

The Relationship Between Leadership Styles of Human Resources and Entrepreneurship of Managers in Staff of Cooperative Office in Golestan, Iran

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Abstract: The aim of this study was to investigate the relationship between leadership styles of human resources and entrepreneurship of managers in staff of cooperative office in Golestan, Iran. The study method was descriptive and correlational. Population was all the staff of cooperative office in Golestan, Iran which 116 subjects were selected randomly based on Morgan table. Variables were entrepreneurship criterion and predictive leadership styles of human resources. To collect the data leadership style questionnaire by Margen in 2002 and entrepreneurship questionnaire was used. Correlation was used to analyze the data. Results showed that there is a significant positive relationship between humanism leadership style and entrepreneurial and all its dimensions, while no relationship was found between the task-oriented leadership style and entrepreneurship. Also, task-oriented leadership style had no significant correlation with any aspects of entrepreneurship. In general, it can be said that the humanism leadership style would cause entrepreneurship.

Key words: Humanism leadership style, entrepreneurship, cooperation, dimension, variables

INTRODUCTION

The researchers believe that the concept of leadership dates back to ancient times that in ancient scrolls the leadership characteristic traits, behavior and processes are discussed. Entrepreneurship is based on innovation that causes changes in the products and services. Entrepreneurs and leaders are different. Entrepreneurs are the business owner who tries to make money by risk and innovation. While the leaders are people who manage, guide and inspire others. Also, leaders are able to enter all areas of society such as the army, church, politics and sports while entrepreneurs as a limited factor, exclusively think about their business. In terms of similarities, some researchers suggest that trainings of the leadership and entrepreneurship have the same features (McLawn, 2009) entrepreneurship and leadership has evolved through the time. In the early stages, entrepreneurship and leadership focused on characteristics of the population. In the next step, their attention was focused on behavior, so that entrepreneurs and leaders insisted on motivation for the success of a group of followers to achieve the vision. Finally, the situational factors had been studied to show the effect of the environmental elements on performances of entrepreneurship and leadership (Samadi and Isfahani, 2007). Leadership as a social process is within a group framework in which the effects of leader on the behavior of his followers is in such a way that they acquire the desired organizational goals. In the past decades, the leadership researchers have turned their attention to

charismatic, participation and transformation leadership. In this study, the three new perspective of intercultural leadership that is associated with entrepreneurial leaders was mentioned where the leadership is able to support innovation and adaptation to the changing and uncertain environments. Transformational leaders empower their followers and make innovative environment. Burns (1978) raised the theory of transformational leadership and Bass and Avolio have developed it. According to their opinion, transformational leadership includes four dimensions of charismatic role modeling, personal attention, inspirational motivation and intellectual stimulation. Leader by using charismatic motivation induces respect and loyalty and emphasizes the importance of having a sense of mission collective. One of the areas that have attracted special attention is the role of leadership in guiding the team. Researchers have concluded that leaders through diversification of guidance activities and preparation can help the team, promote their learning and adaptation and manage incidents that occur within the team. Leadership is one of the main requirements of modern organizations that have lots of activities to do. An important feature that distinguishes successful organizations from unsuccessful organizations is effective and dynamic leadership. Leadership style is a continued behavior that people have when working with others or by others and it will be understood by others (Hater and Bass, 2000). It will be possible to influence the behavior of others through the power of imagination, power that is believed to be required to achieve the power resources. The leader position is based on the position of the manager and the

office, on the other hand, rating is based on the power that involves personal skills such as expertise, competence and information management. Although, the ability to live with others leads to mutual respect and trust and maintains effective communication with other people but it requires set of skills. Such skills of leadership studies began in Ohio, where the individual issues under examination, at different times, were introduced under titles such as social and emotional relations and skills (Hosseini, 2011). In total, there will be these series of interpersonal skills in relation with the ability of managers and leaders about friendship and intimacy with people and understanding their feelings and their need for help and the establishment of mutual respect and trust and effective prescribed communication between followers and leaders. In other words, leadership is essentially an emotional process that allows leaders to recognize their emotional conditions which form their feelings and then try to form emotional state of followers properly. This is what has led many scientists to think; what makes some people to choose the transformational leadership style and what makes some leaders to be more influential than others (Mousavi, 2008). Schumpeter believes that entrepreneurship is a way of doing business as an innovative approach by focusing on the customer and accepting the calculated risks. Entrepreneur is a person who uses opportunities properly and be able to create new work by making changes. Therefore, entrepreneurial is a rare activity not a new and innovative one. In today's rapidly changing circumstances, we need entrepreneurial behavior in all sections but not everybody deserves to become entrepreneur. Entrepreneurship is a long-term process of education which requires planning in the educational system, particularly the universities and higher educational centers (Zahiri and Tourani, 2005). Entrepreneurs in the entrepreneurship process must have some features in order to be successful in the their work including sense of responsibility, having determination, taking opportunities, tolerating risk, ambiguity and uncertainty, creativity, self-reliance and compromise power, supremacy motivation (Paydar *et al.*, 2007). Some of the barriers to entrepreneurship from the perspective of fry are (Ahmad, 2001):

- The nature of large organizations
- Lack of entrepreneurial talent
- Incorrect ways of rewarding

Development of new products and services, innovation in products and services as well as the creation of new branches, all are the results of an entrepreneurial organization (Moqimi, 2005). It seems by reduction in entrepreneurial spirit of staff and the entrepreneurship organization, encouraging to investment in organization has been declined. As well as developing

new markets and encouraging competition to organize the efficient use of those resources to fix organization gaps and shortcomings becomes less. Problems such as unemployment, lack of creative and dynamic human resources, a significant decline in productivity, low quality of products and services and the economic downturn will rise in societies where entrepreneurship has decreased. Thus, this study seeks to answer the question of whether there is relationship between leadership styles of human resources and entrepreneurship of staff of cooperative office in Golestan, Iran.

MATERIALS AND METHODS

The research method was descriptive and correlational. Population was all the staff of cooperative office in Golestan, Iran which 116 subjects were selected randomly based on Morgan table. Variables were entrepreneurship criterion and predictive leadership styles of human resources. In the stage of performing the study, after the presentation of introductory remarks on measuring and purpose of the test, how to respond to the tests were explained for participants in detail. Regarding the ethical considerations, after obtaining the consent of the individuals and giving them the necessary knowledge, they were assured that the received information will be used just in this research and it will be protected from any misuse. Questionnaires were used for measuring the variables as following.

Leadership style questionnaire: The questionnaire has been prepared by Margen in 2002 and consists of 35 questions that each question takes the score of 1-5 (never, rarely, sometimes, often and always). The mentioned questionnaire examined the leadership style as two leadership styles of "task-oriented" and "humanism". Questions (1-2-4-6-7-9-11-12-13-14-16-17-20-21-23-25-27-29-31-33) are task-oriented leadership style and questions (3-5-8-10-14-18-19-22-24-26-28-30-32-34-35) are dedicated to leadership style of humanism. Margen reports the validity of questionnaire through 0.62 Kendall coefficients and the reliability through 0.83 Cronbach's alpha (Aslankhani, 1996). In this study, after a preliminary study, calculated coefficient for the questionnaire was obtained by using 0.84 Cronbach's alpha.

Entrepreneurship questionnaire: This questionnaire was designed by the Cornwall and Perlman which contains 15 questions that answers to it will help to identify the use of entrepreneurship in organizations. Yes and no ranges were used to evaluate expressions. This questionnaire was capable of measuring innovation, risk taking,

influential behavior and the strategy based on competitiveness and independency of entrepreneurship (Fakhrian, 2014). Validity of questionnaires was confirmed by professors and experts, also in this study, assessing the reliability was calculated after conducting a preliminary study and determining the variance of questions through Cronbach's alpha coefficient that coefficient was 0.80. Correlation was used to analyze the data. In all analyzes, the significance level was considered $p < 0.05$.

RESULTS AND DISCUSSION

Table 1 shows the descriptive statistics of variables. Results of the Kolmogorov-Smirnov test showed normal distribution of the data ($p > 0.05$). The relationship between leadership styles and entrepreneurship were analyzed by using Pearson's correlation. Results are presented in Table 2. It can be observed that there is a significant positive relationship between humanism leadership styles and entrepreneurial and it's all dimensions while the task-oriented leadership style no has no relationship with entrepreneurship. Also, task-oriented leadership style has no significant correlation with any aspects of entrepreneurship.

To explain these findings, it can be said that the use of task-oriented leadership style by employees could not cause entrepreneurial. These results are consistent with the findings of Hater and Bass (2000), Warnerramey (2005), Casida (2011), Javdani (2002) and Aslankhani (1996). They showed that leadership style plays an important role in increasing people's satisfaction. It has also brought to the hope and expectation theory that individuals' intention to work and his satisfaction is influenced by factors such as value, desirability, rewards and results expecting and the possibility of reward, the

strength and talent of the individual, the individual's perception of his role in the team and satisfaction in full conformity with the hopes and expectations which is determined in progress, that the role of staff's leadership style was very influential to co-ordinate between the hopes and expectations of the individuals. Also in the theory of Maslow's needs hierarchy, the need for social belonging is in third place that the role of implementing duties is very important and trainers have a significant role in providing this need. On the other hand, humanism leadership style can cause Sivanathan and Fekken (2002), Gardner and Stough (2004), Casida (2011), Coetzee and Schaap (2011). Therefore, with alignment of the results of this study with the mentioned research, it can be concluded that humanism leadership style causes a healthy and logical relationships between managers and employees. Leading an entrepreneurial activity also requires specific features and characteristics. This kind of leadership is like gardening! When you want tomatoes, you will plant the seed in fertile soil, take care of it, water it and provide proper lighting to come to fruition. Organizational entrepreneurs like gardener support and take care of their ideas to achieve the results. An organizational entrepreneur should be familiar with all aspects organization environment. He should have foresight and flexibility. These individuals are skilled dreamers who can imagine any impossibility. The leader of an entrepreneurial activity must have a dream and to be able to overcome the problems and obstacles of convincing others to accept his dream. Organizational entrepreneurship is not conservative leadership and not to maintain the status quo. But, they are flexible and ready to accept and even encourage the change. For an organizational entrepreneur, any threat and challenge can turn into an opportunity to create new things. Peter

Table 1: Descriptive statistics

| Parameters | Mean | SD | Minimum | Maximum |
|--------------------------------|---------|----------|---------|---------|
| Entrepreneurship | 0.3946 | 0.25575 | 0.00 | 1.00 |
| Innovation | 0.3990 | 0.34372 | 0.00 | 1.00 |
| Risk taking | 0.3636 | 0.37320 | 0.00 | 1.00 |
| Influential behavior | 0.4052 | 0.33792 | 0.00 | 1.00 |
| Competitive strategy | 0.4058 | 0.32872 | 0.00 | 1.00 |
| Independency | 0.3850 | 0.35136 | 0.00 | 1.00 |
| Task-oriented leadership style | 53.9500 | 11.93.00 | 40.00 | 72.00 |
| Humanism leadership style | 56.3900 | 7.96.00 | 45.00 | 70.00 |

Table 2: Correlation results

| Parameters | Variables | Competitive | | | | | |
|--------------------------------|-----------|------------------|------------|-------------|----------------------|----------|--------------|
| | | Entrepreneurship | Innovation | Risk taking | Influential behavior | strategy | Independency |
| Humanism leadership style | r | 0.271 | 0.247 | 0.268 | 0.237 | 0.251 | 0.32 |
| | p | 0.00 | 0.001 | 0.007 | 0.02 | 0.04 | 0.00 |
| Task-oriented leadership style | r | 0.13 | 0.156 | 0.123 | 0.198 | 0.185 | 0.15 |
| | p | 0.16 | 0.090 | 0.140 | 0.200 | 0.150 | 0.08 |

Drucker has an interesting sentence in this regard: "When it is raining, some people are under an umbrella and some are looking for a bigger spoon!". Organizational entrepreneur are always in search of larger spoon. A good entrepreneurial activity leader can turn anyone to a hero. To support the activities of the team in implementing his idea, organizational entrepreneurs should form a coalition of supporters. Positive attracting of investors, top managers, shareholders and other interest groups can be more effective in encouraging the team. Value-based leadership also is a method of decision making that leads to trust and commitment of employees and customers. Values are important everywhere in the lives of individuals and organizations. Psychologists say that the values are intertwined with individuals' beliefs and identity. Each of these three leadership theory insist on extraordinary commitment of the followers. Entrepreneurial leadership is a pragmatic leadership and focus on problem solving and value creation in the market. So, without considering the values and ethics, supporting and legitimacy for the group and its survival will be difficult. Entrepreneurial leadership is a process of entrepreneurial vision and inspiring the team to operate the vision in uncertain environments with high speed. Three main elements of entrepreneurial leadership are effectiveness, innovation and risk taking. Pioneer to forecasting and tracking new business opportunities as well as anticipating new markets is often called effectiveness. By effectiveness, companies are actively seeking to predict opportunities for developing and introducing new products to obtain pioneer benefits and shaping the leadership environment. Organizational studies show that risk taking as an integral task of entrepreneurship is leading to success. These risks include financial risks and personal risk. Risk taking raises the creativity in organization. Then, we explained that innovation is considered to be as one of the preconditions for success and survival of companies. Innovation is an organizational culture that encourages employees to make changes and shows an organizational understanding to pursue product development with new processes. Innovation indicates a willingness to include and support the creativity, technological leadership, research and development in product and services development and the process of creating new solutions to meet customers' needs and problems.

CONCLUSSION

The aim of this study was to investigate the relationship between leadership styles of human resources and entrepreneurship of managers in staff of

cooperative office in Golestan, Iran. Results showed that there is a significant positive relationship between humanism leadership styles and entrepreneurial and it's all dimensions while the task-oriented leadership style no has no relationship with entrepreneurship. Also, task-oriented leadership style has no significant correlation with any aspects of entrepreneurship.

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