

## **THE INFLUENCE OF MANAGERS' POWER ON THEIR LEADERSHIP STYLE IN ORGANIZATION**

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### **ABSTRACT**

*Power that managers possess helps in developing the leadership of the managers themselves thus helps in managing the organization to fulfil the objectives and goals. This paper aims to study how power possessed by managers will influence their leadership styles. Questionnaires were distributed randomly to 150 employees within Klang Valley. Employees were asked about their perceptions regarding their managers' power and leadership style. Findings from this study suggest that there is a positive significant relationship between influences of power that lead to the leadership style. Among the five common types of power, expert and referent were cited as two dominant power used by managers. This study also discovered that expert and referent power were significantly correlated with democratic leadership style.*

Keywords: Leadership, Management, Power, Organization.

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### **Introduction**

In this new era of modernization where organizations runs in fast pace to achieve its objectives and goals, people is the important part for organizations to run smoothly. Leaders play a vital role in guiding their people towards achieving the objectives. Every leader does possess certain types of power whereby this power will influence leadership styles. Power is often egocentric, exercised in the service of the self, whereas leadership is directed towards elevating the common good for all its members. Leaders who use power effectively accomplish task in organization without relying on their job title.

### **Background of the study**

The success of organizations lies on the people that work in it. People can be referred to the top management, middle management, low level management, and non-managerial employees. This research will concentrate on the leadership styles practiced by managers

from the perspective view of their subordinates. This research mainly concentrated in the Klang valley area and randomly selected industries.

### **Objectives of the study**

Several studies on the leadership and power were undertaken by various researchers. However, only a few studies that focus on the relationship between power and leadership, thus this study is conducted with the following objectives:

1. To determine the dominant power being practiced by managers in organizations.
2. To determine the dominant leadership style being practiced by managers in organizations.
3. To study the relationship between the dominant power and leadership style.

### **Significance of the study**

This study is to explore on the practical practices of leadership in organizations. Findings from this study are significant to the following parties:

1. Managers  
To help managers to improve their leadership styles and thus using full potential of the power that they possess to the benefit of the organizations.
2. Employees  
Employees will have the chance to contribute their ideas and also to participate together in achieving the objective and goal of the company.
3. Researchers  
Researchers can gain a new view in the practical aspect of the management concept.

### **Literature Review**

#### ***Power***

Most definition of power includes an element indicating that power is the ability to influence decisions and make things happen in an intended way. For example, Azizi et. al. (2010) defined power as "the ability of one party to change or control the behaviour, attitudes, opinions, objectives, needs, and values of another party". Yahaya et. al., (2011) defined power as the ability to get someone to do something or to make things happen in the way you want them to. Takala, T. (2005) refers to power as the capability of one social actor to overcome resistance in achieving a desired objective or result.

According to Yulk (1989) as cited in Green (1999), most research classified five different types of leader power, relying upon the power taxonomy proposed by French and Raven in their Studies of Social Power. From the five types of power, power is

further subdivided into two, which is personal power (referent and expert power), and position power that comprises of reward, coercive and legitimate power (Green, 1999).

Table 1: Power Taxonomy

Type of Power	Description
Reward power	The target person complies in order to obtain rewards he or she believes are controlled by the agent.
Coercive power	The target person complies in order to avoid punishments he or she believes are controlled by the agent.
Legitimate power	The target person complies because he or she believes the agent has the right to make the request and the target person has the obligation to comply.
Expert power	The target person complies because he or she believes that the agent has special knowledge about the best way to do something.
Referent power	The target person complies because he or she admires or identifies with the agent and wants to gain the agent's approval.

Taxonomy from J. French & B.H. Raven, *Studies of Social Power*, Institute for Social Research, Ann Arbor, MI (1959).

Campbell, M., & Meddings, K. (2008) indicated that, apart from the above five sources of power, recent studies have identified two more sources, that are power of relationship and power of information. Power of relationships is the influence that leaders gain through their formal and informal networks both inside and outside of their organizations, while power of information is the control that is generated through the use of evidence deployed to make an argument.

### ***Leadership***

Leadership is a social influence process in which the leader exerts social influence over other members of the group by influencing the activities of an individual or a group of individuals in an effort towards goal achievement in given situations (Bhatti et. al., 2012). According to Caza, A. (2004), the attribution of leadership depends on the degree to which people are allowed to participate in determining goals, making decisions, solving problems, and implementing decisions.

Bhatti et. al., (2012) identified three leadership styles which are autocratic, democratic and laissez-faire. According to Knott (2001), as cited in Kocher (2009), autocratic leaders refer to leaders who allow for only a minimal team participation in the decision making process and sometimes even ignore the opinions of their subordinates. In contrast, democratic leaders usually seek advice from their subordinates and try to reach consensus within their teams (e.g., Hollander, 1986; Rotemberg and Saloner, 1993). According to Gastil (1994) as cited in Caza, A. (2004), leadership becomes democratic when it relies on basic democratic principles and processes, such as self-

determination, inclusiveness, equal participation, and deliberation. Laissez faire leaders on the other hand give subordinates complete freedom to make decisions and complete their work in whatever way they see fit (Robbins et. al, 2011).

### ***Relationship between power and leadership***

The concepts of power and leadership are interconnected. While an individual may exert power without being a leader, an individual cannot be a leader without having power. Gallinsky et. al., (2001) in their research notified that power and leadership share two common threads. First, both constructs involve influence. Second, both constructs involve a focus on goals. Thus, it is apparent that leader's ability to influence a subordinate's performance is conditional upon the leader's power. Without the ability to influence, nothing in an organization can be accomplished and thus the leadership process becomes ineffective (Green et. al. 1999).

Research on the use of different forms of power by leaders suggests that leaders that are effective are leaders who rely more on personal power than on position power (Green et. al., 1999, Taggard et. al., 1992). However, Taggard et. al. (1992) reported mixed result on reward power. Findings from recent studies also confirmed previous studies. For instance, studies conducted by Campbell, M., & Meddings, K. (2008) found that the top three most frequently leveraged sources of power are the power of expertise, the power of information and the power of relationships. On the other hand, the least-leveraged source of power is coercive power. Nevertheless, the importance of position power cannot be undermined since it is still important in a way that it interacts with personal power to determine a leader's influence on subordinates (Green et. al., 1999).

With regards to leadership styles, many researchers agreed that among the three styles, democratic is the most effective style that can lead to higher productivity, better contributions from group members, and increased group morale (Lewin, 1939, as cited in Bhatti et. al., 2012, Caza. A. 2004). However, in this current dynamic world, the need for leaders to exhibit more styles the better. Leaders that are effective are leaders who are able to switch flexibly among the leadership styles as needed according to situations (Goleman, 2000, Nye, B. J. S, 2006).

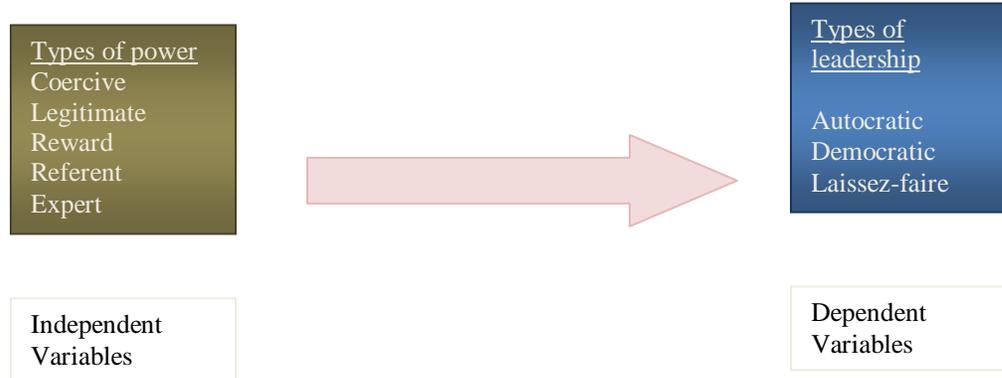
Thus, it can be summarised that in order to get behavioural response from others, influence must come together with the exercise of power. Leaders must identify types of power that he or she needs and in turn must be able to influence the followers by using their power according to situation.

### **Method of the research**

#### *Study framework*

The theoretical framework was developed from the literature review which draws the relationship between types of power exerted by managers with their leadership styles.

Figure 1: Theoretical Framework



### *Population and sample*

Azizi et al. (2007) stated that population refers to the entire group of people, event, or things of interest that the researcher wishes to investigate. Sampling, on the other hand, is defined as the process of selecting a sufficient number of elements from the population. The population for this study comprised all employees in selected 30 organizations within Klang valley. The researcher used simple random sampling (SRS) in which every element in the population has a known and equal chance of being selected as subject.

The sample size of this study is 99 respondents. This sample size is chosen because according to rules of thumb, the sample size larger than 30 and less than 500 are appropriate for most research. The respondents included a wide range of departments and position level of employees in each selected organizations.

### *Data Collection*

A number of 150 questionnaires were distributed to respondent at 30 randomly selected companies. From this 150 sample size, only 66% (99 sets) were returned in all fully answered, while the balances were excluded in this research. The process of analyzing the data is by using the SPSS Statistical approach, where data were analysed using descriptive analysis, crosstab and Pearson correlation.

### *Survey Instruments*

The questionnaire comprised of 36 items using fixed alternatives questions and scaled-response questions and the respondent were asked on the scale of 1 to 4, where 1 is strongly disagree, 2 is disagree, 3 is agree and 4 is strongly agree. The questionnaires were prepared in two versions that are in Bahasa Malaysia and English.

There are three sections on this questionnaire, section A is about the demographic and work background of the employee. For Section B, the questionnaire is about types of

power that employees think their managers possess. For section C, the questionnaire is about perception of employees on the types of leadership style that their managers practice whether autocratic, democratic or laissez-faire.

## **Analysis and Findings**

### ***Reliability Test***

Table 2: Reliability Test

Variable	Cronbach's Alpha
Power	0.691
Leadership	0.75

Table 2 shows the reliability test of the research. Referring to the table above, the reliability test for power is 0.691 and for leadership is 0.75. Ten items under power and eight items under leadership were selected. The purpose of this test is to examine the eligibility of the data obtain. According to Zickmund (2003), if the result of Cronbach's alpha is more than 0.60, the research is acceptable.

### ***Demographic Profile***

Figure 2 : Gender of respondent

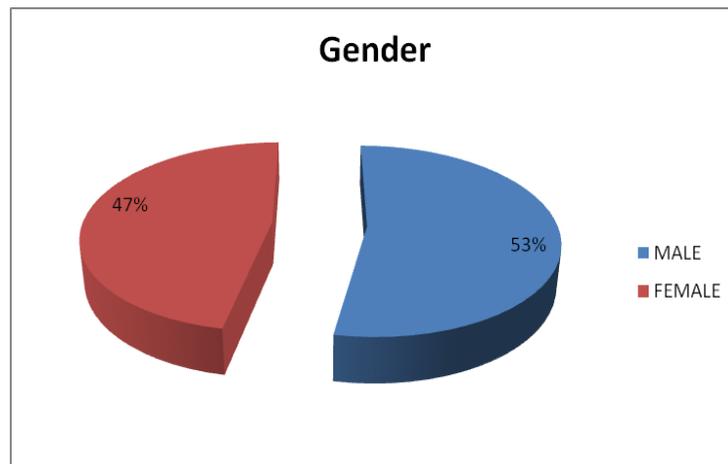
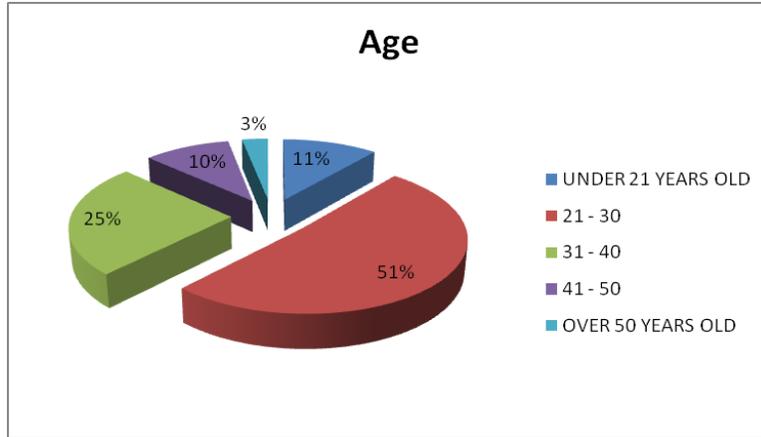


Figure 2 shows the gender of the respondent. 53% of the respondent is male and 47% is female.

Figure 3 : Age of respondent



The age of the respondent for this research can be seen by Figure 3. Majority of the respondent that answer the questionnaire is from aged between 21 to 30 with total percentage of 51%. While, 25% of respondent is aged between 31 to 40, 11% aged between under 21 years old, 10% aged between 41 to 50 and 3% aged over 50 years old.

Figure 4 : Respondent's department

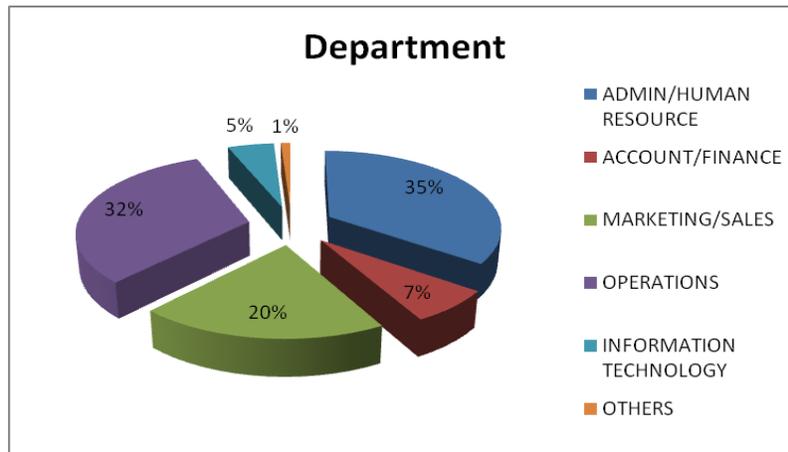


Figure 4 shows the department from which respondents represent. Majority of the respondents comes from the admin and human resource department which is 35%, followed by 32% from operations, 20% from marketing and sales, 7% from account and finance, 5% from information technology and 1% from others department.

Figure 5 : Total number of years working with current company

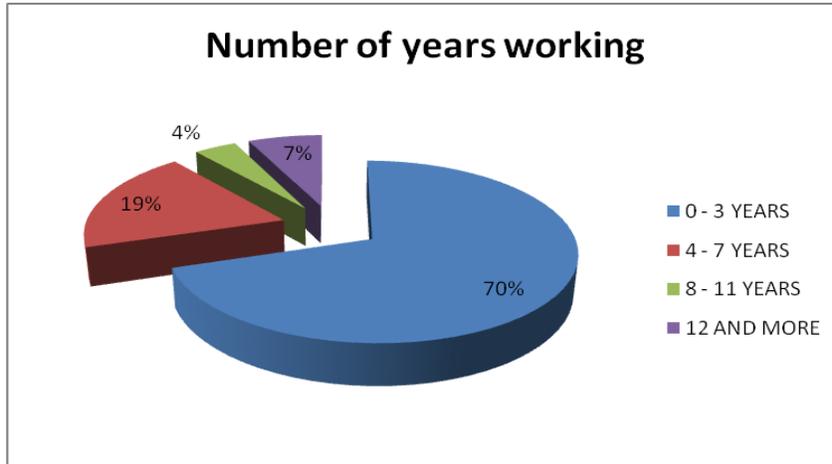


Figure 5 shows the total number of years respondent working with the current company. Majority of the respondents with 70% of them have worked between 0 to 3 years, followed by 19% worked between 4 to 7 years, 7% worked more than 12 years and 4% worked between 8 to 11 years.

Figure 6 : Type of business

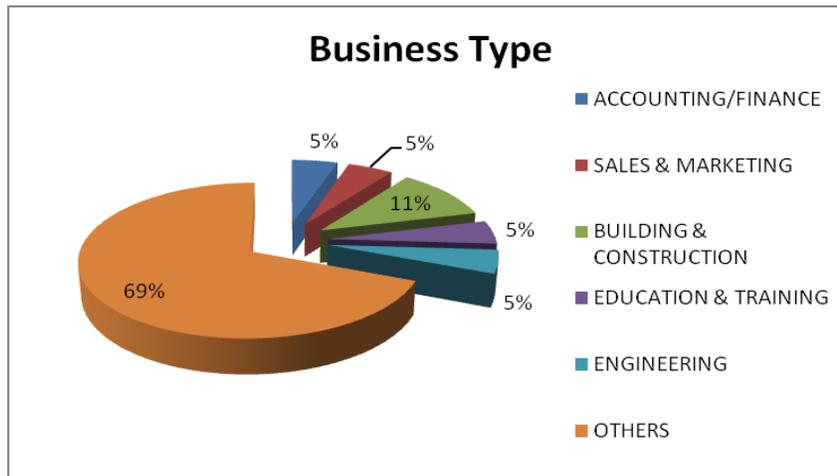


Figure 6 shows the type of business that respondents worked. 69% comes from others which is small business entrepreneurs and retailing industries, 11% from building and construction, and 5% from accounting and finance, sales and marketing, education and training and engineering.

### ***Dominant Power by managers***

The first objective of this study is to determine the dominant power being practiced by managers. By using the frequency analysis, the result is shown by table 3.

Table 3: Dominant Power practiced by managers

Types of Power	Strongly Disagree	Disagree	Agree	Strongly Agree	Total Agree	Percentage
Coercive	8	38	81	73	154	77
Reward	10	42	89	59	148	74
Legitimate	16	48	85	51	136	68
Referent	3	5	134	58	192	96
Expert	2	2	137	59	196	98

From the above table, 98% of the respondents answered that their managers practice expert power and 96% practice referent power, followed by 77% answered for coercive power, 74% for reward power and 68% for legitimate power. Researcher concludes that to answer the first objective, the dominant power being practiced by manager is expert and referent power.

### ***Dominant Leadership styles***

Second objective is to determine the dominant leadership style being practiced by manager. To determine the dominant leadership style, frequency analysis being used.

Table 4: Dominant Leadership style by manager

Leadership	Strongly Disagree	Disagree	Agree	Strongly Agree	Total Agree	Percentage
Autocratic	40	125	100	35	135	45
Democratic	3	18	205	74	279	93
Laizzes-faire	7	54	93	46	139	69.5

Table 4 shows the result for the dominant style being practiced by managers. 93% of respondents agreed that managers practice democratic leadership, followed by 69.5% for laizzes-faire and 45% for autocratic. To answer the second objective, the dominant leadership being practiced by manager is democratic.

***Relationship between Power and Leadership practiced by managers***

The third objective for this study is to study the significance relationship between the dominant power and dominant leadership of manager.

Table 5: Pearson correlation between dominant manager's power and dominant manager's leadership

Variable	Mean	Std. Deviation	1	2	3	4	5	6	7
1 Expert Power Person to be referred	3.31	0.6146	1						
2 Expert Power Knowledgeable with the job responsibilities	3.16	0.5069	0.617*	1					
3 Referent Power Good Relationship with Others	3.33	0.5515	0.321*	0.568*	1				
4 Referent Power Other departments seek opinions	3.20	0.4924	0.394*	0.639*	0.647*	1			
5 Democratic Leadership Encourage to participate in decision making process	3.21	0.6243	0.276*	0.340*	0.530*	0.486*	1		
6 Democratic Leadership Provide some freedom in decision making	3.17	0.5695	0.396*	0.500*	0.431*	0.454*	0.552*	1	

7	Democratic Leadership Always listen to any idea and suggestions	3.12	0.4981	0.306*	0.483*	0.369*	0.437*	0.665*	0.711*	1
				*	*	*	*	*	*	

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

Based on the above bivariate correlations presented in Table 5, between expert power, referent power and democratic leadership, showed that the expert power and referent power were significantly correlated with democratic leadership. Expert power (person to be referred) had a significant positive correlation with democratic leadership (encourage decision making) with  $r=0.276$ ,  $p=0.01$ . Expert power (person to be referred) had a significant positive correlation with democratic leadership (freedom in decision making) with  $r=0.396$ ,  $p=0.01$ . Expert power (person to be referred) had a significant positive correlation with democratic leadership (listen to idea and suggestion) with  $r=0.306$ ,  $p=0.01$ .

Expert power (knowledgeable) had a significant positive correlation with democratic leadership (encourage decision making) with  $r=0.340$ ,  $p=0.01$ . Expert power (knowledgeable) had a significant positive correlation with democratic leadership (freedom in decision making) with  $r=0.500$ ,  $p=0.01$ . Expert power (knowledgeable) had a significant positive correlation with democratic leadership (listen to idea and suggestion) with  $r=0.483$ ,  $p=0.01$ .

Referent power (good relationship) had a significant positive correlation with democratic leadership (encourage decision making) with  $r=0.530$ ,  $p=0.01$ . Referent power (good relationship) had a significant positive correlation with democratic leadership (freedom in decision making) with  $r=0.431$ ,  $p=0.01$ . Referent power (good relationship) had a significant positive correlation with democratic leadership (listen to idea and suggestion) with  $r=0.369$ ,  $p=0.01$ .

Referent power (other department seek opinion) had a significant positive correlation with democratic leadership (encourage decision making) with  $r=0.486$ ,  $p=0.01$ . Referent power (other department seek opinion) had a significant positive correlation with democratic leadership (freedom in decision making) with  $r=0.454$ ,  $p=0.01$ . Referent power (other department seek opinion) had a significant positive correlation with democratic leadership (listen to idea and suggestion) with  $r=0.437$ ,  $p=0.01$ .

## **Conclusion**

This study investigated the relationship between power and leadership style among managers from the perspectives of their subordinates. Findings revealed that the dominant power mainly used by managers is expert and referent power and the dominant leadership style is democratic. There were positive significant relationship between expert power and referent power with the democratic style. Results from this research are consistent with previous research findings (Green et. al., 1999; Taggard et. al., 1992; Campbell, M., & Meddings, K., 2008; Bhatti et. al., 2012; Caza. A., 2004) which suggest

that leaders that are effective rely heavily on personal power and pursue democratic style. Thus, it can be concluded that managers in Malaysia are mostly effective in their leadership and are able towards realizing their organizational goals successfully.

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