



**UNIVERSITAS INDONESIA**

**LEADERSHIP STYLE IN PT XYZ**

**THESIS**

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**FACULTY OF ECONOMICS  
MASTER OF MANAGEMENT PROGRAM  
JAKARTA  
JUNE 2011**



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IN PT XYZ**

**THESIS**

**Proposed as one of the requirements for obtaining a degree of  
Master of Management**

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**FACULTY OF ECONOMICS  
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JUNE 2011**

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**This thesis is the work of my own,  
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## PREFACE

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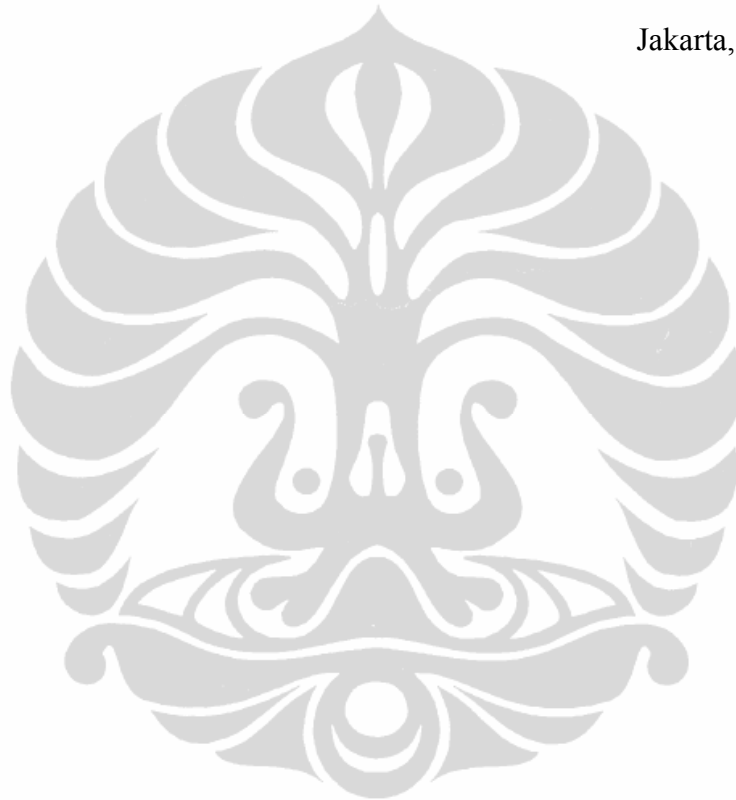
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Hopefully, this report would at least, not follow the same faith as others – lost and forgotten in the silence of time. Finally, hopefully this thesis can be useful for those in need.

Jakarta, June 2011

Author



**STATEMENT OF PUBLICATION APPROVAL  
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## ABSTRACT

Name : Lindawaty  
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Leadership becomes the issue when it came to the agency development. The effective leadership has to maximize and extend the possible resources to the best performs in the agency. A successful company required successful managers to be the leaders, people with knowledge, business savvy, and a forward-thinking people. This study observed the relationship between the leadership style (transformational and transactional) and the leadership outcome in PT XYZ. The data were collected using questionnaires, taken from Multifactor Leadership Questionnaire (MLQ – Form 5X) designed by Avolio and Bass in 1995. The data were further analyzed using descriptive based analysis and regression analysis. The results were the managers in the company implemented transformational leadership, the transactional leadership had positive influence and laissez-faire leadership had negative significant influence with effectiveness, the transformational leadership (especially inspirational motivation and individualized consideration) had positive significant influence with extra effort, and the transformational leadership (especially inspirational motivation) had positive significant influence and the transactional leadership (especially management by exception-active) had negative significant influence with satisfaction in PT XYZ.

Keywords: Transformational Leadership, Transactional Leadership, Insurance Agency



## ABSTRAK

Nama : Lindawaty  
Program Studi : MM - MBA  
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Dalam mengembangkan suatu perusahaan, kepemimpinan selalu menjadi hal yang menuntut perhatian khusus. Suatu gaya kepemimpinan yang efektif harus dapat memfasilitasi para karyawannya untuk berkembang semaksimal mungkin. Untuk mencapai keberhasilan, perusahaan membutuhkan manajer yang dapat memimpin dengan baik, orang-orang yang memiliki kemampuan, tanggap pada bisnis dan memiliki visi ke depan. Penelitian ini bertujuan untuk menganalisa hubungan antara gaya kepemimpinan (transformasional dan transaksional) dengan aspek yang dihasilkan oleh suatu kepemimpinan pada PT XYZ. Penelitian ini menggunakan data yang dikumpulkan dengan kuesioner sesuai rancangan Bass tahun 1995 yaitu *Multifactor Leadership Questionnaire*. Data yang terkumpul dari 80 orang responden kemudian diolah dengan analisa deskriptif dan analisa regresi. Hasil penelitian menunjukkan bahwa para manajer di perusahaan menerapkan gaya kepemimpinan transformasional, kepemimpinan transaksional memiliki pengaruh positif, sedangkan kepemimpinan laissez-faire memiliki pengaruh negatif terhadap efektivitas, kepemimpinan transformasional (terutama motivasi inspirasional dan pertimbangan individual) memiliki pengaruh positif terhadap usaha ekstra, dan kepemimpinan transformasional (terutama motivasi inspirasional) memiliki pengaruh positif dan kepemimpinan transaksional (terutama manajemen dengan pengecualian-aktif) memiliki pengaruh negatif dengan kepuasan pada PT XYZ.

Kata kunci: Kepemimpinan Transformasional, Kepemimpinan Transaksional, Agensi Asuransi

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# CHAPTER 1

## INTRODUCTION

### 1.1 Background

PT XYZ is an agency company for P-Save Life Insurance. Under the flag of P-Save, the agency brings up the name AgencyXYZ as the top 3 agencies in Indonesia. The AgencyXYZ has over 200 managers with 6,000 agents nationwide. Out of the goal of achieving the profit, the agency is also delivering the importance of growing the leadership to keep regenerating and upgrading the workforce skill. The company, who does not perform a good leadership system in managing the human resource, cannot enhance the possibility of developing a good foundation for expanding the business. As the business grew, the significance of delivering a good system to work out with the leadership performance has increased. A good leadership concept will help the group in accomplishing goals and satisfying the needs of the company. It will serve as the principal dynamic force that motivated and coordinates the organization in the accomplishment of its objective (Bass, 1974).

Leadership becomes the issue when it comes to the agency development. The managers have to encourage and motivate the agents to achieve extraordinary objective. The effective leadership has to maximize and extend the possible resources to the best performs in the agency. A successful company requires successful managers to be the leaders, people with knowledge, business savvy, and a forward-thinking people. It is about influencing people to share the vision, as the managers have to distribute the energy to boost the self-confident and motivate the followers.

The starting point of leadership program has been conducted in training sessions held by AgencyXYZ. The training sessions will help to motivate the agent and grow them as future managers. On the other hand, the training session will be a part of conflict prevention for every level since there will be sharing



information and opinion among all the participants including managers and their agents. From the early starting of the company, the training is firstly initiated to share the deeper knowledge on the products and the insurance itself. Then, in the further development, the training, however, becomes the source of skill sharing and leadership growing facilities.

The skill sharing encourages the agents to learn the experiences from their managers. Handling objections, telephone techniques, and the other useful skills are passed to the agents. While on the other hand, the training also facilitates the growing of leadership skill. The leadership is a crucial part of the company, as every agent will be leader in their future career path in the company. Training sessions are directed, supervised and executed by managers. The managers are encouraged to motivate people and also enhance their skills when they teach in the training sessions. They are taking turns on sharing sessions, when one manager presents the session, the other managers will observe and learn, in the same time, how to share and pass the information effectively.

In the agency itself the needs to identify the best practice for training hold a great responsibility. There's an urgency to identify the criteria of being good leader. A good leader serves as a good motivator for each of his/her agent in order to achieve the goal together. Identifying leadership, the transformational or transactional leadership may be considered to be one solution to overcome the issue of being not productive leader. It helps to identify the urge of leadership effectiveness without being trapped by the condition. The condition here means the benefit and being comfortable for whatever achieved at present.

## **1.2 Problem Identification**

AgencyXYZ as an insurance agency company is now facing a serious issue of expanding itself. There is an urgent need to increase the number of motivational managers that will surely help the expansion of the company. Each manager must have the capacity to fully support and transfer the knowledge to

produce new generations. From the existing condition, there are some critical issues, which should be settled by the company:

- The point of being a good leader, the company hasn't find a way of best describing how's the leadership affect the company, or the attributes to define a good leadership.
- Among the level of managers in the company, there is no any legitimate tool to identify what is the best-described criterion of being a good leader.

As the company grew, these issues also become the concern for the company to expand. In order to settle the situation, the company wants to make some changes that may help the managers to deliver excellent leadership skills to the agents. The main concern of the company is about the leadership issue. By the time the senior managers cannot be the ones to execute all the training sessions, there should be regeneration: in terms of managers, and in term of the training material. For the managers, the effective leadership should be implemented based on the leadership skills of the previous managers; while the training materials should be supporting the potential of the new managers to grow as the senior's leadership skills.

In the terms of leadership styles, the research will be used to indicate the most suitable leadership style in the company, whether it is transformational or transactional. The dimensions in both transformational and transactional leadership styles were considered to be the best fitted parameters to represent the criteria for a good leader in PT XYZ, as the company brings out the urgency to identifies the significance of the dimensions improvement. The company has to be able to identify what are the potential among the top managers in the agency. This is to examine what is actually the agents' need and how to support the agents' growth. In the needs of changing and conduct the appropriate leadership, some research questions were identified:

1. What is the leadership style in PT XYZ?
2. Is there any significant influence between the leadership style and the leadership outcome in PT XYZ?

### **1.3 Objective of The Research**

Based on the question on the research, the objectives are:

1. To identify the leadership style in PT XYZ.
2. To define the influence of the leadership style on the leadership outcome in PT XYZ.

### **1.4 Benefit of the Research**

The research will help to obtain some benefits on different applications:

- Theoretical benefit  
Adding insight on the leadership style development and assessment for the business environment in Indonesia.
- Practical benefit
  - a. PT XYZ, AgencyXYZ, providing the information of the identified best practice of appropriate leadership in the company based on the managers' performance and the agents' productivity. The company may conduct effective leadership as recommended and know the managers' potential.
  - b. Master of Management – Universitas Indonesia regarding to the contribution for study and learning purpose of the leadership subject.

### **1.5 Scope of the Research**

The research scope will be focusing on:

1. The analysis of leadership occurred in the system in PT XYZ.
2. The managers' performance in delivering a good leader's attitude for the agents.
3. The related issues and company's system to deliver the importance of transformational and transactional leadership.

## **1.6 The Systematic of The Research**

Chapter 1 is an introduction part to the research. The chapter will deliver the information about the research background, the problem and the objectives of the research.

Chapter 2 is the literature review that elaborates the basic theories related to the research. The chapter is referring to the literatures about leadership, the leadership aspects and also the multifactor leadership questions.

Chapter 3 is the broad-view of the company PT XYZ. It describes the organization structures, the overview of the company and the products the company serves.

Chapter 4 is the research methodology part. This part will explain about the data collection method and also the validity and reliability checking. The result of the valid and reliable data will be further analyzed in Chapter 5.

Chapter 5 is the analysis part. Firstly it will explain about the demographic data of the respondents, then it will extend to the mean analysis, based on the descriptive statistic, and simple regression.

Chapter 6 is the conclusion and recommendation chapter. The conclusion and recommendation will be taken from the analysis result; it will also serve some weaknesses and the improvement that should be made by the company PT XYZ.

## CHAPTER 2

### LITERATURE REVIEW

#### 2.1 Leadership

The leaders in life insurance companies faced a growing need in leading the organizations, the agencies, to a significant leadership changes in order to response to the unprecedented shifts in the global marketplace environment. Leadership is essentially the ability to influence and motivate followers to embrace and carry out mission or vision of organization (Brill and Worth, 1997). Kellerman (1990) stated that leadership has the definition as the effort of either formal or informal leaders in order to guide individuals to the accomplishment of goals to represent significant changes that are disjointed and segmented.

Leadership can be defined in many different ways (Kellerman, 1990 in Bass 1990):

- The process by which an agent may induce the subordinate to act and behave in expected ways.
- Directing, coordinating and controlling the performance of group members.
- Interpersonal relation in which others comply because they want to.
- The process of influencing an organized group towards its goal accomplishment.
- Focusing on the resources in order to create desirable opportunities.

Leadership has a goal that involved getting the results from others by building cohesive, goal-oriented team. Inside the process, it also provides the problem solving for complex social problems included. Bass (1990) identifies that there is the need to distinguish between the successful influence of the leader and his or her long-term effectiveness, as determined by the contribution of the influence to attaining the long-term goals and well-being of the organization or the nation.

Leadership has been seen as the focus of group processes, as a personality attribute, as the art of inducing compliance, as an exercise of an influence, as a particular kind of act, as a form of persuasion, as a particular kind of act, as a form of persuasion, as a power relation, as an instrument in the attainment of goals, as an effect of interaction, as a differentiated role, and as the initiation of structure. One complex definition that has evolved, particularly to help understand a wide variety of research findings, delineates effective leadership as the interaction among members of a group that initiates and maintains improved expectations and the competence of the group to solve problems or attains goals (Bass, 1990).

Bass (1985) stated that there are multidimensional variables to be used in characterizing the traits that are accepted as a good leadership quality. The variables are transformational, transactional, and laissez-faire. The laissez faire leadership is treated separately since the concept explains about the absence of the leadership in the implementation. In fact, transformational and transactional leadership characteristic were thought to be mutually exclusive.

Burns (1990) stated that the leaders was characterized into either transformational set of characteristic or traits, or a transactional set of characteristic or traits depend on the dominant behavioral tendencies occurred. Bass then argued this statement in 1990. In fact, the leaders could be both transformational and transactional in the same time.

Transformational and transactional leadership styles were not always mutually exclusive. But instead, they were compliment to each other and the transformational leadership style was an enhancement of the transactional leadership styled (Bass, 1990). The effective leader set contained traits and characteristics of both transformational and transactional subsets.

Stogdill (1981) identified six traits linked to leadership: competence, accomplishment, dependability, involvement, position and situation. Among these six traits, there was no any particular characteristic that separates leaders from

non-leaders (in Bass 1990). While Hemphill and Coons (1957) stated that the leadership itself can be recognized by the actions of individuals as they assist people in directing toward a jointly established goal (in Bass 1990).

Bass (1990) defines leadership as a multidirectional influence relationship between leader and follower with the mutual purpose of accomplishing real change. In performing the leadership, a leader has to influence the followers effectively.

There are six behavioral dimensions of leadership based on Zenger (1985) that can be used as guidelines (in Bass 1990):

- Leaders create values through communication in order to emphasize on the organization's values and mission.
- Leaders develop committed followers by making direct emotional connection, involving others and seeking for advice.
- Leaders inspire lofty accomplishments by accepting personal responsibilities for the group's fulfillment of the objectives given.
- Leaders as the appropriate behavior role model to represent the organizational values.
- Leaders focus on important issues using dramatic or symbolic acts.
- Leaders connect their group to the outside world and manage to link the organization by information sharing.

In forming an effective leadership, there should be a good communication in sharing vision. Lamb and McKee (2004) stated that there are some issues to be highlighted by the company:

- The most reliable predictor in measuring the satisfaction of every employee in the company is the top leadership's trust and confidence.
- There are three critical area in communicating effectiveness to support the winning of the company's trust and confidence:

1. The ability to facilitate the employee to understand the company's overall business strategy.
2. The sufficient knowledge to be distributed to the employee in order to achieve key business objectives.
3. The facility for information sharing as the framework for both company and employees. The company can evaluate the goal achievement while the employees measuring the performance relative to strategic business objective.

## **2.2 Perspective on The Effective Leadership**

The earliest approach on studying the leadership was the trait approach (Yukl, 2010). It was constructed earlier when researches were intended to define the personal attributes of successful leaders. The other approach used to analyze the influence on the subordinates was the behavior approach. Yukl (2010) stated that the starting idea of the research was launched by psychologist in 1950s and 1960s in the search of effective leadership needs.

### **2.2.1 Traits**

Trait refers to a variety of individual attributes, including aspects of personality, temperament needs motives and values. Based on Yukl (2010), these aspects of trait can be defined in these explanations:

- Personality traits are relatively stable dispositions to behave in a particular way. E.g. self-confidence, extroversion, emotional maturity, energy level.
- Needs or motives, are the desires for particular types of stimuli or experiences.
- Values are internalized attitudes about what is right and wrong, ethical and unethical, moral and immoral.
- Learning and inherited capacity to gain satisfaction are jointly determined traits. Some traits (e.g. values, social needs) are probably more influenced by learning than others (e.g. temperament, physiological needs).



In shaping up leaders effectiveness, there are some specific traits identified by Yukl (2010); whenever possible, the relevance of traits and skills is explained by linking them back to behaviors and influence processes, these traits are:

- High energy level and stress tolerance

High energy level and stress tolerance help managers cope with the hectic pace, long hours, and unrelenting demands of most managerial jobs. Effective problem solving requires an ability to remain calm and stay focused on a problem rather than panicking, denying the problem exists or attempting to shift responsibility to someone else.

- Self-confidence

Leaders with high self-efficacy take more initiative to solve problems and introduce desirable changes (Paglis and Green, 2002 in Yukl 2010). Leaders with low self confidence will be more likely to put off dealing with difficult problems or to shift responsibility to someone else; while the excessive self confidence may take a leader overly optimistic about the likely success of a risky venture, and it may result in rash decisions and denial of evidence that a plan is flawed.

- Internal locus of control orientation

People with a strong internal locus of control orientation believe that event in their lives are determined more by their own actions than by chance or uncontrollable forces; while people with a strong external control orientation believe that events are determined mostly by chance or fate and they can do little to improve their lives. People with strong internal controls take more responsibility to their own actions and for the performance of their organization with future-oriented perspective.

- Emotional stability and maturity

Emotionally mature people have a more accurate awareness of their strengths and weaknesses, and they are oriented toward self-improvement instead of denying weaknesses and fantasizing success. The leaders with high emotional maturity maintain more cooperative relationships with subordinates, peers and superiors.

- Personal integrity  
The personal integrity is determined by four aspects; the extent to which one is honest and truthful rather than deceptive, the matter of keeping promises, how a leader fulfills the responsibility of service and loyalty to followers, and the degree of trust to avoid repeating something said in the utmost confidence. A leader who hopes to inspire others to support an ideology or vision must set an example in his or her own behavior.
- Socialized power motivation  
A socialized power orientation is more likely to result in effective leadership than a personalized power orientation. The socialized power orientation encouraged people to be more emotionally mature, exercising power more for the benefit of the others, less egoistic and defensive; the strong need for power is expressed by using influence to build up the organization and make it successful.
- Narcissism  
Narcissists in leadership make decisions without gathering adequate information of the environment; the objective advice is not sought or accepted from subordinates and peers. But in the contrary, this personality syndrome has positive aspects especially in limited situations. The strong self-confidence and optimism of narcissistic leaders facilitates their efforts to influence people to pursue bold, innovative objectives, which may or may not prove to be feasible and worthwhile.
- Moderately high achievement orientation  
The leaders set high performance objectives, compare themselves with others and want to come out ahead. While they were highly concerned about time that brought to impatience, the leaders tend to be angrier and inclined to express their hostility when unable to control events. They are demanding, intolerant of mistakes, and critical to people who are not as intensely dedicated.
- Low need for affiliation  
The people with a strong need for affiliation receive great satisfaction from being liked and accepted by others, and they enjoy working with

people who are friendly and cooperative. But they avoid making necessary but unpopular decisions, dispense rewards in a way designed to gain approval. On the other hand, the people with low need for affiliation may also have undesirable consequences; these people tend to be the people who don't like to socialize with others.

### 2.2.2 Skills

Skill refers to the ability to do something in an effective manner. Yukl (2010) defined skills at different levels of abstraction, ranging from general, broadly defined abilities (e.g. intelligence, interpersonal skill) to narrower, more specific abilities (verbal reasoning, persuasive ability). The line between skills and behaviors becomes blurred when skills are defined in terms of ability to perform managerial functions. Based on Hunt (1991 in Yukl 2010), there seems to be little difference between the two constructs when they are both measured at a low level of abstraction with items containing examples of effective behavior.

Yukl (2010) defined three broad skill categories to be used in characteristic analyses:

- Technical skills

Include the knowledge about methods, processes and equipment for conducting the specialized activities of the manager's organizational unit. The inspirational visions of a new product of service may seem to spring out of nowhere, but it is actually the result of any years of learning and experience.

- Conceptual skills

Conceptual skills such as cognitive complexity are essential for effective planning, organizing, and problem solving. A major administrative responsibility is coordination of the separate, specialized parts or the organization. To accomplish effective coordination, the ability to understand how the various parts of the organization relate to each other and how changes in one part of the system affect the other parts are needed.

- Interpersonal skills

Interpersonal skills are essential for influencing people. Empathy is the ability to understand another person's motives, values and emotions and social insight is the ability to understand what types of behavior are socially acceptable in a particular situation. Understanding what people want and how they perceive things makes it easier to select an appropriate influence strategy; persuasiveness and oral communication skill enhance the success of influence attempts.

### 2.2.3 Behavior

Behavior refers to the way in which one acts or conducts oneself, especially towards others, is identified into three general categories of leadership (Yukl, 2010):

- Specific task-oriented behavior

- a. Short term planning

Planning is a behavior that includes making decisions about objectives, priorities, strategies, organization of the work, assignment of responsibilities, scheduling of activities, and allocation of resources among different activities according to their relative importance.

- b. Clarifying roles and objectives

Clarifying behavior is likely to be more important when there is substantial role ambiguity or role conflict for the members of the work unit. Less clarifying is necessary if the organization has elaborate rules and regulations dictating how the work should be done and subordinates understand them, or if the subordinates are highly trained professionals who have the expertise to do their jobs without much direction from superiors.

- c. Monitoring operations and performance

Monitoring involves gathering information about the operations of the manager's organizational unit, including the progress of work, the

performance of individual subordinates, the quality of products or services, and the success of projects or programs.

- Relations-oriented behavior

a. Supporting

Supportive leadership helps to build and maintain effective interpersonal relationships. Higher job satisfaction and stress tolerance are likely to result in less absenteeism, fewer vacancies, less alcoholism, and less drug abuse.

b. Recognizing

Recognizing includes praising and showing appreciation to others for effective performance, significant achievements, and important contributions to the organization. It is used to strengthen desirable behavior and task commitment.

c. Developing

Developing is used to increase a person's skills and facilitate job adjustment and career advancement. One benefit is to foster mutually cooperative relationships, while the other is gaining a sense of satisfaction from helping others grow and develop.

## **2.3 The Interaction Framework of Leadership**

### **2.3.1 The Leader**

Leaders are not alike, but they do share many common characteristics. Some characteristics shown by leaders are (Jago, 1982):

a. Temperament

Leaders who have calm dispositions and do not attack others for bringing bad news are more likely to get complete and timely information from the followers.

b. Achieving the leader status

Leaders who are appointed by the superiors may have less credibility compared to those who are elected or emerged by consensus from the followers.

c. Experience

Determine the effectiveness of the leaders performance.

Leadership power is much more than the use of force. Leadership is influencing others to truly want to achieve a goal, while the power forces others to achieve the goal. Power is a capacity or potential as it implies a potential that need not to be actualized to be effective. French & Raven (1959) ensures that power refers to a capacity that a person (boss) has to influence the behavior of another so that he or she acts in accordance with the boss' wishes.

A person has the potential for influencing five points of power over another (French & Raven, 1959):

- Coercive power  
Power that is based of fear. A person with coercive power can make things difficult or people. These are the persons that the followers want to avoid getting angry. The employees working under coercive managers are unlikely to be committed and more likely to resist the manager.
- Reward power  
Compliance achieved based o the ability to distribute rewards that the others view as valuable. Able to give special benefits or rewards to people. People might find it advantageous to trade the favors with this type of leaders.
- Legitimate power  
The power a person receives as a result of his or her position in the formal hierarchy of an organization. The person has the right, considering his or her position and the employees' job responsibilities, to expect the employees to comply with legitimate request.
- Expert power  
Influence based on special skills or knowledge. This person earns respect by experience and knowledge, expert power is the most strongly and consistently related to effective employee performance.

- Referent power

Influence based on possession by an individual or desirable resources or personal traits. The employees will like the person and enjoy doing things for him.

There are eleven principles of leadership that are used as leadership guide to be expanded and implemented by leaders (U. S. Army, 1999):

- Know yourself and seek self-improvement.  
Know the “be”, “know”, and “do” attributes and understand the essence in each attribute.
- Be technically proficient.  
Know the job and have a solid familiarity with the employees’ tasks.
- Seek responsibility and take responsibility for the actions done.  
Bring the company to achieve greater goals. On the way to the achievement, be practically effective by not blaming responsibilities whenever error occurs.
- Make sound and timely decisions.  
Utilize problem solving, decision-making, and planning tools.
- Set the example.  
Act and behave as a good role model for the employees.
- Know your people and look out for their well-being.  
Understand the importance of relationship to be built with the workers.
- Keep your workers informed.  
Know how to elaborate communication with all people.
- Develop a sense of responsibility in your workers.  
Help to carry out and develop the good character inside.
- Ensure that tasks are understood, supervised, and accomplished.  
Ensuring there is no misunderstanding in the condition.
- Train as a team.  
This will encourage the team bonding and the supportive group.
- Use the full capabilities of your organization.  
Develop a good team spirit.

### **2.3.2 The Follower**

For one thing, follower can play an active and constructive role collaborating with leaders in solving problems. When facing the discrepancies between the way things are in an organization, and the way they could or should be, followers can play an active and constructive role collaborating with leaders in solving problems. In addition of helping the organization to solve the problems, the followers can better contribute to the leadership process by becoming better skilled at “influencing upward”.

Jago (1982) argued that because followers are often at the level where many organizational problems occur, they could provide leaders with relevant information so that good solutions are implemented. It is true and there’s no any doubt that some leaders need better listeners, and it is also true that many followers need training in expressing ideas to superiors more clearly and positively. The future trends are changing, and the followers who face the change with positive anticipation and openness to self-development will be particularly valued and rewarded. The follower will serves as crucial part of enhancing the system growth and leaders development.

### **2.3.3 The Situation**

It might be ambiguous to state the situation as aspect of leadership. In this case, the situation refers to anything from the specific task a group is engaged in all the way to broad situational contexts. The leaders create environments within which the follower’s innovations and creative contributions are welcome. In that sense, leaders actively change the situations they are in rather than just optimize their group’s adaptation to it.

Mischel (1968) stated that the situation normally would have a greater effect on a leader’s actions than his or her traits. While traits may have an impressive stability over a period of time, they have little consistency across situation.



## 2.4 Leadership Styles

The transformational and transactional leadership were two types of earlier leader's behavior categories defined by Bass in 1985; after a period, in 1990, the newer theory also include laissez-faire leadership as the third category to best described the absence of effective leadership rather than as a example of transactional leadership (Yukl, 2010). The underlying influence process for transactional and transformational leadership can be inferred from the description of behavior and effects on the followers' motivation (Bass, 1990). Yukl (2010) stated that the transactional leadership was firstly defined as instrumental compliance on the leadership approach, while the transformational leadership was the internalization compliance that linked the task to followers' values and ideals with behavior.

### 2.4.1 Transformational Leadership

Bass (1990) concludes that over the past decades, transformational leadership has emerged as one of the most popular approaches for leadership effectiveness. It is famous for the causal effect that resulted in changes among the individuals and the systems. The essence of the idea is about how to be the role model for the followers to inspire them.

The transformational leaders encourage the followers in the sense of taking greater ownership and boosting capabilities that haven't been discovered before. They articulate the problems in the current system and have a compelling vision of what a new society of the organization could be. This new vision is linked to the values of both the leader and the followers. Transformational leaders are also adept at reframing issues as they point out how the problems or issues facing the followers can be resolved if they fulfill the leader's vision of the future.

By the 1980, the study of leadership evolved from the traits and situational point of view into a more progressive point of view. This concept then started forming the transformational leadership concept. Transformational leadership behavior is the most active form in terms of relationship. In this type of

leadership, the leaders are closely engaged with the followers. Overall, the vast majority of transformational leadership focuses upon mediation and moderation.

Thus, transformational leadership practice seeks to

...Raise one another to higher levels of motivation and morality. Their purpose, which might have started out as separate but related, as in the case of transactional leadership, become fused... but transforming leadership ultimately becomes moral in that it raises the level of human conduct and ethical aspiration of both leader and follower, and thus it has a transforming effect on both, (Burns, 1990, p.20)

Within the change in the present and persistent life insurance sector, there's an urgent need to lead into critical leadership practice, in this case, it is the transformational leadership that can help to conduct the practice. Corbett (2002) said that life insurance sector is in need of leaders who can transform antiquated business models to compelling value propositions for customers. Besides that, the leaders have to be able to align the climate in the workplace environment with the evolving and surely changing needs of life insurance employees.

In order to enhance the information flow, leaders should promote the understanding of diversity of opinion, and help others to put their anxieties to creative energy. The organization will expand by the elements' cultivation in the sectors of sense of ownership, relationship, learning and the nourishment of spirit. Every participation will bring the significance to the members. (Clawson, 1998).

Leithwood (2003) wrote that while there is now much discussion in educational literature about transformational orientations to leadership, empirical evidence about its effects in school context are relatively thin. Tichy and Devanna (1986) state that there is a concept of building transformational leadership as "a sense of urgency before there is an emergency". Leaders, who are transformational in their approach, have a good sense of timing. They also have deep understanding of when to engage or disengage from a project or initiative.

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Transformational leadership serves as a systematic, consisting of purposeful and organized search for changes, systematic analysis and the capacity to move resources from areas of lesser to greater productivity. Burns (1990) and Bass (1985) evolved the practice into four dimensions of leaders behavior:

a. Idealized influence (attributed)

Is the degree to which leaders behave in charismatic ways that cause followers to identify with them, perceived as being confident and powerful are expected. Leaders are observed as they are focusing on higher ideals and ethics.

b. Idealized influence (behavior)

Refers to the charismatic actions of the leader that are centered on values, beliefs and a sense of mission. The followers will receive empathy and support from the leaders in order to maintain the relationship and the bonding to encourage the improvement of the followers' performance. In this aspect, the followers can be respected for their creativity, contribution and aspiration to support the growth of the organization.

c. Inspirational motivation

Is the degree to which leaders articulate visions that are appealing to followers. The leaders will communicate and focused on high goals to be determined and reached, and also on the optimism in facing the conditions. This aspect is highly supported by leaders/ communication skill to encourage the followers to think in high optimism and motivation.

d. Intellectual stimulation

Is the degree to which leaders challenge assumptions, take risks, and solicit followers' ideas. This concept deals with the ability to stimulate the followers' idea in order to enhance the capability inside the followers.

e. Individualized consideration

Is the degree to which leaders attend to followers' needs, act as mentors or coaches, and listen to followers' concerns. This concept provides role models for high ethical behavior, instills pride, and gains respect and trust.

Transformational leaders should have the ability to raise follower's task performance while also encouraging the behaviors, which are connected to the discretionary and not directly identified by the system. They have to provide feedback in order to convince the followers to maximize their capabilities, in terms of workload and creativity.

Podsakoff et al. (1990) stated that when followers adequate their own success with that of their organizations' and identify with the organizations' values and goals, they become more willing to cooperate in order to make a positive contribution to the work context.

#### **2.4.2 Transactional Leadership**

Bass (1990) stated that the transactional leadership could make contributions to the performance's adequacy by doing these steps:

- Clarifying what is expected from the employees, making sure that the employees know the objectives and the purposes of their performance.
- Directing and leading towards the expectation
- Spelling out the evaluation criteria on the effective performance
- Giving feedback on whether the employees meet the objective or not.
- Distributing rewards that are contingent when meeting the objectives.

Yukl (2010) defined that transactional leadership motivates followers by appealing to their self-interest and exchanging benefits. It may involve values, but they are values relevant to the exchange process, such as honesty, fairness, responsibility and reciprocity. The process of influencing people in transactional leadership involves the aspect of instrumental compliance (Kelman, 1958 in Yukl,

2010). Kelman defined that the instrumental compliance refers to the target person carries out a requested action for the purpose of obtaining a tangible reward or avoiding a punishment controlled by the agent. He also argued that the motivation of the behavior is purely instrumental with the minimum amount of effort necessary to gain the rewards or avoid the punishment.

The transactional leadership is viewed as an exchange of rewards compliance. However, Bass (1985) defines transactional leadership in the components:

- Contingent reward  
Clarification of the work required obtaining rewards and the use of incentives and contingent rewards to influence motivation. The leader provides contingent reinforcement in either a positive or negative signal to the followers. The key to contingent reward dimension is a clear directive of the task to be performed and the desired result. While the problem, with the contingent reward is the implementation of a valid measurement system to measure the internal performance of employees in the company.
- Active management by exception  
Monitoring of subordinates and corrective action to ensure that the work is carried out effectively. The leaders tend to the established regulations to avoid mistakes. The problem is that the leadership tends to avoid creativity; it stifles the progression and preventive failures.
- Passive management by exception  
Contingent punishments and other corrective action in response to obvious deviations from acceptable performance standards. The leaders wait for something to go wrong and take no action prior to the deficiency.

Based on Curphy's (1992) explanation, both transformational and transactional leaders have effect on the organization's climate. The transactional

leaders in the organization tend to produce a higher turnover value while those with transformational leaders tend to have increasing performance by the period.

### 2.4.3 Laissez-faire

Lewin, Lippit and White (1939) stated that the laissez-faire leaders gave materials, not participating unless their opinions were being asked. They are executing delegate leadership, which will allow and enable the creativity of the group members to make decisions. The leadership is good to encourage the group members, but if the members are lack of skill and knowledge, the leaders should provide the utilities and guidance to facilitate the members. Yukl (2010) defines that the laissez-faire leadership shows passive indifference about the task and subordinates, for example ignoring problems, ignoring subordinate needs. It is best described as the absence of the effective leadership rather than as an example of transactional leadership.

Under the condition, the team or group was less organized. The leadership is characterized by:

- Less guidance from the leaders.
- Followers have the freedom to make decisions.
- Tools and resources are prepared and provided by the leaders.
- The objective is to have the group members solving the problems themselves.

Laissez-faire leadership is the most passive and therefore the least effective of the leader behavior; the leaders are not developing any trusting relationships with those they suppose to lead, it would cause the instability of the organization (Judge and Robbins, 2009).

Bass (1990) states that the laissez-faire leadership encourages the minimal supervisor-subordinate interaction, avoidance of responsibility and action, and minimal attempt to motivate followers or to satisfy their needs. Lunenerg and Irby

(2006 in Thon 2007) indicate that there's a need for the subordinates to achieve their own and organizational objectives. Transactional leaders believe that:

- People are motivated by reward and punishment.
- Social systems work best with clear chain of command.
- When people agreed on a job, a part of the deal is that they precede all authority to their manager.

The main purpose of a subordinate is to do what the managers did. Some observation has been conducted by Lewin, Lipitt and White (1939) to see the impact of the laissez-faire leadership on the subordinates. The negative impacts are as followed:

- Low productivity  
Berrien (1961) stated that the adaptation to changes occurs when the adaptive groups felt a little pressure from their superiors and appeared to attribute their poor performance to lax discipline.
- Unproductive attitudes and behavior  
Pelz (1956 in Bass 1990) stated that laissez-faire pattern of leadership was negatively related to productivity in a research organization. Kidd and Christy (1961 in Bass 1990) studied that among three patterns of behavior (laissez-faire, active monitoring, and participative leadership).  
Although the speed of processing work was greatest under laissez-faire relationship, there was much less avoidance of errors, particularly in comparison to active-monitoring leadership.
- Absence of leaders  
Bass (1990) found that the employees, in the absence of the leadership, however, felt insecure and constrained in the overly permissive environment produced by the situation.

## **2.5 Leadership Outcomes**

### **2.5.1 Effectiveness**

The followers will respect the leader if the leader can satisfy their needs and expectation (Bass, 1990). The indicator of the followers' behavior will be reflected in some aspects: the turnover rate, the absenteeism, the complaints, the dissatisfaction over the position, and so on. These aspects will then lead to the disloyalty to the company. In this case, the company will have to face rejection from its own employees.

From one side, the company will lose its human resource and the time; the time for the employees to adapt to new environment (probation period). This effect in the long term will affect the company effectiveness since the time are wasted for recruiting and somehow, the company lose the seniority among the employees. While on the other hand, the one who left will lose the friendship among the colleagues and also faced disruption on the relocation of the new jobs.

Other than the dissatisfaction caused by the turnover, Nonaka (1991 in Illies and Palmon, 2008) stated that the decreased turnover leads to a more stable environment and increases the likelihood of employees being able to access information from another. While on the other hand, there are possible outcomes within low/small percentage. The company can still recover after the turnover.

### **2.5.2 Extra Effort**

Bass (1990) stated that leaders should be able to create conditions in which his staff and the coworkers show extra effort and has also been able to persuader his/her coworkers to try to achieve more and to increase their tendency to more effort and work. In this case the extra effort is representing the beyond-expectation performance. When strong personal identification occurs, followers will imitate the leader's behavior, carry out the leader's requests, and make an extra effort to please the leader (Yukl, 2002).



The followers are expected to do more than what they usually can give in appropriate proportion. The leaders are patently and simultaneously encouraging and inspiring the followers to do so. The more they do, the more they will get in return. Every extra effort conducted will have significant leadership outcome.

The mostly correlated leadership style to the extra effort is transformational leadership; through transformational leaders, level of aspiration are raised, legitimated, and turned into demands, this will then leads to the motivated followers to execute more effort for the company (Bass, 1990).

The extra effort is representing the self actualization by the followers motivate by the leaders and the situation (environment). Bass (1990), in Multifactor Leadership Questionnaire, describes that the leader, that increase the desire of the subordinates to gain success together with him, will be able push the subordinate to do more than they expected to do; and the subordinates will also have their willingness to try harder increased.

### **2.5.3 Satisfaction**

According to House (1971, in Yukl, 2002), the motivational function of leader consists of increasing personal payoffs to subordinates for work-goal attainment and making the path to these payoffs easier to travel by clarifying it, reducing roadblocks and pitfalls, these all aspects are used to increased the satisfaction of the subordinates. While House and Dessler (1990 in Yukl, 2007) also describe that the leader behavior will be viewed as acceptable to subordinate to the extent that the subordinates see such behavior as an immediate source of satisfaction or as instrumental to future satisfaction

In fact, depending on the situation, the leader behavior may affect satisfaction and performance the same way, or both differently; they are not necessarily the same, there is a positive effect of supportive leadership on satisfaction, regardless of the situation (Yukl, 2007).

## 2.6 Previous Studies on Transformational and Transactional Leadership

There were studies on the transformational and transactional leadership as the needs of identifying the effective leadership style increased. In both western countries and in Indonesia, researches are commonly held to seek the best fitted leadership style, whether it is transformational, transactional, or laissez-faire leadership.

In August 2001, Densten, Gray, and Sarros jointly completed a research regarding to the leadership report of Australian Institute of Management and Monash University. The research was held to define the influence of the leadership style on the cross-cultural and job outcome aspects. The result showed that the leadership style in both educational institution were transformational leadership with a significant influenced on both cross-cultural and job outcome aspects. Beside the need to keep the transformational leadership style, the research also found one dimension of the transactional leadership that had the positive influence, it was the contingent reward. Both institutions were then suggested to encourage the cooperation continuity by keep executing the leadership style that was already conducted.

The other research was held in Lome, Togo's K-12 Education Institution by Thon in 2007, under the need of exploring the effective leadership. It was then concluded that the academic leaders in Togo have many characteristics. The result on the MLQ showed that the faculty rated the leaders fairly high on the situational leadership and transactional leadership rather than the transformational leadership. The institution was then suggested to re-examine the leadership structure to avoid the inefficiency that might occur in the educational system. The empowerment and appreciation should be held constantly to encourage the transformational leadership needs in the institution.

In Indonesia, the need of identifying the leadership style has also increased. Studieses were done under the need of evaluating the managers' performance and the management in the company from the effective leadership perspective. In 1996, Wutun did a research to observe the leadership style and its

relation to the company's ownership status in banking sector. The research involved 570 respondents from 4 government-owned banks and 6 private banks in Indonesia. The concept of the research was to define the current leadership style held in the company and whether it has the relationship with the ownership status of the banks (government or private owned). The research resulted in high transactional leadership (especially the dimension of management by exception-passive) and the laissez-faire leadership mean score which identified by Wutun (1996) as the implication of the managers' interest in political or economical-related decision making rather than employees-related decision making. The research also justified that there was no relationship between the current leadership style identified with the ownership status of the banks.

Laurensia held another research in 2006. It was used to observe the relationship between the transformational leadership and the organizational commitment in PT Bank X Kalimantan Tengah. The stage of the research involved analyzing the transformational leadership percentage indicated by the company and then followed by examining its relationship with the job satisfaction. The result indicated that the transformational leadership had a significant influenced on the job satisfaction of the employees, and it was not significantly influencing the organizational commitment. The transformational leadership was indicated as the base of the commitment growth, based on the research, it was unable to increase the subordinates' commitment significantly in the company.

In the need of leadership assessment, there was Star Motor, a car workshop that was established in 1986. The research performed among the employees by Wijaya (2007) resulted in the dominance of transactional leadership style and laissez-faire leadership. Both leadership style had significant influence on the effectiveness of the leadership outcome in the company. Based on the result, the company should then focus on emphasizing the transformational aspects in order to increase the effectiveness of work order in the company.

## **CHAPTER 3**

### **COMPANY OVERVIEW**

#### **3.1 The Market Overview for Insurance**

Next to India and China, Indonesia is definitely one of the insurance markets in Asia with huge growth potential. As of 2010, based on the research held by LIMRA's Insurance Department, the country was home to more than 237million people while the number of insured people was 10million, which implied that only about 3% had life insurance ([www.medanbisnisdaily.com](http://www.medanbisnisdaily.com)).

The insurance market has been very attractive and highly untapped, especially in life insurance field. Life and disability insurance protects the business against the death or disability of key employees. For example, one partner carries a life insurance policy naming the partnership as a beneficiary. If that partner dies, and the business has planned properly, the proceeds of the policy can be used by the business to buy out the share of the decedent's partnership interest from the estate.

Seen in this light, foreign insurance companies had entered into joint ventures with local companies due to the low market penetration rate and the policies set by the Indonesia government. The foreign insurance companies have to adapt to the regulation in Indonesia.

As the economic growth in Indonesia shows a good performance, the prospect of occupation related to life insurance is also increasing. The life insurance agent was a common figure in Indonesian life, often going door-to-door and selling policies over the kitchen table, to the families who saw and considered the policies as both protection and savings tools.

Today, the life insurance agent has somehow morphed into one more like financial adviser or financial planner. A financial planner helps people to arrange appropriate planning for various financial matters, e.g. financial management, education planning, retirement planning, investment blueprint, insurance and risk management, tax planning, wealth distribution and business succession.

The people involved in the insurance industry profess that they provide security for living, since their product is financial protection in the event of a crisis or emergency. In order to secure the profession, Indonesia government must license the insurance agents through AAJI (*Asosiasi Asuransi Jiwa Indonesia/ Indonesia Life Insurance Association*) test.

The educational background is not necessary for these positions as long as the agent can perform in selling and recruiting. In the rapid need of expanding business in life insurance market, there's an urgent need in finding a good leader with appropriate leadership skills. By obtaining the criteria of shaping a good leader, the knowledge can be transferred to form more leaders, which will help the company expansion and goal achievement.

### **3.2 Company Profile**

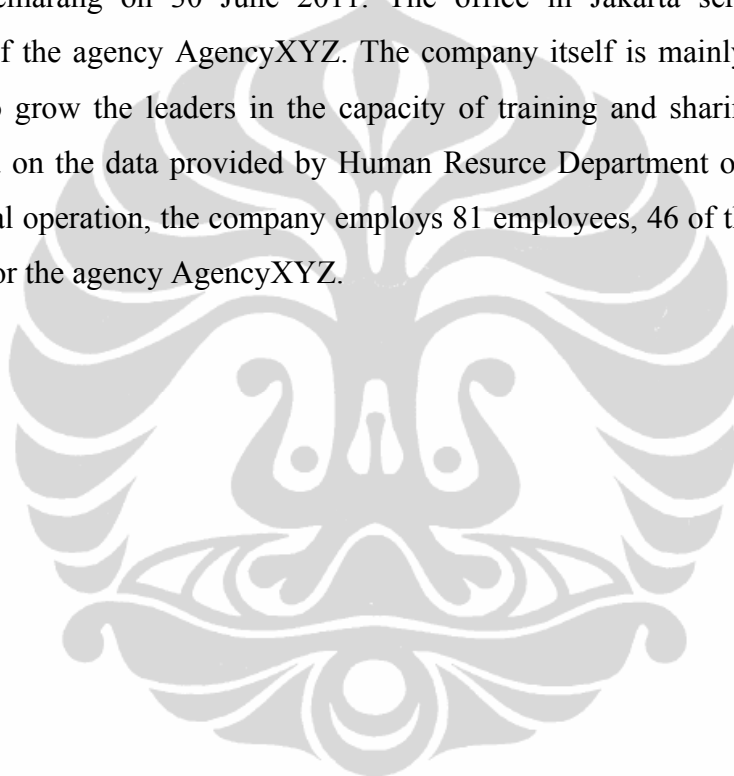
As at 31 December 2010 P-Save Indonesia has 7 sales offices (in Jakarta, Medan, Surabaya, Bandung, Batam, Denpasar, and Semarang) and 219 agency offices (throughout many parts of Indonesia including Jakarta, Surabaya, Medan, Bandung, Yogyakarta, Batam and Bali). P-Save Indonesia has a network of more than 85,000 network of licensed sales force, serving more than 1,100,000 customers.

Among the agency offices, PT XYZ, the company with the agency name "AgencyXYZ" serves as a part of P-Save sales office. Established in 1995, PT P-Save Life Assurance (P-Save Indonesia) is a subsidiary of P-Save plc, a leading international financial services group from the United Kingdom that has more

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than 309 billion pound sterling (RP 4.198 trillion) of assets under management (as at 30 June 2010). Combining P-Save's global experience in life insurance for more than 160 years with knowledge of local customs and businesses, P-Save Indonesia is committed to develop its business in Indonesia.

PT XYZ (AgencyXYZ) currently has 1 main office in Jakarta, and 2 satellite offices in Pontianak and Bandung. One more satellite office will be opened in Semarang on 30 June 2011. The office in Jakarta serves as the headquarter of the agency AgencyXYZ. The company itself is mainly served as the agency to grow the leaders in the capacity of training and sharing spot for agents. Based on the data provided by Human Resource Department of PT XYZ, for the internal operation, the company employs 81 employees, 46 of them served as secretary for the agency AgencyXYZ.



**Figure 3.1 Organizational Structures in PT XYZ**

Source: PT XYZ, 2011

While for the agency itself, the agency has 7,160 registered agents around Indonesia area. The breakdown of the leaders:

**Table 3.1 Organizational Structures in AgencyXYZ**

<b>Managerial Position</b>	<b>Amount</b>
SAM (Senior Agency Manager)	5
AM (Agency Manager)	21
SUM (Senior Unit Manager)	63
UM (Unit Manager)	137
Agent	7,160

Source: PT XYZ , 2011

The organizational structure in AgencyXYZ serves as the crucial part of the company itself. The company is in charge of managing the agency operationally since the earlier agent recruitment up to submitting policies and issued production reports. During the year 2010, in order to fulfill the needs of information sharing, the company held 3 times Quarterly Financial Report and 1 time Annual Report.

As for internal needs, in order to maintain a good communication among the elements of employees, the company uses website, email telephone and facsimile. The software program, Sales Force Automation (SFA) for accessing the reports is also provided to support the company and agency needs for improvement.

The Board of Commissioner in PT XYZ is actually the Board of Founders. The board serves as the strategic planner of the company. for example to take decisions on the Grand NBO (New Business Opportunities). This is considered a big event since the recruiting of the new agents.

The strategic decisions are formulated and then distributed to the President Director to be executed. The president Director will be in charge of controlling the programs distributed to the Directors related to business as well as other organizational interests to achieve pre-determined short-term, medium-term, and long-term corporate objectives. The Directors have the duties to fulfill the required implementation as distributed by the President Director.

As the holder of the highest authority, the Board of Commissioners since the starting of the company up to April 21<sup>st</sup>, 2010 is as follows:

- **BOC, President Director: Mr. HT**

Born in 1980 (31 years old), he was appointed as President Director since the company established in 2007. First time joined P-Save business in 2002 under the agency of AgencyVS owned by Mr. DO but then he established his own flag under the name AgencyXYZ in 2007. He obtained his Bachelor's degree in Accounting Engineering from Bina Nusantara University in 2002 and his Master's degree in Finance Management from Tarumanagara University in 2004.

- **BOC, Finance Specialized: Mr. WAT**

Born in 1972 (39 years old). He was appointed as the member of Board of Commissioners since 2007. Previously worked as Finance Manager for DuPont (1998-2003), Finance and Operations Manager of Oriflame (2004-2005) and Advisory Manager of PricewaterhouseCoopers (2005-2006). He joined P-Save in 2004 as part-time agent under the supervision of Mr. HT and decided to be a full timer in 2006. He earned his Bachelor's degree in Accounting from Trisakti University in 1995 and Double Master's degree in Management and Business Administration from IPMI and Monash University Australia.



- **BOC, Finance Specialized: Mr. HI**

Born in 1977 (34 years old). He was appointed as the member of Board of Commissioners since 2007. Other management positions that he previously held were as Purchasing Officer of PT Keramindo Megah Pertiwi / Lyman Group (1999-2000) and Strategic Procurement Senior Staff of Asia Pulp and Paper Co. Ltd. (2000-2006). Firstly joined P-Save in 2005 as a part-timer and be a full-timer in 2006. He obtained his Bachelor's degree in Industrial Engineering from Pelita Harapan University in 2000.

- **BOC, Operation Specialized: Mr. DK**

He was born in 1980 (31 years old). He was appointed as the member of Board of Commissioners since 2007. He used to work as QA Supervisor in PT FIF Astra International (2004-2005) and in the same time joined P-Save. He obtained his Bachelor's degree in Information Technology from Bina Nusantara University in 2004.

- **BOC, Operation Specialized: Mr. AS**

Born in 1983 (28 years old). He was appointed as the member of Board of Commissioners since 2007, presenting as the youngest Senior Agency Manager in the agency. He previously worked as Unit Manager in Amway (2003-2004) and joined P-Save in 2004. He obtained his Bachelor's degree in Information Technology from Bina Nusantara University in 2007.

### **3.3 Vision, Mission and Main Principles of PT XYZ**

#### **3.3.1 Vision**

The company visions of PT XYZ is to be the best life insurance agency in Indonesia in order to serve the country with lifetime insurance and retirement planning for both the clients and the agents.

### 3.3.2 Mission

The mission of the company is to send the agency to be the leading agency, exceeding the clients and the workforces' expectation by delivering flawless service, best quality products, highly committed professionals, and also the promising investment returns.

There are four pillars of P-Save Life Assurance that have been used widely to differ with the other life insurance companies:

- Spirit to always be the best  
To deliver the best and to maximize the skill to gain the best.
- Organization that encourages people to learn  
To give opportunities for self development to every people in the company in order to obtain knowledge and skills.
- Work as a part of a family  
To work with others in the sake of respect, understanding, and love to create supporting atmosphere.
- Integrity and advantages for the organization members  
To commit the integrity in every aspects, best services for the clients, clear communication among the members and contribution to others growth without discrimination.

### 3.3.3 Main Principles

The main principles are adopted from P-Save Corporation Asia (PCA) as guidance for every elements of the company. These main principles should be conducted and implemented in shaping a good healthy insurance agency.

- To hold the values (people, cultures, differences and contributions)
- To create an open, honest and constructive environment
- To support the company, the agency, the partners and the clients
- To bring in life the basic principles

- To love the work and the job
- To trust and respect others' beliefs
- To listen to the partners and the clients with heart

### **3.4 Product Classification**

There are products customized for the client's needs. Serving as an agency company of P-Save, PT XYZ is mainly aimed to distributed these products:

#### **3.4.1 Saving Product**

Saving product is an ideal solution in order to avoid the possibility of financial matter occurrence. This product offers life insurance in the savings package. Using this saving product, the client can accumulate the saving fund to be used for future financial needs, while in the mean time, he/she also obtains the protection if there's unexpected occurrence happens to interrupt or even stop his/her future financial planning.

After a certain period, the client can obtain the things he/she is wishing for, the education fund for the children, the marriage cost, and even retirement fund as planned. The elements of saving product are:

- P-cash  
A life insurance program, which can give out cash fund, every three years based on the contract lifetime.
- P-save  
A life insurance program with double benefits, especially designed for those who need protection and profitable saving investment.
- P-educash  
A life insurance program, which is especially designed to fulfill the needs of education fund for children.

- P-investor plus  
A life insurance program to multiply the benefits of the investment by combining middle term and long-term investment with life insurance protection.
- P-save for juveniles  
A life insurance program to systematically accumulate fund for the children when reaching the policy's due date.

### **3.4.2. Protection Product**

By having protection policy, the client, financially, has covered the individual and also the family from unrespectable events such as financial crisis, accident, illness, disablement, death, etc. The risks will be shared to the insurance policy. The policyholder, the client doesn't have to put on financial worries for those issues. The insurance will covers all the risk included in the policy of the clients.

Some basic concepts that are used by life insurance program to cover and protect the client financially, focussing on the needs of the clients to insured the life and the risk inside are:

1. Mortgage program where the property (house) of the beloved ones will be secured from the possibility of handover (losing home).
2. Permanent disablement program to help the client financially when the client is unable to work because of the accident that caused permanent disablement.
3. Crisis cover additional program to help the medical cost incurred when the client suffers from critical illness.
4. Hospital and surgery additional program to help the client when he/she has to be hospitalized.

Meanwhile, the products offered for protection are varied:

1. P-life starter

A 5-years life insurance program that provides the client with flexibility that people cannot obtain from an insurance program.

2. P-life

A program designed to give lifetime protection. This program is especially designed for clients who need the life and wealth protection for him/herself and the entire family.

3. P-life for juveniles

A program to secure the financial welfare for the children's future.

4. P-life plus

The program offers three main benefits: lifetime health protection benefit, lifetime financial protection benefit, and cash due date benefit that will be given out every year in 20 years.

5. P-life protection plus

P-protection plus is a lifetime protection program that is merged with uncertain-declining term life insurance which maintain the financial stability especially when the client has loans.

6. P-link assurance account

P-link assurance account is a linked unit with certain premium that offers various investment types.

7. P-accident plus

A program to cover the client from the accident possibility.

8. P-protector plan

A program designed to protect the client and family, ready to be used as fresh dund whenever needed since the saving will increase as the time flies.

9. P-major medical

P-major medical designed to fulfil the upper class people who need complete insurance product that still haven't been facilitated by insurance product nowadays. The program will help the client 24/7 all around the world before the hospitalization procedure occurred.

### 3.4.3. Investment product

The other main aspect of life insurance besides giving financial protection is to hold the saving investment. Investment in P-Save is one of the consideration when people want to make decision on using one type of policy from an insurance company. In this case, the client can obtain investment benefit from the life insurance policy within different ways:

- Participated policy program

The client will have a share from the profit of the company. The share will be given as a bonus that will enlarge the value of premium assured. The longer the client owns the policy, the higher bonus he/she will get, as there was multiplication in certain rate stated in the policy to be observed by the client. In common, most of the lifetime insurance policy with the saving product included will be classified as participated policy.

- Unit-link program

The client has the freedom to control and allocate the investment fund. The benefit of whichever investment plan chosen, will determine the return on the investment benefit. Mostly, the life insurance agents of P-Save is selling this program. The percentage of the investment can be adjusted as advised by the financial planner.

The insurance agents, serving as the financial planner are used to calculate the basic needs of life insurance, health insurance and investment plan. Meanwhile, when the client has chosen P-link policy, the fund will be managed professionally by PT P-Save Life Assurance within the advisory control of P-Save Assets Management. this is to ensure that the rate implemented in the investment is highly controlled and the investment is secured.

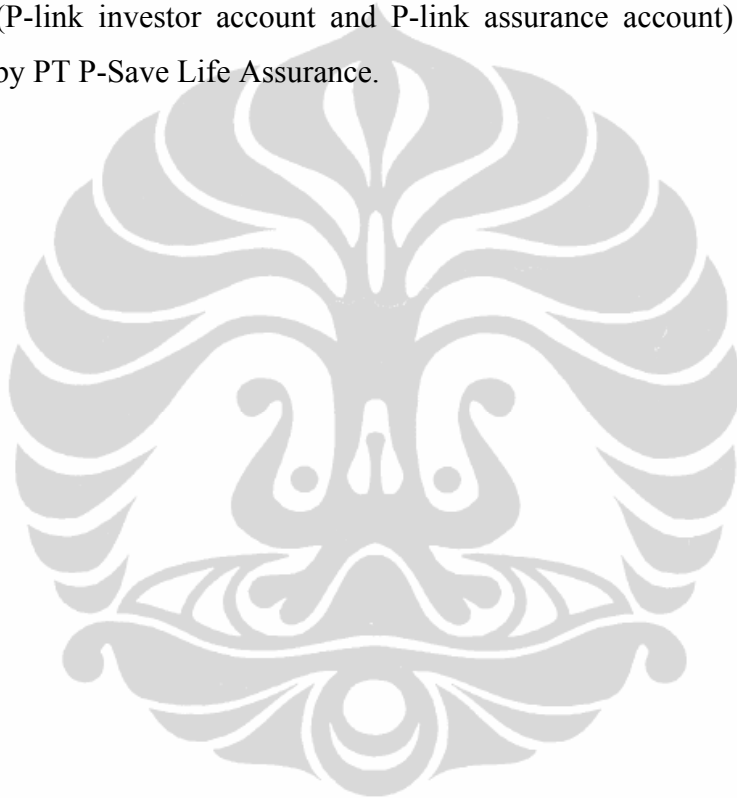
The investment products available are:

1. P-investor plus

A life insurance program to multiply the benefits of the investment by combining middle term and long-term investment with life insurance protection.

2. P-link investment

The chosen investment fund especially designed and prepared for unit-linked products (P-link investor account and P-link assurance account) which are managed by PT P-Save Life Assurance.

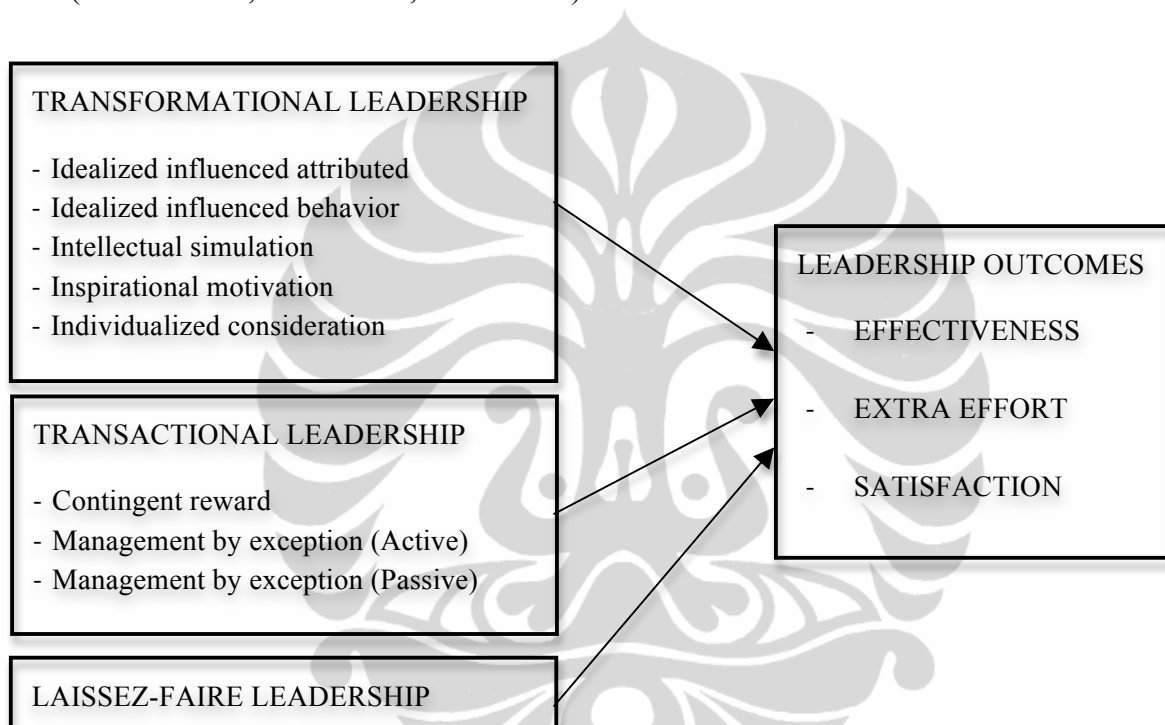


## CHAPTER 4

### RESEARCH METHODOLOGY

#### 4.1 Research Model

The research model in this study is based on the leadership styles (transformational, transactional, laissez-faire) related to the leadership outcomes (effectiveness, extra-effort, satisfaction).



**Figure 4.1 Research Model of The Leadership Style to Leadership Outcome**

The leadership styles will be the independent variables supported by the dimensions of each of the leadership styles, while the leadership outcomes will be the dependent variables as shown in figure 4.1. The independent variables are divided into three categories. The first one is transformational leadership. Five dimensions construct the transformational leadership:



- Idealized influenced attributed: the charismatic ways that cause followers to identify the leaders, perceived as being confident and powerful are expected.
- Idealized influenced behavior: the charismatic actions that are centered on values, beliefs, and a sense of mission.
- Inspirational motivation: the way of articulating visions that are appealing to followers.
- Intellectual stimulation: the degree in which leaders challenge assumptions, take risks and solicit followers' ideas.
- Individualized consideration: the acts in attending the followers' needs and listening to the followers' concerns.

The second category is the transactional leadership, which has three dimensions:

- Contingent reward: the use of incentives and rewards in order to influence the followers' motivation.
- Management by exception – active: the acts of monitoring and taking corrective action to ensure the effectiveness of the work.
- Management by exception – passive: the acts of giving contingent actions and other corrective actions in response of obvious deviations of performance standards.

And the last category is the laissez-faire leadership, which encourage minimal supervisor-subordinate interaction and the avoidance of responsibility.

While on the other hand, the leadership outcomes as the dependent variables are categorized into three items:

- Effectiveness: the measurement of the leaders' performance in the relation with the leadership at work.
- Extra effort: the measurement on the influence to motivate the followers in high performance.
- Satisfaction: the measurement of how the followers feel satisfied with the leadership style carried out by the managers.

## 4.2 Data Collecting Method

The data were collected using questionnaires. The questionnaire is taken from Multifactor Leadership Questionnaire (MLQ – Form 5X) designed and modified by Avolio and Bass in 1995. According to Bass and Avolio (1995), MLQ-5X had been successful in obtaining data relating to the determination of transformational and transactional leadership perception. The survey using MLQ was considered as the most appropriate leadership assessment for the company since the dimensions in the leadership styles were determined as the important aspects to be assessed for the company's further improvement.

The Multifactor Leadership Questionnaire (MLQ—also known as MLQ 5X short or the standard MLQ) measures a broad range of leadership types from passive leaders, to leaders who give contingent rewards to followers, to leaders who transform their followers into becoming leaders themselves. In this survey, the research was conducted to evaluate on the managers' leadership style. The MLQ identifies the characteristics of a transformational leader and helps individuals discover how they measure up in their own eyes and in the eyes of those with whom they work. Success can be measured through a retesting program to track changes in leadership style.

The data collection itself was conducted at May 10 to May 16, 2011 at PT XYZ's head office in Jakarta. The respondents for the survey could be categorized into two groups (see table 4.1). In this research, the respondents were rating their direct superiors' leadership style. Since the whole structure of the agency covered more than 7,000 agents nationwide, the research only covered the top managers who significantly contribute the leadership style in the company.

The managers who were rated by the respondents were the Senior Agency Managers and the Agency Managers. The Senior Agency Manager is the highest level that serves as the strategic decision maker in the AgencyXYZ. The Agency Manager was the second layer that was observed; the people there were the executors of the strategic decision made by the Senior Agency Manager.

**Table 4.1 Respondents position**

<b>Position</b>	<b>No. of Respondents</b>
Agency Manager	21
Senior Unit Manager	59

The total number of Agency Managers and Senior Unit Managers were 89 people, consisted of Agency Managers and Senior Unit Managers, but 9 of them were based outside Jakarta (4 in Bandung, 3 in Pontianak, and 2 in Semarang), only 80 respondents gathered in this study.

### **4.3 Questionnaire Design**

The questionnaire is used Likert scale, which representing the level of agreement and / or disagreement of the statements in the questionnaire. The five levels used in the scale were:

- 1 = not at all
- 2 = once in a while
- 3 = sometimes
- 4 = fairly often
- 5 = frequently, if not, always

The first part of the questionnaire consisted of 13 questions regarding the demographic data of the respondent and the respondent's direct superior, while the next part consisted of 45 questions; each of them represents the variables that were measured on this study. There were three leadership styles (transformational, transactional, and laissez-faire) that consisted of nine dimensions, and three leadership outcomes (effectiveness, extra effort, and satisfaction).

In order to make sure that there were no any correlations between one to the other variables, the questionnaire result was examined using the multicollinearity test tool at the regression process. A regression model can be

defined free from collinearity if the VIF value is around 1 and the Tolerance score is less than 1 (Santoso, 2011).

### **4.3.1 Validity And Reliability Test**

#### **4.3.1.1 Validity**

The validity test can be defined into two categories (Malhotra, 2007):

- Internal validity refers to whether the manipulation of the independent variables or treatments actually caused the observed effects on the dependent variable. Without internal validity, the experimental result should be confounded. Control of extraneous variables is a necessary condition for establishing internal validity.
- External validity refers to whether the cause-and-effect relationships found in the experiment can be generalized. Factors that threaten internal validity may also threaten external validity, the most serious of these being extraneous variables.

An instrument is considered valid if the instrument is capable to measure the scale of measuring in any dimension, disclosing what it needs to represent. The validity of a scale may be defined as the extent to which differences in observed scale scores reflect true differences among objects on the characteristic being measured, rather than systematic or random error (Malhotra, 2007). The validity of the data in this research is determined by comparing the corrected item-total correlation with the r table. Using SPSS, the program can help us to determine the valid items (the validity in a component). The details of the validity test can be found in Appendix 2 (Page A-4).

One of the tools to determine validity is using factor analysis. Factor analysis is an interdependence technique whose primary purpose is to define the underlying structure among the variables in the analysis (Hair et al, 2010). This analysis provides tools to analyze the structure of the correlations among a large number of variables, in this case the leadership style, by defining the sets of

variables that are highly interrelated, known as factors. The factors are assumed to represent dimensions in creating the new composite measures.

**Table 4.2 Validity of Attributes**

Description	No. of Items	No. of Valid Items	Item Valid (Statement)
<b>TRANSFORMATIONAL LEADERSHIP</b>			
Idealized influenced attributed	4	2	1, 3
Idealized influenced behavior	4	2	3, 4
Intellectual simulation	4	2	3, 4
Inspirational motivation	4	3	2, 3, 4
Individualized consideration	4	3	1, 3, 4
<b>TRANSACTIONAL LEADERSHIP</b>			
Contingent reward	4	3	1, 3, 4
Management by exception active	4	2	1, 4
Management by exception passive	4	2	3, 4
<b>LAISSEZ-FAIRE LEADERSHIP</b>			
Laissez-faire	4	3	1, 2, 4
<b>LEADERSHIP OUTCOMES</b>			
Effectiveness	4	2	3, 4
Extra-effort	3	3	1, 2, 3
Satisfaction	2	2	1, 2

Factor analysis is using some test to define the validity of the data. The first one is regarding to the sampling adequacy. The sampling adequacy predicts if data is likely to factor. Maholtra (2007) stated that the measurement could be done using Kaiser-Meyer-Olkin (KMO) statistics; the value is range from 0 to 1 with the lower limit of 0.6 should be obtained to proceed with the factor analysis. The

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next one is factor loading. Factor loading is purely arbitrary and varies by research context in instrument with Likert scales; the low loading is for less than 0.4, moderate for 0.4 - 0.6 and high for .6. Factor loadings range from -1 to +1. The positive or negative sign reflects the direction of relationship of the item with the factor.

#### 4.3.1.2 Reliability

**Table 4.3 Reliability scores**

<b>Instrument</b>	<b>Cronbach's Alpha</b>	<b>(After Rounding)</b>
<b>TRANSFORMATIONAL LEADERSHIP</b>		
Idealized influenced attributed	0.53	0.5
Idealized influenced behavior	0.51	0.5
Intellectual simulation	0.51	0.5
Inspirational motivation	0.55	0.5
Individualized consideration	0.52	0.5
<b>TRANSACTIONAL LEADERSHIP</b>		
Contingent reward	0.53	0.5
Management by exception active	0.45	0.5
Management by exception passive	0.49	0.5
<b>LAISSEZ- FAIRE LEADERSHIP</b>		
<b>LEADERSHIP OUTCOMES</b>		
Effectiveness	0.31	0.3
Extra-effort	0.45	0.5
Satisfaction	0.33	0.3

Reliability test is used to determine the reliability between the observed variable and the true result when the variable is inexact or imprecise of the true score. Reliability is a necessary but not a sufficient condition for validity. Nunally (1967) stated that the item scale statistic was evaluated if Cronbach's alpha's lower limit is 0.4. Under 0.4, the data is considered to be poor (Foster, 1999, Kim & Mueller, 1978). Litfin et al. (2000) suggested that the Cronbach alpha 0.5 is still considered low, but the limit 0.5 is still acceptable. The complete calculation can be found in Appendix 2 (page A-4).

Since the MLQ was widely used tool since 1995, it was thus a reliable tool. Therefore, even leadership outcomes (effectiveness and satisfaction) had Cronbach's alpha less than 0.4, it would be further used for the analysis.

#### **4.4 Method of Analysis**

##### **4.4.1 Descriptive Statistic**

The analysis is used to give a brief overview on the research observation by considering the minimum value, maximum value, mean, and standard deviation of each variable used in the research. The method used in the research is the descriptive analysis. Maholtra (2007) defines the descriptive research as a type of conclusive research that the major objective is the description of something, whether it is market characteristic, of functions, of anything related.

The issue is that the descriptive research tends to be too imprecise for reaching firm conclusions about the nature of transformational leadership, but it helps identify the types of leadership behavior typical of these managers.

##### **4.4.2 Multiple Regression**

The analysis is used to provide a technique for building a statistical predictor of a response and enable to place a bound on the error prediction. It produces the result of dependency rate among the dependent variable and the independent variables. The test is used to help the understanding how the typical

value of the dependent variable changes when any of the independent variables are fixed.

There are some tests used in regression analysis. The first one is goodness of fit test or commonly stated as R Square. R square is used as determinant coefficient to observe the impact of one dependent variable's change can affect the other independent variables. The value of R Square is ranging between 0 to 1 (Maholtra, 2007). The higher the value, the better the model can explain the impact of independent variables' changes to the dependent variable.

The second test is F test, used to determine whether the altogether independent variables have significant influence on the dependent variable. If the probability value (sig) in the F test is less than 0.05, then the conclusion will state that there's a significant influence (Maholtra, 2007). The third one is the t-test. T-test is a breakdown on F-test, it interprets the influence per independent variables. With the same criteria with F-test, 0.05 value at maximum.



## CHAPTER 5

### ANALYSIS

#### 5.1 Sample Characteristic

The demographic data gathered from the survey are mainly gender, marital status, age, education level, position, number of year in the current position, number of years in the company, and number of agents. The frequencies of each character are shown in table 5.1 – 5.9.

**Table 5.1 Respondents level**

Level	No. of Respondents	Percentage
Agency Manager	19	23.75%
Senior Unit Manager	63	76.25%
TOTAL	80	100%

Table 5.1 shows the distribution of the respondents. The Agency Manager represents 23.75% of the total respondents, while the Senior Unit Manager represent 76.25% of them.

**Table 5.2 Distribution based on gender**

	Gender	Frequency	Percentage
Respondent	Male	56	70%
	Female	24	30%
	TOTAL	80	100%
Respondent's manager	Male	64	80%
	Female	16	20%
	TOTAL	80	100%

Based on Table 5.2, the majority of the respondent is male (70%), while the majority of the respondent's manager is also male (80%).

**Table 5.3 Distribution based on age**

	Age	Frequency	Percentage
Respondent	< 25	7	8.75%
	25 – 34	63	78.75%
	35 – 44	8	10%
	45 – 55	2	2.5%
	TOTAL	80	100%
Respondent's manager	25 – 34	70	87.5%
	35 – 44	10	12.5%
	TOTAL	80	100%

Table 5.3 shows that the majority of age ranged from 25 to 34 years old in PT XYZ managers were 87.5%, while the respondents were 78.75%. These numbers implied the working age trend in Agency XYZ.

**Table 5.4 Distribution based on marital status**

	Marital Status	Frequency	Percentage
Respondent	Single	28	35%
	Married	52	65%
	TOTAL	80	100%
Respondent's manager	Single	6	7.5%
	Married	74	92.5%
	TOTAL	80	100%

Table 5.4 shows the dominant frequency of respondents marital status is married (65%), which is also the same as their managers (92.5%).

**Table 5.5 Distribution based on education level**

	Education	Frequency	Percentage
Respondent	< High School	1	1.3%
	High School	5	6.3%
	Diploma	9	11.3%
	Undergraduate	63	78.8%
	Master	2	2.5%
	TOTAL	80	100%
Respondent's manager	< High School	1	1.3%
	High School	3	3.8%
	Undergraduate	67	83.8%
	Master	9	11.3%
	TOTAL	80	100%

Based on table 5.5, the majority of the education level is S1 or undergraduates managers was 83.8%, while the respondents was 78.8%.

**Table 5.6 Distribution based on position in the company**

	Position	Frequency	Percentage
Respondent	SUM	63	78.7%
	AM	17	21.3%
	TOTAL	80	100%
Respondent's manager	SUM	15	75%
	AM	50	18.75%
	SAM	5	6.25%
	TOTAL	80	100%

SUM = Senior Unit Manager; AM = Agency Manager; SAM = Senior Agency Manager

Table 5.6 shows majority of respondents were in the position of Senior Unit Manager (78.7%), while their managers were 75%.

**Table 5.7 Distribution based on number of agents**

	No. of Agents	Frequency	Percentage
Respondent	1 – 2	1	1.3%
	3 – 5	8	10%
	6 – 10	19	23.8%
	11 – 15	23	28.8%
	16 – 20	13	16.3%
	21 – 25	7	8.8%
	> 26	9	11.3%
	TOTAL	80	100%
Respondent's manager	3 – 5	1	1.3%
	6 – 10	6	7.5%
	11 – 15	9	11.3%
	16 – 20	10	12.5%
	21 – 25	9	11.3%
	> 26	45	56.3%
	TOTAL	80	100%

Based on Table 5.7, the numbers of agents managed by the respondents are quite in variances; the percentage range from 1 to 2 agents (1.3%) up to 11-15 agents (28.8%). While the respondents' managers have a quite wide range, but the highest number shown are more than 26 agents (56.3%).

Based on Table 5.8, most respondents have been in the same position for more than 2 – 5 years (88.8%), while the respondents' managers also have the same tendency, (71.3%).

Table 5.9 shows the dedicated years in the company. The respondents' highest range is 1-2 years (62.5%), while the respondents' managers range from more than 2 to 5 years (63.8%).

**Table 5.8 Distribution based on years in position**

	Years in Position	Frequency	Percentage
Respondent	1 – 2	5	6.3%
	> 2 – 5	71	88.8%
	> 5 – 10	4	5%
	TOTAL	80	100%
Respondent's manager	1 – 2	1	1.3%
	> 2 – 5	57	71.3%
	> 5 – 10	22	27.5%
	TOTAL	80	100%

**Table 5.9 Distribution based on years in company**

	Years in Company	Frequency	Percentage
Respondent	1 – 2	50	62.5%
	> 2 – 5	28	35%
	> 5 – 10	2	2.5%
	TOTAL	80	100%
Respondent's manager	1 – 2	11	13.8%
	> 2 – 5	51	63.8%
	> 5 – 10	18	22.5%D
	TOTAL	80	100%

## 5.2 The Leadership Style in PT XYZ

The data are collected using Multifactor Leadership Questionnaire (Form-5X) designed by Avolio and Bass (2005) and then further processed for descriptive-based analysis. The mean scores of every dimension in the leadership styles are interpreted based on Likert scale as follows:

- 1.0 – 2.0 = very low
- 2.1 – 3.0 = low
- 3.1 – 4.0 = high
- 4.1 – 5.0 = very high

### 5.2.1 Descriptive Statistic for Transformational Leadership

Table 5.10 indicates that the transformational leadership indicates a high mean score (3.46), this high score can be considered good. The highest mean score is inspirational motivation (4.23), followed by individualized consideration (3.48), idealized influenced behavior (3.43), intellectual simulation (3.27), and the lowest score is idealized influenced attributed (2.86).

**Table 5.10 Descriptive statistic for transformational leadership**

Items	Mean	Result
Idealized influenced attributed (IDEAL_A)	2.86	Low
Idealized influenced behavior (IDEAL_B)	3.43	High
Intellectual simulation (INTEL)	3.27	High
Inspirational motivation (INSPI)	4.23	Very High
Individualized consideration (INDIV)	3.48	High
<i>Transformational leadership (TRANSFRM)</i>	<i>3.46</i>	<i>High</i>

### 5.2.2 Descriptive Statistic for Transactional Leadership

Table 5.11 indicates that the transactional leadership indicates a low mean score (3.01). The score is composed by the dimensions of the transactional leadership: contingent reward with high mean score (3.33), management by exception-active with high mean score also (3.27) and the last is management by exception-passive, which has the lowest mean score (2.44).

**Table 5.11 Descriptive statistic for transactional leadership**

Items	Mean	Result
Contingent reward (CR)	3.33	High
Management by exception-active (MBEA)	3.27	High
Management by exception-passive (MBEP)	2.44	Low
<i>Transactional leadership (TRANSACT)</i>	<i>3.01</i>	<i>Low</i>

### 5.2.3 Descriptive Analysis for Laissez-Faire Leadership

Table 5.12 indicates that the laissez faire leadership has very low mean score (1.87). The lower the score, the better it is, since the laissez-faire leadership encourages the ignorance of the managers.

**Table 5.12 Descriptive statistic for laissez-faire leadership**

Item	Mean	Result
<i>Laissez-faire leadership (LF)</i>	<i>1.87</i>	<i>Very Low</i>

### 5.2.4 Descriptive Statistic for Leadership Outcome: Effectiveness

Table 5.13 indicates that the effectiveness from the leadership outcome indicates a very high mean score (4.14), this high score can be considered very good.

**Table 5.13 Descriptive statistic for effectiveness**

Item	Mean	Result
<i>Effectiveness (EFFV)</i>	<i>4.14</i>	<i>Very High</i>

### 5.2.5 Descriptive Statistic for Leadership Outcome: Extra-Effort

Table 5.14 indicates that the extra effort from the leadership outcome indicates a high mean score (3.46), this high score can be considered good.

**Table 5.14 Descriptive statistic for extra effort**

Item	Mean	Result
<i>Extra-effort (EFFORT)</i>	<i>3.67</i>	<i>High</i>

### 5.2.6 Descriptive Statistic for Leadership Outcome: Satisfaction

Table 5.15 indicates that the satisfaction from the leadership outcome indicates a high mean score (3.59), this high score can be considered good.

**Table 5.15 Descriptive statistic for satisfaction**

Item	Mean	Result
<i>Satisfaction (SATSF)</i>	3.59	High

### 5.3 The Influence of Leadership Style on Leadership Outcome

#### 5.3.1 The Influence of Leadership Style on Effectiveness

Based on table 5.16, 12.5% of the effectiveness variance could be explained by the three leadership styles: transactional, transformational, and laissez-faire, because the table 5.17 showed that the altogether leadership style variables had a significant influence on effectiveness. But table 5.18 showed that the variables were free from multicollinearity and only two leadership styles, the transactional leadership and laissez-faire leadership, which had significant influence on effectiveness.

**Table 5.16 Model summary of leadership style on effectiveness**

Model	R	R Square	Adjusted R Square	Std. Error Of The Estimate
1	.354 <sup>a</sup>	.125	.091	.95365639

**Table 5.17 ANOVA<sup>b</sup> of leadership style on effectiveness**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	9.881	3	3.294	3.622	.017 <sup>a</sup>
Residual	69.119	76	.909		
Total	79.000	79			

**Table 5.18 Coefficients of leadership style on effectiveness**

Model	Unstand. Coef.		Std. Coef.	t	Sig.	Collinearity Statistics	
	B	SE				Tol.	VIF
1 (Constant)	2.120E-16	.107		.000	1.000		
REGR factor score Transformational Leadership	-.176	.113	-.176	-1.559	.123	.900	1.111
REGR factor score Transactional Leadership	.250	.110	.250	2.263	.027	.943	1.060
REGR factor score Laissez-faire Leadership	-.283	.111	.068	-2.555	.013	.941	1.063

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### 5.3.1.1 Dimensions of Leadership Style Related to Effectiveness

Based on table 5.19, 21.3% of the effectiveness variance could be explained by the dimensions of three leadership styles: transactional, transformational, and laissez-faire, because the table 5.20 showed that the altogether dimensions in leadership style had a significant influence on effectiveness. But table 5.21 showed that the variables were free from multicollinearity and only one dimension, laissez faire, which had significant influence on effectiveness.

**Table 5.19 Model summary of leadership style dimensions on effectiveness**

Model	R	R Square	Adjusted R Square	Std. Error Of The Estimate
1	.461 <sup>a</sup>	.213	.112	.94257497

**Table 5.20 ANOVA<sup>b</sup> of leadership style dimensions on effectiveness**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	16.809	9	1.868	2.102	.041 <sup>a</sup>
Residual	62.191	70	.888		
Total	79.000	79			

**Table 5.21 Coefficients of leadership style dimensions on effectiveness**

Model	Unstand. Coef.		Std. Coef.	t	Sig.	Collinearity Statistics	
	B	SE	Beta			Tol.	VIF
1 (Constant)	1.842E-16	.105		.000	1.000		
REGR factor score Idealized influenced attributed	-.225	.135	-.225	-1.668	.100	.518	1.619
REGR factor score Idealized influenced behavior	-.110	.121	-.110	-.910	.366	.772	1.296
REGR factor score Intellectual simulation	-.066	.116	-.066	-.567	.573	.837	1.195
REGR factor score Inspirational motivation	.103	.123	.103	.835	.407	.742	1.348
REGR factor score Individualized consideration	.215	.126	.215	1.713	.091	.712	1.404
REGR factor score Contingent reward	-.067	.137	-.067	-.490	.626	.598	1.673
REGR factor score Management by exception-active	.115	.122	.115	.945	.348	.759	1.317
REGR factor score Management by exception-passive	.201	.123	.201	1.636	.106	.747	1.339
REGR factor score Laissez-faire	-.285	.116	-.285	-2.462	.016	.839	1.192

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### 5.3.2 The Influence of Leadership Style on Extra-Effort

Based on table 5.22, 26.6% of the extra-effort variance could be explained by the three leadership styles: transactional, transformational, and laissez-faire, because the table 5.23 showed that the altogether leadership style variables had a significant influence on extra-effort. But table 5.24 showed that the variables were free from multicollinearity and only transformational leadership, which had significant influence on extra effort.

**Table 5.22 Model summary of leadership style on extra-effort**

Model	R	R Square	Adjusted R Square	Std. Error Of The Estimate
1	.526 <sup>a</sup>	.277	.248	.86715316

**Table 5.23 ANOVA<sup>b</sup> of leadership style on extra-effort**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	21.851	3	7.284	9.687	.000 <sup>a</sup>
Residual	57.149	76	.752		
Total	79.000	79			

**Table 5.24 Coefficients of leadership style on extra-effort**

Model	Unstand. Coef.		Std. Coef.	t	Sig.	Collinearity Statistics	
	B	SE	Beta			Tol.	VIF
1 (Constant)	-2.85E-16	.097		.000	1.000		
REGR factor score Transformational Leadership	.547	.103	.547	5.317	.000	.900	1.111
REGR factor score Transactional Leadership	-.058	.100	-.058	-.574	.567	.943	1.060
REGR factor score Laissez-faire Leadership	.068	.101	.068	.674	.502	.941	1.063

#### 5.3.2.1 Dimensions of Leadership Style Related to Extra-Effort

Based on table 5.25, 35.6% of the extra effort variance could be explained by the dimensions of three leadership styles: transactional, transformational, and laissez-faire, because the table 5.26 showed that the altogether dimensions in leadership style had a significant influence on extra effort. But table 5.27 showed that the

variables were free from multicollinearity and there were two dimensions, the inspirational motivation and individualized considerations, from the transformational leadership which had significant influence on extra effort.

**Table 5.25 Model summary of leadership style dimensions on extra-effort**

Model	R	R Square	Adjusted R Square	Std. Error Of The Estimate
1	.597 <sup>a</sup>	.356	.273	.85260648

**Table 5.26 ANOVA<sup>b</sup> of leadership style dimensions on extra-effort**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	28.114	9	3.124	4.297	.000 <sup>a</sup>
Residual	50.886	70	.727		
Total	79.000	79			

**Table 5.27 Coefficients of leadership style dimensions on extra-effort**

Model	Unstand. Coef.		Std. Coef.	t	Sig.	Collinearity Statistics	
	B	SE	Beta			Tol.	VIF
1 (Constant)	2.123E-17	.095		.000	1.000		
REGR factor score Idealized influenced attributed	.099	.122	.099	.810	.421	.618	1.619
REGR factor score Idealized influenced behavior	.066	.109	.066	.608	.545	.772	1.296
REGR factor score Intellectual simulation	.005	.105	.005	.044	.965	.837	1.195
REGR factor score Inspirational motivation	.371	.111	.371	3.330	.001	.742	1.348
REGR factor score Individualized consideration	.302	.114	.302	2.657	.010	.712	1.404
REGR factor score Contingent reward	.005	.124	.005	.043	.966	.598	1.673
REGR factor score Management by exception-active	-.025	.110	-.025	-.229	.820	.759	1.317
REGR factor score Management by exception-passive	-.097	.111	-.097	-.874	.385	.747	1.339
REGR factor score Laissez-faire	.130	.105	.130	1.239	.219	.839	1.192

### 5.3.3 The Influence of Leadership Style on Satisfaction

Based on table 5.28, 28.7% of the satisfaction variance could be explained by the three leadership styles: transactional, transformational, and laissez-faire, because

the table 5.29 showed that the altogether leadership style variables had a significant influence on satisfaction. But table 5.30 showed that the variables were free from multicollinearity and there were two leadership styles, the transformational and transactional leadership, which had significant influence on satisfaction.

**Table 5.28 Model summary of leadership style on satisfaction**

Model	R	R Square	Adjusted R Square	Std. Error Of The Estimate
1	.526 <sup>a</sup>	.287	.259	.86076727

**Table 5.29 ANOVA<sup>b</sup> of leadership style on satisfaction**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	22.690	3	7.563	10.208	.000 <sup>a</sup>
Residual	56.310	76	.741		
Total	79.000	79			

**Table 5.30 Coefficients of leadership style on satisfaction**

Model	Unstand. Coef.		Std. Coef.	t	Sig.	Collinearity Statistics	
	B	SE	Beta			Tol.	VIF
1 (Constant)	-1.82E-16	.097		.000	1.000		
REGR factor score Transformational Leadership	.457	.102	.457	4.479	.000	.900	1.111
REGR factor score Transactional Leadership	-.242	.100	-.242	-2.431	.017	.943	1.060
REGR factor score Laissez-faire Leadership	-.169	.100	-.169	-1.694	.094	.941	1.063

### 5.3.3.1 Dimensions of Leadership Style Related to Satisfaction

Based on table 5.31, 43.3% of the satisfaction variance could be explained by the dimensions of three leadership styles: transactional, transformational, and laissez-faire, because the table 5.32 showed that the altogether dimensions in leadership style had a significant influence on satisfaction. But table 5.33 showed that the variables were free from multicollinearity and there were two dimensions, inspirational motivation (from transformational leadership) and management by

exception-active (from transactional leadership), which had significant influence on satisfaction.

**Table 5.31 Model summary of leadership style dimensions on satisfaction**

Model	R	R Square	Adjusted R Square	Std. Error Of The Estimate
1	.658 <sup>a</sup>	.433	.360	.79983713

**Table 5.32 ANOVA<sup>b</sup> of leadership style dimensions on satisfaction**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	34.218	9	3.802	5.943	.000 <sup>a</sup>
Residual	44.782	70	.640		
Total	79.000	79			

**Table 5.33 Coefficients of leadership style dimensions on satisfaction**

Model	Unstand. Coef.		Std. Coef.	t	Sig.	Collinearity Statistics	
	B	SE	Beta			Tol.	VIF
1 (Constant)	-3.61E-17	.089		.000	1.000		
REGR factor score Idealized influenced attributed	.079	.114	.079	.686	.495	.618	1.619
REGR factor score Idealized influenced behavior	.005	.102	.005	.045	.965	.772	1.296
REGR factor score Intellectual simulation	.026	.098	.026	.266	.791	.837	1.195
REGR factor score Inspirational motivation	.408	.104	.408	.2907	.000	.742	1.348
REGR factor score Individualized consideration	.071	.107	.071	.664	.509	.712	1.404
REGR factor score Contingent reward	.114	.116	.114	.981	.330	.598	1.673
REGR factor score Management by exception-active	-.250	.103	-.250	-2.423	.018	.759	1.317
REGR factor score Management by exception-passive	-.151	.104	-.151	-1.450	.152	.747	1.339
REGR factor score Laissez-faire	-.113	.098	-.113	-1.153	.253	.839	1.192

## 5.4 Discussion on Leadership

### 5.4.1 Transformational Leadership

Based on the mean analysis, the most implemented leadership perceived by the respondents in AgencyXYZ was transformational leadership.

#### - Idealized influenced attributed (Low)

This dimension measures the degree to which the managers behave in social charismatic ways that cause followers to identify with them perceived as being confident and powerful are expected. In this study, managers were perceived by the agents as less confident in terms of instilling pride for the agents to be connected with them and acting in the way that build the agents' respect.

In the AgencyXYZ, the agents can be managers when they achieved a certain production target, but when they become managers; they do not instantly have the leadership ability. Some of them have the ability to influence people, but most of them need to be encouraged to develop the social charisma.

#### - Idealized influenced behavior (High)

This dimension measures the charismatic actions of the managers that are centered on values, beliefs, and a sense of mission. The idea is the managers were always acting in such a charismatic way as a good role model for the followers.

The managers, as role models have to show their empathy and encouragement for the followers; by acting as good role model, the followers can built themselves the mindset of creativity, high contribution and aspiration. The managers have tendency to show high moral and ethical values as the effective insurance agents and provide the followers with sense of vision and mission.

- Intellectual simulation (High)

This dimension measures the degree to which the managers articulate visions that are appealing to the followers. The idea is the managers always encouraged the followers' ideas; being creative and innovative, to challenge their limits.

The managers in the company often promote problem solving during sharing and training sessions to find the creative solutions on the problem occurrences. The followers' sense of logic is very crucial to build the creative idea of analyzing difficult problems. The intellectual simulation is implemented in every training session and encouraged by every manager to the followers.

- Inspirational motivation (Very High)

This dimension measures the degree to which the managers challenge assumption, take risks, and solicits followers' ideas. The idea is the managers were giving motivations very often the followers to perceive good steps in building the career in company PT XYZ.

Being a manager in the company, the manager is trained to look at the future with high optimism and the manager himself should share and encourage the followers to move with this success picture too. Managers are motivator for their followers. Every training session held by the AgencyXYZ are also functioned as encouragement and motivation session.

- Individualized consideration (high)

This dimension measures the degree to which leaders attend to followers' needs. The idea is that the managers show high concerns on the individual growth of the followers. The managers create supportive climate and act as a coach and mentor.

Usually in the AgencyXYZ, the managers pay attention to individual differences and treats individuals followers in a caring way, they help the

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followers to grow personally while in the mean time also achieve the goal. It is very often that the managers have personal session with the agents to encourage the agents and in the mean time grow the personal relationship to gain better understanding about the agents' hesitations and aspirations.

The overall means of the dimensions of transformational leadership are indicating the perception of leadership style in PT XYZ. The managers in the AgencyXYZ are used to convey clear vision of the goals and in the mean time also made the whole environment feel recharged and energized. The leadership style is leading to positive changes in those who follow.

Since the early starting of the company PT XYZ, the managers are always encouraged to implement new ideas, challenging their own selves through the changes, and be the role model for the followers. The transformational managers can be identified by their energetic, enthusiastic and passionate behaviors. The leadership shown must be able to visualize the goal and motivate the follower to duplicate the managers' positive behaviors.

Managers in the AgencyXYZ are exposing themselves as good role models to lead the positive examples for the followers. Whenever the company launched the programs to boost the productivity of the company PT XYZ, the managers will be the first to encourage the followers to reach the goals as effective as possible, while also working to strengthen the personal bonds to the followers to gain better understanding.

Among the dimensions in the transformational leadership, there is only one dimension: the idealized influenced attributed which was scored low. The dimension scored low since based on the demographic data analysis, the age of the managers was relatively young. Experience could not just gain easily; it would take time as the age grew. Most people have more experience when they used to be put in the situations that need them to think and see the things under the unfavorable situations.



### 5.4.2 Transactional Leadership

Transactional leadership was less implemented than transformational leadership.

#### - Contingent reward (High)

This dimension measures the capability of the managers to provide contingent reinforcement to the followers by using rewards. The idea is the managers are actively giving out specific rewards for the followers' every time the goal or target achieved.

The rewards are given periodically, demanding both short term and long-term goal achievement. The rewards are actively given in PT XYZ in order to engage a constructive path to goal transaction and exchange rewards for performance.

#### - Management by exception-active (High)

This dimension measures how the managers actively managed the treatment to the followers whenever problems occur. The idea is the managers have a significant tendency to take corrective criticism or uses negative reinforcement. The managers are used to follow the actions done by the followers closely and taking corrective actions if needed.

In the company PT XYZ, when it comes to the part of letting the followers to go their own, to guide them to be managers also, sometimes the managers' concern is to afford when the management goes wrong. Based on the demographic data, most managers are in the age of 25-34, during this age, usually, people in the company tend to have criticism and idealized thinking, and this is why sometimes the management is still held under high interference of the managers.

- Management by exception-passive (Low)

This dimension measures how the managers arrange for contingent corrective actions in response to obvious deviations from the performance standards. The idea is the managers have a low tendency to wait to take actions. The managers are used not to intervene until the problems are brought to their attention.

The company PT XYZ is used to raise the managers with a high sense of care, they were not encouraged to use contingent corrective action to the followers since the working environment must be a supportive environment, instead of threatening one.

The managers always provide supports and direction for the followers while in the meantime also provide rewards periodically, mostly giving out holiday trips and souvenirs. The rewards are given based on the productivity of the agents; these rewards will then boost the agent's motivation to work harder in order to achieve the rewards.

#### **5.4.3 Laissez-Faire Leadership**

The laissez faire managers offer no feedback or support to the followers. This type of leadership is encouraging the followers to conduct independent work. The leaders are not complementing, appreciating nor taking the followers on their track to be observed. This type of leadership was perceived in a very low result in the AgencyXYZ. The managers in the AgencyXYZ always communicate their vision, mission, and goals to the followers, unlike the characteristic shown in laissez-faire managers who avoid accepting responsibilities, and even bear them. The managers are still observing the execution of the job execution of every follower under their supervision.

Overall, among the three leadership types, the transformational leadership was perceived to have the highest mean score, while the transactional leadership shows low mean scores, and the laissez-faire leadership shows the very low mean score. Based on the means scores, the transformational leadership is closely

related to the leadership style implemented in the company PT XYZ. The managers in the company are energetic, highly motivated and welcome the changes with no resistance. They are receptive to opinion and responsive to the followers' needs.

#### **5.4.4 Leadership Outcome**

Based on the mean analysis, the overall leadership outcomes in AgencyXYZ were perceived to have high result on the mean analysis. This indicates the good performance on the leadership presentation in PTXYZ. Among the leadership outcomes, the effectiveness was showing a very high result, followed by extra effort and satisfaction, which were also showing high result.

- Effectiveness (very high)

The idea is managers should be able to create conditions in which the followers believe that their needs and expectations could meet. When the followers feel that the managers can guide and direct them effectively, the dissatisfaction aspects will reduce and the company will not face the rejection from its own employees. Based on the mean analysis, the followers were indicating very high effectiveness on representing and serving the followers' needs were occurred in the relationship with the managers' service. The score was considered very good since it determined that the leadership performance by the managers were effectively absorbed by the followers.

- Extra effort (high)

The idea is managers should be able to create conditions in which the followers show extra effort and have also been able to persuade the followers to try to achieve more to increase their tendency to more effort and work. Based on the mean analysis, the followers are showing extra effort, highly motivated to do extra work to achieve the goal. This is

considered as a good achievement for the company when the employees are willing to work harder to contribute to the company.

- Satisfaction (high)

The idea is managers should be able to create a supporting atmosphere to encourage the followers to be satisfied with their doing. The satisfaction score on the leadership performance was high. It indicated that the followers were highly satisfied in the way of the managers' style to guide them and direct them during the working process. This score is considered good since the managers could perform satisfactory cooperation with the followers.

### **5.5 Discussion on The Influence of Leadership Towards Leadership Outcome**

There were three leadership outcomes that were used as the dependent variables in the analysis. The first one is effectiveness. In the relation with effectiveness, there were significant influence between the effectiveness and both the transactional leadership and laissez-faire leadership. The effectiveness will highly showing the effect when the managers still helped in guiding and providing direction. Where as for the laissez-faire leadership, as it was shown the negative result, if the managers conducted no leadership style, the effectiveness would decrease.

The second leadership outcome is extra effort. In the relation with extra effort, there was a significant influence between the extra effort and transformational leadership, especially on the inspirational motivation and the individualized consideration. The significant influence occurred might justify the system conducted in PT XYZ. The training session and the individual coaching held by the managers are boosting the sense of self-actualization in the followers, it then motivates them to execute extra efforts to grow themselves and increase the productivity.

The last leadership outcome is satisfaction. In the relation with satisfaction, there was significant influence between the transformational leadership (especially inspirational motivation) and transactional leadership (especially management by exception-active). The occurrence of the significant influence was showing the real system implemented in the company. Managers who shared their experience and inspired the followers were likely to be preferred by the followers. In the mean time, the guidance and direction provided by managers also became the satisfaction factors perceived by the followers. The clear visions provided by managers would bring the followers to the encouragement of achieving the work goals in satisfactory way.

### **5.5.1 Leadership Outcome: Effectiveness**

The transactional leadership and laissez-faire leadership have significant relationship with effectiveness, while the transformational leadership has no significant influence. Based on the analysis, the transactional leadership was showing significant influence; but when the observation was on the regression model on the dimensions, there were no dimensions in the transactional leadership that showed significant influence. This case indicated that the dimensions (contingent reward, management by exception-active and management by exception-passive) have to be collaborated to obtain the significance of the transactional leadership.

While on the laissez-faire relationship with the effectiveness, it is true that there was significant result with negative influence. The higher the laissez-faire leadership shown, the followers would perceive the lower effectiveness. This case was shown in the daily operation of the company. When the managers provide less guidance and showing lack of leadership, the followers tend not to perform well. The managers would be unable to expand their teamwork and the productivity could not be enhanced.

In the real situation, for example the latest issued contest is “AgencyXYZ Goes to Hongkong and Macau”. The period of the contest is June 6 until August 30, 2011, for IDR 120 million net premium submissions per one ticket issued. The periodic contests are used as to encourage the agents; the managers directed the agents to do as the system requires and the payback of the work will be the vacation.

As the rewards come in incentives/commission every time they submit policy, they also earn the vacation rewards for their achievement in the productivity. If they don't meet the goals, they will not get any increment from the commission and also stuck to get in to the next level.

### **5.5.2 Leadership Outcome: Extra Effort**

The transformational leadership had a significant influence with the extra effort, but the transactional leadership and the laissez-faire leadership had no significant influence. Based on the regression result, there are two dimensions in transformational leadership that have significant relationship with extra effort, inspirational motivation and individual consideration.

The inspirational motivation is considered having significant influence with extra effort since the managers are highly encouraged to use inspirational motivation in approaching the followers. The managers' motivation will earn the extra effort of the followers. Every training session held by the company always include the motivational session when the speaker shares his / her background in the introduction part.

The second dimension that is considered significant is the individualized consideration. When the managers pay more understanding on the personal approach to the followers, the followers can be encouraged individually to make do extra effort to gain more productivity. Followers are inspired by their managers to make effective extra work.

They are subjected to groom themselves by the help of the managers. The managers are the one who know the followers' best, they know how to hit the button, to highly motivate the followers to work extra hard while in the mean time they are helping the followers to understand better about themselves.

### **5.5.3 Leadership Outcome: Satisfaction**

The transformational leadership and transactional leadership had a significant influence on the satisfaction, but the laissez-faire leadership had no significant influence. The transformational leadership, especially the dimension of inspirational motivation was showing high correlation. The more the followers feel motivated, the higher the satisfaction feeling they will feel.

People, who were inspired, would feel the ease of getting the work done, as they were suggested to do works with total commitment. This would then lead the managers to actively encouraging the followers through motivational sharing session. They wanted the followers to be inspired to found satisfaction in work. In the real situation, the motivational sharing itself then created a bond of understanding that would lead to trust among the managers and the followers since there was two-ways communication in the process. This bonding would then increase the followers' satisfaction of the leadership the managers conducted.

The other significant related leadership style was the transactional leadership, especially the management by exception-active, with negative influence. The higher the managers showed the interference on the followers' work, the lower the satisfactory of followers would be. The managers who were always giving advice and guidance with active interference on the system would make the followers felt highly controlled by the managers. People would find satisfaction in work when the others, especially the managers regarding them as individuals who also need spaces to grow and increase their own skills. People need to be acknowledged, trusted.

This is what the followers need from the managers, beside the guidance and direction; the trust bonding from the managers to the followers. In the real

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case on the daily operations, the full interference of the managers would not grow the individuals to be mature in meeting the company requirement. Instead they were given independent task to be fulfilled in meeting the company goals, trusted to do independent work but still with guidance and direction from the managers. The trust bonding was created to encourage the initiative and creativity of the followers to be participative in decision-making. This aspect then became the essential satisfactory factor of the managers' leadership performance.





## CHAPTER 6

### CONCLUSION AND RECOMMENDATION

#### 6.1 Conclusion

Based on the research conducted in PT XYZ, the conclusions are:

- The leadership style in PT XYZ perceived to be more implemented was transformational leadership; while transactional was less implemented and laissez-faire was seldom implemented.

The only one dimension that scored low is the idealized influenced attribute. The idealized influenced attributed measured the capability of the leaders in terms of the social charisma. The trend in the company was showing the indication on the low score was based on demographic data of age that was mostly consisted of young managers.

- The influence of the leadership style on the leadership outcome:
  - a. The transactional leadership had positive influence and laissez-faire leadership had negative significant influence with effectiveness in PT XYZ.

The company provides rewards for the agents who achieved the target expected based on the periodically contests, while in the meantime also preparing the guidance and direction on the reward achievement. The rewards are vacation trips or souvenirs. These rewards are effectively used to motivate the agents in increasing their productivity. While on the other hand, the managers also concerned on reminding the agents about the stagnancy occurrence when they do not perform well. The effectiveness of the leadership was shown through the negative influenced on the laissez-faire leadership. The less the managers showed less interest on participating, the followers would be encouraged to get the effective result on the managers' leadership performance.

- b. The transformational leadership (especially inspirational motivation and individualized consideration) had positive significant influence with extra effort in PT XYZ.

In the extra effort perspective, the managers are adaptable to the changes in the business environment; for every change, they challenge their followers to step out and be prepared to be the next managers. The challenges, the motivations are encouraging the followers to push themselves to the limit, daring them to execute extra effort in order to gain the success. While on the satisfaction perspective, The transformational leadership (especially inspirational motivation) and transactional leadership (especially management by exception active) had a significant influence on the satisfaction.

- c. The transformational leadership (especially inspirational motivation) had positive significant influence and the transactional leadership (especially management by exception-active) had negative significant influence with satisfaction in PT XYZ.

The managers were actively encouraging the followers through motivational sharing session. The motivational sharing itself then created a bond of understanding that would lead to trust between the manager and the followers since there was two-ways communication in the process. This bonding would then increase the followers' satisfaction of the leadership the managers conducted. On the other side, the management by exception were perceived to have negative influence on the satisfaction. To create the satisfying bonding between managers and followers, the managers have to be able to allow the followers to do independent work to encourage the initiative and creativity of the followers to be participative in decision-making.

## 6.2 Recommendation

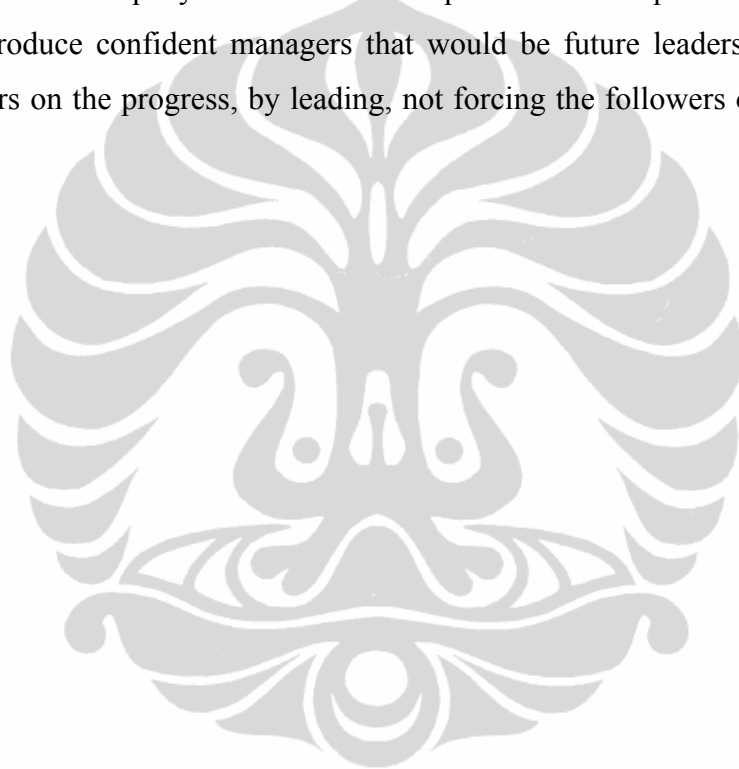
Based on the conclusion drawn, PT XYZ has to do improvement on one of the dimensions: the idealized influenced attributed. The managers were perceived as less confident; it would make them become less charismatic managers. A charismatic manager will be an effective leader that could convince and encourage the agents to meet the goals. The social charisma, emphasized in the idealized influenced attributed could be grown by performing leadership training. The training should be focusing on how to influence people and how to be looked confident. The young age and the lack of experience and knowledge can be the factors affecting the social charisma. Facing many different situations in the daily life can grow the experience itself, but it can be shared through sharing sessions and encouraged or bold through training sessions.

PT XYZ should avoid conducting the laissez-faire leadership. Based on the research, this type of leadership would significantly decrease the effectiveness in leadership outcome. The followers need to be guided by managers with effective leadership. The other aspect that should be carefully noticed by PT XYZ is the management by exception-active. It had negative influence that decreased the satisfaction of the followers. Followers need to be encouraged as independent individuals who should be taken into account when it comes to the decision making process. High interference of the managers would cause the unsatisfactory leadership in the company.

In order to overcome the aspect that should be improved, PT XYZ should conduct trainings, especially in building leadership skill for both the managers and the followers, each of the group in the distinctive sessions. The company has to conduct special leadership encouragement sessions to produce confident managers that would be future leaders to inspire more followers on the progress, by leading, not forcing the followers on the goal achievement. A charismatic manager will be an effective leader for the agents. The training session will be focusing on certain issues based on the stages in the training:

1. Growing the leader inside (Early Phase):
  - Attendees:
    - Agents who would be promoted to be Unit Managers
    - Unit Managers
  - Materials:
    - Optimizing the self potential
    - Understanding the importance of behavior
    - Setting mind-set
  - Target: Mental and Behavior building in starting to be a leader
2. Nurturing the leader (Intermediate Phase):
  - Attendees:
    - Senior Unit Managers
  - Materials:
    - Defining the challenges in larger communities
    - Seeking unexplored interests
    - Sharing experiences
  - Target: Leader's mindset establishment
3. Optimizing and expanding the mindset (Advance Phase):
  - Attendees:
    - Agency Managers
    - Senior Agency Managers
  - Materials:
    - Exploring the needs of shaping new leaders
    - Sharing experiences
  - Target: Group expansion

When people are not always encouraged to be confident, even the managers who always share in the training sessions on the agents could be underlooked by the agents. To broaden the knowledge and experience, the company is suggested to invite special speakers from outside the company who are professional in encouraging the leadership ability field. The company should encourage the managers to be confident on what they have and to show the followers their capacity and strength to lead the followers to the goal achievement. The company has to conduct special leadership encouragement sessions to produce confident managers that would be future leaders to inspire more followers on the progress, by leading, not forcing the followers on the goal achievement.



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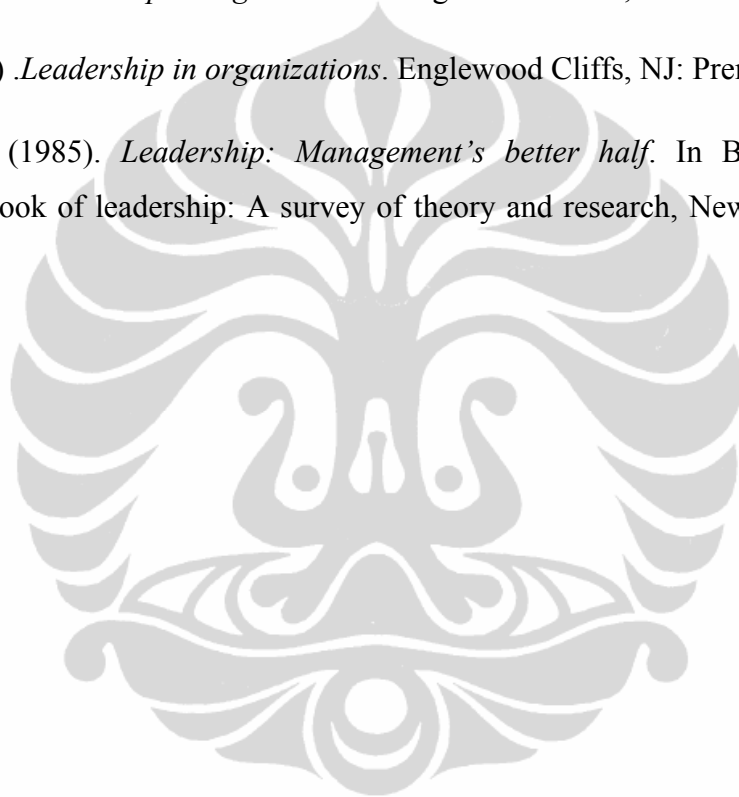
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**APPENDIX 1**  
**LICENSE OF QUESTIONNAIRE**



**Leadership Style**  
Survey

BY:  
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**MAGISTER MANAJEMEN**  
FAKULTAS EKONOMI – UNIVERSITAS INDONESIA

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**Multifactor Leadership Questionnaire  
Instrument (Leader and Rater Form)  
and Scoring Guide  
(Form 5X-Short)**

**by Bruce Avolio and Bernard Bass**

Published by Mind Garden, Inc.

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## APPENDIX 2 VALIDITY AND RELIABILITY TEST

### Factor Analysis: IDEALIZED INFLUENCED ATTRIBUTED

#### KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.524
Bartlett's Test of Sphericity	Approx. Chi-Square	16.146
	df	6
	Sig.	.013

#### Anti-image Matrices

		IDEAL_A1	IDEAL_A2	IDEAL_A3	IDEAL_A4
Anti-image Covariance	IDEAL_A1	.851	-8.30E-05	-.298	-.131
	IDEAL_A2	-8.30E-05	.954	-.179	.012
	IDEAL_A3	-.298	-.179	.833	.015
	IDEAL_A4	-.131	.012	.015	.978
Anti-image Correlation	IDEAL_A1	.521 <sup>a</sup>	-9.22E-05	-.354	-.144
	IDEAL_A2	-9.22E-05	.561 <sup>a</sup>	-.201	.013
	IDEAL_A3	-.354	-.201	.518 <sup>a</sup>	.017
	IDEAL_A4	-.144	.013	.017	.519 <sup>a</sup>

a. Measures of Sampling Adequacy(MSA)

#### Communalities

	Initial	Extraction
IDEAL_A1	1.000	.564
IDEAL_A2	1.000	.217
IDEAL_A3	1.000	.624
IDEAL_A4	1.000	.079

Extraction Method: Principal Component Analysis.

#### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.483	37.081	37.081	1.483	37.081	37.081
2	1.041	26.016	63.098			
3	.878	21.955	85.053			
4	.598	14.947	100.000			

Extraction Method: Principal Component Analysis.

#### Component Matrix<sup>a</sup>

	Component
	1
IDEAL_A1	.751
IDEAL_A2	
IDEAL_A3	.790
IDEAL_A4	

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

**Factor Analysis: IDEALIZED INFLUENCED ATTRIBUTED (Continued)****KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.500
Bartlett's Test of Sphericity	Approx. Chi-Square	10.907
	df	1
	Sig.	.001

**Anti-image Matrices**

		IDEAL_A1	IDEAL_A3
Anti-image Covariance	IDEAL_A1	.869	-.315
	IDEAL_A3	-.315	.869
Anti-image Correlation	IDEAL_A1	.500 <sup>a</sup>	-.362
	IDEAL_A3	-.362	.500 <sup>a</sup>

a. Measures of Sampling Adequacy(MSA)

**Communalities**

	Initial	Extraction
IDEAL_A1	1.000	.681
IDEAL_A3	1.000	.681

Extraction Method: Principal Component Analysis.

**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.362	68.116	68.116	1.362	68.116	68.116
2	.638	31.884	100.000			

Extraction Method: Principal Component Analysis.

**Component Matrix<sup>a</sup>**

	Component
	1
IDEAL_A1	.825
IDEAL_A3	.825

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

**Reliability: IDEALIZED INFLUENCED ATTRIBUTED**

\*\*\*\*\* Method 1 (space saver) will be used for this analysis \*\*\*\*\*

**RELIABILITY ANALYSIS - SCALE (ALPHA)**

	Mean	Std Dev	Cases
1. IDEAL_A1	2.6500	1.2232	80.0
2. IDEAL_A3	3.0750	1.0882	80.0

Statistics for	Mean	Variance	Std Dev	N of Variables
SCALE	5.7250	3.6449	1.9092	2

**Item-total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Alpha if Item Deleted
IDEAL_A1	3.0750	1.1842	.3623	.
IDEAL_A3	2.6500	1.4962	.3623	.

**Reliability Coefficients**

N of Cases = 80.0                      N of Items = 2

Alpha = .5293

## Factor Analysis: IDEALIZED INFLUENCE BEHAVIOR

### KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.483
Bartlett's Test of Sphericity	Approx. Chi-Square	18.660
	df	6
	Sig.	.005

### Anti-image Matrices

		IDEAL_B1	IDEAL_B2	IDEAL_B3	IDEAL_B4
Anti-image Covariance	IDEAL_B1	.911	-.204	.164	-.127
	IDEAL_B2	-.204	.926	-.087	-.077
	IDEAL_B3	.164	-.087	.851	-.296
	IDEAL_B4	-.127	-.077	-.296	.853
Anti-image Correlation	IDEAL_B1	.424 <sup>a</sup>	-.222	.187	-.144
	IDEAL_B2	-.222	.557 <sup>a</sup>	-.098	-.086
	IDEAL_B3	.187	-.098	.461 <sup>a</sup>	-.347
	IDEAL_B4	-.144	-.086	-.347	.505 <sup>a</sup>

a. Measures of Sampling Adequacy(MSA)

### Communalities

	Initial	Extraction
IDEAL_B1	1.000	.101
IDEAL_B2	1.000	.332
IDEAL_B3	1.000	.414
IDEAL_B4	1.000	.596

Extraction Method: Principal Component Analysis.



### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.444	36.105	36.105	1.444	36.105	36.105
2	1.188	29.697	65.803			
3	.787	19.669	85.472			
4	.581	14.528	100.000			

Extraction Method: Principal Component Analysis.

### Component Matrix<sup>a</sup>

	Component
	1
IDEAL_B1	
IDEAL_B2	.576
IDEAL_B3	.644
IDEAL_B4	.772

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

**Factor Analysis: IDEALIZED INFLUENCED BEHAVIOR (Continued)****KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.500
Bartlett's Test of Sphericity	Approx. Chi-Square	9.517
	df	1
	Sig.	.002

**Anti-image Matrices**

		IDEAL_B3	IDEAL_B4
Anti-image Covariance	IDEAL_B3	.884	-.301
	IDEAL_B4	-.301	.884
Anti-image Correlation	IDEAL_B3	.500 <sup>a</sup>	-.340
	IDEAL_B4	-.340	.500 <sup>a</sup>

a. Measures of Sampling Adequacy(MSA)

**Communalities**

	Initial	Extraction
IDEAL_B3	1.000	.670
IDEAL_B4	1.000	.670

Extraction Method: Principal Component Analysis.

**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.340	66.997	66.997	1.340	66.997	66.997
2	.660	33.003	100.000			

Extraction Method: Principal Component Analysis.

**Component Matrix<sup>a</sup>**

	Component
	1
IDEAL_B3	.819
IDEAL_B4	.819

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

**Reliability: IDEALIZED INFLUENCED BEHAVIOR**

\*\*\*\*\* Method 1 (space saver) will be used for this analysis \*\*\*\*\*

**RELIABILITY ANALYSIS - SCALE (ALPHA)**

	Mean	Std Dev	Cases
1. IDEAL_B3	3.1625	.8922	80.0
2. IDEAL_B4	3.6875	.9625	80.0

	Mean	Variance	Std Dev	N of Variables
Statistics for SCALE	6.8500	2.3063	1.5187	2

**Item-total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Alpha if Item Deleted
IDEAL_B3	3.6875	.9264	.3399	.
IDEAL_B4	3.1625	.7960	.3399	.

**Reliability Coefficients**

N of Cases = 80.0                      N of Items = 2

Alpha = .5063

## Factor Analysis: INTELLECTUAL SIMULATION

### KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.505
Bartlett's Test of Sphericity	Approx. Chi-Square	14.285
	df	6
	Sig.	.027

### Anti-image Matrices

		INTEL_1	INTEL_2	INTEL_3	INTEL_4
Anti-image Covariance	INTEL_1	.978	.018	-.117	-.022
	INTEL_2	.018	.962	-.175	.052
	INTEL_3	-.117	-.175	.835	-.292
	INTEL_4	-.022	.052	-.292	.879
Anti-image Correlation	INTEL_1	.599 <sup>a</sup>	.019	-.129	-.024
	INTEL_2	.019	.456 <sup>a</sup>	-.196	.057
	INTEL_3	-.129	-.196	.503 <sup>a</sup>	-.341
	INTEL_4	-.024	.057	-.341	.506 <sup>a</sup>

a. Measures of Sampling Adequacy(MSA)

### Communalities

	Initial	Extraction
INTEL_1	1.000	.150
INTEL_2	1.000	.135
INTEL_3	1.000	.670
INTEL_4	1.000	.492

Extraction Method: Principal Component Analysis.



### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.446	36.147	36.147	1.446	36.147	36.147
2	1.007	25.177	61.324			
3	.941	23.529	84.853			
4	.606	15.147	100.000			

Extraction Method: Principal Component Analysis.

### Component Matrix<sup>a</sup>

	Component
	1
INTEL_1	
INTEL_2	
INTEL_3	.818
INTEL_4	.701

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

**Factor Analysis: INTELLECTUAL SIMULATION (Continued)****KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.500
Bartlett's Test of Sphericity	Approx. Chi-Square	9.673
	df	1
	Sig.	.002

**Anti-image Matrices**

		INTEL_3	INTEL_4
Anti-image Covariance	INTEL_3	.883	-.302
	INTEL_4	-.302	.883
Anti-image Correlation	INTEL_3	.500 <sup>a</sup>	-.343
	INTEL_4	-.343	.500 <sup>a</sup>

a. Measures of Sampling Adequacy(MSA)

**Communalities**

	Initial	Extraction
INTEL_3	1.000	.671
INTEL_4	1.000	.671

Extraction Method: Principal Component Analysis.

**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.343	67.128	67.128	1.343	67.128	67.128
2	.657	32.872	100.000			

Extraction Method: Principal Component Analysis.

**Component Matrix<sup>a</sup>**

	Component
	1
INTEL_3	.819
INTEL_4	.819

Extraction Method: Principal Component Analysis.

a. 1 components extracted.



**Reliability: INTELLECTUAL SIMULATION**

\*\*\*\*\* Method 1 (space saver) will be used for this analysis \*\*\*\*\*

**RELIABILITY ANALYSIS - SCALE (ALPHA)**

	Mean	Std Dev	Cases
1. INTEL_3	3.2375	.8894	80.0
2. INTEL_4	3.3000	.8019	80.0

	Mean	Variance	Std Dev	N of Variables
Statistics for SCALE	6.5375	1.9226	1.3866	2

**Item-total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Alpha if Item Deleted
INTEL_3	3.3000	.6430	.3426	.
INTEL_4	3.2375	.7910	.3426	.

**Reliability Coefficients**

N of Cases = 80.0                      N of Items = 2

Alpha = .5083

## Factor Analysis: INSPIRATIONAL MOTIVATION

### KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.651
Bartlett's Test of Sphericity	Approx. Chi-Square	26.884
	df	6
	Sig.	.000

### Anti-image Matrices

		INSPI_1	INSPI_2	INSPI_3	INSPI_4
Anti-image Covariance	INSPI_1	.916	-.103	-.143	-.071
	INSPI_2	-.103	.872	-.222	-.046
	INSPI_3	-.143	-.222	.771	-.248
	INSPI_4	-.071	-.046	-.248	.862
Anti-image Correlation	INSPI_1	.730 <sup>a</sup>	-.115	-.170	-.080
	INSPI_2	-.115	.670 <sup>a</sup>	-.271	-.053
	INSPI_3	-.170	-.271	.612 <sup>a</sup>	-.304
	INSPI_4	-.080	-.053	-.304	.650 <sup>a</sup>

a. Measures of Sampling Adequacy(MSA)

### Communalities

	Initial	Extraction
INSPI_1	1.000	.326
INSPI_2	1.000	.411
INSPI_3	1.000	.608
INSPI_4	1.000	.416

Extraction Method: Principal Component Analysis.



### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.760	43.988	43.988	1.760	43.988	43.988
2	.847	21.171	65.160			
3	.809	20.222	85.382			
4	.585	14.618	100.000			

Extraction Method: Principal Component Analysis.

### Component Matrix<sup>a</sup>

	Component
	1
INSPI_1	.571
INSPI_2	.641
INSPI_3	.780
INSPI_4	.645

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

**Factor Analysis: INSPIRATIONAL MOTIVATION (Continued)****KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.581
Bartlett's Test of Sphericity	Approx. Chi-Square	20.197
	df	3
	Sig.	.000

**Anti-image Matrices**

		INSPI_2	INSPI_3	INSPI_4
Anti-image Covariance	INSPI_2	.884	-.249	-.055
	INSPI_3	-.249	.794	-.268
	INSPI_4	-.055	-.268	.868
Anti-image Correlation	INSPI_2	.609 <sup>a</sup>	-.297	-.063
	INSPI_3	-.297	.556 <sup>a</sup>	-.323
	INSPI_4	-.063	-.323	.596 <sup>a</sup>

a. Measures of Sampling Adequacy(MSA)

**Communalities**

	Initial	Extraction
INSPI_2	1.000	.450
INSPI_3	1.000	.654
INSPI_4	1.000	.483

Extraction Method: Principal Component Analysis.

**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.587	52.912	52.912	1.587	52.912	52.912
2	.825	27.486	80.398			
3	.588	19.602	100.000			

Extraction Method: Principal Component Analysis.

**Component Matrix<sup>a</sup>**

	Component
	1
INSPI_2	.671
INSPI_3	.809
INSPI_4	.695

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

**Reliability: INSPIRATIONAL MOTIVATION**

\*\*\*\*\* Method 1 (space saver) will be used for this analysis \*\*\*\*\*

**RELIABILITY ANALYSIS - SCALE (ALPHA)**

	Mean	Std Dev	Cases
1. INSPI_2	4.3375	.8411	80.0
2. INSPI_3	4.2000	.8329	80.0
3. INSPI_4	4.1625	.7368	80.0

	Mean	Variance	Std Dev	N of Variables
Statistics for SCALE	12.7000	3.0734	1.7531	3

**Item-total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Alpha if Item Deleted
INSPI_2	8.3625	1.6771	.3162	.5253
INSPI_3	8.5000	1.4684	.4515	.2970
INSPI_4	8.5375	1.8720	.3266	.5031

**Reliability Coefficients**

N of Cases = 80.0

N of Items = 3

Alpha = .5512

## Factor Analysis: INDIVIDUALIZED CONSIDERATION

### KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.591
Bartlett's Test of Sphericity	Approx. Chi-Square	20.249
	df	6
	Sig.	.003

### Anti-image Matrices

		INDV_1	INDV_2	INDV_3	INDV_4
Anti-image Covariance	INDV_1	.912	.052	-.070	-.217
	INDV_2	.052	.952	-.156	-.068
	INDV_3	-.070	-.156	.852	-.247
	INDV_4	-.217	-.068	-.247	.823
Anti-image Correlation	INDV_1	.597 <sup>a</sup>	.056	-.079	-.251
	INDV_2	.056	.596 <sup>a</sup>	-.173	-.077
	INDV_3	-.079	-.173	.599 <sup>a</sup>	-.295
	INDV_4	-.251	-.077	-.295	.580 <sup>a</sup>

a. Measures of Sampling Adequacy(MSA)

### Communalities

	Initial	Extraction
INDV_1	1.000	.311
INDV_2	1.000	.166
INDV_3	1.000	.530
INDV_4	1.000	.592

Extraction Method: Principal Component Analysis.



### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.599	39.977	39.977	1.599	39.977	39.977
2	1.028	25.699	65.675			
3	.749	18.714	84.389			
4	.624	15.611	100.000			

Extraction Method: Principal Component Analysis.

### Component Matrix<sup>a</sup>

	Component
	1
INDV_1	.558
INDV_2	
INDV_3	.728
INDV_4	.770

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

**Factor Analysis: INDIVIDUALIZED CONSIDERATION (Continued)****KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.577
Bartlett's Test of Sphericity	Approx. Chi-Square	16.549
	df	3
	Sig.	.001

**Anti-image Matrices**

		INDV_1	INDV_3	INDV_4
Anti-image Covariance	INDV_1	.914	-.063	-.215
	INDV_3	-.063	.878	-.268
	INDV_4	-.215	-.268	.828
Anti-image Correlation	INDV_1	.618 <sup>a</sup>	-.070	-.247
	INDV_3	-.070	.581 <sup>a</sup>	-.314
	INDV_4	-.247	-.314	.554 <sup>a</sup>

a. Measures of Sampling Adequacy(MSA)

**Communalities**

	Initial	Extraction
INDV_1	1.000	.406
INDV_3	1.000	.496
INDV_4	1.000	.631

Extraction Method: Principal Component Analysis.

**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.532	51.079	51.079	1.532	51.079	51.079
2	.843	28.090	79.169			
3	.625	20.831	100.000			

Extraction Method: Principal Component Analysis.

**Component Matrix<sup>a</sup>**

	Component
	1
INDV_1	.637
INDV_3	.704
INDV_4	.794

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

**Reliability: INDIVIDUALIZED CONSIDERATION**

\*\*\*\*\* Method 1 (space saver) will be used for this analysis \*\*\*\*\*

**RELIABILITY ANALYSIS - SCALE (ALPHA)**

	Mean	Std Dev	Cases
1. INDV_1	3.9625	.8779	80.0
2. INDV_3	3.0875	1.0087	80.0
3. INDV_4	3.4000	.9223	80.0

	Mean	Variance	Std Dev	N of Variables
Statistics for SCALE	10.4500	4.0228	2.0057	3

**Item-total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Alpha if Item Deleted
INDV_1	6.4875	2.5062	.2683	.5091
INDV_3	7.3625	2.0821	.3171	.4426
INDV_4	7.0500	2.0734	.4137	.2750

**Reliability Coefficients**

N of Cases = 80.0

N of Items = 3

Alpha = .5160

## Factor Analysis: CONTINGENT REWARD

### KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.627
Bartlett's Test of Sphericity	Approx. Chi-Square	21.787
	df	6
	Sig.	.001

### Anti-image Matrices

		CR_1	CR_2	CR_3	CR_4
Anti-image Covariance	CR_1	.860	.021	-.232	-.178
	CR_2	.021	.930	-.161	-.136
	CR_3	-.232	-.161	.842	-.122
	CR_4	-.178	-.136	-.122	.882
Anti-image Correlation	CR_1	.604 <sup>a</sup>	.024	-.273	-.204
	CR_2	.024	.622 <sup>a</sup>	-.182	-.150
	CR_3	-.273	-.182	.622 <sup>a</sup>	-.141
	CR_4	-.204	-.150	-.141	.664 <sup>a</sup>

a. Measures of Sampling Adequacy(MSA)

### Communalities

	Initial	Extraction
CR_1	1.000	.443
CR_2	1.000	.257
CR_3	1.000	.525
CR_4	1.000	.448

Extraction Method: Principal Component Analysis.



### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.673	41.818	41.818	1.673	41.818	41.818
2	.928	23.205	65.023			
3	.765	19.128	84.151			
4	.634	15.849	100.000			

Extraction Method: Principal Component Analysis.

### Component Matrix<sup>a</sup>

	Component
	1
CR_1	.666
CR_2	.507
CR_3	.724
CR_4	.669

Extraction Method: Principal Component Analysis.

a. 1 components extracted.



**Factor Analysis: CONTINGENT REWARD (Continued)****KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.613
Bartlett's Test of Sphericity	Approx. Chi-Square	16.281
	df	3
	Sig.	.001

**Anti-image Matrices**

		CR_1	CR_3	CR_4
Anti-image Covariance	CR_1	.861	-.237	-.179
	CR_3	-.237	.871	-.153
	CR_4	-.179	-.153	.902
Anti-image Correlation	CR_1	.598 <sup>a</sup>	-.273	-.203
	CR_3	-.273	.606 <sup>a</sup>	-.173
	CR_4	-.203	-.173	.644 <sup>a</sup>

a. Measures of Sampling Adequacy(MSA)

**Communalities**

	Initial	Extraction
CR_1	1.000	.559
CR_3	1.000	.534
CR_4	1.000	.460

Extraction Method: Principal Component Analysis.

**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.553	51.763	51.763	1.553	51.763	51.763
2	.769	25.633	77.396			
3	.678	22.604	100.000			

Extraction Method: Principal Component Analysis.

**Component Matrix<sup>a</sup>**

	Component
	1
CR_1	.747
CR_3	.731
CR_4	.679

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

**Reliability: CONTINGENT REWARD**

\*\*\*\*\* Method 1 (space saver) will be used for this analysis \*\*\*\*\*

**RELIABILITY ANALYSIS - SCALE (ALPHA)**

	Mean	Std Dev	Cases
1. CR_1	2.7750	1.0431	80.0
2. CR_3	3.7750	1.1360	80.0
3. CR_4	3.4375	.9119	80.0

	Mean	Variance	Std Dev	N of Variables
Statistics for SCALE	9.9875	4.9745	2.2304	3

**Item-total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Alpha if Item Deleted
CR_1	7.2125	2.6252	.3732	.3833
CR_3	6.2125	2.4226	.3567	.4154
CR_4	6.5500	3.1367	.3116	.4835

**Reliability Coefficients**

N of Cases = 80.0

N of Items = 3

Alpha = .5321

## Factor Analysis: MANAGEMENT BY EXCEPTION-ACTIVE

### KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.536
Bartlett's Test of Sphericity	Approx. Chi-Square	12.684
	df	6
	Sig.	.048

### Anti-image Matrices

		MBEA_1	MBEA_2	MBEA_3	MBEA_4
Anti-image Covariance	MBEA_1	.868	-.001	-.199	-.250
	MBEA_2	-.001	.985	-.102	.059
	MBEA_3	-.199	-.102	.932	-.029
	MBEA_4	-.250	.059	-.029	.909
Anti-image Correlation	MBEA_1	.530 <sup>a</sup>	-.002	-.221	-.281
	MBEA_2	-.002	.476 <sup>a</sup>	-.106	.062
	MBEA_3	-.221	-.106	.556 <sup>a</sup>	-.031
	MBEA_4	-.281	.062	-.031	.540 <sup>a</sup>

a. Measures of Sampling Adequacy(MSA)

### Communalities

	Initial	Extraction
MBEA_1	1.000	.624
MBEA_2	1.000	.006
MBEA_3	1.000	.362
MBEA_4	1.000	.438

Extraction Method: Principal Component Analysis.



### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.430	35.745	35.745	1.430	35.745	35.745
2	1.076	26.899	62.644			
3	.831	20.784	83.427			
4	.663	16.573	100.000			

Extraction Method: Principal Component Analysis.

### Component Matrix<sup>a</sup>

	Component
	1
MBEA_1	.790
MBEA_2	
MBEA_3	.602
MBEA_4	.662

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

**Factor Analysis: MANAGEMENT BY EXCEPTION-ACTIVE (Continued)****KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.500
Bartlett's Test of Sphericity	Approx. Chi-Square	7.028
	df	1
	Sig.	.008

**Anti-image Matrices**

		MBEA_1	MBEA_4
Anti-image Covariance	MBEA_1	.913	-.269
	MBEA_4	-.269	.913
Anti-image Correlation	MBEA_1	.500 <sup>a</sup>	-.294
	MBEA_4	-.294	.500 <sup>a</sup>

a. Measures of Sampling Adequacy(MSA)

**Communalities**

	Initial	Extraction
MBEA_1	1.000	.647
MBEA_4	1.000	.647

Extraction Method: Principal Component Analysis.

**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.294	64.722	64.722	1.294	64.722	64.722
2	.706	35.278	100.000			

Extraction Method: Principal Component Analysis.

**Component Matrix<sup>a</sup>**

	Component
	1
MBEA_1	.804
MBEA_4	.804

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

**Reliability: MANAGEMENT BY EXCEPTION-ACTIVE**

\*\*\*\*\* Method 1 (space saver) will be used for this analysis \*\*\*\*\*

**RELIABILITY ANALYSIS - SCALE (ALPHA)**

	Mean	Std Dev	Cases
1. MBEA_1	3.0750	1.1226	80.0
2. MBEA_4	3.4625	1.0427	80.0

	Mean	Variance	Std Dev	N of Variables
Statistics for SCALE	6.5375	3.0366	1.7426	2

**Item-total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Alpha if Item Deleted
MBEA_1	3.4625	1.0872	.2944	.
MBEA_4	3.0750	1.2601	.2944	.

**Reliability Coefficients**

N of Cases = 80.0                      N of Items = 2

Alpha = .4540

**Factor Analysis: MANAGEMENT BY EXCEPTION-PASSIVE****KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.566
Bartlett's Test of Sphericity	Approx. Chi-Square	13.991
	df	6
	Sig.	.030

**Anti-image Matrices**

		MBEP_1	MBEP_2	MBEP_3	MBEP_4
Anti-image Covariance	MBEP_1	.985	-.109	-.022	.041
	MBEP_2	-.109	.937	-.139	-.099
	MBEP_3	-.022	-.139	.869	-.269
	MBEP_4	.041	-.099	-.269	.880
Anti-image Correlation	MBEP_1	.484 <sup>a</sup>	-.113	-.024	.044
	MBEP_2	-.113	.622 <sup>a</sup>	-.154	-.109
	MBEP_3	-.024	-.154	.558 <sup>a</sup>	-.307
	MBEP_4	.044	-.109	-.307	.556 <sup>a</sup>

a. Measures of Sampling Adequacy(MSA)

**Communalities**

	Initial	Extraction
MBEP_1	1.000	.028
MBEP_2	1.000	.362
MBEP_3	1.000	.573
MBEP_4	1.000	.516

Extraction Method: Principal Component Analysis.

**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.479	36.987	36.987	1.479	36.987	36.987
2	1.045	26.121	63.107			
3	.810	20.251	83.358			
4	.666	16.642	100.000			

Extraction Method: Principal Component Analysis.

**Component Matrix<sup>a</sup>**

	Component
	1
MBEP_1	
MBEP_2	.602
MBEP_3	.757
MBEP_4	.718

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

**Factor Analysis: MANAGEMENT BY EXCEPTION-PASSIVE (Continued)****KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.500
Bartlett's Test of Sphericity	Approx. Chi-Square	8.889
	df	1
	Sig.	.003

**Anti-image Matrices**

		MBEP_3	MBEP_4
Anti-image Covariance	MBEP_3	.892	-.294
	MBEP_4	-.294	.892
Anti-image Correlation	MBEP_3	.500 <sup>a</sup>	-.329
	MBEP_4	-.329	.500 <sup>a</sup>

a. Measures of Sampling Adequacy(MSA)

**Communalities**

	Initial	Extraction
MBEP_3	1.000	.665
MBEP_4	1.000	.665

Extraction Method: Principal Component Analysis.

**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.329	66.459	66.459	1.329	66.459	66.459
2	.671	33.541	100.000			

Extraction Method: Principal Component Analysis.

**Component Matrix<sup>a</sup>**

	Component
	1
MBEP_3	.815
MBEP_4	.815

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

**Reliability: MANAGEMENT BY EXCEPTION-PASSIVE**

\*\*\*\*\* Method 1 (space saver) will be used for this analysis \*\*\*\*\*

**RELIABILITY ANALYSIS - SCALE (ALPHA)**

	Mean	Std Dev	Cases
1. MBEP_3	2.3750	1.0358	80.0
2. MBEP_4	2.5000	1.1138	80.0

Statistics for	Mean	Variance	Std Dev	N of Variables
SCALE	4.8750	3.0728	1.7529	2

**Item-total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Alpha if Item Deleted
MBEP_3	2.5000	1.2405	.3292	.
MBEP_4	2.3750	1.0728	.3292	.

**Reliability Coefficients**

N of Cases = 80.0                      N of Items = 2

Alpha = .4943



**Factor Analysis: LAISSEZ-FAIRE****KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.568
Bartlett's Test of Sphericity	Approx. Chi-Square	24.394
	df	6
	Sig.	.000

**Anti-image Matrices**

		LF_1	LF_2	LF_3	LF_4
Anti-image Covariance	LF_1	.840	-.223	-.164	-.142
	LF_2	-.223	.818	-.031	-.232
	LF_3	-.164	-.031	.941	.162
	LF_4	-.142	-.232	.162	.843
Anti-image Correlation	LF_1	.591 <sup>a</sup>	-.269	-.184	-.168
	LF_2	-.269	.598 <sup>a</sup>	-.035	-.279
	LF_3	-.184	-.035	.401 <sup>a</sup>	.181
	LF_4	-.168	-.279	.181	.570 <sup>a</sup>

a. Measures of Sampling Adequacy(MSA)

**Communalities**

	Initial	Extraction
LF_1	1.000	.520
LF_2	1.000	.608
LF_3	1.000	.008
LF_4	1.000	.471

Extraction Method: Principal Component Analysis.

**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.608	40.211	40.211	1.608	40.211	40.211
2	1.120	28.002	68.213			
3	.646	16.141	84.354			
4	.626	15.646	100.000			

Extraction Method: Principal Component Analysis.

**Component Matrix<sup>a</sup>**

	Component
	1
LF_1	.721
LF_2	.780
LF_3	
LF_4	.687

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

**Factor Analysis: LAISSEZ-FAIRE (Continued)****KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.614
Bartlett's Test of Sphericity	Approx. Chi-Square	19.835
	df	3
	Sig.	.000

**Anti-image Matrices**

		LF_1	LF_2	LF_4
Anti-image Covariance	LF_1	.870	-.237	-.122
	LF_2	-.237	.819	-.234
	LF_4	-.122	-.234	.872
Anti-image Correlation	LF_1	.631 <sup>a</sup>	-.281	-.140
	LF_2	-.281	.590 <sup>a</sup>	-.278
	LF_4	-.140	-.278	.633 <sup>a</sup>

a. Measures of Sampling Adequacy(MSA)

**Communalities**

	Initial	Extraction
LF_1	1.000	.500
LF_2	1.000	.609
LF_4	1.000	.497

Extraction Method: Principal Component Analysis.

**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.605	53.516	53.516	1.605	53.516	53.516
2	.764	25.473	78.989			
3	.630	21.011	100.000			

Extraction Method: Principal Component Analysis.

**Component Matrix<sup>a</sup>**

	Component
	1
LF_1	.707
LF_2	.780
LF_4	.705

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

**Reliability: LAISSEZ-FAIRE**

\*\*\*\*\* Method 1 (space saver) will be used for this analysis \*\*\*\*\*

**RELIABILITY ANALYSIS - SCALE (ALPHA)**

	Mean	Std Dev	Cases
1. LF_1	1.7875	.9897	80.0
2. LF_2	2.1875	.7308	80.0
3. LF_4	1.6375	.7504	80.0

	Mean	Variance	Std Dev	N of Variables
Statistics for SCALE	5.6125	3.2783	1.8106	3

**Item-total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Alpha if Item Deleted
LF_1	3.8250	1.4627	.3492	.4998
LF_2	3.4250	1.8930	.4233	.3701
LF_4	3.9750	1.9994	.3373	.4859

**Reliability Coefficients**

N of Cases = 80.0

N of Items = 3

Alpha = .5498

**Factor Analysis: EFFECTIVENESS****KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.506
Bartlett's Test of Sphericity	Approx. Chi-Square	5.446
	df	6
	Sig.	.488

**Anti-image Matrices**

		EFFV_1	EFFV_2	EFFV_3	EFFV_4
Anti-image Covariance	EFFV_1	.978	.087	.112	-.039
	EFFV_2	.087	.981	-.021	-.093
	EFFV_3	.112	-.021	.949	-.182
	EFFV_4	-.039	-.093	-.182	.953
Anti-image Correlation	EFFV_1	.481 <sup>a</sup>	.088	.117	-.041
	EFFV_2	.088	.544 <sup>a</sup>	-.022	-.096
	EFFV_3	.117	-.022	.509 <sup>a</sup>	-.191
	EFFV_4	-.041	-.096	-.191	.498 <sup>a</sup>

a. Measures of Sampling Adequacy(MSA)

**Communalities**

	Initial	Extraction
EFFV_1	1.000	.173
EFFV_2	1.000	.235
EFFV_3	1.000	.475
EFFV_4	1.000	.397

Extraction Method: Principal Component Analysis.

**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.281	32.013	32.013	1.281	32.013	32.013
2	1.017	25.423	57.436			
3	.948	23.691	81.127			
4	.755	18.873	100.000			

Extraction Method: Principal Component Analysis.

**Component Matrix<sup>a</sup>**

	Component
	1
EFFV_1	
EFFV_2	
EFFV_3	.689
EFFV_4	.630

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

**Factor Analysis: EFFECTIVENESS (Continued)****KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.500
Bartlett's Test of Sphericity	Approx. Chi-Square	2.897
	df	1
	Sig.	.089

**Anti-image Matrices**

		EFFV_3	EFFV_4
Anti-image Covariance	EFFV_3	.963	-.185
	EFFV_4	-.185	.963
Anti-image Correlation	EFFV_3	.500 <sup>a</sup>	-.192
	EFFV_4	-.192	.500 <sup>a</sup>

a. Measures of Sampling Adequacy(MSA)

**Communalities**

	Initial	Extraction
EFFV_3	1.000	.596
EFFV_4	1.000	.596

Extraction Method: Principal Component Analysis.

**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.192	59.577	59.577	1.192	59.577	59.577
2	.808	40.423	100.000			

Extraction Method: Principal Component Analysis.

**Component Matrix<sup>a</sup>**

	Component
	1
EFFV_3	.772
EFFV_4	.772

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

**Reliability: EFFECTIVENESS**

\*\*\*\*\* Method 1 (space saver) will be used for this analysis \*\*\*\*\*

**RELIABILITY ANALYSIS - SCALE (ALPHA)**

	Mean	Std Dev	Cases
1. EFFV_3	3.9125	.7826	80.0
2. EFFV_4	4.3750	.6439	80.0

Statistics for	Mean	Variance	Std Dev	N of Variables
SCALE	8.2875	1.2201	1.1046	2

**Item-total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Alpha if Item Deleted
EFFV_3	4.3750	.4146	.1915	.
EFFV_4	3.9125	.6125	.1915	.

**Reliability Coefficients**

N of Cases = 80.0

N of Items = 2

Alpha = .3164

**Factor Analysis: EXTRA EFFORT****KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.504
Bartlett's Test of Sphericity	Approx. Chi-Square	13.585
	df	3
	Sig.	.004

**Anti-image Matrices**

		EFFORT_1	EFFORT_2	EFFORT_3
Anti-image Covariance	EFFORT_1	.913	-.255	.034
	EFFORT_2	-.255	.841	-.249
	EFFORT_3	.034	-.249	.917
Anti-image Correlation	EFFORT_1	.506 <sup>a</sup>	-.291	.037
	EFFORT_2	-.291	.503 <sup>a</sup>	-.283
	EFFORT_3	.037	-.283	.506 <sup>a</sup>

a. Measures of Sampling Adequacy(MSA)

**Communalities**

	Initial	Extraction
EFFORT_1	1.000	.389
EFFORT_2	1.000	.674
EFFORT_3	1.000	.372

Extraction Method: Principal Component Analysis.

**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.434	47.812	47.812	1.434	47.812	47.812
2	.951	31.689	79.501			
3	.615	20.499	100.000			

Extraction Method: Principal Component Analysis.

**Component Matrix<sup>a</sup>**

	Component
	1
EFFORT_1	.623
EFFORT_2	.821
EFFORT_3	.610

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

**Factor Analysis: EXTRA EFFORT (Continued)****KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.500
Bartlett's Test of Sphericity	Approx. Chi-Square	6.963
	df	1
	Sig.	.008

**Anti-image Matrices**

		EFFORT_1	EFFORT_2
Anti-image Covariance	EFFORT_1	.914	-.268
	EFFORT_2	-.268	.914
Anti-image Correlation	EFFORT_1	.500 <sup>a</sup>	-.293
	EFFORT_2	-.293	.500 <sup>a</sup>

a. Measures of Sampling Adequacy(MSA)

**Communalities**

	Initial	Extraction
EFFORT_1	1.000	.647
EFFORT_2	1.000	.647

Extraction Method: Principal Component Analysis.

**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.293	64.656	64.656	1.293	64.656	64.656
2	.707	35.344	100.000			

Extraction Method: Principal Component Analysis.

**Component Matrix<sup>a</sup>**

	Component
	1
EFFORT_1	.804
EFFORT_2	.804

Extraction Method: Principal Component Analysis.

a. 1 components extracted.



**Reliability: EXTRA EFFORT**

\*\*\*\*\* Method 1 (space saver) will be used for this analysis \*\*\*\*\*

**RELIABILITY ANALYSIS - SCALE (ALPHA)**

	Mean	Std Dev	Cases
1. EFFORT_1	3.4375	.7605	80.0
2. EFFORT_2	3.9000	.8802	80.0

Statistics for	Mean	Variance	Std Dev	N of Variables
SCALE	7.3375	1.7454	1.3211	2

**Item-total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Alpha if Item Deleted
EFFORT_1	3.9000	.7747	.2931	.
EFFORT_2	3.4375	.5783	.2931	.

**Reliability Coefficients**

N of Cases = 80.0                      N of Items = 2

Alpha = .4496

## Factor Analysis: SATISFACTION

### KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.500
Bartlett's Test of Sphericity	Approx. Chi-Square	3.265
	df	1
	Sig.	.071

### Anti-image Matrices

		SATISF_1	SATISF_2
Anti-image Covariance	SATISF_1	.959	-.195
	SATISF_2	-.195	.959
Anti-image Correlation	SATISF_1	.500 <sup>a</sup>	-.203
	SATISF_2	-.203	.500 <sup>a</sup>

a. Measures of Sampling Adequacy(MSA)

### Communalities

	Initial	Extraction
SATISF_1	1.000	.602
SATISF_2	1.000	.602

Extraction Method: Principal Component Analysis.

### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.203	60.156	60.156	1.203	60.156	60.156
2	.797	39.844	100.000			

Extraction Method: Principal Component Analysis.

### Component Matrix<sup>a</sup>

	Component
	1
SATISF_1	.776
SATISF_2	.776

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

**Reliability: SATISFACTION**

\*\*\*\*\* Method 1 (space saver) will be used for this analysis \*\*\*\*\*

**RELIABILITY ANALYSIS - SCALE (ALPHA)**

	Mean	Std Dev	Cases
1. SATISF_1	3.6500	.9691	80.0
2. SATISF_2	3.5375	.7106	80.0

Statistics for	Mean	Variance	Std Dev	N of Variables
SCALE	7.1875	1.7239	1.3130	2

**Item-total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Alpha if Item Deleted
SATISF_1	3.5375	.5049	.2031	.
SATISF_2	3.6500	.9392	.2031	.

**Reliability Coefficients**

N of Cases = 80.0                      N of Items = 2

Alpha = .3246

### APPENDIX 3 FREQUENCIES

#### Respondent's Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	female	24	30.0	30.0	30.0
	male	56	70.0	70.0	100.0
	Total	80	100.0	100.0	

#### Leader's Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	female	16	20.0	20.0	20.0
	male	64	80.0	80.0	100.0
	Total	80	100.0	100.0	

#### Respondent's Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	28	35.0	35.0	35.0
	Married	52	65.0	65.0	100.0
	Total	80	100.0	100.0	

#### Leader's Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	6	7.5	7.5	7.5
	Married	74	92.5	92.5	100.0
	Total	80	100.0	100.0	

#### Respondent's Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<25 yrs	7	8.8	8.8	8.8
	25-34 yrs	63	78.8	78.8	87.5
	35-44 yrs	8	10.0	10.0	97.5
	45-55 yrs	2	2.5	2.5	100.0
	Total	80	100.0	100.0	

#### Leader's Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	25-34 yrs	70	87.5	87.5	87.5
	35-44 yrs	10	12.5	12.5	100.0
	Total	80	100.0	100.0	

**Respondent's Educational Level**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid < High School	1	1.3	1.3	1.3
High School	5	6.3	6.3	7.5
Diploma	9	11.3	11.3	18.8
S1	63	78.8	78.8	97.5
S2	2	2.5	2.5	100.0
Total	80	100.0	100.0	

**Leader's Educational Level**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid < High School	1	1.3	1.3	1.3
High School	3	3.8	3.8	5.0
S1	67	83.8	83.8	88.8
S2	9	11.3	11.3	100.0
Total	80	100.0	100.0	

**Respondent's Current Position**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Supervisor	17	21.3	21.3	21.3
Manager	63	78.8	78.8	100.0
Total	80	100.0	100.0	

**Supervisor = Agency Manager**

**Manager = Senior Unit Manager**

**Leader's Current Position**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Supervisor	60	75.0	75.0	75.0
Manager	1	1.3	1.3	76.3
GM	19	23.8	23.8	100.0
Total	80	100.0	100.0	

**Supervisor = Senior Unit Manager**

**Manager = GM = Agency Manager + Senior Agency Manager**

**Respondent's Number of Agents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1-2	1	1.3	1.3	1.3
3-5	8	10.0	10.0	11.3
6-10	19	23.8	23.8	35.0
11-15	23	28.8	28.8	63.8
16-20	13	16.3	16.3	80.0
21-25	7	8.8	8.8	88.8
>26	9	11.3	11.3	100.0
Total	80	100.0	100.0	

**Leader's Number of Agents**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	3-5	1	1.3	1.3	1.3
	6-10	6	7.5	7.5	8.8
	11-15	9	11.3	11.3	20.0
	16-20	10	12.5	12.5	32.5
	21-25	9	11.3	11.3	43.8
	>26	45	56.3	56.3	100.0
	Total	80	100.0	100.0	

**Respondent's Tenure in Company**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-2 yrs	5	6.3	6.3	6.3
	>2-5 yrss	71	88.8	88.8	95.0
	>5-10 yrs	4	5.0	5.0	100.0
	Total	80	100.0	100.0	

**Leader's Tenure in Company**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-2 yrs	1	1.3	1.3	1.3
	>2-5 yrss	57	71.3	71.3	72.5
	>5-10 yrs	22	27.5	27.5	100.0
	Total	80	100.0	100.0	

**Respondent's Tenure in Current Position**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-2 yrs	50	62.5	62.5	62.5
	>2-5 yrss	28	35.0	35.0	97.5
	>5-10 yrs	2	2.5	2.5	100.0
	Total	80	100.0	100.0	

**Leader's Tenure in Current Position**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-2 yrs	11	13.8	13.8	13.8
	>2-5 yrss	51	63.8	63.8	77.5
	>5-10 yrs	18	22.5	22.5	100.0
	Total	80	100.0	100.0	

## APPENDIX 4 DESCRIPTIVE STATISTICS

**Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
IDEAL_A	80	1	5	2.86	.955
IDEAL_B	80	2	5	3.43	.759
INTEL	80	2	5	3.27	.693
INSPI	80	2	5	4.23	.584
INDIV	80	2	5	3.48	.669
TRANSFRM	80	2	5	3.45	.487
CR	80	1	5	3.33	.743
MBEA	80	2	5	3.27	.871
MBEP	80	1	5	2.44	.876
TRANSACT	80	2	5	3.01	.595
LF	80	1	4	1.87	.604
EFFV	80	3	5	4.14	.552
EFFORT	80	2	5	3.67	.661
SATSF	80	2	5	3.59	.656
Valid N (listwise)	80				



## APPENDIX 5 MEANS

### Case Processing Summary

	Cases					
	Included		Excluded		Total	
	N	Percent	N	Percent	N	Percent
IDEAL_A * SEX_BZ	80	100.0%	0	.0%	80	100.0%
IDEAL_B * SEX_BZ	80	100.0%	0	.0%	80	100.0%
INTEL * SEX_BZ	80	100.0%	0	.0%	80	100.0%
INSPI * SEX_BZ	80	100.0%	0	.0%	80	100.0%
INDIV * SEX_BZ	80	100.0%	0	.0%	80	100.0%
CR * SEX_BZ	80	100.0%	0	.0%	80	100.0%
MBEA * SEX_BZ	80	100.0%	0	.0%	80	100.0%
MBEP * SEX_BZ	80	100.0%	0	.0%	80	100.0%
LF * SEX_BZ	80	100.0%	0	.0%	80	100.0%
IDEAL_A * STATUS_B	80	100.0%	0	.0%	80	100.0%
IDEAL_B * STATUS_B	80	100.0%	0	.0%	80	100.0%
INTEL * STATUS_B	80	100.0%	0	.0%	80	100.0%
INSPI * STATUS_B	80	100.0%	0	.0%	80	100.0%
INDIV * STATUS_B	80	100.0%	0	.0%	80	100.0%
CR * STATUS_B	80	100.0%	0	.0%	80	100.0%
MBEA * STATUS_B	80	100.0%	0	.0%	80	100.0%
MBEP * STATUS_B	80	100.0%	0	.0%	80	100.0%
LF * STATUS_B	80	100.0%	0	.0%	80	100.0%
IDEAL_A * AGE_BZ	80	100.0%	0	.0%	80	100.0%
IDEAL_B * AGE_BZ	80	100.0%	0	.0%	80	100.0%
INTEL * AGE_BZ	80	100.0%	0	.0%	80	100.0%
INSPI * AGE_BZ	80	100.0%	0	.0%	80	100.0%
INDIV * AGE_BZ	80	100.0%	0	.0%	80	100.0%
CR * AGE_BZ	80	100.0%	0	.0%	80	100.0%
MBEA * AGE_BZ	80	100.0%	0	.0%	80	100.0%
MBEP * AGE_BZ	80	100.0%	0	.0%	80	100.0%
LF * AGE_BZ	80	100.0%	0	.0%	80	100.0%
IDEAL_A * EDUC_BZ	80	100.0%	0	.0%	80	100.0%
IDEAL_B * EDUC_BZ	80	100.0%	0	.0%	80	100.0%
INTEL * EDUC_BZ	80	100.0%	0	.0%	80	100.0%
INSPI * EDUC_BZ	80	100.0%	0	.0%	80	100.0%
INDIV * EDUC_BZ	80	100.0%	0	.0%	80	100.0%
CR * EDUC_BZ	80	100.0%	0	.0%	80	100.0%
MBEA * EDUC_BZ	80	100.0%	0	.0%	80	100.0%
MBEP * EDUC_BZ	80	100.0%	0	.0%	80	100.0%
LF * EDUC_BZ	80	100.0%	0	.0%	80	100.0%
IDEAL_A * POST_BZ	80	100.0%	0	.0%	80	100.0%
IDEAL_B * POST_BZ	80	100.0%	0	.0%	80	100.0%
INTEL * POST_BZ	80	100.0%	0	.0%	80	100.0%
INSPI * POST_BZ	80	100.0%	0	.0%	80	100.0%
INDIV * POST_BZ	80	100.0%	0	.0%	80	100.0%
CR * POST_BZ	80	100.0%	0	.0%	80	100.0%
MBEA * POST_BZ	80	100.0%	0	.0%	80	100.0%
MBEP * POST_BZ	80	100.0%	0	.0%	80	100.0%
LF * POST_BZ	80	100.0%	0	.0%	80	100.0%
IDEAL_A * NOAGEN_B	80	100.0%	0	.0%	80	100.0%
IDEAL_B * NOAGEN_B	80	100.0%	0	.0%	80	100.0%
INTEL * NOAGEN_B	80	100.0%	0	.0%	80	100.0%
INSPI * NOAGEN_B	80	100.0%	0	.0%	80	100.0%
INDIV * NOAGEN_B	80	100.0%	0	.0%	80	100.0%
CR * NOAGEN_B	80	100.0%	0	.0%	80	100.0%
MBEA * NOAGEN_B	80	100.0%	0	.0%	80	100.0%
MBEP * NOAGEN_B	80	100.0%	0	.0%	80	100.0%
LF * NOAGEN_B	80	100.0%	0	.0%	80	100.0%
IDEAL_A * YR_CO_BZ	80	100.0%	0	.0%	80	100.0%
IDEAL_B * YR_CO_BZ	80	100.0%	0	.0%	80	100.0%
INTEL * YR_CO_BZ	80	100.0%	0	.0%	80	100.0%
INSPI * YR_CO_BZ	80	100.0%	0	.0%	80	100.0%
INDIV * YR_CO_BZ	80	100.0%	0	.0%	80	100.0%
CR * YR_CO_BZ	80	100.0%	0	.0%	80	100.0%
MBEA * YR_CO_BZ	80	100.0%	0	.0%	80	100.0%
MBEP * YR_CO_BZ	80	100.0%	0	.0%	80	100.0%
LF * YR_CO_BZ	80	100.0%	0	.0%	80	100.0%
IDEAL_A * YRPSTN_B	80	100.0%	0	.0%	80	100.0%
IDEAL_B * YRPSTN_B	80	100.0%	0	.0%	80	100.0%
INTEL * YRPSTN_B	80	100.0%	0	.0%	80	100.0%
INSPI * YRPSTN_B	80	100.0%	0	.0%	80	100.0%
INDIV * YRPSTN_B	80	100.0%	0	.0%	80	100.0%
CR * YRPSTN_B	80	100.0%	0	.0%	80	100.0%
MBEA * YRPSTN_B	80	100.0%	0	.0%	80	100.0%
MBEP * YRPSTN_B	80	100.0%	0	.0%	80	100.0%
LF * YRPSTN_B	80	100.0%	0	.0%	80	100.0%



**APPENDIX 6  
MEAN & STANDARD DEVIATION**

		SEX_BZ										
		female						male				
	Mean	N	Std. Deviation	Mean	N	Std. Deviation	Mean	N	Std. Deviation	Mean	N	Std. Deviation
IDEAL_A	2.7188	16	1.26450	2.8984	64	.86913	2.8625	80	.95459	3.4688	16	.75933
IDEAL_B	3.4688	16	.92139	3.4141	64	.72130	3.4250	80	.75933	3.2500	16	.69329
INTEL	3.2500	16	.81650	3.2734	64	.66625	3.2687	80	.69329	4.0625	16	.58437
INSPI	4.0625	16	.64657	4.2760	64	.56517	4.2333	80	.58437	3.5000	16	.66856
INDIV	3.5000	16	.74037	3.4792	64	.65566	3.4833	80	.66856	3.1042	16	.74345
CR	3.1042	16	.99420	3.3854	64	.66460	3.3292	80	.74345	2.8750	16	.87129
MBEA	2.8750	16	.67082	3.3672	64	.89195	3.2688	80	.87129	2.2188	16	.87647
MBEP	2.2188	16	.81586	2.4922	64	.88861	2.4375	80	.87647	1.9375	16	.60354
LF	1.9375	16	.81848	1.8542	64	.54393	1.8708	80	.60354			

**Leadership Style based on Marital Status**

		STATUS_B											
		Single						Married					
	Mean	N	Std. Deviation	Mean	N	Std. Deviation	Mean	N	Std. Deviation	Mean	N	Std. Deviation	
IDEAL_A	2.4167	6	.73598	2.8986	74	.96507	2.8625	80	.95459	3.0000	6	.75933	
IDEAL_B	3.0000	6	1.14018	3.4595	74	.72033	3.4250	80	.75933	2.7500	6	.69329	
INTEL	2.7500	6	1.03682	3.3108	74	.65009	3.2687	80	.69329	4.0556	6	.58437	
INSPI	4.0556	6	.82776	4.2477	74	.56553	4.2333	80	.58437	3.5556	6	.66856	
INDIV	3.5556	6	.62063	3.4775	74	.67592	3.4833	80	.66856	2.8333	6	.74345	
CR	2.8333	6	1.09036	3.3694	74	.70348	3.3292	80	.74345	2.7500	6	.87129	
MBEA	2.7500	6	.68920	3.3108	74	.87469	3.2688	80	.87129	2.1667	6	.87647	
MBEP	2.1667	6	.41833	2.4122	74	.90037	2.4375	80	.87647				
LF	2.1667	6	.80966	1.8468	74	.58440	1.8708	80	.60354				

**Leadership Style based on Age**

	IDEAL_A	IDEAL_B	INTEL	INSPI	INDIV	CR	MBEA	MBEP	LF
25-34 yrs Mean	2.8429	3.4000	3.2143	4.2381	3.4810	3.3333	3.2857	2.5000	1.9048
25-34 yrs N	70	70	70	70	70	70	70	70	70
25-34 yrs Std. Deviation	.92683	.74503	.71003	.59016	.64863	.74427	.87878	.88055	.57635
35-44 yrs Mean	3.0000	3.6000	3.6500	4.2000	3.5000	3.3000	3.1500	2.0000	1.6333
35-44 yrs N	10	10	10	10	10	10	10	10	10
35-44 yrs Std. Deviation	1.17851	.87560	.41164	.57090	.83518	.77698	.85147	.74536	.76093
Total Mean	2.8625	3.4250	3.2687	4.2333	3.4833	3.3292	3.2688	2.4375	1.8708
Total N	80	80	80	80	80	80	80	80	80
Total Std. Deviation	.95459	.75933	.69329	.58437	.66856	.74345	.87129	.87647	.60354

Leadership Style based on Education

		EDUC_BZ						Total								
		< High School			High School			S1			S2			Total		
		Mean	N	Std. Deviation	Mean	N	Std. Deviation	Mean	N	Std. Deviation	Mean	N	Std. Deviation	Mean	N	Std. Deviation
IDEAL_A	4.0000	2.5000	1	.	3.0000	3	1.73205	2.8657	67	.95180	2.8333	9	.86603	2.8625	80	.95459
IDEAL_B	3.5000	3.5000	1	.	3.1667	3	1.44338	3.4254	67	.77973	3.5000	9	.35355	3.4250	80	.75933
INTEL	4.0000	4.5000	1	.	3.1667	3	1.04083	3.2537	67	.66500	3.2778	9	.79495	3.2687	80	.69329
INSPI	4.0000	3.3333	1	.	4.7778	3	38490	4.2040	67	.58302	4.3704	9	.53863	4.2333	80	.58437
INDIV	3.0000	3.3333	1	.	3.5556	3	1.07152	3.4577	67	.63255	3.6667	9	.88192	3.4833	80	.66856
CR	3.0000	4.5000	1	.	3.6667	3	.57735	3.2537	67	.75676	3.8148	9	.52997	3.3292	80	.74345
MBEA	4.0000	4.0000	1	.	3.0000	3	.86603	3.2239	67	.85406	3.5556	9	.98249	3.2688	80	.87129
MBEP	4.0000	4.0000	1	.	1.3333	3	.57735	2.4552	67	.85161	2.5000	9	.86603	2.4375	80	.87647
LF	1.6667	1.6667	1	.	1.3333	3	.33333	1.9453	67	.60190	1.5185	9	.52997	1.8708	80	.60354

Leadership Style based on Number of Agents

		NOAGEN_B						Total								
		3-5		6-10		11-15		16-20		21-25		>25		Total		
		Mean	N	Std. Deviation	Mean	N	Std. Deviation	Mean	N	Std. Deviation	Mean	N	Std. Deviation	Mean	N	Std. Deviation
IDEAL_A	4.0000	4.0000	1	.	2.5833	6	86120	2.8889	9	1.02402	2.4500	10	88598	2.7778	9	83333
IDEAL_B	3.5000	3.5000	1	.	3.2500	6	68920	3.3333	9	90139	3.2000	10	85635	3.5556	9	72648
INTEL	4.0000	4.0000	1	.	3.2500	6	75829	3.5000	9	43301	2.9500	10	62883	3.5000	9	75000
INSPI	4.0000	4.0000	1	.	3.7778	6	75031	4.3333	9	37268	4.4000	10	68921	4.4815	9	29397
INDIV	3.0000	3.0000	1	.	2.8333	6	66828	3.7037	9	61111	3.8667	10	55444	3.7407	9	52116
CR	3.0000	3.0000	1	.	2.6667	6	103280	3.4444	9	40825	3.2333	10	98194	3.1111	9	76376
MBEA	3.5000	3.5000	1	.	2.7500	6	75829	3.5556	9	76830	3.3000	10	1.15950	2.9444	9	88192
MBEP	3.5000	3.5000	1	.	2.1667	6	1.47196	2.2222	9	75462	2.6500	10	57975	2.5000	9	43301
LF	1.0000	1.0000	1	.	2.2222	6	77936	1.8148	9	.44444	1.9000	10	72094	2.1481	9	64788



## APPENDIX 7 REGRESSION

### Regression: EFFECTIVENESS

#### Variables Entered/Removed<sup>a</sup>

Model	Variables Entered	Variables Removed	Method
1	REGR factor score LAISSEZ FAIRE, REGR factor score TRANSACTIONAL L, REGR factor score TRANSFORMATIONAL L	.	Enter

a. All requested variables entered.

b. Dependent Variable: REGR factor score EFFECTIVENESS

#### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.354 <sup>a</sup>	.125	.091	.95365639

a. Predictors: (Constant), REGR factor score LAISSEZ FAIRE, REGR factor score TRANSACTIONAL L, REGR factor score TRANSFORMATIONAL L



#### ANOVA<sup>b</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.881	3	3.294	3.622	.017 <sup>a</sup>
	Residual	69.119	76	.909		
	Total	79.000	79			

a. Predictors: (Constant), REGR factor score LAISSEZ FAIRE, REGR factor score TRANSACTIONAL L, REGR factor score TRANSFORMATIONAL L

b. Dependent Variable: REGR factor score EFFECTIVENESS

#### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.120E-16	.107		.000	1.000
	REGR factor score TRANSFORMATIONAL L	-.176	.113	-.176	-1.559	.123
	REGR factor score TRANSACTIONAL L	.250	.110	.250	2.263	.027
	REGR factor score LAISSEZ FAIRE	-.283	.111	-.283	-2.555	.013

a. Dependent Variable: REGR factor score EFFECTIVENESS

#### Coefficients<sup>a</sup>

Model		Collinearity Statistics	
		Tolerance	VIF
1	REGR factor score TRANSFORMATIONAL L	.900	1.111
	REGR factor score TRANSACTIONAL L	.943	1.060
	REGR factor score LAISSEZ FAIRE	.941	1.063

a. Dependent Variable: REGR factor score EFFECTIVENESS

**Coefficient Correlations<sup>a</sup>**

Model			REGR factor score LAISSEZ FAIRE	REGR factor score TRANSACTIONAL L	REGR factor score TRANSFORMATIONAL L
1	Correlations	REGR factor score LAISSEZ FAIRE	1.000	-.105	.238
		REGR factor score TRANSACTIONAL L	-.105	1.000	-.233
		REGR factor score TRANSFORMATIONAL L	.238	-.233	1.000
	Covariances	REGR factor score LAISSEZ FAIRE	.012	-.001	.003
		REGR factor score TRANSACTIONAL L	-.001	.012	-.003
		REGR factor score TRANSFORMATIONAL L	.003	-.003	.013

a. Dependent Variable: REGR factor score EFFECTIVENESS

**Collinearity Diagnostics<sup>a</sup>**

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions			
				(Constant)	REGR factor score TRANSFORMATIONAL L	REGR factor score TRANSACTIONAL L	REGR factor score LAISSEZ FAIRE
1	1	1.283	1.000	.00	.38	.16	.17
	2	1.053	1.104	.00	.00	.46	.44
	3	1.000	1.133	1.00	.00	.00	.00
	4	.665	1.389	.00	.62	.38	.39

a. Dependent Variable: REGR factor score EFFECTIVENESS

**Variables Entered/Removed<sup>a</sup>**

Model	Variables Entered	Variables Removed	Method
1	REGR factor score LAISSEZ FAIRE, REGR factor score MGT BY EXCEPTION ACTIVE, REGR factor score INTELLIGENCE STIM, REGR factor score IDEALIZED BEHVR, REGR factor score INSPIRATIONAL , REGR factor score INDIVIDUALIZED CONS, REGR factor score MGT BY EXCEPTION PASSIVE, REGR factor score IDEALIZED ATTR, REGR factor score CONTINGENT REWARDS		Enter

a. All requested variables entered.

b. Dependent Variable: REGR factor score EFFECTIVENESS

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.461 <sup>a</sup>	.213	.112	.94257497

a. Predictors: (Constant), REGR factor score LAISSEZ FAIRE, REGR factor score MGT BY EXCEPTION ACTIVE, REGR factor score INTELLIGENCE STIM, REGR factor score IDEALIZED BEHVR, REGR factor score INSPIRATIONAL , REGR factor score INDIVIDUALIZED CONS, REGR factor score MGT BY EXCEPTION PASSIVE, REGR factor score IDEALIZED ATTR, REGR factor score CONTINGENT REWARDS

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.809	9	1.868	2.102	.041 <sup>a</sup>
	Residual	62.191	70	.888		
	Total	79.000	79			

a. Predictors: (Constant), REGR factor score LAISSEZ FAIRE, REGR factor score MGT BY EXCEPTION ACTIVE, REGR factor score INTELLIGENCE STIM, REGR factor score IDEALIZED BEHVR, REGR factor score INSPIRATIONAL, REGR factor score INDIVIDUALIZED CONS, REGR factor score MGT BY EXCEPTION PASSIVE, REGR factor score IDEALIZED ATTR, REGR factor score CONTINGENT REWARDS

b. Dependent Variable: REGR factor score EFFECTIVENESS

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.842E-16	.105		.000	1.000
	REGR factor score IDEALIZED ATTR	-.225	.135	-.225	-1.668	.100
	REGR factor score IDEALIZED BEHVR	-.110	.121	-.110	-.910	.366
	REGR factor score INTELLIGENCE STIM	-.066	.116	-.066	-.567	.573
	REGR factor score INSPIRATIONAL	.103	.123	.103	.835	.407
	REGR factor score INDIVIDUALIZED CONS	.215	.126	.215	1.713	.091
	REGR factor score CONTINGENT REWARDS	-.067	.137	-.067	-.490	.626
	REGR factor score MGT BY EXCEPTION ACTIVE	.115	.122	.115	.945	.348
	REGR factor score MGT BY EXCEPTION PASSIVE	.201	.123	.201	1.636	.106
	REGR factor score LAISSEZ FAIRE	-.285	.116	-.285	-2.462	.016

a. Dependent Variable: REGR factor score EFFECTIVENESS

**Coefficients<sup>a</sup>**

Model		Collinearity Statistics	
		Tolerance	VIF
1	REGR factor score IDEALIZED ATTR	.618	1.619
	REGR factor score IDEALIZED BEHVR	.772	1.296
	REGR factor score INTELLIGENCE STIM	.837	1.195
	REGR factor score INSPIRATIONAL	.742	1.348
	REGR factor score INDIVIDUALIZED CONS	.712	1.404
	REGR factor score CONTINGENT REWARDS	.598	1.673
	REGR factor score MGT BY EXCEPTION ACTIVE	.759	1.317
	REGR factor score MGT BY EXCEPTION PASSIVE	.747	1.339
	REGR factor score LAISSEZ FAIRE	.839	1.192

a. Dependent Variable: REGR factor score EFFECTIVENESS

**Coefficient Correlations<sup>a</sup>**

Model		REGR factor score LAISSEZ FAIRE	REGR factor score MGT BY EXCEPTION ACTIVE	REGR factor score INTELLIGENCE STIM	REGR factor score IDEALIZED BEHVR	REGR factor score INSPIRATIONAL	REGR factor score INDIVIDUALIZED CONS	REGR factor score MGT BY EXCEPTION PASSIVE	REGR factor score IDEALIZED ATTR	REGR factor score CONTINGENT REWARDS	
1	Correlations	REGR factor score LAISSEZ FAIRE	1.000	.094	-.060	-.019	.131	.130	-.311	.018	.070
		REGR factor score MGT BY EXCEPTION ACTIVE	.094	1.000	-.019	-.076	.125	-.080	-.353	.142	-.252
		REGR factor score INTELLIGENCE STIM	-.060	-.019	1.000	-.003	-.007	-.165	.122	-.191	-.071
		REGR factor score IDEALIZED BEHVR	-.019	-.076	-.003	1.000	-.165	-.037	.006	-.212	-.157
		REGR factor score INSPIRATIONAL	.131	.125	-.007	-.165	1.000	-.002	-.033	-.050	-.333
		REGR factor score INDIVIDUALIZED CONS	.130	-.080	-.165	-.037	-.002	1.000	-.034	-.320	-.101
		REGR factor score MGT BY EXCEPTION PASSIVE	-.311	-.353	.122	.006	-.033	-.034	1.000	.074	-.101
		REGR factor score IDEALIZED ATTR	.018	.142	-.191	-.212	-.050	-.320	.074	1.000	-.213
		REGR factor score CONTINGENT REWARDS	.070	-.252	-.071	-.157	-.333	-.101	-.101	-.213	1.000
		Covariances	REGR factor score LAISSEZ FAIRE	.013	.001	-.001	.000	.002	.002	-.004	.000
	REGR factor score MGT BY EXCEPTION ACTIVE		.001	.015	.000	-.001	.002	-.001	-.005	.002	-.004
	REGR factor score INTELLIGENCE STIM		-.001	.000	.013	-4.822E-05	-9.725E-05	-.002	.002	-.003	-.001
	REGR factor score IDEALIZED BEHVR		.000	-.001	-4.822E-05	.015	-.002	-.001	8.294E-05	-.003	-.003
	REGR factor score INSPIRATIONAL		.002	.002	-9.725E-05	-.002	.015	-3.285E-05	-.001	-.001	-.006
	REGR factor score INDIVIDUALIZED CONS		.002	-.001	-.002	-.001	-3.285E-05	.016	-.001	-.005	-.002
	REGR factor score MGT BY EXCEPTION PASSIVE		-.004	-.005	.002	8.294E-05	-.001	-.001	.015	.001	-.002
	REGR factor score IDEALIZED ATTR		.000	.002	-.003	-.003	-.001	-.005	.001	.018	-.004
	REGR factor score CONTINGENT REWARDS		.001	-.004	-.001	-.003	-.006	-.002	-.002	-.004	.019

a. Dependent Variable: REGR factor score EFFECTIVENESS

**Collinearity Diagnostics<sup>a</sup>**

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions									
				(Constant)	REGR factor score IDEALIZED ATTR	REGR factor score IDEALIZED BEHVR	REGR factor score INTELLIGENCE STIM	REGR factor score INSPIRATIONAL	REGR factor score INDIVIDUALIZED CONS	REGR factor score CONTINGENT REWARDS	REGR factor score MGT BY EXCEPTION ACTIVE	REGR factor score MGT BY EXCEPTION PASSIVE	REGR factor score LAISSEZ FAIRE
1	1	2.695	1.000	.00	.05	.04	.03	.04	.04	.05	.00	.00	.01
	2	1.567	1.311	.00	.01	.00	.01	.00	.00	.02	.16	.21	.05
	3	1.023	1.623	.00	.04	.01	.27	.12	.05	.01	.01	.01	.26
	4	1.000	1.642	1.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
	5	.916	1.715	.00	.01	.12	.02	.14	.08	.00	.19	.00	.28
	6	.710	1.948	.00	.06	.26	.38	.23	.10	.03	.00	.00	.00
	7	.672	2.003	.00	.03	.39	.17	.07	.25	.00	.12	.10	.00
	8	.516	2.286	.00	.15	.14	.09	.08	.10	.36	.06	.27	.11
	9	.485	2.359	.00	.28	.00	.02	.10	.33	.00	.11	.40	.27
	10	.416	2.546	.00	.38	.03	.01	.23	.05	.52	.35	.02	.01

a. Dependent Variable: REGR factor score EFFECTIVENESS

**Regression: EXTRA-EFFORT****Variables Entered/Removed<sup>a</sup>**

Model	Variables Entered	Variables Removed	Method
1	REGR factor score LAISSEZ FAIRE, REGR factor score TRANSACTIONAL L, REGR factor score TRANSFORMATIONAL L	.	Enter

a. All requested variables entered.

b. Dependent Variable: REGR factor score EXTRA EFFORTS

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.526 <sup>a</sup>	.277	.248	.86715316

a. Predictors: (Constant), REGR factor score LAISSEZ FAIRE, REGR factor score TRANSACTIONAL L, REGR factor score TRANSFORMATIONAL L

**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	21.851	3	7.284	9.687	.000 <sup>a</sup>
	Residual	57.149	76	.752		
	Total	79.000	79			

a. Predictors: (Constant), REGR factor score LAISSEZ FAIRE, REGR factor score TRANSACTIONAL L, REGR factor score TRANSFORMATIONAL L

b. Dependent Variable: REGR factor score EXTRA EFFORTS

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.85E-16	.097		.000	1.000
	REGR factor score TRANSFORMATIONAL L	.547	.103	.547	5.317	.000
	REGR factor score TRANSACTIONAL L	-.058	.100	-.058	-.574	.567
	REGR factor score LAISSEZ FAIRE	.068	.101	.068	.674	.502

a. Dependent Variable: REGR factor score EXTRA EFFORTS

**Coefficients<sup>a</sup>**

Model		Collinearity Statistics	
		Tolerance	VIF
1	REGR factor score TRANSFORMATIONAL L	.900	1.111
	REGR factor score TRANSACTIONAL L	.943	1.060
	REGR factor score LAISSEZ FAIRE	.941	1.063

a. Dependent Variable: REGR factor score EXTRA EFFORTS



**Coefficient Correlations<sup>a</sup>**

Model			REGR factor score LAISSEZ FAIRE	REGR factor score TRANSACTIONAL L	REGR factor score TRANSFORMATIONAL L
1	Correlations	REGR factor score LAISSEZ FAIRE	1.000	-.105	.238
		REGR factor score TRANSACTIONAL L	-.105	1.000	-.233
		REGR factor score TRANSFORMATIONAL L	.238	-.233	1.000
	Covariances	REGR factor score LAISSEZ FAIRE	.010	-.001	.002
		REGR factor score TRANSACTIONAL L	-.001	.010	-.002
		REGR factor score TRANSFORMATIONAL L	.002	-.002	.011

a. Dependent Variable: REGR factor score EXTRA EFFORTS

**Collinearity Diagnostics<sup>a</sup>**

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions			
				(Constant)	REGR factor score TRANSFORMATIONAL L	REGR factor score TRANSACTIONAL L	REGR factor score LAISSEZ FAIRE
1	1	1.283	1.000	.00	.38	.16	.17
	2	1.053	1.104	.00	.00	.46	.44
	3	1.000	1.133	1.00	.00	.00	.00
	4	.665	1.389	.00	.62	.38	.39

a. Dependent Variable: REGR factor score EXTRA EFFORTS

**Variables Entered/Removed<sup>a</sup>**

Model	Variables Entered	Variables Removed	Method
1	REGR factor score LAISSEZ FAIRE, REGR factor score MGT BY EXCEPTION ACTIVE, REGR factor score INTELLIGENCE STIM, REGR factor score IDEALIZED BEHVR, REGR factor score INSPIRATIONAL , REGR factor score INDIVIDUALIZED CONS, REGR factor score MGT BY EXCEPTION PASSIVE, REGR factor score IDEALIZED ATTR, REGR factor score CONTINGENT REWARDS		Enter

a. All requested variables entered.

b. Dependent Variable: REGR factor score EXTRA EFFORTS

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.597 <sup>a</sup>	.356	.273	.85260648

a. Predictors: (Constant), REGR factor score LAISSEZ FAIRE, REGR factor score MGT BY EXCEPTION ACTIVE, REGR factor score INTELLIGENCE STIM, REGR factor score IDEALIZED BEHVR, REGR factor score INSPIRATIONAL , REGR factor score INDIVIDUALIZED CONS, REGR factor score MGT BY EXCEPTION PASSIVE, REGR factor score IDEALIZED ATTR, REGR factor score CONTINGENT REWARDS

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	28.114	9	3.124	4.297	.000 <sup>a</sup>
	Residual	50.886	70	.727		
	Total	79.000	79			

a. Predictors: (Constant), REGR factor score LAISSEZ FAIRE, REGR factor score MGT BY EXCEPTION ACTIVE, REGR factor score INTELLIGENCE STIM, REGR factor score IDEALIZED BEHVR, REGR factor score INSPIRATIONAL, REGR factor score INDIVIDUALIZED CONS, REGR factor score MGT BY EXCEPTION PASSIVE, REGR factor score IDEALIZED ATTR, REGR factor score CONTINGENT REWARDS

b. Dependent Variable: REGR factor score EXTRA EFFORTS

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.123E-17	.095		.000	1.000
	REGR factor score IDEALIZED ATTR	.099	.122	.099	.810	.421
	REGR factor score IDEALIZED BEHVR	.066	.109	.066	.608	.545
	REGR factor score INTELLIGENCE STIM	.005	.105	.005	.044	.965
	REGR factor score INSPIRATIONAL	.371	.111	.371	3.330	.001
	REGR factor score INDIVIDUALIZED CONS	.302	.114	.302	2.657	.010
	REGR factor score CONTINGENT REWARDS	.005	.124	.005	.043	.966
	REGR factor score MGT BY EXCEPTION ACTIVE	-.025	.110	-.025	-.229	.820
	REGR factor score MGT BY EXCEPTION PASSIVE	-.097	.111	-.097	-.874	.385
	REGR factor score LAISSEZ FAIRE	.130	.105	.130	1.239	.219

a. Dependent Variable: REGR factor score EXTRA EFFORTS

**Coefficients<sup>a</sup>**

Model		Collinearity Statistics	
		Tolerance	VIF
1	REGR factor score IDEALIZED ATTR	.618	1.619
	REGR factor score IDEALIZED BEHVR	.772	1.296
	REGR factor score INTELLIGENCE STIM	.837	1.195
	REGR factor score INSPIRATIONAL	.742	1.348
	REGR factor score INDIVIDUALIZED CONS	.712	1.404
	REGR factor score CONTINGENT REWARDS	.598	1.673
	REGR factor score MGT BY EXCEPTION ACTIVE	.759	1.317
	REGR factor score MGT BY EXCEPTION PASSIVE	.747	1.339
	REGR factor score LAISSEZ FAIRE	.839	1.192

a. Dependent Variable: REGR factor score EXTRA EFFORTS

**Coefficient Correlations<sup>a</sup>**

Model		REGR factor score LAISSEZ FAIRE	REGR factor score MGT BY EXCEPTION ACTIVE	REGR factor score INTELLIGENCE STIM	REGR factor score IDEALIZED BEHVR	REGR factor score INSPIRATIONAL	REGR factor score INDIVIDUALIZED CONS	REGR factor score MGT BY EXCEPTION PASSIVE	REGR factor score IDEALIZED ATTR	REGR factor score CONTINGENT REWARDS	
1	Correlations	REGR factor score LAISSEZ FAIRE	1.000	.034	-.060	-.019	.131	.130	-.311	.018	.070
		REGR factor score MGT BY EXCEPTION ACTIVE	.094	1.000	-.019	-.076	.125	-.080	-.353	.142	-.252
		REGR factor score INTELLIGENCE STIM	-.060	-.019	1.000	-.003	-.007	-.165	.122	-.191	-.071
		REGR factor score IDEALIZED BEHVR	-.019	-.076	-.003	1.000	-.165	-.037	.006	-.212	-.157
		REGR factor score INSPIRATIONAL	.131	.125	-.007	-.165	1.000	-.002	-.033	-.050	-.333
		REGR factor score INDIVIDUALIZED CONS	.130	-.080	-.165	-.037	-.002	1.000	-.034	-.320	-.101
		REGR factor score MGT BY EXCEPTION PASSIVE	-.311	-.353	.122	.006	-.033	-.034	1.000	.074	-.101
		REGR factor score IDEALIZED ATTR	.018	.142	-.191	-.212	-.050	-.320	.074	1.000	-.213
		REGR factor score CONTINGENT REWARDS	.070	-.252	-.071	-.157	-.333	-.101	-.101	-.213	1.000
	Covariances	REGR factor score LAISSEZ FAIRE	.011	.001	-.001	.000	.002	.002	-.004	.000	.001
		REGR factor score MGT BY EXCEPTION ACTIVE	.001	.012	.000	-.001	.002	-.001	-.004	.002	-.003
		REGR factor score INTELLIGENCE STIM	-.001	.000	.011	-3.945E-05	-7.957E-05	-.002	.001	-.002	-.001
		REGR factor score IDEALIZED BEHVR	.000	-.001	-3.945E-05	.012	-.002	.000	6.786E-05	-.003	-.002
		REGR factor score INSPIRATIONAL	.002	.002	-7.957E-05	-.002	.012	-2.688E-05	.000	-.001	-.005
		REGR factor score INDIVIDUALIZED CONS	.002	-.001	-.002	.000	-2.688E-05	.013	.000	-.004	-.001
		REGR factor score MGT BY EXCEPTION PASSIVE	-.004	-.004	.001	6.786E-05	.000	.000	.012	.001	-.001
		REGR factor score IDEALIZED ATTR	.000	.002	-.002	-.003	-.001	-.004	.001	.015	-.003
		REGR factor score CONTINGENT REWARDS	.001	-.003	-.001	-.002	-.005	-.001	-.001	-.003	.015

a. Dependent Variable: REGR factor score EXTRA EFFORTS

**Collinearity Diagnostics<sup>a</sup>**

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions										
				(Constant)	REGR factor score IDEALIZED ATTR	REGR factor score IDEALIZED BEHVR	REGR factor score INTELLIGENCE STIM	REGR factor score INSPIRATIONAL	REGR factor score INDIVIDUALIZED CONS	REGR factor score CONTINGENT REWARDS	REGR factor score MGT BY EXCEPTION ACTIVE	REGR factor score MGT BY EXCEPTION PASSIVE	REGR factor score LAISSEZ FAIRE	
1	1	2.695	1.000	.00	.05	.04	.03	.04	.04	.05	.00	.00	.01	
	2	1.567	1.311	.00	.01	.00	.01	.00	.02	.16	.21	.05	.05	
	3	1.023	1.623	.00	.04	.01	.27	.12	.05	.01	.01	.26	.26	
	4	1.000	1.642	1.00	.00	.00	.00	.00	.00	.00	.00	.00	.28	
	5	.916	1.715	.00	.01	.12	.02	.14	.08	.00	.19	.00	.28	
	6	.710	1.948	.00	.06	.26	.38	.23	.10	.03	.00	.00	.28	
	7	.672	2.003	.00	.03	.39	.17	.07	.25	.00	.12	.10	.00	
	8	.516	2.286	.00	.15	.14	.09	.08	.10	.36	.06	.27	.11	
	9	.485	2.359	.00	.28	.00	.02	.10	.33	.00	.11	.40	.27	
	10	.416	2.546	.00	.38	.03	.01	.23	.05	.52	.35	.02	.01	

a. Dependent Variable: REGR factor score EXTRA EFFORTS

**Regression: SATISFACTION****Variables Entered/Removed<sup>a</sup>**

Model	Variables Entered	Variables Removed	Method
1	REGR factor score LAISSEZ FAIRE, REGR factor score TRANSACTIONAL L, REGR factor score TRANSFORMATIONAL L	.	Enter

a. All requested variables entered.

b. Dependent Variable: REGR factor score SATISFACTION

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.536 <sup>a</sup>	.287	.259	.86076727

a. Predictors: (Constant), REGR factor score LAISSEZ FAIRE, REGR factor score TRANSACTIONAL L, REGR factor score TRANSFORMATIONAL L

**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.690	3	7.563	10.208	.000 <sup>a</sup>
	Residual	56.310	76	.741		
	Total	79.000	79			

a. Predictors: (Constant), REGR factor score LAISSEZ FAIRE, REGR factor score TRANSACTIONAL L, REGR factor score TRANSFORMATIONAL L

b. Dependent Variable: REGR factor score SATISFACTION

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.82E-16	.096		.000	1.000
	REGR factor score TRANSFORMATIONAL L	.457	.102	.457	4.479	.000
	REGR factor score TRANSACTIONAL L	-.242	.100	-.242	-2.431	.017
	REGR factor score LAISSEZ FAIRE	-.169	.100	-.169	-1.694	.094

a. Dependent Variable: REGR factor score SATISFACTION

**Coefficients<sup>a</sup>**

Model		Collinearity Statistics	
		Tolerance	VIF
1	REGR factor score TRANSFORMATIONAL L	.900	1.111
	REGR factor score TRANSACTIONAL L	.943	1.060
	REGR factor score LAISSEZ FAIRE	.941	1.063

a. Dependent Variable: REGR factor score SATISFACTION

**Coefficient Correlations<sup>a</sup>**

Model		REGR factor score LAISSEZ FAIRE	REGR factor score TRANSACTIONAL L	REGR factor score TRANSFORMATIONAL L	
1	Correlations	REGR factor score LAISSEZ FAIRE	1.000	.238	
		REGR factor score TRANSACTIONAL L	-.105	1.000	
		REGR factor score TRANSFORMATIONAL L	.238	-.233	1.000
	Covariances	REGR factor score LAISSEZ FAIRE	.010	-.001	.002
		REGR factor score TRANSACTIONAL L	-.001	.010	-.002
		REGR factor score TRANSFORMATIONAL L	.002	-.002	.010

a. Dependent Variable: REGR factor score SATISFACTION

**Collinearity Diagnostics<sup>a</sup>**

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions			
				(Constant)	REGR factor score TRANSFORMATIONAL L	REGR factor score TRANSACTIONAL L	REGR factor score LAISSEZ FAIRE
1	1	1.283	1.000	.00	.38	.16	.17
	2	1.053	1.104	.00	.00	.46	.44
	3	1.000	1.133	1.00	.00	.00	.00
	4	.665	1.389	.00	.62	.38	.39

a. Dependent Variable: REGR factor score SATISFACTION

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.658 <sup>a</sup>	.433	.360	.79983713

a. Predictors: (Constant), REGR factor score LAISSEZ FAIRE, REGR factor score MGT BY EXCEPTION ACTIVE, REGR factor score INTELLIGENCE STIM, REGR factor score IDEALIZED BEHVR, REGR factor score INSPIRATIONAL, REGR factor score INDIVIDUALIZED CONS, REGR factor score MGT BY EXCEPTION PASSIVE, REGR factor score IDEALIZED ATTR, REGR factor score CONTINGENT REWARDS

**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	34.218	9	3.802	5.943	.000 <sup>a</sup>
	Residual	44.782	70	.640		
	Total	79.000	79			

a. Predictors: (Constant), REGR factor score LAISSEZ FAIRE, REGR factor score MGT BY EXCEPTION ACTIVE, REGR factor score INTELLIGENCE STIM, REGR factor score IDEALIZED BEHVR, REGR factor score INSPIRATIONAL, REGR factor score INDIVIDUALIZED CONS, REGR factor score MGT BY EXCEPTION PASSIVE, REGR factor score IDEALIZED ATTR, REGR factor score CONTINGENT REWARDS

b. Dependent Variable: REGR factor score SATISFACTION

Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-3.61E-17	.089		.000	1.000
	REGR factor score IDEALIZED ATTR	.079	.114	.079	.686	.495
	REGR factor score IDEALIZED BEHVR	.005	.102	.005	.045	.965
	REGR factor score INTELLIGENCE STIM	.026	.098	.026	.266	.791
	REGR factor score INSPIRATIONAL	.408	.104	.408	3.907	.000
	REGR factor score INDIVIDUALIZED CONS	.071	.107	.071	.664	.509
	REGR factor score CONTINGENT REWARDS	.114	.116	.114	.981	.330
	REGR factor score MGT BY EXCEPTION ACTIVE	-.250	.103	-.250	-2.423	.018
	REGR factor score MGT BY EXCEPTION PASSIVE	-.151	.104	-.151	-1.450	.152
	REGR factor score LAISSEZ FAIRE	-.113	.098	-.113	-1.153	.253

a. Dependent Variable: REGR factor score SATISFACTION

Coefficients<sup>a</sup>

Model		Collinearity Statistics	
		Tolerance	VIF
1	REGR factor score IDEALIZED ATTR	.618	1.619
	REGR factor score IDEALIZED BEHVR	.772	1.296
	REGR factor score INTELLIGENCE STIM	.837	1.195
	REGR factor score INSPIRATIONAL	.742	1.348
	REGR factor score INDIVIDUALIZED CONS	.712	1.404
	REGR factor score CONTINGENT REWARDS	.598	1.673
	REGR factor score MGT BY EXCEPTION ACTIVE	.759	1.317
	REGR factor score MGT BY EXCEPTION PASSIVE	.747	1.339
	REGR factor score LAISSEZ FAIRE	.839	1.192

a. Dependent Variable: REGR factor score SATISFACTION



**Coefficient Correlations<sup>a</sup>**

Model		REGR factor score LAISSEZ FAIRE	REGR factor score MGT BY EXCEPTION ACTIVE	REGR factor score INTELLIGENCE STIM	REGR factor score IDEALIZED BEHVR	REGR factor score INSPIRATIONAL	REGR factor score INDIVIDUALIZED CONS	REGR factor score MGT BY EXCEPTION PASSIVE	REGR factor score IDEALIZED ATTR	REGR factor score CONTINGENT REWARDS	
1	Correlations	REGR factor score LAISSEZ FAIRE	1.000	.094	-.060	-.019	.131	.130	-.311	.018	.070
		REGR factor score MGT BY EXCEPTION ACTIVE	.094	1.000	-.019	-.076	.125	-.080	-.353	.142	-.252
		REGR factor score INTELLIGENCE STIM	-.060	-.019	1.000	-.003	-.007	-.165	.122	-.191	-.071
		REGR factor score IDEALIZED BEHVR	-.019	-.076	-.003	1.000	-.165	-.037	.006	-.212	-.157
		REGR factor score INSPIRATIONAL	.131	.125	-.007	-.165	1.000	-.002	-.033	-.050	-.333
		REGR factor score INDIVIDUALIZED CONS	.130	-.080	-.165	-.037	-.002	1.000	-.034	-.320	-.101
		REGR factor score MGT BY EXCEPTION PASSIVE	-.311	-.353	.122	.006	-.033	-.034	1.000	.074	-.101
		REGR factor score IDEALIZED ATTR	.018	.142	-.191	-.212	-.050	-.320	.074	1.000	-.213
		REGR factor score CONTINGENT REWARDS	.070	-.252	-.071	-.157	-.333	-.101	-.101	-.213	1.000
	Covariances	REGR factor score LAISSEZ FAIRE	.010	.001	-.001	.000	.001	.001	-.003	.000	.001
		REGR factor score MGT BY EXCEPTION ACTIVE	.001	.011	.000	-.001	-.001	-.001	-.004	.002	-.003
		REGR factor score INTELLIGENCE STIM	-.001	.000	.010	-3.472E-05	-7.003E-05	-.002	.001	-.002	-.001
		REGR factor score IDEALIZED BEHVR	.000	-.001	-3.472E-05	.010	-.002	.000	5.972E-05	-.002	-.002
		REGR factor score INSPIRATIONAL	.001	.001	-7.003E-05	-.002	.011	-2.366E-05	.000	-.001	-.004
		REGR factor score INDIVIDUALIZED CONS	.001	-.001	-.002	.000	-2.366E-05	.011	.000	-.004	-.001
		REGR factor score MGT BY EXCEPTION PASSIVE	-.003	-.004	.001	5.972E-05	.000	.000	.011	.001	-.001
REGR factor score IDEALIZED ATTR		.000	.002	-.002	-.002	-.001	-.004	.001	.013	-.003	
REGR factor score CONTINGENT REWARDS		.001	-.003	-.001	-.002	-.004	-.001	-.001	-.001	.014	

a. Dependent Variable: REGR factor score SATISFACTION

**Collinearity Diagnostics<sup>a</sup>**

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions									
				(Constant)	REGR factor score IDEALIZED ATTR	REGR factor score IDEALIZED BEHVR	REGR factor score INTELLIGENCE STIM	REGR factor score INSPIRATIONAL	REGR factor score INDIVIDUALIZED CONS	REGR factor score CONTINGENT REWARDS	REGR factor score MGT BY EXCEPTION ACTIVE	REGR factor score MGT BY EXCEPTION PASSIVE	REGR factor score LAISSEZ FAIRE
1	1	2.695	1.000	.00	.05	.04	.03	.04	.04	.05	.00	.00	.01
	2	1.567	1.311	.00	.01	.00	.01	.00	.02	.16	.21	.00	.05
	3	1.023	1.623	.00	.04	.01	.27	.12	.05	.01	.01	.01	.26
	4	1.000	1.642	1.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
	5	.916	1.715	.00	.01	.12	.02	.14	.08	.00	.19	.00	.28
	6	.710	1.948	.00	.06	.26	.38	.23	.10	.03	.00	.00	.00
	7	.672	2.003	.00	.03	.39	.17	.07	.25	.00	.12	.10	.00
	8	.516	2.286	.00	.15	.14	.09	.08	.10	.36	.06	.27	.11
	9	.485	2.359	.00	.28	.00	.02	.10	.33	.00	.11	.40	.27
	10	.416	2.546	.00	.38	.03	.01	.23	.05	.52	.35	.02	.01

a. Dependent Variable: REGR factor score SATISFACTION