

## Investigation of the Relationship Between Organizational Leadership and Professional Development of Pension Fund Staff of Oil Industry

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**Abstract:** The aim of this study was to investigate the relationship between organizational leadership and professional development of the staff of pension fund of oil industry. The research is descriptive and correlational. The population of study consisted of 310 people of all staff of pension fund industry, numbered as 310 people that 172 of them were selected as sample of study based on Morgan table through multi-stage cluster sampling. Standard questionnaires of styles of Lotta leadership and professional development were used tools of study to collect data. Results showed leadership style has significant impact on professional development. There is direct and significant correlation between relationship-oriented leadership style, development-oriented leadership style and professional development of staff. There is a significant correlation between task-oriented leadership style and professional development of staff. There is a significant correlation between leadership styles and professional development of staff, based on work experience.

**Key words:** Organizational leadership, relationship-oriented style, task-oriented style, professional development, pension fund industry

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### INTRODUCTION

In describing the dimensions of the problem it should be noted that the leadership is influence on group activities in order to investigate the objectives. Leadership is to use the relationship process in special situation to have influence among people and guiding it towards destination or special destinations. Leadership is an influence on people to coordinate them to achieve a common goal. The way that leader uses of his influence to achieve goals is called leadership style. Therefore, it is part of management it is regarded as duties of management as planning, organizing and control. The most important thing in leadership is influence and impact. Leadership is realized by influencing others. Leadership style is the way of attitude of manager to his role and staff role (Amirkhni, 2010). In this study, researcher aims to investigate the relationship between organizational leadership and professional development of staff of pension fund of oil industry. He also aims respond to this question that is there any correlation between organizational leadership and professional development of staff of pension fund of oil industry and how we can help to professional development staff by identifying the organizational leadership.

### Literature review

**The meaning of organizational leadership:** Leadership is the process of influence on group activities to achieve their goals. Leadership is using the relation process in the special position to influence among people and guiding it to destination or particular destinations. Leadership is an influence on people to coordinate them to achieve a common goal. The way that leader uses of his influence to achieve goals is called leadership style. Therefore, it is part of management it is regarded as duties of management as planning, organizing, and control. The most important thing in leadership is influence and impact. Leadership is realized by influencing others. Leadership style is the way of attitude of manager to his role and staff role (Abtahi and Molaei, 2006). Leadership backs to ability of influence, motivate, and enabling the co-workers to contribute the effectiveness and success of the organization that they its member. The leadership is a complex concept that it is very difficult to understand its meaning. However, in spite of these difficulties, Kurdner and Sheehan stated that it good leadership is an important element in the organization because it is the Organization's best chance to achieve the desired behavior through the commitment of the staff to the goals and values. Managers must seek this commitment through the leadership. Additionally, good leaders backs and

support of their staff and they promote the positive aspects of culture by acting as model and obtaining their respect (Klien, 2012).

**Professional development meaning:** Professional development includes knowledge, skills, abilities or characteristics associated with high performance in work. It is set of abilities and capacities that enable people to have optimal performance in fulfilling their roles and job tasks within the inside of outside limitations of organization. In addition, it guarantees the organizational success (Klien, 2012). Lagan investigates the professional development as created features in individuals such as knowledge and skills needed for effective performing of job. Professional development is actual performance of individuals in a specific situation. Professional development is defined as power, ability and capacity to carry out a defined task. Thymus defined professional development as set of observable performance dimensions that includes knowledge, skills, attitudes and behaviors, teamwork, organizing processes and capacity that is associated with high performance leading to competitive advantage. Spencer considers professional development as a combination of characteristics, skills, qualities, knowledge and underlying motivations of person related to successful performance of job. Lucia and Lepsinger defined professional development as a cluster of knowledge, skills and attitudes of essential part of a job that they are related to job performance, measured against accepted standards and they are modified through training and development. Usually, professional development studies emphasizes on concepts such as attributes, skills, characteristics, basic knowledge and attitudes related to successful job performance (Basri, 2004). Sharifi and Islamiyah (2011) studied the relationship between the type of organizational structure (bureaucratic and professional) and moralism of school principals of East of Tehran. The method of study was descriptive in terms of gathering information (correlational) it was applied in terms of goal of study. Data were collected by questionnaire of organizational structure developed by Hall. It consists of 36 questions with alpha coefficient of 0/8 and researcher-made moralism questionnaire consisted of 40 questions with alpha coefficient of 0/89 in 5 Likert spectrum. Collected data were analyzed by descriptive and inferential statistics such as Pearson correlation coefficient and regression through SPSS Software. The results showed that there is a significant positive relationship between organizational structure and moralism of school principals of East of Tehran. In addition, all components of the organizational structure were good predictors of moralism control of school

principals. Kamalian (2009) investigated the charismatic leader and showed that charismatic leadership is not a characteristic that is inherent in all people. In other words, all people do not have these capabilities. Charismatic character is always with an individual and all people cannot accept someone as a charismatic leader. Firstly, there are factors that are causing the emergence of charisma. Next, there are factors that are effective in the stability, strength and weakness of leader's charisma. The important thing is that being charismatic is the property that is granted by followers of the leaders.

Being charisma is a characteristic that depends on observed behaviors of leader. There are a set of behavioral components exist in leader that are leading to emergence of charismatic characters. According to this conclusion, these traits can be identified and even develop them in people who have an innate ability (Kamalian, 2009). Tevez stated that leadership is one of the things that cannot be delegated to someone or it should be implemented or leave it. They are leaders who have left a legacy for their organization and lead with great vision. Leader may create a culture. Leader is one who leaves organization with honesty when he decides to leave it. He leaves a legacy only when he does such works and acts in this way. In general, the success or failure of any work depends on leadership (Sumanth, 2010).

Klein (2012) concluded that leader should tolerate losses and sacrifice his benefits in order to progress. Leadership acts in order to save the organization. He should also sacrifice his benefits. When he has no solution to solve the problems, he should sacrifice himself again. Leadership means providing model and ideal. If you become leader one day, your subordinates will imitate and follow your acts. In fact, satisfying own benefits is ongoing and continuous process. Leaders should sacrifice their own benefits in order to achieve high positions. If a leader wants to achieve higher levels and positions, they should sacrifice their benefits constantly and frequently (Klien, 2012).

## **MATERIALS AND METHODS**

The research is descriptive and correlational. The population of study consisted of 310 people of all staff of pension fund industry in 2015. Based on official statistics of the Department of Administrative Affairs, the total number of staff in the pension fund industry was 10 in 2015 that 172 of them were selected as sample of study based on Morgan table through multi-stage cluster sampling (with error possibility of 5%). Standard questionnaires of styles of Lotta leadership and

professional development were used tools of study to collect data. For this purpose, a list of specifications of pension fund staff of oil industry was developed in 2014 and then sample of study was randomly selected among them. Due to the unavailability of all samples for simplicity and ease of implementation of questionnaire, intranet network was used that all staff of pension fund had access to it to complete the questionnaire sent by the network and it was backed to researcher by that network.

**Tools of leadership styles by Lotta:** To assess leadership styles of Lotta, a standard questionnaire consists of 35 items based on 5 Likert scale (very high to very low) was used. This questionnaire has 2 components (relationship-oriented style includes items of 1, 2, 4, 6, 7, 9, 11, 12, 13, 14, 16, 17, 20, 21, 23, 25, 27, 29, 31, 32 and task-oriented style includes items of 3, 5, 8, 10, 15, 18, 19, 22, 24, 26, 28, 30, 32, 34, 35). Grading is based on the Likert scale. The reliability of the questionnaire was calculated by Abbasi among high school teachers of Khalkhal city through Cronbach's alpha coefficient and it was obtained as 0/82 and 0/85.

**Professional development tools:** To assess professional development questionnaire, researcher-made questionnaire was used that have 36 items based on 5 Likert scale with very high to very low options that a score of 1-5 is assigned for them, respectively. This questionnaire has six (knowledge dimension of item is from 1-6, ability dimension of item is from 7-14, the ethical dimension of item is from 15-19, technology dimension of item is from 20-23, scientific dimension of item is from 24-29, moral dimension of item is from 30-36). Thus, after preparing the questionnaire, 30 copies of it were reproduced and completed by the respondents. Then, collected data encoded using computer software (SPSS) and reliability of items was calculated using Cronbach's alpha test that its result for total questionnaire was obtained as 0/81.

**RESULTS AND DISCUSSION**

**The main hypothesis:** Leadership styles have significant positive effect on professional development (Table 1-3).

**Sub-hypothesis**

**Hypothesis 1:** There is a significant relationship between relationship-oriented leadership style and professional development (Table 4).

**Hypothesis 2:** There is a significant relationship between task-oriented leadership style and professional development (Table 5).

Table 1: Summary of the impact of leadership styles model on professional development

| Estimation error | R <sup>2</sup> adjusted | R <sup>2</sup> | R     |
|------------------|-------------------------|----------------|-------|
| 12/35            | 0/216                   | 0/225          | 0/474 |

Table 2: Results of variance analysis of impact of leadership styles on professional development

| Models     | Sum of squares | df  | Mean of squares | F-values | Significance level |
|------------|----------------|-----|-----------------|----------|--------------------|
| Regression | 7494/06        | 2   | 3747/03         | 24/54    | 0/0001             |
| Remaining  | 25798/39       | 169 | 152/65          |          |                    |
| Total      | 33292/46       | 171 | -               |          |                    |

Table 3: Standardized and non-standardized regression coefficients

| Models                                 | Non-standardized coefficient (B) | SE    | Standardized coefficient (β) | t-values | Significance level |
|--|----------------------------------|-------|------------------------------|----------|--------------------|
| Constant value                         | 95/05                            | 7/52  | -                            | 12/62    | 0/0001             |
| Relationship-oriented leadership style | 0/393                            | 0/106 | 0/288                        | 3/71     | 0/0001             |
| Task-oriented leadership style         | 0/526                            | 0/156 | 0/261                        | 3/36     | 0/001              |

Table 4: Correlation between relationship-oriented leadership style and professional development of staff

| Variables                              | Coefficient of correlation | Significance level |
|--|----------------------------|--------------------|
| Relationship-oriented leadership style | 0/236                      | 0/0001             |
| Professional development               | 0/19                       | 0/003              |

Table 5: Correlation between task-oriented leadership style and professional development of staff

| Variables                      | Coefficient of correlation | Significance level |
|--------------------------------|----------------------------|--------------------|
| Task-oriented leadership style | 0/202                      | 0/002              |
| Professional development       | 0/016                      | 0/799              |

Table 6: Correlation between leadership styles and professional development of staff in terms of work experience

| Variables                              | Work experience            |                    |
|--|----------------------------|--------------------|
|  | Coefficient of correlation | Significance level |
| Relationship-oriented leadership style | 0/063                      | 0/441              |
| Task-oriented leadership style         | 0/052                      | 0/525              |
| Professional development               | 0/068                      | 0/276              |

**Hypothesis 3:** There is a significant relationship between leadership styles and professional development of staff in terms of work experience (Table 6).

Multivariate regression analysis was calculated to respond the basic hypothesis. Results showed that there is significant relationship between leadership styles and professional development of staff (F = 48/34) at the level of (p<0/0001). Based on value of R<sup>2</sup> = 0/45 it can also be said that the styles of leadership explain the professional development of staff as 45%. Results showed that task-oriented leadership styles have significant impact on professional development of staff alpha coefficient of 0/05. However, the impact of task-oriented leadership style on professional development of staff is not significant at the level of (p = 0/139) because obtained

significance level is larger than 0/05. Thus, according to standardized regression coefficients ( $\beta$ ) it can be said that relationship and task-oriented leadership style are the best predictors of the dependent variable (criterion) or professional development of staff.

Human beings should use of a lot of factors to do every activity but these factors do not lead to achieve the goal in itself because these factors must be coordinated with each other and form a set of integrated set so that they can reach their goal. However, this coordination also is not enough to achieve the goal. No set can achieve its goal without management, if it achieves is has been done accidentally and it is not repeatable.

This hypothesis was confirmed. It showed that the styles of leadership have significant impact on professional development of staff. Therefore, managers and related organizations should pay particular attention to leadership styles so that they can enhance the professional development of staff. Pearson correlation coefficients were calculated to respond the first hypothesis. Results showed that each of relationship-oriented leadership style has significant relationship with professional development of staff. Investigation and explanation of the above hypotheses suggest that organizational leadership is the process facilitating the realization of organizational goals by creating effective relationship and motivation among staff and it encourages them to do their tasks willingly.

The impact of role of leadership in any social institution, including the organization is undeniable. The leader's influence is so profound and wide that to assess the success or failure of a society or social institutions such as organization, leadership criterion can be used the ups and downs can be sought in its face. Indicators are an efficient tool in management system and we can achieve the goals set out in the pre-specified programs by them. This hypothesis was confirmed. It showed that the each of relationship-based leadership styles has significant impact on professional development of staff. Therefore, managers and related organizations should pay particular attention to relationship-oriented leadership styles so that they can enhance the professional development of staff. Pearson correlation coefficients were calculated to respond this hypothesis. Results showed that there is significant relationship between task-oriented leadership styles and professional development of staff. Investigation and explanation of the above hypotheses suggest that leadership styles lead into increased efficiency and production. However, one style cannot be used in all organizations. Despite numerous differences between leadership styles of men and women it seems that their similarities are more than their differences and gender of managers or leaders is influential in the commitment and control-oriented of leadership models of

human resources. Gender differences have high impact on aspects of human resource such as staff participation, decentralization, governance, empowering the workforce, organizational structure and women use control-oriented behaviors in their business. A strong focus on indicators helps to identify and better understand the inadequacies and deficiencies in the organization. The first step in the implementation of the risk assessment process is to identify all the informational assets available in research area so that their risks can be fully understood.

This hypothesis was confirmed. It showed that task-oriented styles of leadership have significant impact on professional development of staff. Therefore, managers and related organizations should pay particular attention to task oriented leadership styles so that they can enhance the professional development of staff. Pearson correlation coefficients were calculated to respond this hypothesis. Results showed that there is significant relationship between work experience and professional development of staff. Investigation and explanation of the above hypotheses suggest that leadership style is influence on people to coordinate them to achieve a common goal. It refers to way that leader uses of his influence to achieve the goals. Professional development includes knowledge, skills, abilities or characteristics associated with high performance in job. A set of abilities and capacities that enables people have desirable performance and guarantees the organizational success.

## **CONCLUSION**

This hypothesis was confirmed and it indicated that the leadership styles have significant impact on staff professional development. Therefore, managers and relevant institutions pay applied and closer attention to issue of leadership styles so that they can enhance the professional development of staff. This hypothesis was confirmed and it indicated that the relationship-oriented leadership style has significant impact on staff professional development. Therefore, managers and relevant institutions pay applied and closer attention to relationship-oriented leadership style so that they can enhance the professional development of staff. This hypothesis was confirmed and it indicated that the task-oriented leadership style has significant impact on staff professional development. Therefore, managers and relevant institutions pay long-term and precise attention to task-oriented leadership style so that they can enhance the professional development of staff. This hypothesis was confirmed and it indicated that there is significant and direct relationship between work experience and leadership styles and staff professional development. Therefore, managers and relevant institutions pay applied

and precise attention to task-oriented leadership style so that they can enhance the professional development of staff.

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