hypotheses**

Based on the above research questions and the past research findings, hypotheses were developed as follows:

#### **Leadership styles and person-organization value fit**

As cited in the literature, charismatic leadership behaviour and feminine leadership behaviour have positive and significant effect on person-organization value fit (Huang et al., 2005; Li, 2006). Hence, here researcher suppose if leaders adopt team-oriented and human-oriented behaviours in dealing with employees in organizations, with greater affection and communication, he or she has more opportunity to influence his or her subordinates effectively. Also person-organization value fit is influenced by selection and socialization. Leader can enhance the socialization process in the organization by formal and informal associations with subordinates (Chatman, 1989, 1991). When organization members work as a team for organizational overall objective, they have more opportunities in influencing each other in adapting to the culture of the organization and thus, improving the person-organization value fit. Based on these following hypotheses were developed:

**H1.a:** Human-oriented leader behaviour may have positive correlation on person-organization value fit

**H1.b:** Administratively competent team-oriented leader behaviour may have positive correlation on person-organization value fit



## **Direct effect of leadership styles on employee performance**

According to the literature, past behavioural theories of leadership have mentioned that how leadership affects on employee performance. In human resource management, power equalization through participation is a tool for enhancing employee performance (Heller, 1958; Li, 2006). McGregor's Theory X and Theory Y explains that if people are happy then they will be optimally motivated to do the work they are given. Li (2006) has reviewed “Cleland (1994); Hoffarth (1993); and Stanford et al., (1995)” and has argued that feminine leader behaviours will affect employees’ motivation and commitment (cited by Li, 2006). Also he has mentioned that feminine leadership is not limited to women managers, anyone can develop it, and both men and women can engage in this kind of leadership. Team-oriented leaders are consistent with the recent trend towards participation and empowerment taking place in organizations, hence we supposed if leader is team-oriented with administrative capabilities or human-oriented, it may be able to improve communication between leader and subordinates, participation, and involvement. Based on these, researcher proposed following hypotheses:

**H2. a** Human-oriented leader behaviour will enhance employee commitment, employee participation for group decision making, and employee trust in their leaders in organizations.

**H2. b** Administratively competent team-oriented leader behaviour will enhance employee commitment, employee participation for group decision making, and employee trust in their leaders in organizations.

## **Direct effect of person-organization value fit on employee performance**

**H3. a** Person-organization value fit will enhance employee commitment, employee participation for group decision making, and employee trust in their leaders under human-oriented leader behaviour.

**H3.b** Person-organization value fit will enhance employee commitment, employee participation for group decision making, and employee trust in their leaders under administratively competent team-oriented leader behaviour.

## **Interactive effect of leadership styles and person-organization value fit**

Locke (1976) has stated that employees will be satisfied with agent in the work situation; supervisors, co-workers, subordinates, and management to the degree that these agents are perceived as having important values in common with him or her (cited by Li, 2006). If personal values and organizational

values are matching, people will be happier and commitment will be higher. Chatman (1989) has mentioned that leader can influence selection and socialization that will leads to higher person-organization value fit. And also if individuals who hold similar values with the organization would share common aspects of cognitive processing that should lead to common method of interpreting events. Common interpretations reduce uncertainty and improve interpersonal relationships presumably, in part, by reducing conflict and misunderstanding (Meglino, 1989; Kalliath et al., 1999). These conditions will enhance employee participation for group decision making in organizations. Further, previous findings suggest that person-organization value fit has a positive effect on the communication between leaders and their subordinates (e.g. Silverhart and Hinch., 1996). The greater communication is likely to result in to the greater understanding and trust between the leader and his or her subordinates (Meglino, 1991; Li, 2006). Hence researcher proposed:

**H4.a:** Interaction between human-oriented leader behaviour and person-organization value fit will have positive influence on employee commitment, participation for group decision making and trust in their leaders.

**H4.b:** Interaction between administratively competent team-oriented leader behaviour and person-organization value fit will enhance employee commitment, participation for group decision making and trust in their leaders.

### **Employee behaviour under low person-organization value fit and low leadership**

Though person-organization value fit is so important phenomenon in organizational management, an organization has to keep those employees whose values do not fit its organizational culture, because of labour shortage or because of the need to remain creative and innovative human resources (Li, 2006). As such, it is worthwhile to find whether leader can enhance value fit of employees and organizations by adapting a suitable style of leadership. Hence researcher proposed:

**H5. a:** Human oriented leader behaviour will influence subordinates even under low person-organization value fit to improve employee commitment, employee participation for group decision making, and employee trust in their leaders.

**H5. b:** Administratively competent team-oriented leader behaviour will influence subordinates even under low person-organization value fit to improve employee commitment, employee participation for group decision making, and employee trust in their leaders.

# **CHAPTER 5**

## **RESEARCH METHODS**

Previous chapter outlined the relevant research questions and hypotheses to be tested. The objective of this chapter is to describe the methods by which the stated research questions and hypotheses were tested through a questionnaire presented to the Plantation Sector employees in Sri Lanka and “EX” Organization in Czech Republic. Research variables were derived from the literature review discussed in the chapter 3 and theoretical reformulation presented in the chapter 4.

### **5.1 Ethical approach to research**

The privacy and confidentiality concerns in the data collection were carefully considered before embarking on the collection of data and analysis phases. As researcher required primary data to investigate the research problems in the country, the questionnaire was developed and used. The questionnaire was a useful method to collect data from employees for the following reasons. First, employees might feel reluctant to discuss these issues face to face, as this study was measured about the employee’s feelings on organizational management system in the work place. In such a situation, a questionnaire is the best choice for the survey as it ensures anonymity (Jahangir, 2003). Second reason is employees had scattered over a number of organizations and areas. To interview such a large sample of employees, would be more time consuming for both parties and also it is not cost effective as well. This was another reason for why the researcher chose the questionnaire methodology for data collection. Further, from the ethical point of the social research, questionnaire methodology is the best way of keeping face confidentiality between interactive parties.

Researcher maintained an effective communication system with branch managers and some selected employees who were given an authority to aware the employees to fill these questionnaires accurately in a given time. The study was conducted in Sri Lanka and Czech Republic to understand similarities and dissimilarities of results in cultural basis.

### **5.2 Developing research variables and research instrument**

A structured questionnaire was used in this research study to collect data from the employees. The questionnaire was divided in to three main sections; i.e. measurements of leadership styles in the organization, employee performance and person-organization value fit.

## **Independent variables**

Two leadership characters; i.e., “human-oriented leader behaviour”, “administratively competent team-oriented leader behaviour” and person-organization value fit were considered as independent variables for the current study.

- **Leadership measurements**

Questions, 1-5 under the human-oriented leadership measurement (see Appendix A), asked employees about the extent to which they felt as their leaders were human oriented along the given criteria (Human-oriented leadership dimensions). These items have previously been derived by GLOBE study (2004) and Li (2006) study. A 7-points Likert type scale was used to assess these variables. Higher score indicated greater perceived human oriented leadership behaviour and lower score indicated less perceived human orientation in leadership. Satisfactory reliability of the items was analyzed by the researcher and it was Cronbach’s alpha ranging from 0.73-0.82.

Questions, 1-6 under the administratively competent team-oriented leadership measurement (Appendix A), asked employees about the extent to which they felt as their leaders were team oriented and administratively competent along the given criteria. First three questions were drawn by Li (2006) study. Last three questions were self constructed by referring the literature of the GLOBE (2004) study. A 7-point Likert scale was used to assess these variables in which higher score indicated greater perceived team oriented leadership behaviour and lower score indicated less perceived team orientation of the leadership. Satisfactory reliability of the items was measured as Cronbach’s alpha ranging from 0.90-0.91.

- **Person-organization value fit measurements**

## **Origins of the culture dimensions**

The first five culture dimensions have their origins in the dimensions of culture identified by Hofstede (1980). But in this study researcher followed the scales developed by GLOBE project (House et al., 2004) that has been elaborated more than Hofstede, dimensions. The scales to measure the following three dimensions have been designed to reflect the same construct as Hofstede’s (2001) dimensions labelled; uncertainty avoidance, power distance, individualism and collectivism. On the basis of Hofstede’s discussion on masculinity dimension, GLOBE team has developed two dimensions labelled gender egalitarianism and assertiveness. In this study researcher used only one

item that is gender egalitarianism. Because assertiveness is not much related to Sri Lankan cultural context and also needed to reduce the length of the questionnaire.

Future orientation has been derived from Kluckhohn and Strodtbeck's (1961) past, present, and future orientation dimensions, which focuses on the temporal orientation of most people in the society. Performance orientation has been derived from McClelland's (1961) work on need for achievement. Human orientation has been derived from Kluckhohn and Strodtbeck's (1961) dimensions entitled human nature as good versus human nature as bad, as well as Putnam's (1993) work on the civic society and McClelland's (1985) conceptualization of the affinitive motive (cited by House et al. 2004).

Uncertainty avoidance has a long history of discussion in the organizational behaviour literature but has been most recently conceptualized by Cyber and March (1963) and Hofstede (1980) as an organizational attribute. Power distance has been initially conceived of by Mulder (1971) as a measure of power differential between superiors and subordinates. Hofstede (1980) has elevated the dimension of power distance and uncertainty avoidance to the societal level of analysis (cited by House et al., 2004).

For the present study person-organization value fit was tested by 19 pairs (38 Questions) of items selected from an instrument developed by House and his team in 2004. These items measured individual's cultural values and organizational practices along these dimensions.

### **Measuring instrument of person-organization value fit**

Questions under person-organization value fit (see Appendix A), asked employees about the extent to which they felt their values and organizational practices were fit together. Fit was measured using the seven categories of measurements developed in the GLOBE project (House et al., 2004).

In "As Is" scale asked, respondents to indicate how descriptive each statement was regarding their current organizational environment and "Should Be" scale asked, respondents to indicate how well each statement describe them personally for each measurement.

The first category was on *performance orientation* measurements and there were three scales to assess organizational practices and at the same time they were asked about their values along the same scales. The second category was on *future orientation* and there were three scales developed to assess organizational practices and values for the same scales. The third category was

on *gender egalitarianism* and there were two scales developed to assess organizational practices and values along the same scales. The fourth category was on *individualism and collectivism*. There were two scales, asked employees to mention their organizational practices and values along the same measurements. The fifth category was on *power distance* and there were three scales, asked employees to mention their organizational practices and values along the same scales. The sixth category was on *human orientation* and there were three scales, asked employees to mention their organizational practices and values. The seventh category was on *uncertainty avoidance* and there were two scales, asked employees to mention their organizational practices and values in the same way as above (Appendix A).

Respondents were rated all items on a 7- point reversed scale other than gender egalitarianism. A higher score indicated lower agreement and lower score indicated higher agreement in each scale. But in the scales of gender egalitarianism, it was in vice versa and highest value indicated higher agreement and lowest value indicated lower agreement. Fit was operationalized as the sum of the differences between responses to corresponding items on the two scales in “As Is” and “Should Be”. The discrepancy between the scores from these two sentences reflected the level of person-organization value fit. The smaller the score showed higher the value fit (Bretz and Jude, 1992; Li, 2006). All items in the scale addressed organizational practices and employees’ values that have been identified as potentially important determinants of person-organization value fit. Li (2006) had used the same instrument for his study in Chinese cultural context. He has mentioned that reliability analysis (Cronbach’s alpha ranging from 0.83 to 0.98) and group correlation coefficients ranging from 0.78 to 0.97 for the same instrument. For the present study, the same instrument was used by the researcher.

## **Dependent variables**

- **Employee performance measurements**

Questions, 1-4 under the employee commitment to the organization (Appendix A), asked employees about the extent to which they felt as they committed to the organization. Satisfactory reliability was calculated as (Cronbach’s alpha ranging from 0.82 to .85).

Questions, 1-4 under the employee trust on their leaders (Appendix A), asked employees about the extent to which they felt as they kept trust on their leaders. Satisfactory reliability for the scales was (Cronbach’s alpha ranging from 0.74 to 0.85).

Questions, 1-4 under the employee participation for group decision making (Appendix A), asked employees about the extent to which they felt as they were participating in decision making process in the organization. This was a self constructed questionnaire by reviewing the GLOBE research findings on participation. Satisfactory reliability for the scales was Cronbach's alpha ranging from 0.89-0.90.

All those questions were anchored on 7 points Likert scale. A higher score indicated greater perceived value and vice versa.

Here researcher would like to mention that test reliability above 0.95 is considered as statistically excellent. Reliability over 0.85 is considered as sufficient to make a decision, and above 0.65 could be used as a test of one of the bases for a decision.

### **Control variables**

Four demographic variables; age, gender, job tenure to the current company and years of total work experience were used as control variables. Past researches have suggested that these demographic attributes may moderate the results of the effects of leadership and person-organization value fit (Chatman, 1991; Li, 2006). As a result these were considered as covariates in the study.

### **5.3 Pilot study for the questionnaire**

The first step in the data collection was distribution of the questionnaire for the pilot study. The questionnaire was pre-tested with peer groups in the Tomas Bata University in Zlin, Czech Republic and with some employees in the sample population in Sri Lanka. Especially with people who have sound knowledge in questionnaire development and human resource management. Burns and Bush (1998) have suggested that a pre-test of 5-10 representative respondents is usually sufficient to identify problems with a questionnaire (Jahangir, 2003).

The participants were asked to evaluate the questionnaire for clarity, bias, ambiguous questions, and relevance to the organizational setting in general. The participants were also asked to comment on the instrument with regard to wording and timing. The pre-test study indicated that participants had problems with the questionnaire being in English and time needed for answering as the questionnaire was too long. In response to such comments, the format of the questionnaire was later redesigned by translating in to Sinhala (mother language of Sri Lanka) and Czech language (mother language of Czech Republic). To make the questionnaire short, some of the questions were deleted which were not much related and even which would not make any damage to the meaning.

Choosing a person to translate the questionnaire is an important and critical process in the research. First, a person who makes translation must possess a good understanding of both languages and more importantly, a person must be capable of writing high-standard official Sinhala and Czech language in this case that is proper for questionnaire preparation. In this study, the questionnaire was translated in to Sinhala by a person who was fluent in official Sinhala language and even with a sound knowledge in academic discipline. In the same way the questionnaire was translated in to Czech language by a Czech native who was fluent in both English and Czech language.

## **5.4 Research approach**

In the month of October 2008, the researcher left for Sri Lanka, in order to collect data from Sri Lankan organizations, after obtaining the approval from the Tomas Bata University in Zlin, Czech Republic (Appendix B). Second step of the research approach was to get permission from the selected organizations in Sri Lanka in order to carry out the study in purposive sections. For this purpose, researcher contacted an authoritative person in the Ministry of Plantation Industry in Sri Lanka and received a letter of permission to conduct the survey in selected organizations in the Plantation Industry (Appendix C). With this letter researcher met the Chief Executive Officer of each organization and got approval to collect data in respective sections.

### **5.4.1 Sampling method**

Purposive sampling and simple random sampling were adopted for the current study. Purposive sampling was accomplished to select organizations in the Coconut Plantation sector in Sri Lanka and simple random sampling was applied to select respondents from the populations for data collection.

Sampling frame of Sri Lanka was as follows: The Ministry of Coconut Development, Coconut Development Authority, Coconut Research Institute, Kurunegala Plantation Limited, and BCC Lanka Pvt. Ltd. Coconut Cultivation Board was not included to this sample frame in order to avoid reaching of biased information for the analysis as the researcher is working in the organization. All other organizations cover almost all the areas in the Coconut Plantation sector in Sri Lanka other than the “extension service” conducted by the Coconut Cultivation Board.

Sampling frame of Czech Republic was consisted of two Institutions in the financial sector in Zlin known as “EX organization”. Institutions were selected purposively and employees were selected randomly.



Distribution of the questionnaire: First, researcher collected the list of the names of employees in middle managerial level, junior managerial level, and clerical staff members in these organizations via registry records. Simple random sampling was accomplished by drawing lots to choose elements from the population. As simple random sampling is a probability sampling method, where every member (unite) of the population has an equal chance of being included in the sample (Thattil, 1999).

#### **5.4.2 Data collection procedures**

After getting permission from the authoritative persons in prospected institutions, 250 questionnaires were distributed among employees in middle managerial level, junior managerial level and clerical staff of these organizations in Sri Lanka. Two hundred and eleven filled questionnaires were returned from this population.

Sample size was above the level of 35% of the study population in each organization in which researcher required to collect data while some samples were over 50% in some organizations. Questionnaires were distributed among the participants by the researcher personally. As these Sri Lankan organizations were not equipped with computers and internet facilities, electronic data survey was impossible.

Accordingly, 33 employees from middle categories were surveyed from the “EX” organization in Czech Republic. Quantitative data were subjected to statistical analysis to find out correlations and answers for hypotheses.

#### **5.5 Data analysis procedures**

In order to elaborate more on data distribution, scatter diagram and box plots were prepared to each dependent variable with one independent variable at a time. In descriptive statistics, a box plot (also known as a box-and-whisker plot) is a convenient way of graphically depicting groups of numerical data through their distributions. To obtain answers from collected data for the identified research questions and to test the hypotheses, correlation analysis, Analysis of Covariate and Least Square Means (t-test) were selected as appropriate tools for this study.

#### **Summary**

In this chapter, ethical approach to research, selection of variables and development of the survey instrument, pilot study and data collection process have been discussed in detail. In the next chapter, analysis of quantitative data and findings are presented.

## **CHAPTER 6**

### **FINDINGS FROM QUESTIONNAIRE**

#### **6.1 Findings from the questionnaires gathered from Sri Lanka**

In the previous chapter, the research methodology for the study was discussed. This chapter presents about the missing data treatments, descriptive statistical analysis, scatter diagram and box plot, and correlation analysis of the data distribution in the present study.

##### **6.1.1 Missing data**

Missing data is a very common problem in empirical research (Mallinckrodt et al., 2001). The problem is especially prevalent in survey research because it usually involves a large number of responses and a large number of respondents. The precise way in which these missing values are treated should be based on two factors. First, the extent to which missing data treatments are available and accessible must be considered. This depends on what specific procedure has been developed and which procedures are accessible to the individual researcher with his or her data, using existing computer software procedures or relatively simple operations within these. Second, the effectiveness of specific procedure within the practical context of the research must be considered (Jahangir, 2003).

Much of the research into the effectiveness of missing data treatment relates to situations in which certain single-element variable or entire scale scores are missing. In survey research using Likert-type scale scores, however, the principal cause of missing scale scores is the lack of data on one or more of the items that make up the scale. Some have taken the view that it is more natural and more accurate to address the absence of these item scores by substituting item means for missing item scores rather than to estimate the missing scores using other variables (Jahangir, 2003). However, competing views of how to treat missing data have not been definitely resolved (Mallinckrodt et al., 2001). In survey research using Likert-type scales, missing data is a general occurrence because each scale is made up of several items, there is also a real possibility that several items per scale will be missing.

For the present study, 250 questionnaires were distributed within the following organizations, i.e. Ministry of Coconut Development, Coconut Development Authority, Coconut Research Institute, Kurunegala Plantation limited, and BCC Lanka Limited in Sri Lanka. Two hundred and eleven (211) filled questionnaires were returned out of 250 and nine questionnaires were with missing data. When it is taken in to percentage, the value is 4.2 percent and this

value is not fairly high in percentage. Bearing in mind these limitations and taking into account that there were only a small number of cases with missing values, it was concluded that the most satisfactory approach in handling missing values for this study was to use the “list wise deletion” method.

But in case of list wise deletion method, a serious problem with missing items on Likert-type scale is the risk that these missing values will not occur in a random fashion. Certain subgroups of the population could be more inclined to give no response to specific questions (Jahangir, 2003). Even though use of list wise deletion in a study where more cases with missing values will result in deletion of more cases. This will not provide accurate results. However, competing views of how to treat missing data have not been definitely resolved (Mallinckrodt et al., 2001). Certain response categories within this type of research have to be rated as “missing”; these include any “don’t know” categories (Raymond, 1986) and also, in some cases, the midpoint “neutral” responses (Jahangir, 2003).

When an experiment has one or more observations missing, the standard computational procedure of the analysis of variance for the various designs except CRD, no longer apply. In such cases, either the missing data formula technique or the *Analysis of Covariance* technique should be applied (Gomez and Gomaez, 1984). An estimate of the missing data obtained through the missing data formula technique does not supply any additional information to the incomplete set of data – once the data is lost, no amount of statistical manipulation can retrieve it. What the procedure should attempt to do is to allow the researcher to complete the analysis of variance in the usual manner without resorting to the more complex procedures needed for incomplete data sets (Gomez and Gomez, 1984).

However, in the present context, use of list wise deletion will not result in loss of many cases as only 7 cases had missing values. As this reason of small number of cases with missing values, these 7 cases were deleted from further analysis. The deleted cases represented (4.2 %) of the total sample (211). As a result the researcher used the sample size as two hundred and two (202) in total in Sri Lanka. For the present study, Covariate Analysis was used to remove, any other type of missing value errors such as “mid point” or any disagreements in the scales.

In the sample of Czech Republic, there were no missing values at all. All questions were answered completely.

### **6.1.2 Reliability of the instruments**

Past researchers have mentioned that there are two basic requirements of measurement, i.e. first, measurement must be an operationally definable process, and second, the outcome of the measurement process must be repeatable (reliability). Jahangir (2003) has mentioned in his research thesis that, Gregory (1996) has defined “reliability” as the extent to which measurements of the particular test are repeatable. In other words, the measuring procedure should yield consistent results on repeat tests. The more consistent the results given by repeated measurements, the higher the reliability of the measurement procedure.

Nunnally (1970) suggested that there are at least four methods of estimating the reliability coefficient: test-retest method, alternative form, subdivided- test method (referred to as the split-half method), and method of concerning internal consistency. However there are methods for estimating reliability that do not require splitting or repeating of items. Instead, these techniques require only a single test administration and provide a reliable estimate of the coefficient reliability. As a group, these methods are referred to as measures of internal consistency (cited by Jahangir, 2003). In the methods concerning internal consistency, the reliability is calculated by averaging correlations between items (Nunnally, 1987). The most highly recommended measure of internal consistency is provided by coefficient alpha or Cronbach’s alpha (1951) as it provides a good reliability estimate in most situations. The value of an alpha is ranging from 0 to 1. The closer the value of alpha to 1, the better the reliability is. If the value is low, either there are too few items or there is very little commonality among the items (Churchill, 1979).

#### ***Reliability values of the present instrument***

For the early stage of any research, Nunnally (1987) suggested that the reliability of 0.50-0.60 is sufficient, although a coefficient of 0.7 or above is desirable. For the present study the researcher used both predefined questionnaires and self constructed questionnaires. But reliability analyses were constructed by researcher again for all items other than for person-organization value fit (see Appendix D).

For the person-organization value fit measures, researcher used the instrument developed by GLOBE project (House et al., 2004). First they have calculated the internal consistency of these scales at the organizational level of analysis to assess the degree to which these scales were free from error caused by item variability. To calculate these internal consistency estimates, they have first aggregated the items comprising each scale to the organizational level of analysis and have computed Cronbach’s alpha on the basis of these averaged item responses. The average internal consistency in Cronbach’s alpha for the

organizational cultural practices (As Is scale) and the organizational cultural values (Should Be scale) scales were 0.61 and 0.55, respectively.

Secondly they have explored the extent to which their scales exhibited interrater reliability. The average Intra Class Correlation (ICC) for the organizational cultural practices (As Is) and cultural values (Should Be) scales were 0.93 and 0.95, respectively. Li (2006) has used this same instrument for his study in China. He has mentioned that the reliability analysis were Cronbach's alpha ranging from 0.83 to 0.98 and group correlation coefficients ranging from 0.78 to 0.97 for the same instrument. For the present study, the same instrument was used by the researcher.

According to the findings of GLOBE study internal consistency for the human-oriented leadership behaviour scales showed Cronbach's alpha 0.76 and interrater reliability was 0.93. For the team-oriented leadership behaviour, internal consistency was 0.93 and interrater reliability was 0.96 (House et al., 2004). According to the present researcher's findings, satisfactory reliability of the items of human-oriented leader was (Cronbach's alpha ranging from 0.73-0.82), and satisfactory reliability of the items of administratively competent team-oriented leader was (Cronbach's alpha ranging from 0.90-0.91). This clearly shows the similarity of the values in earlier research and present research in correlation analysis.

The scales for the measurement of employee commitment and employee trust in their leaders were adapted from the instrument developed by Li (2006) study. It has shown that a good reliability coefficient alpha in these two scales (Cronbach's alpha) ranging from 0.74 to 0.85 and within group correlation coefficient ranging from 0.70 to 0.82 (Li, 2006). According to the present research findings, reliability analysis for employee commitment, and participation for group decision making were Cronbach's alpha 0.82 to 0.85 and 0.89 to 0.90 respectively.

### **6.1.3 Descriptive statistics of the study**

The means and standard deviations of all the constructs in the current study are displayed in the Table 1, with relation to Sri Lanka. Mean scores have been computed by equally weighing the mean scores of all items. For example, the mean score of human-oriented behaviour is computed by equally weighing the mean scores of "my superior kind enough to listen my opinions, the leaders of my organization provide a clear picture of the direction in which the organization is headed, people in my organization generally have an appropriate involvement in decision that affects their work, the leaders of my organization have empathy and soft approach towards employees in dealing with task, and

leaders of my organization always consider on an every body winning”. Completed 202 questionnaires were consisted in gender: as 119 female employees and 83 male employees.

### ***Human-oriented leader behaviour***

According to these statistics, (Table 1) the mean value for human-oriented leadership behaviour in the sample population of Sri Lanka is 4.75 from the total of 7 points in the scale. This value is above the mid point of the 7 points scale. The mid point was considered as 3.5 out of 7 and hence it can be concluded that the leadership behaviour of these organizations are somewhat human oriented. It is closer to the point 5 in the 7 points scale in the questionnaire (appendix A). Descriptive data explain that sample mean of human-oriented leadership behaviour can be varied within  $\pm 0.83$  from the population mean in 95% confident. It is known as Standard Deviation (SD = 0.83). Total number of population is 202 employees from all organizations.

Table 1 Descriptive statistics in Sri Lankan study

<b>Variables</b>	<b>Mean</b>	<b>SD</b>
<b>Independent variables</b>		
1. Human-oriented leader	4.75	0.83
2. Ad. team-oriented leader	5.57	1.09
3. Person-organization value fit	3.02	0.95
<b>Dependent variables</b>		
4. Employee commitment	5.26	0.95
5. Employee participation for group decision making	4.84	1.09
6. Employee trust in their leaders	5.44	0.91
<b>Covariates</b>		
7. Age	41.01	6.41
8. Company tenure	10.01	4.28
9. Total work experience	13.04	5.57
10. Sex	1.4	0.38

Sample size (N) = 202

### ***Administratively competent team-oriented leader behaviour***

The mean value for administratively competent team-oriented leadership behaviour in the population is 5.57 from the total of 7 points in the scale. This value is also above the mid point of the 7 points scale. But this value is mostly closer to point 6 out of the total points of 7. It can be concluded that the leadership behaviour of these organizations is more team oriented than human-oriented. These data explain that sample mean of team-oriented leadership behaviour can be varied within  $\pm 1.09$  from the population mean at 95% confident (SD = 1.09).

### ***Employee commitment***

The mean value for employee commitment to the organization is 5.26 from the total of 7 points in the scale. This value is above the mid point of the 7 points scale. The mid point was considered as 3.5 out of 7 as earlier. Researcher can be concluded that employee's commitment to the organizations is fairly high. It is in the "somewhat committed" position in the scale. Standard deviation of the mean value is 0.95.

### ***Employee participation for group decision making***

The mean value for employee participation for group decision making is 4.85 out of 7 points in the scale. It is above the mid point of the scale and it is in the "somewhat participative" position of the scale. But comparatively this mean value is lower than the mean value of employee commitment to the organization. Standard deviation of the mean value is 1.09.

### ***Employee trust in their leaders***

The mean value for employee trust in their leaders is 5.44 out of 7 points in the scale. It can be concluded that employee trust in their leaders in these organizations is above the mid point in the scale. Standard deviation of the mean value is 0.91.

### ***Person-organization value fit***

The mean value for person-organization value fit is 3.02 of the population. Here respondents were rated the all items on the 7- point reversed scale other than gender egalitarianism. A higher score indicated lower agreement and lower score indicated higher agreement in each scale. But in the scales of gender egalitarianism, it was in vice versa that highest value shows in 7 and lowest value in 1.

According to this interpretation, the maximum discrepancy value that can be achieved is 6 and minimum value is 0 (zero) in the fit scale. As a result the researcher found the middle point is as 3 in the fit scale. According to these results it can be concluded that employee-organization value fit of these organizations is in the middle level. Not so high as well as not so low. Standard deviation is 0.95.

### ***Demographic variables***

Mean value of the age is 41.01 years and standard deviation is 6.41 (minimum age was 25 years and maximum age was 53 in the study sample). Mean value for company tenure is 10.01 and standard deviation is 4.28 in the sample population (The minimum experience in the present organization was 5 years and maximum was 21 years). Mean value for total work experience is 13.04 and standard deviation is 5.57 (The minimum experience was 5 years and maximum experience was 25 years).

Demographic variables had more scattered than other variables in the measurements. Distribution of other variables other than these demographic variables was more similar in pattern with rarely few deviated values.

### **6.1.4 Scatter diagrams, box plots and correlation analysis with relation to human-oriented leader behaviour**

In order to elaborate more on data distribution, all the variables were plotted using box plot and scatter diagrams (LEISCH, R project method) in order to understand their relations.

A box plot (also known as a box-and-whisker plot) graphically explained the way of numerical data distribution of variables. Box plots are useful to display differences between populations without making any assumptions of the underlying statistical distribution and the spacing between the different parts of the box help to indicate the degree of dispersion (spread) and skewness in the data, and identify outliers. For the X axis of the graph independent variables (human-oriented leader behaviour, administratively competent team-oriented leader behaviour, and person-organization value fit) were assigned always and dependent variables (employee commitment, employee participation for group decision making, and employee trust in leaders) were assigned to Y axis always. The outliers were not computed by some statistical methods based on normal distribution (normally, outliers are  $1.96 \text{ SD} + \text{mean value} = 95\% \text{ bound}$ ). Hence data observations which are laid more than 1.5IQR lower than the first quartile or 1.5IQR higher than the third quartile are considered as outlier.



After studying of relationships of variables in the box plot, the correlation analysis was conducted to describe the degree to which one variable is linearly related to another or in otherwise to measure the degree of association between two variables. In this study, the Pearson's correlation was used to find the correlation between two continuous variables at a time. The value for a Pearson's can fall between 0.00 (no correlation) and 1.00 (perfect correlation). Generally, correlations above 0.80 are considered pretty high (SPSS Tutorial - Pearson's Correlation, on line). If there is a direct relationship between two variables in negative direction, the correlation coefficient is within the range of 0 to -1. If it is a complete association in a positive direction, correlation coefficient is +1 (Levin and Rubin, 1994). After box plot study, Pearson's correlations were calculated as in the Table 2.

Table 2 Correlations among all variables in Sri Lankan study

Factors		1	2	3	4	5	6	7	8	9	10
1. Human-oriented leader	Correlation	1									
2. Ad. team-oriented leader	Correlation	.759**	1								
	Significance	.000									
3. Employee Commitment	Correlation	.573**	.753**	1							
	Sig.	.000	.000								
4. Employee Participation	Correlation	.578**	.727**	.826**	1						
	Sig.	.000	.000	.000							
5. Employee trust	Correlation	.724**	.816**	.607**	.569**	1					
	Sig.	.000	.000	.000	.000						
6. Person-orga. value fit	Correlation	-.356**	-.516**	-.637**	-.649**	-.470**	1				
	Sig.	.000	.000	.000	.000	.000					
7. Age	Correlation	-.067	-.146*	-.209**	-.204**	-.107	.276**	1			
	Sig.	.347	.038	.003	.004	.130	.000				
8. Company tenure	Correlation	.008	-.038	-.100	-.117	.015	.187**	.733**	1		
	Sig.	.907	.591	.155	.097	.837	.008	.000			
9. Total experience	Correlation	.039	-.002	-.109	-.117	.039	.170(*)	.798**	.851**	1	
	Sig.	.586	.979	.124	.096	.583	.015	.000	.000		
10. Sex	Correlation	-.049	.005	.006	.041	-.037	-.106	-.057	.002	-.026	1
	Sig.	.489	.942	.933	.561	.604	.133	.422	.972	.714	

\*\* Correlation is significant at the 0.01 level (2-tailed), \* Correlation is significant at the 0.05 level (2-tailed), N=202

*Elaboration of box plots and correlations with reference to each combination of variables under human-oriented leader*

Figure 4, elaborates the relationship between human-oriented leader behaviour and employee commitment. Data of the human-oriented leader behaviour were skewed to right. Median has been laid above the mean of the data. Also the data of the employee commitment were skewed to right. Median of the commitment has been laid above five. Both variables have lower outliers, lower fence and upper fence in the data distribution.

The correlation coefficient between human-oriented leader behaviour and employee commitment was significant and positive ( $r = 0.573$ ,  $p < 0.01$  in 2-tailed).

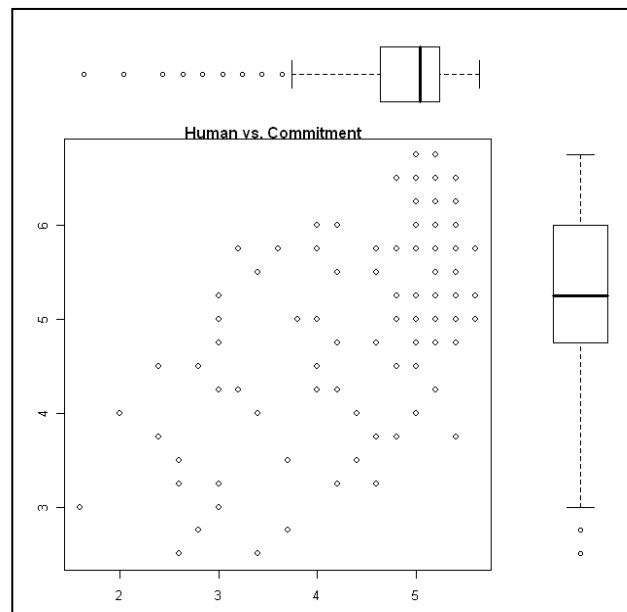


Figure 4 Scatter diagram and box plot for data distribution of human-oriented leader behaviour vs. commitment in Sri Lankan data

Figure 5, explains that the data of employee participation were skewed to right slightly. And also there are data distributed within lower and upper fence. Correlation coefficient between human-oriented leader behaviour and employee participation for group decision making was significant and positive ( $r = 0.578$ ,  $p < 0.01$  in 2-tailed).

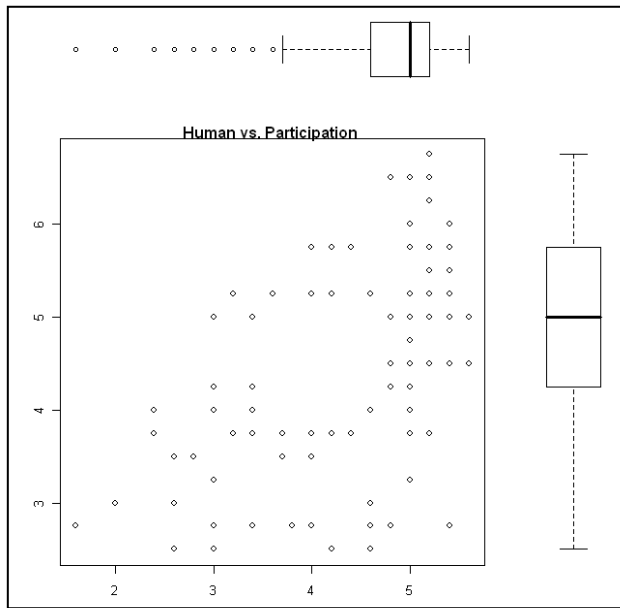


Figure 5 Scatter diagram and box plot for the data distribution of human-oriented leader behaviour vs. employee participation in Sri Lankan data

According to Figure 6, data of employee trust in leaders were skewed to right more. There are lower outliers, lower fence and upper fence in the data distribution of employee trust in their leaders. Correlation coefficient of human-oriented leader behaviour and employee trust was positive and significant ( $r = 0.724$ ,  $p < 0.01$  in 2-tailed).

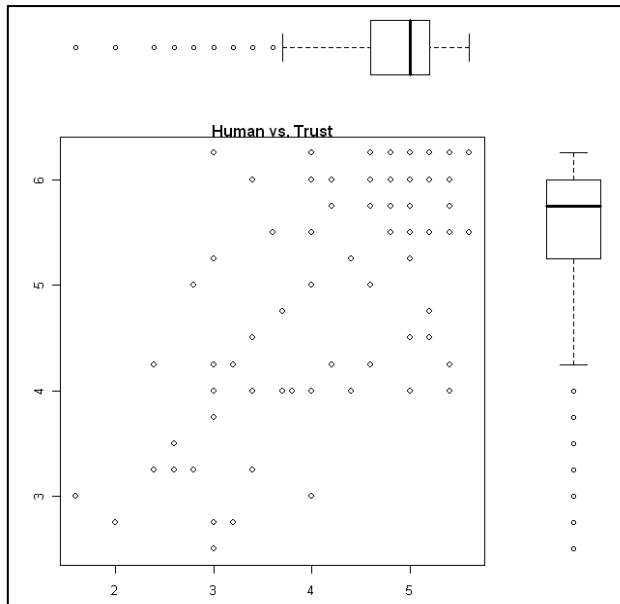


Figure 6 Scatter diagram and box plot for the data distribution of human-oriented leader behaviour vs. employee trust in Sri Lankan data

### *Human-oriented leader behaviour and person-organization value fit*

Correlation coefficient between human-oriented leader behaviour and person-organization value fit was negative and significant ( $r = -0.356$ ,  $p < 0.01$  in 2-tailed). Here researcher would like to note that the scale testing person-organization value fit was actually the difference between personal values and the perceived organizational values. The smaller the number, the higher the level of person-organization value fit. Therefore, negative correlation between leader behaviour and person-organization values fit showed positive effects of the leader behaviour on person-organization value fit.

### **6.1.5 Scatter diagrams box plots and correlation analysis with relation to administratively competent team-oriented leader behaviour**

Figure 7 elaborates, both of the data distributions in relation to team-oriented leader and employee commitment. They were skewed to right more. Also there were lower outliers, lower fences and upper fences. The correlation coefficient between team-oriented leader behaviour and employee commitment was positive and significant ( $r = 0.753$ ,  $p < 0.01$  in 2-tailed).

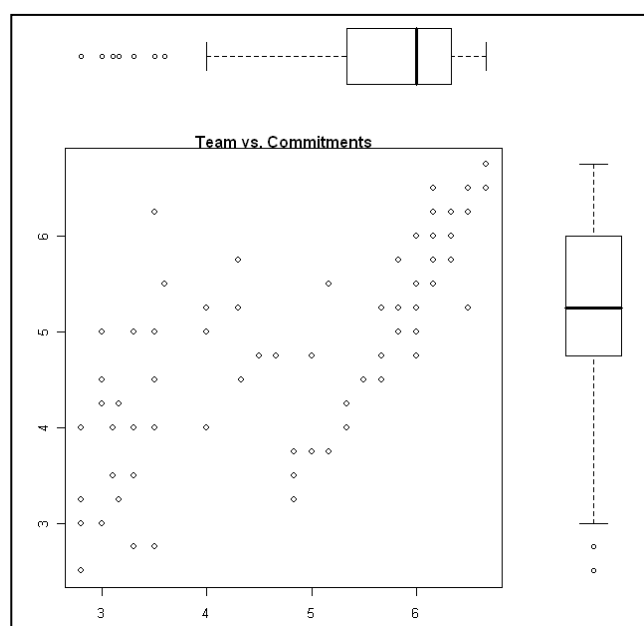


Figure 7 Scatter diagram and box plot for the data distribution of ad. team-oriented leader behaviour vs. employee commitment in Sri Lankan data

Figure 8, explains that the data of employee participation were skewed to right. Correlation coefficient between administratively competent team-oriented leader behaviour and employee participation for group decision making was positive and significant ( $r = 0.727$ ,  $p < 0.01$  in 2-tailed).

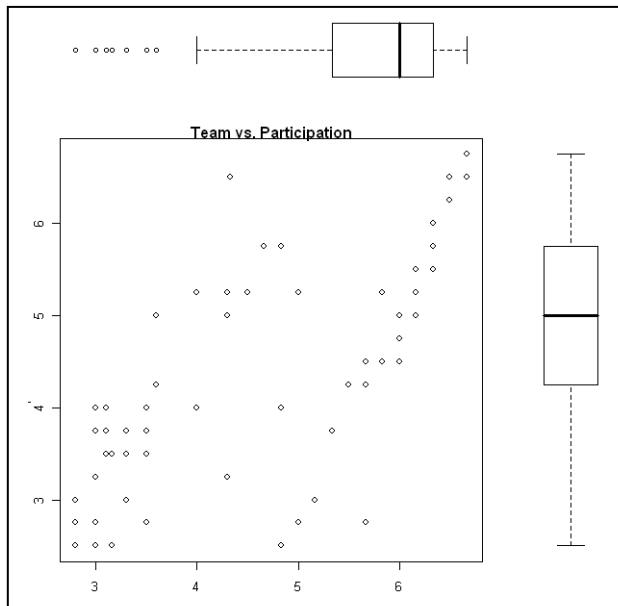


Figure 8 Scatter diagram and box plot for the data distribution of ad. team-oriented leader behaviour vs. employee participation in Sri Lankan data

Figure 9, explains that the data of employee trust in leaders were skewed to right more. Correlation coefficient between ad.team-oriented leader behaviour and employee trust in their leaders was positive and significant ( $r = 0.816$ ,  $p < 0.01$  in 2-tailed).

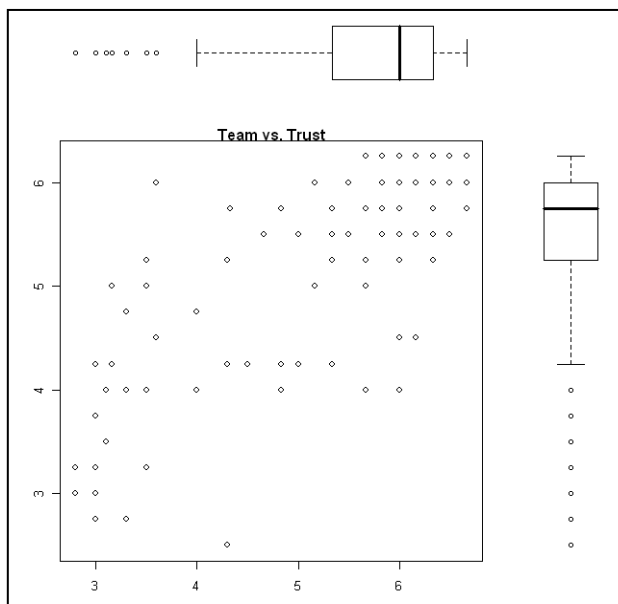


Figure 9 Scatter diagram and box plot for the data distribution of ad. team-oriented leader vs. employee trust in Sri Lankan data

### ***Administratively competent team-oriented leader behaviour and person-organization value fit***

Correlation coefficient between ad.team-oriented leader behaviour and person-organization value fit was negative and significant ( $r = -0.516$ ,  $p < 0.01$  in 2-tailed). As in the interpretation, the smaller number gives a higher level of person-organization value fit. Therefore, negative correlation between leader behaviour and person-organization value fit showed positive effects of the leader behaviour on person-organization value fit.

According to the correlation analysis, it can be concluded that ad.team-oriented leader behaviour shows higher correlations than human-oriented leader behaviour with employee commitment, employee participation for group decision making, employee trust in their leaders and person-organization value fit.

#### **6.1.6 Scatter diagrams, box plots and correlations of person-organization (P-O) value fit vs. employee commitment, participation and trust**

As in the Figure 10, data related to person-organization value fit were skewed to left more. Mean is higher than median and IQR is wider. No outliers exist in the data of person-organization value fit in the population.

Correlation coefficient between person-organization value fit and employee commitment was positive and significant ( $r = -0.637$ ,  $p < 0.01$  in 2-tailed). Though it was in negative result, an exact effect is positive because of lower value gives higher fit as mentioned in the methodology.

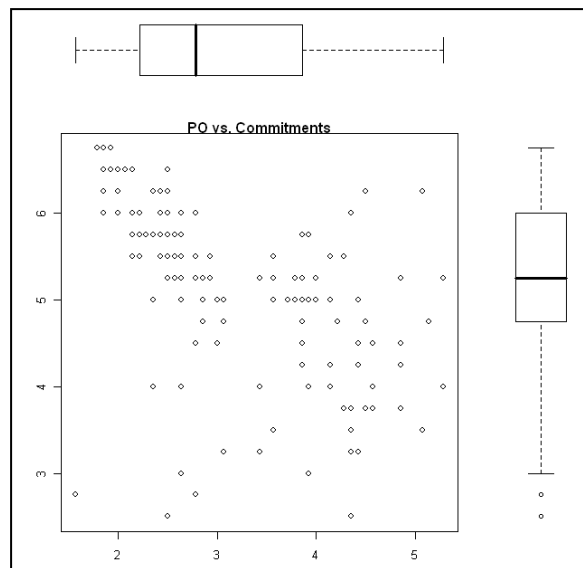


Figure 10 Scatter diagram and box plot for the data distribution of P-O fit vs. employee commitment in Sri Lankan data

Figure 11, elaborates the relationship between person-organization value fit and employee participation for group decision making. Correlations coefficient between these two variables was positive and significant (according to definition) ( $r = -0.649$ ,  $p < 0.01$  in 2-tailed).

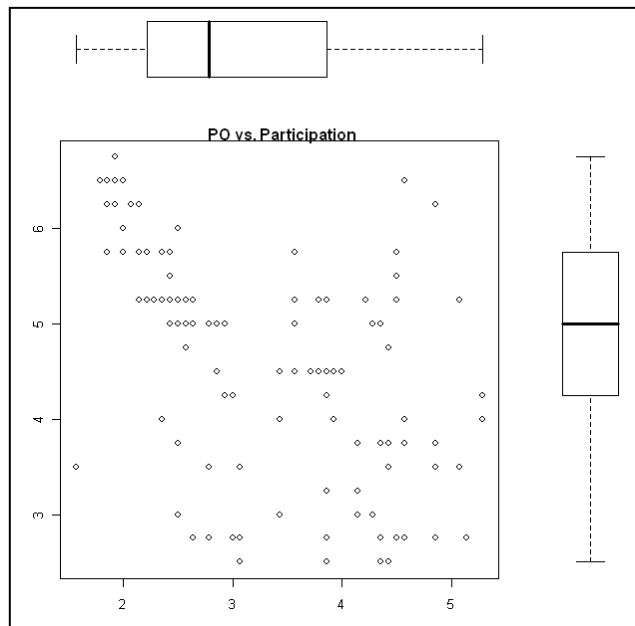


Figure 11 Scatter diagram and box plot for the data distribution of P-O fit vs. employee participation in Sri Lankan data

Correlation coefficient between person-organization value fit and employee trust in their leaders was positive and significant ( $r = -0.470$   $p < 0.01$  in 2-tailed) as above (Figure 12).

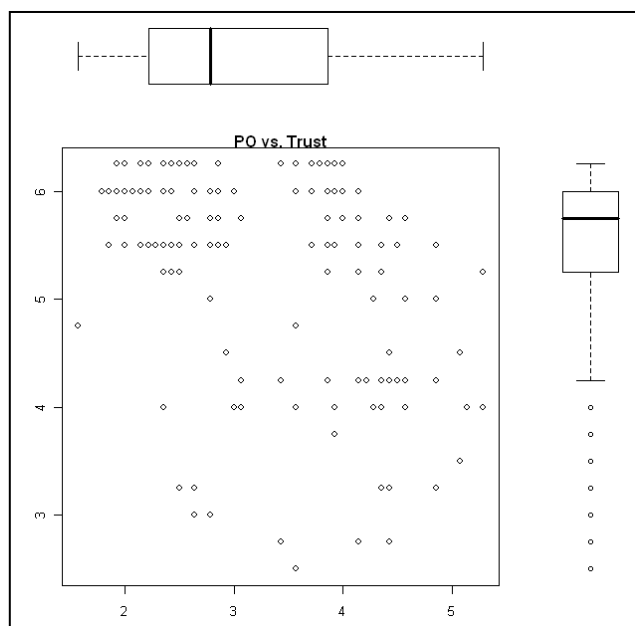


Figure 12 Scatter diagram and box plot for the data distribution of P-O fit vs. employee trust in Sri Lankan data



### *The effect of demographic variable*

Correlation between age and employee commitment was significant but negative ( $r = -0.209$ ,  $p < 0.01$  in 2-tailed).

Correlation between age and employee participation for group decision making was negative and significant ( $r = -0.204$ ,  $p < 0.01$  in 2-tailed). There was no correlation between age and employee trust in their leaders.

As well as there were no correlations between company tenure, total work experience and sex with employee commitment, employee participation for group decision making and employee trust in their leaders.

The correlation between age and person-organization value fit was positive and significant ( $r = -0.276$ ,  $p < 0.01$  in 2-tailed). Correlation between company tenure and person-organization value fit was weakly positively significant ( $r = -0.170$ ,  $p < 0.05$  in 2-tailed). Sex didn't show any correlation with person-organization value fit.

## **6.2 Findings from the questionnaire in Czech Republic**

### **6.2.1 Descriptive statistics**

Means and standard deviations of all the constructs in the current study in Czech Republic are displayed in the Table 3. Mean scores have been computed by equally weighing the mean scores of all items as same as in Sri Lankan study. Total population was 33 employees and indicated gender: as 26 female and 7 male.

#### *Human-oriented leader behaviour*

According to these statistics (Table 3), the mean value for human-oriented leadership behaviour in the study population of Czech Republic is 4.76 from the total of 7 points in the scale. This value is above the mid point of the 7 points scale and hence, it can be concluded that the leadership behaviour of these organizations is somewhat human oriented. This character is more equal to the value of Sri Lankan population (4.75). Even these data explain that mean value of human-oriented leadership behaviour can be varied within  $\pm 0.95$  from the population mean in 95% confident. Therefore standard deviation is 0.95.

### ***Administratively competent team-oriented leader behaviour***

The mean value for “administratively competent team-oriented leadership behaviour” is 4 from the total of 7 points in the scale. According to the scale, 4 = undecided. This is lower than Sri Lankan value (5.57). Also these data explain that sample mean of administratively competent team-oriented leadership behaviour can be varied within  $\pm 0.46$  from the population mean in 95% confident. The standard deviation is 0.46 (Table 3).

### ***Employee commitment***

The mean value for employee commitment is 5.42 from the total of 7 points in the scale. This value is more or less similar to Sri Lankan value (5.26). It can be concluded that employee commitment of this population is somewhat high. Standard deviation is 0.82 (Table 3).

### ***Employee participation for group decision making***

The mean value for employee participation for group decision making is 4.77 out of 7 points in the scale. It is also above the mid point of the scale. This is more or less similar to Sri Lankan value (4.84). Standard deviation of the mean value is 1.09 (Table 3).

### ***Employee trust in their leaders***

The mean value for employee trust in their leaders is 4.94 out of 7 points in the scale. It can be concluded that employee trust in their leaders in these organizations is above the mid point and also it is in somewhat high position. Standard deviation is 0.89 (Table 3).

### ***Person-organization value fit***

The mean value for person-organization value fit is 1.46 of the population. Here respondents were rated the all items on a 7- point reversed scale other than gender egalitarianism. A higher score indicated lower agreement and lower score indicated higher agreement in each scale as in the Sri Lankan sample. But in the scales of gender egalitarianism, it was in vice versa that highest value showed in 7 and lowest value in 1.

According to this result, researcher can conclude that employee-organization fit of Czech Republic organizations is very high. This is higher than the value of Sri Lankan organizations (3.02). Standard deviation is 0.61 (Table 3).

### *Demographic variables*

Mean value of the age is 32 years and standard deviation is 5.62 (The minimum age was 25 years and maximum was 50 years). Mean value for company tenure is 2.65 and standard deviation is 1.63 in the sample population. Mean value for total work experience is 7 and standard deviation is 5.98 (Table 3).

Table 3 Descriptive statistics in Czech Republic study

Variables	Mean	Standard Deviation
<b>Independent variables</b>		
1. Human-oriented leader	4.76	0.95
2. Ad. team-oriented leader	4.00	0.46
3. Person-organization value fit	1.46	0.61
<b>Dependent variables</b>		
4. Employee commitment to the organization	5.42	0.82
5. Employee participation for group decision making	4.77	1.23
6. Employee trust in their leaders	4.94	0.89
<b>Covariates</b>		
7. Age	32.00	5.62
8. Company tenure	2.65	1.63
9. Total work experience	7.00	5.98

Sample size (N) = 33

### **6.2.2 Scatter diagrams, box plots and correlation analysis of Czech Republic data**

According to the box plot distributions and table of correlation, significant relationships can be explained as follows:

There are only two combinations that have shown significant and positive correlations of the data collected from Czech Republic organizations (Figure 13 and 14). These figures clearly exhibit these two combinations graphically. Both sets of data for the human-oriented leader behaviour with employee participation and employee trust have skewed to right (Figure 13).

Correlation coefficient between human-oriented leader behaviour and employee participation for group decision making was positive and significant ( $r = 0.61$ ) (Table 4).

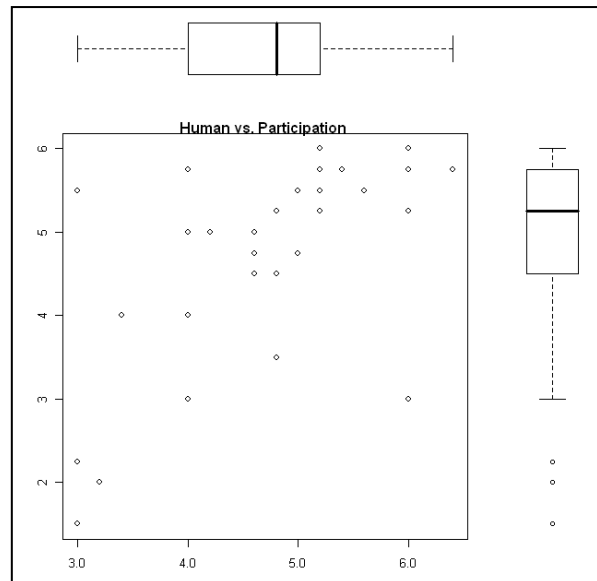


Figure 13 Scatter diagram and box plot for the data distribution of human-oriented leader behaviour vs. employee participation in Czech Republic data

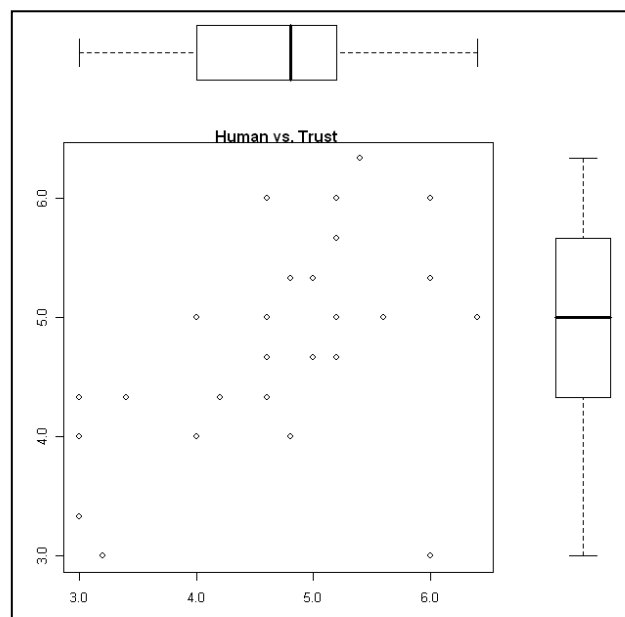


Figure 14 Scatter diagram and box plot for the data distribution of human-oriented leader behaviour vs. employee trust in Czech Republic data

Figure 14, elaborates the scatter diagram and box plot related to human-oriented leader behaviour and employee trust in leaders. Data of the employee trust were skewed to right. Data of human-oriented leader behaviour were closer to symmetric. The length of the box (IQR) related to employee trust in leaders was wider in the data of Czech Republic than Sri Lanka.

Correlation between human-oriented leader behaviour and employee trust in their leaders was positive and significant ( $r = 0.55$ ) (Table 4).

#### ***Leader behaviour and person-organization value fit***

Correlation coefficient between human-oriented leader behaviour and person-organization value fit was negative ( $r = -0.71$ ) but not significant at 0.05 probability. According to the interpretation, negative correlation between leader behaviour and person-organization values fit showed positive effect of the leader behaviour on person-organization value fit (Table 4).

Correlation coefficient between administratively competent team-oriented leader behaviour and person-organization value fit was not significant at 0.05 probability (Table 4).

#### ***Person-organization value fit***

The correlation coefficients between person-organization value fit and employee commitment, employee participation for group decision making, and employee trust in their leaders were not significant at 0.05 probability (Table 4).

#### ***The effect of demographic variable***

Age, company tenure, and total work experience did not show significant correlations with employee commitment, participation for group decision making, and trust in their leaders in 0.05 probability (Table 4).

Table 4 Correlations among all variables in the Czech Republic study

Factors		1	2	3	4	5	6	7	8	9
1. Human-oriented leader	Correlation	1								
	Significance									
2. Ad. team-oriented leader	Correlation	0.29	1							
	Significance	0								
3. Employee Commitment	Correlation	0.09	-0.07	1						
	Significance	0	0							
4. Employee Participation	Correlation	0.61	-0.17	0.29	1					
	Significance	*	0	0						
5. Employee Trust	Correlation	0.55	-0.06	0.44	0.76	1				
	Significance	*	0	*	0					
6. Person-orga. value fit	Correlation	-0.71	-0.30	-0.06	-0.45	-0.37	1			
	Significance	0	0	0	0	0				
7. Age	Correlation	0.05	0.02	0.05	0.08	0.06	-0.19	1		
	Significance	0	0	0	0	0	0			
8. Company tenure	Correlation	-0.16	-3.3	-0.08	-0.088	-0.09	0.16	0.27	1	
	Significance	0	0	0	0	0	0	0		
9. Total work experience	Correlation	0.13	-0.04	0.04	0.12	0.17	-0.16	0.88	0.39	1
	Significance	0	0	0	0	0	0	*	*	

\* = Correlation is significant at 0.05, 0 = Correlation is not significant at 0.05, N = 33

## **CHAPTER 7**

# **ANALYSIS OF DATA, RESULTS AND DISCUSSION**

### **7.1 Analysis of quantitative data in Sri Lanka**

The objective of this chapter is to present the results of this study relating to the direct effect and interactive effect of leader behaviour and person-organization value fit on employee commitment, employee participation for group decision making and employee trust in their leaders in the Plantation Sector organizations in Sri Lanka and “EX” organization in Czech Republic.

This chapter is divided in to two sections: the first section begins with explaining the statistical techniques that were used in this study, the second section reports the findings of data analysis for the present study, and assessment of the relevant hypotheses followed by statistical analysis. One way Analysis of Variance (ANOVA), Analysis of Covariance (ANCOVA) using General Linear Model (GLM) procedure in SAS and Least Square Means (t-test) are the primary analytical methods employed in hypotheses testing in this study (Appendix E).

#### **7.1.1 Analysis of Variance (ANOVA) and Analysis of Covariance (ANCOVA)**

##### **Analysis of Variance (ANOVA)**

A procedure for partitioning the total variation in observed data into various components and assigning them in to respective causes is called the Analysis of Variance (ANOVA) (Samitha, 2006). The sources of each component variation is identified and tested for its significance as a source of variation of data. The variability is taken in to account by means of the quantity sum of squares (SS). SS depends on number of observations, thus the SS itself is not a realistic measure of variability. The SS corrected for number of observations is called mean sum of square or mean square (MS) which is obtained by dividing the SS by the corresponding degree of freedom (DF). The mean square is usually taken as the estimate of variability.

According to the null hypothesis there is no difference between performances of treatments. Hence the expected variance between treatments is equal to that of within treatments (i.e. error). The estimate for variance with treatment and without treatments from ANOVA is  $MS_{\text{treatment}}$  and  $MS_{\text{error}}$ . Thus testing ratio of  $MS_{\text{treatment}}$  and  $MS_{\text{error}}$  against unity would be a test for the null hypothesis (F value) (Samitha, 2006).

The Analysis of Variance (ANOVA) is a powerful and common statistical procedure in the social science. One-Way Analysis of Variance (One-Way ANOVA) measures whether one or more components of a multiple level independent variable predict the value of a dependent variable. One-Way Analysis of Variance is obtained through the SPSS one way ANOVA command and also could be accomplished using the General Linear Models (GLM) command. As well One-Way ANOVA procedure addresses exactly one dependent variable (always continuous) and exactly one independent variable (always categorical) at a time.

One way model can be two different types depending on the objective of the study (hypothesis to be tested) and sampling method. If the objective is to test difference among some specific levels of the factor and only those, then the model of analysis must be fixed effect model (Thattil, 1999). Under this model, the levels of the factor considered are purposely chosen and a random sample of many from population. However in certain studies the objective is not to determine the exact differences among a few specific levels of a factor, but to find out if there exists a significance variation in the population in terms of the effect. These data are analyzed under the Random effect model. In the present study researcher wanted to observe both effect in relation to variables. The effect of the whole factor and as well as the effect of some levels of the same factor. ANOVA table provides the step-wise procedure to conduct the statistical test of significance which is common to both fixed effects and random effects models. In these tests, if the F-value obtained is larger than the value given in the F-table under relevant degree of freedom and the user specified probability level (e.g. 95%), then the null hypothesis is rejected. Many statistical packages such as MINTAB or SAS can be used to perform this analysis (Thattil, 1999).

When there are two factors affecting a response variable, the two factors may affect the response variable directly (independently) or they may interact with each other in deciding the final outcome of the response variable. If they interact then the difference in the effect between two levels of factor A on the response variable will depend on the level of factor B. Then an additional term (interaction term) has to be added in to the model to account for the non additivity. Thus the Two-Way ANOVA table consists of two new rows; one for main effect of factor B and the other for the interaction effect. Three separate F test are performed to find out whether or not each main effect or the interaction effect is significant.



## **Interactions between factors**

As mentioned above, interaction effect can't be studied in single factor experiments. For instance, in order to study the interaction between two factors, both factors need to be studied together in a single experiment. An experiment that is used to study interaction is called a factorial experiment. When several factors are involved, often, effect of one factor can be seen vary depending on the level of the other factor; i.e., effect of one factor is influenced by the other factor. This phenomenon is called interaction. Two factor interaction being present implies that effect of one factor vary depending on the level of other factor. Then the information on effect of one factor ignoring the other factor is meaningless. In fact the results of main effects are often misleading when interaction is present.

## **Analysis of Covariance**

Blocking increase the precision of an experiment when there is a directional variability among experimental unites. However there are circumstances such that variability exists among experimental unites and direction of variability can not be identified. The analysis of covariate (ANCOVA) provides solutions to above problems and often leads to increase in precision of experiments. In covariate analysis, factors which do not have directional variability are considered as covariates. The covariate is usually measured in a ratio scale and the covariate is assumed to have a linear relationship with the response variable. Thus the situation can be described as several treatments are tested with respect to a response variable in the presence of a linear relationship between response variable and a covariate. Hence, ANCOVA can describe as ANOVA and Regression together (Samitha, 2006). The principle used in ANCOVA is that treatment means are adjusted to the mean level of covariate and only the adjusted means are compared in order to study the treatment effect.

Analysis of Variance (ANOVA) and Analysis of Covariance (ANCOVA) procedures in SAS were used to test the hypotheses of this study. The researcher found that, the data for the demographic variables had scattered without having a directional variation in the blocks. As the researcher wanted to study the effect of the treatments on the response variables, it was necessary to remove the effect of unwanted effect on the response variables. Therefore ANCOVA was used for the present study and age, company tenure, total work experience and sex were taken as the covariates. ANCOVA has been used by Chatman in her study on personality, organizational culture, and cooperation to measure effects of different levels of factors and interactions (Chatman, 1995). Analysis of covariance requires measurement of the character of primary interest plus the measurement of one or more variables known as covariates. Covariance analysis can be applied to any number of covariates and to any type of functional

relationship between variables. Uses of Covariance Analysis are to control experimental error and to adjust treatment means, to estimate missing data, and to aid in the interpretation of experimental results.

### **Least Significant Difference (LSD)**

Under the LSMEANS command, SAS program provides a special set of means under the different levels of the factors called Least Square Means. Unbalanced data structures are very common in survey data analysis. When the data are unbalanced, the arithmetic mean of a certain level of a factor (a row mean or a column mean) becomes biased towards the factor combination (cell) with more observations. Least Square Means procedure, however, calculate the means of each cell under each row (or column) and these cell means are used to obtain the row means (or column means). Thus the Least Square Means are adjusted for the differences in the number of observations per cell (Thattil, 1999). In the SAS model mean comparisons (by means of adjusted means) can get performed by inserting the statement: LSMeans treatment/pdiff. Then researcher could be able to receive necessary mean comparisons in SAS format. To test the effect of interactions in the different levels of the independent variables and dependent variables, the researcher here used the Least Square Means in the SAS program.

Least Significant Different test (LSD) was described by Fisher (1960) and this method was used to compare the means in different combinations of variables. For the means to be significantly different, the difference needs to exceed a fixed quantity. This fixed quantity; i.e., the minimum value of any mean difference need to exceed also referred to as “Least Significant Difference” (LSD). SAS program can be extended to perform LSD in required mean levels in the variables. LSD test must be used only when the F test for treatment effect is significant and the number of treatments is not too large: better less than six (Gomez and Gomez, 1984).

## **7.2 Results, assessment of hypotheses and discussion**

The study was focused to evaluate the relationships between human-oriented leader behaviour and administratively competent team-oriented leader behaviour with person-organization value fit on employee performance.

**Hypothesis 1.a:** Human-oriented leader behaviour may have positive correlation on person-organization value fit

**Hypothesis 1.b:** Team-oriented leader behaviour may have positive correlation on person-organization value fit

### Assessment of hypothesis 1.a

Correlation coefficient (Table 5) between “human-oriented leader behaviour” and person-organization value fit was negatively significant ( $r = -0.356$ ,  $p < 0.01$  in 2-tailed). Here researcher would like to note that the scale testing person-organization value fit is actually the difference between personal values and the perceived organizational values. The smaller the number, the higher the level of person-organization value fit is (Li, 2006). Therefore, negative correlation between human-oriented leader behaviour and person-organization value fit shows positive effect of the leader behaviour on person-organization value fit. Therefore, correlation was significant at 1% probability (P) value in 2 tailed test.

### Assessment of hypothesis 1.b

Correlation coefficient (Table 5) between “administratively competent team-oriented leader behaviour” and person-organization value fit was negatively significant ( $r = -0.516$ ,  $p < 0.01$  in 2-tailed). As in the above example, the smaller number gives a higher level of person-organization value fit. Therefore, negative correlation between administratively competent team-oriented leader and person-organization value fit shows positive effect of the leader behaviour on person-organization value fit. Therefore correlation was significant at 1% probability (P) in 2 tailed test.

As a result, hypotheses 1.a and 1.b were supported by the correlation analysis.

Table 5 Correlations among selected variables in Sri Lankan study

	1	2	3
1. Human-oriented leader	1		
2. Ad. team-oriented leader	0.759(**)	1	
3. Employee commitment	0.573(**)	0.753(**)	1
4. Employee participation	0.578(**)	0.727(**)	0.826(**)
5. Employee trust in their leaders	0.724(**)	0.816(**)	0.607(**)
6. Person-organization value fit	-0.356(**)	-0.516(**)	-0.637(**)
7. Age	-0.067	-0.146(*)	-0.209(**)
8. Company tenure	0.008	-0.038	-0.100
9. Total work experience	0.039	-0.002	-0.109
10. Sex	-0.049	0.005	0.006

\*\* Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed)

### **7.2.1 Assessment of hypotheses by ANOVA and ANCOVA in relation to human-oriented leader behaviour**

In this section, effects of the human-oriented leader behaviour and person-organization value fit on employee commitment, participation for group decision making and trust in their leaders are summarized. As well as interactive effect of human-oriented leader behaviour and person-organization value fit is summarized. Employee's age, company tenure, total work experience and gender were considered as covariates.

#### **Hypotheses under human-oriented leader behaviour**

**Hypothesis 2. a** Human-oriented leader behaviour will enhance employee commitment, employee participation for group decision making, and employee trust in their leaders in the organizations.

**Hypothesis 3. a** Person-organization value fit will enhance employee commitment, employee participation for group decision making, and employee trust in their leaders under human-oriented leader behaviour in the organizations.

The resulted model (Table 6) was significant at 1% probability level and it described 48.73% (R-square) of commitment level of employees. The ANCOVA results indicate that human-oriented leader behaviour is significant at 1% probability and person-organization value fit is not significant at 5% probability on employee commitment to the organization (Table 6).

#### **Assessment of the hypotheses under employee commitment**

According to the results of the Table 6, hypothesis 2.a was supported. Hypothesis 3. a was not supported under human-oriented leader behaviour.

Therefore researcher can asses that human-oriented leader behaviour can enhance employee commitment to the organization and person-organization value fit can not enhance employee commitment to the organization at 5% probability under the human-oriented leadership behaviour.

Table 6 Results of ANCOVA with relation to employee commitment under human-oriented leader behaviour

Variable	F value	P value
Human-oriented leader (HL)	53.58	0.0001***
Person-organization value fit (PO)	01.55	0.2140
HL*PO fit	24.77	0.0001***
Sex	0.12	0.73
Age	2.83	0.09
Company tenure	0.09	0.77
Total work experience	1.90	0.17

Notes: \* p<.05, \*\* p<.01, \*\*\* p<.001

HL\*PO = Interaction between human leader and person-organization value fit

Model of Commitment = HL+PO+HL\*PO+Sex+ Age+Com.tenure+Total ex.

Model: R-Square = 0.4873, F = 26.21, Pr>F = 0.0001

The resulted ANCOVA model in the Table 7 was significant at 1% probability level and it described 46.84% of employee participation for group decision making in the organization. The ANCOVA results indicate that human-oriented leader behaviour is significant in 1% probability and person-organization value fit is significant at 5% probability on employee participation for group decision making (Table 7).

### **Assessment of the hypotheses under employee participation**

According to these results, hypotheses 2.a, and 3.a were supported, on employee participation for group decision making.

Hence, researcher can assess that human-oriented leader behaviour can enhance employee participation for group decision making in the organizations. Also person-organization value fit can enhance employee participation for group decision making under human-oriented leader behaviour.

Table 7 Results of ANCOVA with relation to employee participation under human-oriented leader behaviour

Variable	F value	P value
Human-oriented leader (HL)	41.71	0.0001***
Person-organization value fit (PO)	6.17	0.0139**
HL*PO fit	13.16	0.0004***
Sex	0.79	0.38
Age	1.25	0.26
Company tenure	0.11	0.74
Total work experience	0.86	0.35

Notes: \* p<.05, \*\* p<.01, \*\*\* p<.001

HL\*PO = Interaction between human leader and person-organization value fit

Model of Participation = HL+PO+HL\*PO+Sex+ Age+ Com.tenure+Total ex.

Model: R-Square = 0.468403, F = 24.29, Pr>F = 0.0001

The ANCOVA model in the Table 8 was significant at 1% probability level and the model described 51.48% of contribution for employee trust in their leaders. The ANCOVA results indicate that human-oriented leader behaviour is significant at 1% probability and person-organization value fit is not significant on employee trust in leaders at 5% probability under human oriented leader behaviour.

### **Assessment of the hypotheses under employee trust in their leaders**

According to these results (Table 8), hypothesis 2.a was supported on employee trust in their leaders. But hypothesis 3.a was not supported under human-oriented leadership behaviour.

Therefore researcher can assess that human-oriented leader behaviour can enhance employee trust in their leaders. But person-organization value fit can not enhance employee trust in their leaders at 5% probability under human-oriented leadership behaviour.

Table 8 Results of ANCOVA with relation to employee trust in leaders under human-oriented leader behaviour

Variable	F value	P value
Human-oriented leader (HL)	110.63	0.0001***
Person-organization value fit (PO)	1.76	0.1863
HL*PO fit	2.76	0.09
Sex	1.02	0.31
Age	4.45	0.04
Company tenure	1.41	0.24
Total work experience	0.72	0.39

Notes: \* p<.05, \*\* p<.01, \*\*\* p<.001

HL\*PO = Interaction between human oriented leader and p-o value fit

Model of Trust in Leaders = HL+PO+HL\*PO+Sex+Age+Com.tenure+Total ex.

Model: R-Square = 0.514892, F = 29.26, Pr>F = 0.0001

### Hypotheses under two way interaction

**Hypothesis 4.a:** Interaction effect between human-oriented leader behaviour and person-organization value fit will have positive influence on employees' commitment, participation for group decision making and trust in their leaders.

### Assessment of the hypothesis 4.a on interactions

Findings of the Tables 6, 7, and 8 provide the answer to hypothesis 4.a. Two way interactions between human-oriented leader behaviour and person-organization value fit on employee commitment and participation for group decision making were significant at 1% probability. But two-way interaction was not significant on employee trust in leaders at 5% probability. Therefore hypothesis 4.a was partially supported.

### 7.2.2 Least Squares Means procedure for means separation to test hypothesis under human-oriented leader behaviour

**Hypothesis 5. a:** Human-oriented leader behaviour will influence subordinates even under low person-organization value fit to improve employee commitment, employee participation for group decision making, and employee trust in their leaders.

According to the ANCOVA analysis, interaction effect of human-oriented leader behaviour and person-organization value fit was significant on employee

commitment and participation for group decision making. But interaction was not significant on employee trust in their leaders. Therefore LSMeans were calculated only for employee commitment and participation for group decision making, under the different levels of leader behaviour and person-organization value fit (Table 9).

First, researcher divided the data of human-oriented leader behaviour in to two parts based on the mid value of the rank (3.5) as “high” and “low” human oriented groups. As well as, data of person-organization value fit also divided in to two parts based on mid value of the fit scale (3) as “high fit” and “low fit” groups. Under the LSMeans command, SAS program has provided a special set of means under each level of the factors called Least Squares Means as in the Table 9. These means were compared by Least Significant Different Test (t-test) in order to compare their significance at alpha 0.05.

Table 9 Least Squares Means for mean separation under human-oriented leader behaviour (GLM procedure)

Person-organization value fit	Human-oriented leader	Employee commitment (LS Mean)	Employee participation for decision making (LS Mean)
1 (High)	1 (Low)	3.64	3.39
1 (High)	2 (High)	5.76	5.42
2 (Low)	2 (High)	4.69	4.19
		LSD = 0.1989	LSD = 0.233

t-test (LSD) = Least Significant Difference

1 = High person-organization value fit group

2 = Low person-organization value fit group

1 = Low human-oriented leader behaviour group

2 = High human-oriented leader behaviour group

According to these results (Table 9) highest mean value for the employee commitment was shown by the combination of high human oriented leader behaviour and high person-organization value fit (LSM for commitment was 5.76). The second highest value was shown by the combination of high human oriented leader behaviour and low person organization value fit (4.69). The lowest commitment was shown by the combination of low human-oriented leader behaviour and high person-organization value fit (3.64). According to these results researcher can assess that employees working under high human-



oriented behaviour practice highest value of commitment. As a result the most important factor for commitment is leadership behaviour in the organization.

As well as highest mean value for the employee participation for group decision making was shown by the combination of high human oriented leader behaviour and high person-organization value fit (5.42). The second highest value was shown by the combination of high human oriented leader behaviour and low person organization value fit (4.19). The lowest participation was shown by the combination of low human-oriented leader behaviour and high person-organization value fit (3.39). As in the commitment, the most important factor for improving employee participation for group decision making is leader behaviour in these organizations.

Interaction effect between leader behaviour and person-organization value fit on employee trust in leaders was not significant in 5% probability. Even though this effect was not significant, it can not be neglected as it has some effect on employee trust in their leaders at least at a lower certain.

### **Assessment of the hypotheses 5.a**

According to the above results, researcher assess that human-oriented leader behaviour can influence subordinates even under low person-organization value fit to improve employee commitment and participation for group decision making in organizations. Therefore hypothesis 5.a was partially supported.

Demographic variables: age, gender, company tenure and total work experience did not show any significant effect on employee commitment, participation for group decision making and trust in their leaders other than moderate effect of age on employee trust in their leaders. By covariate analysis, effects of the covariates were treated by adjusting treatment means to the mean levels of covariates.

### **7.2.3 Assessment of the hypotheses by ANOVA and ANCOVA in relation to administratively competent team-oriented leader behaviour**

This section summarize the direct effect and interactive effect of “administratively competent team-oriented leader” behaviour and person-organization value fit on employee commitment, employee participation for group decision making and employee trust in their leaders.

**Hypothesis 2. b** Administratively competent team-oriented leader behaviour will enhance employee commitment, employee participation for group decision making, and employee trust in their leaders in the organization.

**Hypothesis 3. b** Person-organization value fit will enhance employee commitment, employee participation for group decision making, and employee trust in their leaders under administratively competent team-oriented leader behaviour.

Table 10, explains the effect of the individual factor for employee commitment and levels of significance. The results show that the tested model was significant at 1% probability level and it explained 54.59% of contribution to employee commitment.

The ANCOVA results indicate that administratively competent team-oriented leader behaviour and person-organization value fit are significant at 1% probability on employee commitment (Table 10). Demographic variables: sex, age, company tenure and total work experience are not significant on employee commitment.

### Assessment of the hypotheses

Hypotheses 2.b and 3.b were supported by these results on employee commitment. Therefore administratively competent team-oriented leader can enhance employee commitment. As well as person-organization value fit can enhance employee commitment under ad.team-oriented leadership.

Table 10 Results of ANCOVA with relation to employee commitment under ad.team-oriented leader behaviour

Variable	F value	P value
Ad. team-oriented leader (ATL) <sup>3</sup>	84.08	<0.0001***
Person-organization value fit (PO)	11.57	0.0008***
ATL*PO fit	14.81	0.0002***
Sex	0.07	0.79
Age	1.38	0.24
Company tenure	1.9	0.17
Total work experience	0.24	0.62

Notes: \* p<.05, \*\* p<.01, \*\*\* p<.001, PO\*TL = Interaction

Model of Commitment = ATL+PO+ATL\*PO+Sex+ Age+Com.tenure+Total ex.

Model: R-Square 0.5459, F=32.98, Pr>F=0.0001

<sup>3</sup> Ad. team-oriented leader = Administratively competent team-oriented leader (ATL)

Table 11, shows the effect of the individual factor for employee participation for group decision making and levels of significance. The results show that the tested model was significant at 1% probability level and the model explained 56.80% of contribution to employee participation for group decision making.

According to the results in the Table 11, main effects of person-organization value fit and administratively competent team-oriented leader behaviour are significant at 1% probability on employee participation for group decision making. Demographic variables (sex, age, company tenure and total work experience) are not significant on employee participation for group decision making.

### Assessment of the hypotheses

According to these results, hypotheses 2.b, and 3.b were supported on employee participation. Therefore administratively competent team-oriented leader can enhance employee participation for group decision making. Also person-organization value fit can enhance employee participation for group decision making in their organizations under ad.team-oriented leadership.

Table 11 Results of ANCOVA with relation to employee participation under ad.team-oriented leader behaviour

Variable	F value	P value
Ad. team-oriented leader (ATL)	89.96	<0.0001***
Person-organization value f it (PO)	11.64	0.0008***
ATL*PO fit	19.23	<0.0001***
Sex	0.28	0.59
Age	0.46	0.49
Company tenure	0.25	0.62
Total work experience	0.92	0.34

Notes: \* p<.05, \*\* p<.01, \*\*\* p<.001

Model of Participation=ATL+PO+ATL\*PO+Sex+ Age+Com.tenure+Total ex.  
Model: R-Square 0.5680, F=36.07, Pr>F=0.0001

ANCOVA model (Table 12) was significant at 1% probability level. These results described 58.74% of employee trust in their leaders. The ANCOVA results indicate that administratively competent team-oriented leader behaviour and person-organization value fit are significant at 1% probability in employee trust in their leaders.

## Assessment of the hypotheses

According to the results, hypotheses 2.b and 3.b were supported on employee trust in their leaders (Table 12).

Hence researcher assess that administratively competent team-oriented leader behaviour can enhance employee trust in leaders. Also person-organization value fit can enhance employee trust in their leaders in the organization under ad.team-oriented leadership.

Table 12 Results of ANCOVA with relation to employee trust in their leaders under ad.team-oriented leader behaviour

Variable	F value	P value
Ad. team-oriented leader (ATL)	171.1	<0.0001***
Person-organization value fit (PO)	10.02	0.0018***
ATL*PO fit	1.12	0.29
Sex	0.22	0.64
Age	3.05	0.08
Company tenure	1.63	0.20
Total work experience	0.53	0.47

Notes: \* p<.05, \*\* p<.01, \*\*\* p<.001

Model of Trust in Leaders=ATL+PO+ATL\*PO+Sex+Age+Com.tenu.+Total ex.  
Model: R-Square 0.5874, F=39.05, Pr>F=0.0001

## Hypotheses under two way interaction

**Hypothesis 4.b:** Interaction between administratively competent team-oriented leader behaviour and person-organization value fit will enhance employee commitment, participation for group decision making and trust in their leaders.

## Assessment of the hypothesis 4.b

Two way interactions between administratively competent team-oriented leader behaviour and person-organization value fit on employee commitment and participation for group decision making were significant at 1% probability. Hence interaction effect can influence the level of employee commitment and participation in the work place. But two-way interaction was not significant on employee trust in leaders at 5% probability. Therefore hypothesis 4.b was partially supported.

### 7.2.4 Least Squares Means procedure for means separation to test hypothesis under administratively competent team-oriented leader behaviour

Table 13, elaborates the results of employee commitment and participation for group decision making under different levels of leader behaviours and person-organization value fit. It provides the answer to hypothesis 5.b. Under the LSMeans command, SAS program has provided a special set of means under each level of the factors called Least Squares Means as in the Table 13. These means were compared by Least Significant Different Test in order to compare their significance at alpha 0.05.

**Hypothesis 5. b:** Administratively competent team-oriented leader behaviour will influence subordinates even under low person-organization value fit to improve employee commitment, employee participation for group decision making, and employee trust in their leaders.

Table 13 Least Squares Means for mean separation under ad.team-oriented leader behaviour (GLM procedure)

Person-organization value fit	Ad. team oriented leader	Employee commitment (LS Mean)	Employee participation for group decision making (LS Mean)
1 (High)	1 (Low)	3.86	3.2
1 (High)	2 (High)	5.80	5.5
2 (Low)	2 (High)	4.7	4.2
		LSD = 0.1882	LSD = 0.2111

t-test (LSD) = Least Significant Difference

1 = High person-organization value fit group

2 = Low person-organization value fit group

1 = Low ad. team-oriented leader behaviour group

2 = High ad. team-oriented leader behaviour group

According to these results, highest mean values for employee commitment and participation for group decision making were shown by the combination of high team oriented leader behaviour and high person-organization value fit. The second highest values were shown by the combination of high team oriented leader behaviour and low person organization value fit. If team-oriented leader behaviour was low, the mean values of employee commitment and participation

were low even under high person-organization value fit. According to these results, researcher can assess that employees who are working under high team-oriented leader behaviour show highest value of commitment and participation for group decision making. Further it can be suggested that the most important factor for commitment and participation for group decision making is the leader behaviour (here “administratively competent team-oriented” leader). Interactive effect between administratively competent team-oriented leader behaviour and person-organization value fit on employee trust in leaders was not significant in 5% probability. As a result, it was not included to Least Square Mean comparison.

### **Assessment of the hypotheses 5.b**

Team-oriented leader behaviour can influence subordinates even under low person-organization value fit to improve employee commitment and participation for group decision making. But no influences on employee trust in their leaders in 0.05 probability. Therefore hypothesis 5.b was partially supported.

## **7.3 Analysis of quantitative data in the Czech Republic study**

### **Assessment of the hypotheses 1.a, and 1.b by the correlation analysis**

According to the correlation analysis of the variables in the study population of Czech Republic (Table 14), there are only correlations between human-oriented leader behaviour and employee participation for group decision making and employee trust in their leaders. There are no correlations between other variables at 5% probability in this population.

As there are not correlations between other variables, no use of testing hypotheses further, because these variables are not related to each other. Therefore hypotheses testing were not accomplished with the data of this population.

Table 14 Correlation matrix among selected variables in the Czech Republic study

Variables	1	2	3
1. Human-oriented leader	1		
2. Team-oriented leader	0.29	1	
3. Employee commitment	0.09	-0.07	1
4. Employee participation	<b>0.61*</b>	-0.17	0.29
5. Employee trust in their leaders	<b>0.55*</b>	-0.06	<b>0.44*</b>
6. Person-organization value fit	-0.71	-0.30	-0.06
7. Age	0.05	0.02	0.05
8. Company tenure	-0.16	-3.3	-0.08
9. Total work experience	0.13	-0.04	0.04

Pearson Correlations

\* = Correlation is significant at 0.05, N=33

## 7.4 Discussion

Unlike much of the previous works looking at separate studies of leadership and person-organization value fit on employee outcomes, current research was able to examine the interaction effect between leadership and value congruence of person and organization and also, the main contribution of each independent variable to each dependent variable. According to these findings, there are similarities and dissimilarities with the results of Huang et al. (2005) and Li (2006) studies.

### Findings in Sri Lanka

As in the results, the models with the highest R-square values are given under “administratively competent team-oriented leader behaviour” than human-oriented leader behaviour. Therefore the best models come under the administratively competent team-oriented leadership on employee commitment (Table 10), participation for group decision making (Table 11) and trust in leaders (Table 12) in Sri Lanka.

Under administratively competent team-oriented leadership, direct effect of person-organization value fit and interaction of person-organization value fit and leader behaviour were significant on employee commitment and participation. But employee trust is decided mainly by direct effects of leadership.

Under human-oriented leader behaviour, person-organization value fit was significant only on employee participation for group decision making. Even

though there is no significant direct effects of person-organization values fit on employee commitment and trust in leaders, interaction was significant on employee commitment.

According to the results of these two models, employee trust is mainly depending on the model of leader behaviour in the organizations of Sri Lanka. Because an interaction effect is not significant on employee trust in their leaders under both leadership styles.

Second, interestingly, this study has shown that, employees who are working under high administratively competent team-oriented leaders and high human-oriented leaders show higher performance in commitment, and participation for group decision making even under low person-organization value fit. But here researcher would like to mention that the highest mean values are given under “administratively competent team-oriented leadership” than human-oriented leadership. According to the results, organizations can be managed most effectively even with those employees who have low person-organization value fit by adapting team-oriented leadership with administrative competencies.

And also interaction effect can influence employee commitment and participation in the work place under both leadership behaviors. Here researcher would like to mention that Li (2006) study on interactional research in China, did not find any positive results on interaction of these factors. Huang et al. (2005) in Taiwan had shown that CEO charismatic leadership has mediating effect of person-organization value fit to have profound influence on employee outcomes. Present research has considered the administratively competent team-oriented leadership and human-oriented leadership that would be more practicable in the society. Even though Charismatic leaders perform well, it is an extra ordinary power that possess by only some leaders.

### **Findings in Czech Republic**

According to the available literature, human oriented leaders and team oriented leaders are more suitable than others for South Asian and Eastern European cultures (House et al., 2004). But compare to the results, these two leadership behaviours did not show expected results in Czech Republic. Therefore it was not able to analyze the hypotheses in the data of Czech Republic organizations. According to past literature, it has been mentioned that autocratic leaders are mostly accepting by European cultures. In one exploratory study, Jago and colleagues (1993) found that German, Austrian, and Swiss managers were the most participative, Polish and Czech managers the most autocratic, and the U.S. and French managers between the extremes (House et al., 2004 pg 61). Subsequently, researchers have also noted that the Czech



Republic is more collectivistic than the U.S. (Early et al., 1999). In conclusion, when compare to individualistic West cultures, Czech Republic comes under the collectivistic East. But, compare collectivistic Asian cultures; Czech Republic is included to individualistic West cultures in other way. Probably Czech Republic organizations might be in the transitional stage between collectivistic and individualistic cultures. This would be the reason for these results in Czech Republic.

In this point researcher would like to elaborate some descriptive statistics of the data analysis of Czech Republic and Sri Lanka. Mean values for human-oriented leadership in both countries are more or less similar and mean values of team-oriented leadership are comparatively higher in Sri Lanka. When compare to mean values of person-organization fit, it is considerably higher in Czech Republic than Sri Lanka. Mean values of employee commitment, participation and trust in leaders are more or less similar in both countries (Table 1 and Table 3). But according to the results of the analysis there are no correlations between these variable in the study population of Czech Republic. Here it is important to note that the sample size was smaller in Czech Republic population than Sri Lanka. As a result it is important to study further this phenomenon in Czech Republic cultural context by taking a larger sample and also by considering other possible leadership behaviours, in order to understand whether there is a possibility to improve employee performance, under some other leadership behaviours.

## **CHAPTER 8**

### **CONTRIBUTION OF THE THESIS TO SCIENCE AND PRACTICE**

This study enhanced the very limited research about the interactions between leadership styles (here, administratively competent team-oriented and human-oriented leaders) and person-organization value fit on employee performance. The survey of different cultures relating to leadership and person organization value fit will contribute to differentiate effective management decisions in different nations and also in cross cultural leadership.

The study has provided a model with an empirical support in Sri Lanka to show that, leader behaviour has a significant effect on employee performance through improved person-organization value fit. As well as this study offers a bridge to link the culturally endorsed implicit theory of leadership (House et al., 2004) and person-organization value fit model developed by Chatman (1989), in order to build a new theory in interactional perspective. Our empirical findings support that organizational culture and employee-organization value fit play an important role in the organizational management.

According to the results of Sri Lankan study, leadership behaviour can enhance employee performance in commitment, participation for group decision making and trust in their leaders in the work place. As well as leader behaviour can enhance person-organization value fit. Also person-organization value fit affect on employee commitment, participation for group decision making and trust in their leaders under administratively competent team-oriented leadership mostly. Results showed that the most significant models are given under “administratively competent team-oriented leadership”. Therefore, the most effective leadership style for improving person-organization value fit and employee performance is administratively competent team-oriented leadership than human-oriented leadership in Sri Lankan organizations. These findings provide important guidance for leaders/managers or policy makers in Sri Lankan organizations to understand necessary changes that should implement in the work place, in order to improve value congruence of employees and organizations.

Further, results revealed that interaction of person-organization value fit and leader behaviour can influence employee commitment and participation for group decision making under both leadership behaviours. Employee trust mainly depends on the style of leadership. Because, no interaction was found on employee trust in their leaders under both leadership behaviours. Therefore, ultimate levels of employee commitment and participation are decided by the

effect of interaction between leadership behaviour and person-organization value fit in Sri Lankan organizations. When there is an interaction effect between these two factors the main effects are often misleading. Therefore no use of predicting employee performance based on a single factor as there is an interaction. But many of the prior research have been conducted in single factor evaluations rather than considering an alternative impact of leader behaviour on person-organization value fit. Hence; these results have provided a theoretical advancement in interactional perspective. As well as, current study has proven that, organizations can be managed effectively even with those employees who have low person-organization value fit by adapting suitable styles of leadership (here, team-oriented and human-oriented behaviours) under Sri Lankan cultural context. Findings provide facts that both, leader behaviour and person-organization value fit are better predictors for improving employee performance in Sri Lankan organizations.

According to the finding of Czech Republic study population, there are only two combinations that have shown significant positive correlations among variables; i.e., human-oriented leader behaviour with employee participation for group decision making and employee trust in their leaders. Both sets of data for the human-oriented leader behaviour with employee participation and trust have skewed to right. This explains that these employees would prefer human-oriented approach of leadership in the work place. And also, employee participation and trust would be able to enhance with the approach of human-orientation in dealing with employees. Other than these two correlations, there are no any other correlations between other variables in Czech Republic study.

Even though hypotheses were not supported by the Czech Republic study, it has higher person-organization value fit than the study population of Sri Lanka. This is a very important point to think by managers or leader in the work place and as well by researchers, to study further that whether, their employees' performance are enhanced by some other factors mostly other than the leadership and person-organization value fit. Also it is very important to study that which type of leader behaviours can enhance their employees' performance and person-organization value fit. Therefore this should be studied further by considering other possible leadership behaviours in Czech Republic cultural context, in order to clarify this phenomenon.

According to the GLOBE study, team-oriented and human-oriented leaders are more effective in both Eastern Europe and South Asia. Literature says when compare to individualistic West cultures, Czech Republic comes under the collectivistic East. But, compare collectivistic Asian cultures; Czech Republic is included to individualistic West. Therefore, probably Czech Republic organizations might be in the transitional stage between collectivistic and

individualistic cultures. This would be the reason for these results in Czech Republic study population. As well as this study explains the importance of studying cultural similarities and differences in any context as management is dealing with the integration of people who are bounded with cultural values and norms. These findings provide facts that; effectiveness of leadership depends on the culture. Therefore the knowledge acquired in Asian countries especially about Sri Lanka will enable to Europeans particularly for Czech natives to understand the importance of different cultural values in cross cultural relations. This study would be a catalyst for further research in other countries to determine whether the results are context specific or whether the results may be common to other countries as well.

### **Implementation of the findings**

- Contribution of the model of person-organization fit is that we can identify what are the initial fit and discrepancies in values of employees and organizations. Once larger discrepancies of important values have been identified, the model would then help to determine what kind of behaviours and normative changes should occur in the firm. Then management can make necessary changes along the criteria of the organizational culture profile; i.e., performance orientation, future orientation, gender egalitarianism, individualism and collectivism, power distance, human orientation, and uncertainty avoidance to meet the level of employees satisfaction. As well as leader can moderate the way of leading subordinates, in order to build a higher fit between person and organization.

-Incorporating the concept of person-organization value fit into recruitment process of the organization. Selecting employees based on the value-fit criterion rather than considering only on knowledge, skills and attitude.

-Improving socialization process of the organization to aware employees; on organizational cultural values, norms, rules and conditions, hierarchy of the management system, and organizational vision to be incorporated those employees in to its organizational culture quickly.

-Improving and providing organizational training and development programs for all employees. It makes them more fit to the organization by improving their psyche and confidence. Because, when employees are incorporated to training and development, it improves employee performance, it prepares their employees for future challenges, it provides more opportunities for collective approach, it can reduce power distance by making them more capable for future responsibilities, and it reduces uncertainty by developing their competencies to face for possible threats in future job role.

## **CHAPTER 9**

### **CONCLUSION**

Person-organization value fit provides an initial index that can signal what specific values and practices we should investigate for further improvement in the organization. Contribution of the model of person-organization fit is that we can identify what are the initial fit and discrepancies in values of employees and organizations. Once larger discrepancies of important values have been identified, the model would then help to determine what kind of behaviours and normative changes should occur. Employees can change their values or organizational value changes or new recruitment can be performed in these organizations.

Most importantly this study has provided facts that leader behaviour can enhance person-organization value fit. According to the results, the most significant leadership style for improving person-organization value fit is “administratively competent team-oriented leader behaviour” than “human-oriented leader behaviour” in Sri Lankan cultural context.

As well as this study has provided evidence that, leader behaviour can enhance employee commitment, participation for group decision making, and trust in their leaders in the work place. The most significant models with highest R-square values for employee commitment, participation and trust are given under the administratively competent team-oriented leadership in Sri Lankan organizations.

Results reveal that there is an interaction effect between leader behaviour and person-organization value fit on employee commitment and participation for group decision making. Therefore ultimate levels of employee commitment and participation depend upon the effect of interaction between leader behaviour and person-organization value fit in Sri Lankan organizations. When there is an interaction between these two factors the main effects are often misleading. Therefore no use of predicting employee performance based on a single factor as there is an interaction.

Researcher would like to mention here that many of the past studies have been conducted on direct effect of leadership and person-organization value fit on employee outcomes. Present research has provided some insights into a new aspect; that is their alternative impact in deciding employee performance. As well as this study provides a theoretical advancement in interactional perspective of leadership and person-organization value fit. Further, interestingly this study has shown that leader behaviour can enhance employee commitment and

participation even under low person-organization value fit. But employee trust mainly depends on the style of leadership.

Furthermore, the results of the present study underline the fact that an effectiveness of leadership and system of management is culture bound. Therefore it is necessary to aware on cultural similarities and dissimilarities in any context as management is dealing with people who are embedded in culture.

According to the analysis of Czech Republic study population, it shows higher person-organization value fit than the study population of Sri Lanka though hypotheses were not supported by their findings. But as in the correlation analysis, it reveals that leader can enhance employee participation and trust in the work place by adapting human-oriented leader behaviour, at least in the research territory. For future research, this should be studied further by considering other possible leader behaviours in Czech Republic cultural context and also it is necessary to increase the sample size of the population, in order to make a concrete conclusion in this phenomenon.

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- [12] WIJESINGHE, A.G.K. Use of microeconomics for managerial economics in labour investment decisions, 11th International Conference MEKON, Faculty of Economics, VSB- Technical university of Ostrava, 2009.

**Journal submission:**

- [1] WIJESINGHE, A.G.K., HURTA, J. An interaction of leader behaviour and person-organization value fit on employee performance, an empirical testing in Asian firms, Journal of Management, Podnikania a veci verejnych, Akademia manazmentu, Slovenska, ISSN 1337-0510.

# CURRICULUM VITAE

## 1. Personal information

Name in full: Ambagahakande Gamaralalage Kusuma Wijesinghe  
Permanent address: 25/4, Silversand Road, Pallansena South, Kochchikade,  
Negombo, Sri Lanka  
Present address: Faculty of Management & Economics, Tomas Bata  
University, nám. T. G. Masaryka 5555, 760 01 Zlín,  
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Telephone No: Mobile: (CZ) 0042775405218  
(SL) 0094777241055  
E-mail: kusum\_wijesinghe06@yahoo.com  
Nationality: Sinhalese  
Date of Birth: 18-12-1966  
Gender: Female

## 2. Academic qualifications

Degree	Year	Institution	Medium
Ph.D. in Management and Economics (Following)	2009	Tomas Bata University in Zlin, Czech Republic	English
M.Sc. in Development Communication and Ext.(GPA 3.7 out of 4)	2005	Postgraduate Institute of Agriculture, Peradeniya, Sri Lanka	English
B.Sc. Agricultural Science (special) (2 <sup>nd</sup> class upper)	1993	University of Peradeniya, Sri Lanka	English

## 3. Professional courses

Study course	Year	Institution	Medium
Certificate Course in Human Resource Management (Distinction)	2002	The Institute of Personal Management, Sri Lanka	English
Certificate Course in Training and Development (Distinction)	2001	Sri Lanka Institute of Training and Development	English

#### 4. Professional experience

Post	Ministry/Dept. of Sri Lanka	From	To
SMO-Training (Executive)	Coconut Cultivation Board	2005	To date
Asst. Agronomist (Executive)	Coconut Cultivation Board	October 1997	2005
Graduate Teaching (school)	Department of Education	May 1997	September 1997
Graduate Trainee	Department of Agriculture	1995	1997
Instructor	University of Peradeniya	May 1994	May 1995
Research Assistant	Department of Agriculture	March 1994	May 1994

#### 5. English proficiency:

Grading obtained for English at the G.C.E. Ordinary Level Examination: Distinction

Other qualification with regard to proficiency in English: For GELT course at university entrance has scored 500 marks out of 600

A.G.K. Wijesinghe  
Faculty of Management and Economics  
Tomas Bata University in Zlin  
Czech Republic

# APPENDICES

## Appendix A Questionnaire Survey on Person Organization Values Fit, Leadership and Employees Performance

**To your attention:** You have enough freedom to reply for all questions according to how you feel in each statement. As this is my own study, confidentiality of individual responses is highly assured. Every question has seven answers. According to your feeling or view, mark the number in front of the question which is most closely represents your answer along the scale. Please study this scale well and mark your place accurately. Final decision depends on your marking place. So marking your exact view is very important.

Strongly disagree =1, Disagree =2, Disagree somewhat =3,  
Undecided =4, Agree somewhat =5, Agree =6, Strongly agree =7

### Leadership and Employees Performance

#### *1. Leadership measurements*

##### **1. Human oriented leadership measurements**

1. My superiors are kind enough to listen to my opinions
2. The leaders of my organization provide a clear picture of the direction in which the organization is headed
3. People in my organization generally have an appropriate involvement in decision that affects their work
4. The leaders of my organization have empathy and soft approach towards employees in dealing with task
5. Leaders of my organization always consider on an every body winning

##### **2. Team - oriented leadership measurements**

1. There is a team spirit around here
2. People at my level work well together
3. People with whom I work function very effectively as a team
4. Everything orderly in my organization
5. Our leaders are administratively competent
6. Everything well organized

## ***2. Employee performance measurements***

### **1. Employee commitments to the organization**

1. I feel committed to the mission and direction of my organization
2. I expect to be with this organization for at least three more years
3. I feel hopeful about the future of my organization
4. I like to perform above and beyond the call of my duty

### **2. Employee participation for group decision making**

1. I have opportunities to present my views in organizational decision making process
2. My superior makes me encourage presenting my experience and decisions on existing problems.
3. My superior listens to my opinion without any criticism
4. I can express my opinion to my superior without any hesitation

### **3. Employee trust on their leaders**

1. All things considered
2. I have confidence in the top management of my organization
3. I have confidence in the leaders of my organization:
4. I can open my views to my leaders as they keep confidentiality:

## ***3. Person – organization value fit measurements***

Instructions: Person – organization value fit is measured by seven dimensions as below. Every question has seven answers along the scale. Mark the number in front of the each question which is relevant to your answer by using the following scoring system. These are Reverse scored (R).

Strongly agree

neither nor

strongly disagree

1            2            3            4            5            6            7

---

As is = Current organization practicess in exact

Should be = The way you expect that how your organization should be



## **1. Performance orientation**

### **This organization practice as is**

1. In this organization, employees are encouraged to strive for continuously improved performance [R]
2. In this organization, reward systems are based on employee's performance [R]
3. This organization is always considering on innovations to meet competition [R]

### **This organization values should be**

1. In this organization employees should be encouraged to strive for continuously improved performance [R]
2. In this organization, reward systems should be based on employee's performance [R]
3. This organization should be considered on innovations to meet competition [R]

## **2. Future orientation**

### **This organization practice as is**

1. The way to be successful in this organization is to: [R]
  1. Plan ahead
  2. Somewhat plan ahead
  3. Little plan ahead
  4. No plan
  5. Take events as they occur little
  6. Take events as they occur somewhat
  7. Take events as they occur
2. This organization gives higher priority on longer- term success [R]
3. In this organization leaders are flexible and adaptive [R]

### **This organization values should be**

1. In this organization accepted norms should be to: [R]
  1. Plan for the future
  2. Somewhat plan for the future
  3. Little plan for the future
  4. No plan
  5. Little accept the status quo
  6. Somewhat accept the status quo
  7. Accept the status quo
2. This organization higher priority should be given on longer- term success [R]
3. In this organization leaders should be flexible and adaptive [R]

### **3. Gender egalitarianism**

#### **Organization practice, as is**

1. In this organization, men are encourage to participate in professional development activities more than women
2. In this organization men are encouraged more than women to attain a higher education
3. In this organization men are more likely to serve in a position of high office

#### **Organizational values should be**

1. In this organization men should be encouraged to participate in professional development activities more than women
2. Our organization believes that men should be encouraged more to attain higher education than women.
3. In this organization men should be more likely to serve in a position of high office

### **4. Individualism and collectivism**

#### **Organizational - level Institutional collectivism practices as is**

1. In this organization, managers encourage group loyalty even if individual goals suffer: [R]
2. The pay and bonus system in this organization is designed to maximize
  1. Individual interest
  2. Somewhat individual interest
  3. Little individual interest
  4. Neither individual nor collective interest
  5. Little collective interest
  6. Somewhat collective interest
  7. Collective interest

#### **Organizational- level institutional collectivism values should be**

1. I believe that in this organization, managers should generally encourage group loyalty even if individual goals suffer: [R]
2. In this organization, the pay and bonus system should be designed to maximize:
  1. Individual interest
  2. Somewhat individual interest
    3. Little individual interest
    4. Neither individual nor collective interest
    5. Little collective interest
    6. Somewhat collective interest
    7. Collective interest

## **5. Power distance**

### **Organizational practice as is**

1. In this organization, subordinates are expected to: [R]
  1. Obey their boss without questions
  2. Somewhat obey their boss without questions
  3. Little obey their boss without questions
  4. Neither obey nor question
  5. Little question their boss when in disagreement
  6. Somewhat question their boss when in disagreement
  7. Question their boss when in disagreement
2. In this organization, rank and position in the hierarchy is based primarily on, one's ability rather than authority of one's position
3. In this organization some representatives of all categories are allowed to participate in organizational decision making process

### **Organizational values should be**

1. In this organization, subordinates should: [R]
  1. Obey their boss without questions
  2. Somewhat obey their boss without questions
  3. Little obey their boss without questions
  4. Neither obey nor question
  5. Little question their boss when in disagreement
  6. Somewhat question their boss when in disagreement
  7. Question their boss when in disagreement
2. In this organization, rank and position in the hierarchy should be based primarily on, one's ability rather than authority of one's position
3. In this organization some representatives of all categories should be allowed to participate in organizational decision making process

## **6. Human orientation**

### **Organization practices as is**

1. In this organization, people are generally very concerned about others [R]
2. In this organization, people are generally very sensitive towards others [R]
3. In this organization, people are very generous towards others [R]

### **Organization values should be**

1. In this organization, people should be encouraged to be very concerned about others [R]
2. In this organization, people should be encouraged to be very sensitive towards others. [R]
3. In this organization, people should be very generous towards others [R]

## **7. Uncertainty avoidance**

### **Organizational practices as is**

1. In this organization, orderliness and consistency are stressed, even at the expense of experimentation and innovation [R]
2. In this organization, job requirements and instructions are spelled out in detail, so employees know what they are expected to do: [R]

### **Organizational values should be**

1. In this organization, orderliness and consistency should be stressed, even at the expense of experimentations and innovation. [R]
2. In this organization, job requirements and instructions should be spelled out in detail so employees know what they are expected to do: [R]

## ***4. Individual information [This is also an essential part]***

1. Male/ female ( )
2. Age ( )
3. Years of work experience in the current job ( )
4. Whole work experience ( )

## Appendix B Permission letter from the Tomas Bata University

 Tomas Bata University in Zlín  
Faculty of Management and Economics

Letter from the Supervisor

**Tomas Bata University in Zlín**

Date

### TO WHOM IT MAY CONCERN

Mrs. A.G.K.Wijesinghe is a Ph D student in the Tomas Bata University in Zlín, Faculty of Management and Economics, Czech Republic. Her area of research is organizational management. The title of this study is the “interactions between person-organization value fit and leadership styles in organizational management” with relation to Sri Lanka. For her research purposes she needs to collect data from your institution.

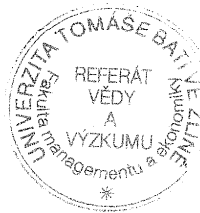
She would be grateful to carry out research by questionnaires in your institution. In giving her your permission to do this your support and co-operation to complete her studies would also be appreciated.

If you have any enquiries, please contact me, Mrs. A.G.K.Wijesinghe’s principal supervisor, at the address given below.

Sincerely



doc. Ing. Josef Hurta, CSc.  
Associate Professor  
**Tomas Bata University**  
[hurta@fame.utb.cz](mailto:hurta@fame.utb.cz)  
+420 576 03 25 11



# Appendix C Permission letter from the Ministry of Plantation Industry in Sri Lanka

දුරකථන  
Telephone: 2380587,  
2448397  
ෆැක්ස්  
Fax : 2438031  
E-mail: jabey@eureka.lk  
Secretary  
අතිරේක ලේකම්  
Additional Secretary  
Tele-0602186318 Fax-2869696  
E-Mail: mcdary@sltnet.lk  
mcdmedia@sltnet.lk

ප්‍රධාන ලේකම්  
Senior Asst. Secretary  
Tele-2866846 Fax-2866840



වැවිලි කර්මාන්ත අමාත්‍යාංශය  
பெருந்தோட்டக் கைத்தொழில் அமைச்சு  
Ministry of Plantation Industries  
පොල් සංවර්ධන අංශය  
தெங்கு அபிவிருத்திப் பகுதி  
Coconut Development Division

"කොවිළ පන්දුරා", 80/5, රජමල් වත්ත පවුල, බත්තරමුල්ල, ශ්‍රී ලංකා  
"கொவிளா மந்திராய", 80/5, இராஜமலிங்கனார் குழுமம், பந்தரமுல்ல, ஸ்ரீ லங்கா  
"Govijana Mandraya", 80/5, Rajamalwatta Avenue, Battaramulla, Sri Lanka

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My Ref

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உமது இல  
Your Ref.

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Date  
தேதி

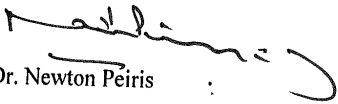
5<sup>th</sup> December 2007  
MCD/M/2007/1

To Whom It May Concern

Mrs. A. G. K Wijesinha BSc, MSc, Training Specialist attached to the Coconut Cultivation Board (CCB), currently a research student reading for a PhD at the Faculty of Management and Economics at the Tomas Bata University in Zlin, Czech Republic.

She is now in Sri Lanka doing a research for her PhD, on INTERACTIVE EFFECT IN BETWEEN PERSON- ORGANIZATION VALUE FIT, LEADERSHIP AND EMPLOYEE PERFORMANCE in human resource management.

I kindly request you to assist Mrs. Wijesinha to carry out her research. I assure you that the information obtained from your organization will be used solely for Mrs. Wijesinha's academic purpose, and would be kept strictly confidential.

  
Dr. Newton Peiris

Advisor, Ministry of Plantation Industries/ Coconut Development  
Email- [newpet@sltnet.lk](mailto:newpet@sltnet.lk)  
Mob- 0714310510

Cc. doc.Ing. Josef Hurta, CSc.  
Associatr Professor  
Tomas Bata Universtiy  
[hurta@fame.utb.cz](mailto:hurta@fame.utb.cz)  
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## Appendix D Confirmation letter of data collection

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2438031  
E-mail: jabey@eureka.lk  
Additional Secretary  
Tele-0602186318 Fax-2869696  
E-Mail: medstry@slt.net.lk  
medmedia@slt.net.lk

Senior Asst. Secretary  
Tele-2866846 Fax-2866840



වැවිලි කර්මාන්ත අමාත්‍යාංශය  
பெருந்தோட்டக் கைத்தொழில் அமைச்சு  
Ministry of Plantation Industries  
පොල් සංවර්ධන අංශය  
தெங்கு அபிவிருத்திப் பகுதி  
Coconut Development Division

"கைவிளக்க அலுவலகம்", 80/5, ராஜமலுவட்டை வீதி, வட்டாரமுல்லா, இலங்கை  
"කොව්‍යානා මන්දිරයා", 80/5, රාජාමල්වත්තේ මාවත, වත්තරාමුල්ල, ශ්‍රී ලංකා  
"கொவ்வியான மந்திரயம்", 80/5, இராஜமலுவட்டை வீதி, வட்டாரமுல்லா, ஸ்ரீ லங்கா  
"Govijana Mandiraya", 80/5, Rajamalwatte Avenue, Battaramulla, Sri Lanka

මගේ අංකය  
எனது இல.  
My Ref

ඔබේ අංකය  
உமது இல  
Your Ref.

දිනය  
Date  
2008.02.27  
දිනය

Doc . Ing. Josef Hurta, Csc  
Associate Professor,  
Tomas Bata University,  
Zlin ,  
Czech Republic.

Dear Sir

This is to certify that Mrs A..G. K Wijesinhe, PhD student at the Tomas Bata University Zlin Czech Republic has collected her research data from the following organizations.

1. Ministry of Coconut Development - Sri Lanka
2. Coconut Research Institute - Sri Lanka
3. Coconut Development Authority - Sri Lanka
4. Chilaw Plantations Limited - Sri Lanka
5. Kurunegala Plantations Limited - Sri Lanka
6. BCC (Lanka) Limited

Yours Sincerely

Dr. Newton Peiris

Advisor, Ministry of Plantation Industries / Coconut Development

E mail - newpet@slt.net.lk

Mobil- 0714310510

## Appendix E Reliability analysis of the instrument

### Human-oriented leadership

#### Omitted Item Statistics

Omitted Variable	Adj. Total Mean	Adj. Total S.D.	Item-Adj. Total Corre.	Squared Multiple Corre.	Cronbach's Alpha
C1	19.581	3.349	0.7114	0.6266	0.7590
C2	19.034	3.142	0.7734	0.6590	0.7350
C3	19.064	3.581	0.4618	0.3404	0.8293
C4	18.640	3.528	0.5566	0.4963	0.8035
C5	18.537	3.479	0.5892	0.4677	0.7946

### Team-oriented

#### Omitted Item Statistics

Omitted Variable	Adj. Total Mean	Adj. Total S.D.	Item-Adj. Total Corre.	Squared Multiple Corre.	Cronbach's Alpha
C1	28.251	5.616	0.7515	0.6628	0.9126
C2	27.768	5.456	0.8282	0.7495	0.9021
C3	27.823	5.399	0.8002	0.7019	0.9059
C4	28.300	5.566	0.7458	0.5685	0.9130
C5	27.675	5.361	0.8060	0.7137	0.9053
C6	28.138	5.544	0.7446	0.6246	0.9132

Here consider: Adj.= Adjusted  
S.D.= Standard Deviation  
Total Corre.= Total Correlation



## Employee commitment

### Omitted Item Statistics

Omitted Variable	Adj. Total Mean	Adj. Total S.D.	Item-Adj. Total Corre.	Squared Multiple Corre.	Cronbach's Alpha
C1	15.693	2.856	0.7258	0.5651	0.8550
C2	15.861	2.956	0.7182	0.5870	0.8563
C3	15.703	2.966	0.7397	0.5748	0.8489
C4	15.832	2.839	0.7898	0.6587	0.8281

## Employee participation

### Omitted Item Statistics

Omitted Variable	Adj. Total Mean	Adj. Total S.D.	Item-Adj. Total Corre.	Squared Multiple Corre.	Cronbach's Alpha
C1	14.734	4.254	0.8109	0.6591	0.9041
C2	14.527	4.303	0.8486	0.7350	0.8920
C3	14.985	4.366	0.7949	0.6344	0.9093
C4	14.645	4.169	0.8391	0.7256	0.8949

## Appendix F Analysis of Covariate in GLM procedure

### 1. Results of ANCOVA with relation to human-oriented leader and commitment

Source	DF	Sum of squares	Mean Square	F Value	pr >F
Model	7	88.2058543	12.6008363	26.21	0.0001
Error	193	92.7891706	0.4807729		
Corrected Total	200	180.9950249			
R- Square		Coeffi. Var.	Root MSE	Commitment Mean	
0.487339		13.19469	0.693378	5.254975	

Source	DF	Type III SS	Mean Square	F value	p>F
HL	1	25.760544	25.760544	53.58	0.0001***
PO fit	1	0.7473911	0.74739111	1.55	0.2140
PO*HL	1	11.909828	11.90982841	24.77	0.0001***
Sex	1	0.0576022	0.05760225	0.12	0.7296
Age	1	1.3595119	1.35951190	2.83	0.0943
Com. Ten.	1	0.9141444	0.91414442	1.90	0.7677
Total ex.	1	0.0420647	0.04206472	0.09	0.1695

Notes: \* p<.05, \*\* p<.01, \*\*\* p<.001

HL\*PO = Interaction between human leader and person-organization value fit

## 2. Results of ANCOVA with relation to human-oriented leader and employee participation

Source	DF	Sum of squares	Mean Square	F Value	pr >F
Model	7	112.1966893	16.0280985	24.29	0.0001
Error	193	127.3337834	0.6597605		
Corrected Total	200	239.53.4726			
R- Square	Coeff. Var.	Root MSE	Participation Mean		
0.468403	16.77940	0.812256	4.840796		

Source	DF	Type III SS	Mean Square	F value	p>F
HL	1	27.51834542	27.51834542	41.71	0.0001***
PO fit	1	4.07001668	4.07001668	6.17	0.0139*
PO*HL	1	8.68255233	8.68255233	13.16	0.0004***
Sex	1	0.52154462	0.52154462	0.79	0.3751
Age	1	0.82309256	0.82309256	1.25	0.2654
Com. Ten.	1	0.56847854	0.56847854	0.86	0.7383
Total ex.	1	0.07384292	0.07384292	0.11	0.3544

Notes: \* p<.05, \*\* p<.01, \*\*\* p<.001

HL\*PO = Interaction between human leader and person-organization value fit

### 3. Results of ANCOVA with relation to human-oriented leader and employee Trust in their leaders

Source	DF	Sum of squares	Mean Square	F Value	pr >F
Model	7	84.927	12.133	29.26	0.0001
Error	193	80.014	0.415		
Corrected Total	200	164.941			
R- Square	Coeff. Var.	Root MSE	Participation Mean		
0.514892	11.838	0.644	5.439		

Source	DF	Type III SS	Mean Square	F value	p>F
HL	1	45.8662380	45.866238	110.63	0.0001***
PO fit	1	0.7291584	0.7291584	1.76	0.1863
PO*HL	1	1.1426353	1.1426353	2.76	0.0985
Sex	1	0.4236133	0.4236133	1.02	0.3134
Age	1	1.8447330	1.8447430	4.45	0.0362
Com. Ten.	1	0.3001890	0.3001890	0.72	0.2360
Total ex.	1	0.5858391	0.5858391	1.41	0.3959

Notes: \* p<.05, \*\* p<.01, \*\*\* p<.001

HL\*PO = Interaction between human oriented leader and person-organization value fit

#### 4. Results of ANCOVA with relation to ad.team-oriented leader and employee commitment

Source	DF	Sum of squares	Mean Square	F Value	pr >F
Model	7	98.5058162	14.0722595	32.98	0.0001
Error	192	81.9313713	0.4267259		
Corrected Total	199	180.4371875			
R- Square	Coeff. Var.	Root MSE	Commitment Mean		
0. 545929	12.43975	0.653243	5.251250		

Source	DF	Type III SS	Mean Square	F value	p>F
TL	1	35.87904584	35.87904584	84.08	0.0001***
PO fit	1	4.93554611	4.93554611	11.57	0.0008***
PO*TL	1	6.31881007	6.31881007	14.81	0.0002***
Sex	1	0.02879724	0.02879724	0.07	0.7953
Age	1	0.59092059	0.59092059	1.38	0.2407
Com. Ten.	1	0.79464460	0.79464460	1.86	0.1740
Total ex.	1	0.10033802	0.10033802	0.24	0.6283

Notes: \* p<.05, \*\* p<.01, \*\*\* p<.001, PO\*TL = Interaction

## 5. Results of ANCOVA with relation to ad.team-oriented leader and employee participation

Source	DF	Sum of squares	Mean Square	F Value	pr >F
Model	7	135.5854191	19.3693456	36.07	0.0001
Error	192	103.1142684	0.5370535		
Corrected Total	199	238.6996875			
R- Square	Coeff. Var.	Root MSE	Participation Mean		
0.568017	15.15305	0.732839	4.836250		

Source	DF	Type III SS	Mean Square	F value	p>F
TL	1	48.31168127	48.31168127	89.96	0.0001***
PO fit	1	6.24892994	6.24892994	11.64	0.0008***
PO*TL	1	10.32723012	10.32723012	19.23	< .0004***
Sex	1	0.15002197	0.15002197	0.28	0.5977
Age	1	0.24687976	0.24687976	0.46	0.4986
Com. Ten.	1	0.4957555	0.4957555	0.92	0.3379
Total ex.	1	0.13511593	0.13511593	0.25	0.6165

Notes: \* p<.05, \*\* p<.01, \*\*\* p<.001

## 6. Results of ANCOVA with relation to ad.team-oriented leader and employee trust

Source	DF	Sum of squares	Mean Square	F Value	pr >F
Model	7	96.8881303	13.8411615	39.05	0.0001
Error	192	68.0490572	0.3544222		
Corrected Total	199	164.9371875			
R- Square	Coeff. Var.	Root MSE	Participation Mean		
0.587424	10.94615	0.595334	5.438750		

Source	DF	Type III SS	Mean Square	F value	p>F
TL	1	60.64241677	60.64241677	171.10	0.0001***
PO fit	1	3.55264437	3.55264437	10.02	0.0018***
PO*TL	1	0.39642629	0.39642629	1.12	0.2916
Sex	1	0.07811501	0.07811501	0.22	0.22
Age	1	1.08052280	1.08052280	3.05	0.0824
Com. Ten.	1	0.18651898	0.18651898	0.53	0.2038
Total ex.	1	0.57637196	0.57637196	1.63	0.4691

Notes: \* p<.05, \*\* p<.01, \*\*\* p<.001

## Appendix G Least Square Means Procedure for mean separation (LSM)

Least Square Means for Mean separation under human-oriented leader behaviour

Person-organization value fit	Human-oriented leader	Employee commitment LSMean	Employee participation LSMean
1	1	3.64725350	3.39040065
1	2	5.76222208	5.42318406
2	1	4.28505791	3.61779967
2	2	4.69573024	4.19540535

t-Test (LSD) for commitment

Error Mean Square 0.480773

Least Significant Difference 0.1989

T Grouping	Mean	N	P-O fit
A	5.6660	125	1
B	4.5789	76	2

t-Test (LSD) for employee participation

Error Mean Square 0.659761

Least Significant Difference 0.233

T Grouping	Mean	N	P-O fit
A	5.3300	125	1
B	4.0362	76	2



Least Square Means Procedure for Mean separation under administratively competent team-oriented leader behaviour

Level of Person-organization value fit	Level of ad.team-oriented leader	Employee commitment LSMean	Employee participation LSMean
1	1	3.861111111	3.194444444
1	2	5.80603448	5.49568966
2	1	3.92187500	3.34375000
2	2	4.73305085	4.19491525

t-Test (LSD) for commitment			
Least Significant Difference 0.1882			
T Grouping	Mean	N	P-O fit
A	5.66600	125	1
B	4.56000	75	2

t-Test (LSD) for employee participation			
Least Significant Difference 0.2111			
T Grouping	Mean	N	P-O fit
A	5.3300	125	1
B	4.0133	75	2