



The Impact of Organization Development Intervention on Leadership
Development and Employee Performance: A Case Study of KG Household
Appliance Company

Kanyarat Jantarachirat

A Dissertation Submitted in Partial Fulfillment of the Requirements
for the Degree of Doctor of Philosophy in Organization Development
Faculty of Graduate School of Business
Assumption University
Academic Year 2010
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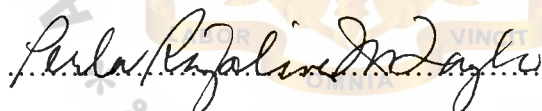
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Dean of Graduate School of Business, Kitti Phothikitti, Ph.D

DISSERTATION EXAMINATION COMMITTEE



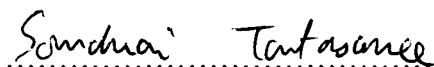
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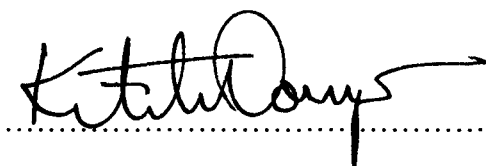
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Abstract

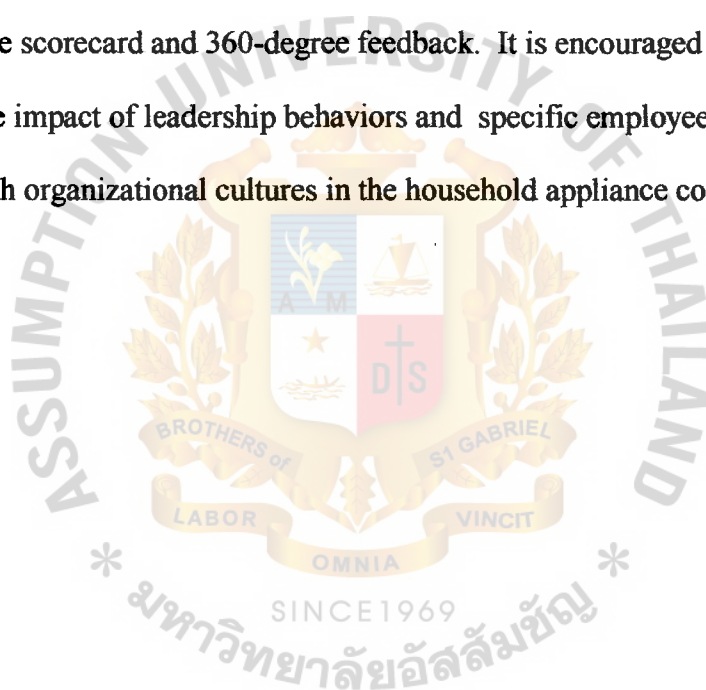
This research study aims to investigate the impact of leadership development on employee performance. One hundred and ninety-four respondents from KG Electrical Household Appliance Company participated in the investigation of the relationship between leadership development and employee performance. The research was conducted from January to August 2010. The results indicate that overall employee performance improved after organizational development intervention (ODI) has been implemented to leadership at each level in eleven departments, which included leadership development and training programs, formal and informal meetings, and mirroring and reflection on leadership development behaviors.

The research focused on departmental level leadership development. All department managers, unit supervisors, and chiefs of subunit teams were to determine the performance of their employees. The researcher divided one hundred and ninety-four respondents into two groups: leaders and immediate subordinates. At leaders' group, thirty-nine supervisory level leaders from three organizational levels (departments, units, and subunits) attended leadership development and training workshop, and completed the Multifactor Leadership Questionnaire (MLQ) survey for self rating. Another group of a hundred and fifty-five immediate subordinates completed the MLQ for their perceived leadership behaviors displayed by their immediate leader.

Then, leadership styles based on the ratings of their direct reports and employees' perception were examined from both organizational and hierarchical perspectives. A total of a hundred and ninety-four participating respondents were assessed by their

immediate leaders from bottom up. Employee performance between pre- and post-ODI assessment periods were compared to reveal any significant difference.

The improved performance of employees was reflected in the enhanced levels of perception. It was significantly related to perceived leadership behaviors as more employees have perceptions of the leadership displayed by their leaders the more performance is improved. The results of the findings confirmed the impact of leadership development where it increased the performance outcomes of the employees. Recommendations for future organizational development intervention are the balance scorecard and 360-degree feedback. It is encouraged to further investigate the impact of leadership behaviors and specific employee behaviors associated with organizational cultures in the household appliance corporate setting.



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I wish to acknowledge the assistance and encouragement of the following people: my dissertation advisor, Assistant Professor Dr. Jutamas Wisansing, and committee members, Dr. Perla Rizalina M. Tayko, Dr. Kitikorn Dowpiset, Dr. Salvacion E. Villavicencio, Dr. Somchai Tantasanee, and Dr. Noel Jones. With special thanks and gratitude for providing direction, suggestions, and encouragement throughout the process, thank you for the many hours of hard work in reviewing and critiquing my material.

I am grateful for the enduring support that I received from my family. My parents, who awakened me to take the journey and made me keep on going with strength and courage from the beginning to the end. At last, their constant belief has been proven that it is real.

My gratitude also goes to the managing director of KG Company for his interest, suggestions, and unending support of this project. My sincere appreciation goes to everyone at KG Company, from department managers, unit supervisors, chiefs of team staff and all employees. Thanks to all of them for helping me with all requests. Even though their names must remain private, their merit remains forever in my heart.

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Chapter 1

The Challenge for Change

1.0 Introduction

This chapter presents an understanding about those business environments that affect an organization operating in the household appliance industrial sector. It discusses the industrial background in global, regional, and national contexts for growth and changeovers within the past decade. The focal system provides a diagnosed platform to describe and characterize the need for change for the selected organization. This chapter also includes research objectives, statement of the problem, research questions and hypotheses, scope and limitations, and significance of the study. All review components concerning the study in this chapter are divided into different sections, as shown in Figure 1.1.

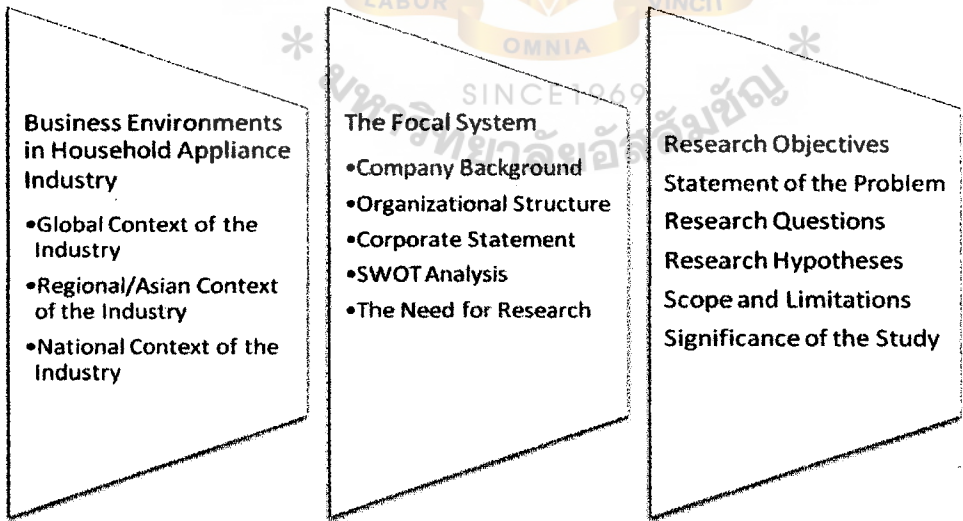


Figure 1.1. Review Components of the Study

1.1 Generalities of the Study

A major concept in this section drew on business environments in the household appliance industry that forced appliance firms to realize the need for dramatic improvements and changes to sustain competitiveness. With the external focus, it reviewed trends in the household appliance growth rates and posited an estimated appliance demand with key factors behind market expansion in a global, regional, and national context of the industry.

1.1.1 Global Context of the Industry

In a global perspective, the Freedonia Group, Inc. (2010), a Cleveland, Ohio, U.S. based industrial market research firm founded in 1985, revealed that growth is expected to increase in world demand for major household appliances to reach 490 million units by the year 2013. The world's annual growth is about to raise at 3.1 percent during the year 2006-2011 and at 2.8 percent till 2013 as shown in Table 1.1.

Table 1.1.

World Demand of Household Appliances

Item	Trend on Demand (million units)			Annual Growth (%)	
	2001	2006	2011	2001-2006	2006-2011
Major Demand	333.6	413.0	480.2	4.4	3.1
North America	68.1	76.6	86.5	2.4	2.5
Western Europe	73.5	82.0	88.1	2.2	1.5
Asia/Pacific	120.4	165.5	200.3	6.6	3.9
Other Regions	71.6	88.9	105.3	4.4	3.4

Note. Adapted from "World Major Household Appliances Demand", by The Freedonia Group, 2008.

From Table 1.1, world major household appliances demand in year 2001 was 333.60 million units. From year 2001 to 2006, the demand increased to 413 million units which accounted for 4.4 percent increase in the world demand. From year 2006 to 2011, it is expected to increase 3.1 percent which will be 480.2 million units of major appliance products sold.

An increasing trend on world demand for household appliances is displayed in a chart form in Figure 1.2. It shows a comparison between year 2001 to 2006, and year 2006 to 2011.

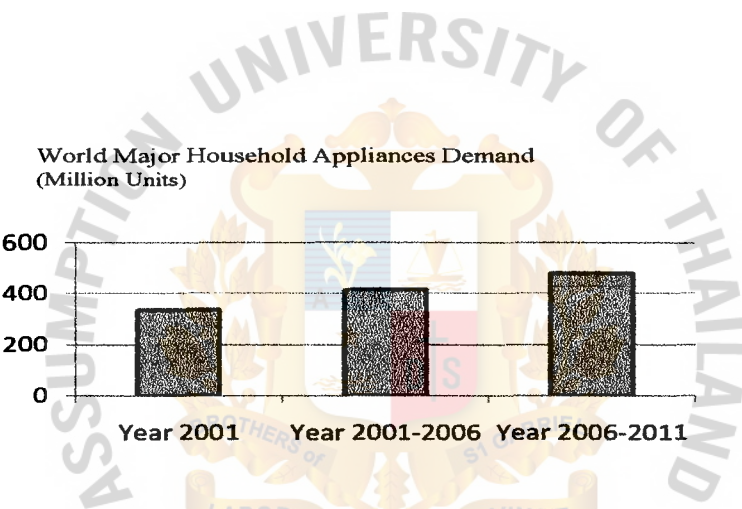


Figure 1.2. A Comparison between Year 2001 to 2006, and Year 2006 to 2011
Adapted from “World Major Household Appliances Demand”, by The Freedonia Group, 2008.

1.1.2 Regional Context of the Industry

The demand for household appliances in major continents, including North America, Western Europe, Asia/Pacific, and other regions, send a signal for an increasing trend on the number of appliances, as shown in Figure 1.3.

Household Appliance Demand in Major Continents

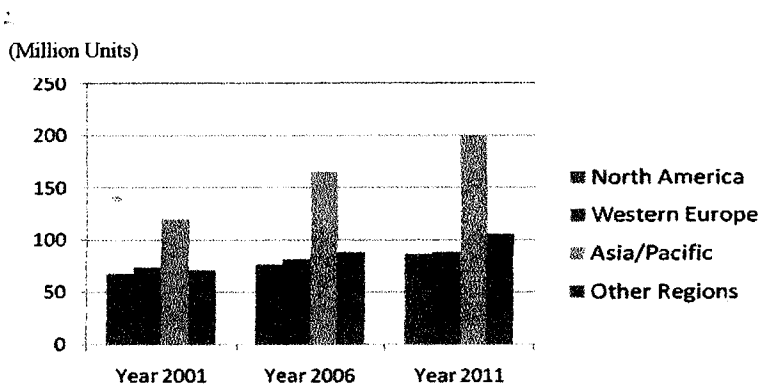


Figure 1.3. Household Appliance Demand in Major Continents
Adapted from “World Major Household Appliances Demand”, by The Freedonia Group, 2008.

From Figure 1.3 the demand in North America is expected to reach 86.5 million units in 2011, comparing to only 76.6 million units bought in 2006. In Western Europe, they had already consumed 82 million units of household appliances, but their demand increase to 88.1 million units in 2011 is predicted. Asia/Pacific increases most in their demand to 200.3 million units in 2011 from 165.50 million units in 2006.

These reports are associated with the future growth potential in the major part of the world. In Asia/Pacific, the above-average urban population growth in the region results from Asian growth (The Freedonia, 2008; 2010). Particularly that of China and India, they are becoming more important to the global economy (Chaterjee, 2007). China’s economic growth rate has averaged 9.5 percent over the past 20 years. India, which has become Asia’s fourth-largest economy, is expected to grow at 7.5 percent for fiscal year. Large-scale economic reforms have contributed to higher disposable incomes and a drastic reduction in poverty in those

countries. They both maintain a large population of the region which is of considerable significance in global sales of domestic appliances.

In Africa, Middle East, and Latin America, rising per capita incomes, and strong gains in the number of households create above-average growth in household appliance demand (The Freedonia, 2008; 2010). In Europe, opportunities are solid as income levels in the region continue to post impressive gains. In Japan and the U.S., replacement demand is growing.

All of these support an increasing consumer desire that initially post the gains of the household appliance or white goods businesses in the regions. Because rising personal income levels stimulates the demand for modern ways of living, it leads people to seek high technology that they can benefit from the spread of smart appliances to make their lives more convenient. It accelerates consumer spending as a major determinant of appliance demand. Since the life cycle of most home electrical appliance is more than ten years, technological improvements may convince consumers to replace the existing appliances with newly increased energy efficiency and improved product performance. These new technological innovations encourage consumers to upgrade their products from time to time (Ibid.).

The growing development that has engaged in the regions created new favorable trends in household living and the changing of lifestyles (Chaterjee, 2007; the Freedonia, 2010). It gives a boost to appliance manufacturing though. However, a concern is about the shifts in dynamic markets such as China that its transition to a market economy and opening to the international arena limits market opportunity, especially for the local appliance companies. As it is known that the major producers and designers of white goods in the world are from the West, e.g. Philips and Princess brand of the Netherlands, General Electric of the US, Electrolux of Sweden,

and Dilonjee of Germany. But the world's largest supplier of white goods is China, where products are exported to the US, Europe and throughout Asia (World Major Household Appliances to 2009; the Freedonia, 2010). China has taken advantage of its inexpensive labor pool, and also of favorable exchange rates, which have made pricing of Chinese goods especially competitive. The prominent expansion and growth of the household appliance industry in China continually drives the market growth in the Asian region.

It is a concern about China's impact on market opportunity, especially for companies in Thailand. They are strongly connected to the Chinese household appliance manufacturing industry. Products produced by the Chinese are not substantially different compared to Thailand, Thai appliance companies find it difficult to compete with them.

1.1.3 National Context of the Industry

The household appliance industry in Thailand is an emergent sector with a highly competitive market (KG Company's Board of Director, personal communication, November 30, 2009). The arrival of international brands to the Thai market created shifts in channel preferences. Strong demand for low-priced and innovative white goods is changing the industry's landscape (Ibid.).

An intense competition in pricing and marketing strategies pushes for an effort to expand the market share among the appliance companies in Thailand (Market structure, 2010). It is found that the differentiation strategies are challenging as Thai consumers are likely to consider appliances more like commodities (KG Company's Board of Director, personal communication, November, 30, 2009). Many household appliances being produced have changed only slightly in shape, appearance, and

technology over recent decades. There is little to differentiate one manufacturer's products from another's (The Freedonia, 2010; Market structure, 2010).

Also, it is a concern about market competition in the domestic arena. The impact of zero tariff trade agreements under Association of Southeast Asian Nations worsens the already highly competitive home appliance retail price competition. It attracts foreign investors and joint ventures, with strong capital resources as their backup, come to invest in a number of manufacturing facilities based in Thailand; some of these are being used as export platforms.

It results in a substantial growing number of international players since the market has been dominated by foreign brands. These companies have more capacity to expand their market sphere. They have been able to adopt measures of developing diversified new products to suit different levels of consumer groups in the country, and provide conveniences to their customers. Major manufacturers have opened franchise shops in department stores, and stand-alone shops in provincial areas to improve their market share by promising concerns at different aspects of improvement of services before, during, and after which become important in marketing.

To cope with the growing competition of the appliance industry, and the entrance of foreign companies, it requires a mechanism such as Thailand Industrial Standard Institute (TISI) to standardize competition behaviors. It works under the Department of Industry to create an environment for fair play and to meet the demand for safety development of the appliance products sales in Thailand. In addition to requirements such as national security and energy efficiency certification, and environmental protection standards; all appliances must pass the standard issued by TISI for the inspection of commodities include quality, quantity, and

specifications to prevent substandard products. Imports of products are subject to authentication and inspection upon arrival in Thailand ports. But the effect of the institute is for some extent in allowing standardization works among highly competing environment of household appliance market in the nation. With the scope of household appliance products covered under TISI, the regulations are rather complex because of unique certification, testing and labeling requirements and the delayed nature of processing the procedures.

Since an intense competition in the domestic appliance market has increased largely a range of possible scenarios can unfold. Household appliance companies must adapt to change before losing market share to other competitors. Organizations that fail to remain responsible for high capability levels may lose ground to those that excel at capabilities that produce business value (Aurek, Jonk, & Willen, 2003). Therefore, it is a major concern of this study is to find out ways to create value in a household appliance firm to bring significant change to the organization. In the next section, an analysis of a business case is to be discussed, so that the need for the course interventions to create business value is coming to break the status quo.

1.2 The Focal System

This section reviews the operating system of KG Household Appliance Company with an internal focus, and the need to create a fundamental change and improvement in the organization. Major issues and discussions of the focal system include background of the company, organizational structure, corporate statement, SWOT analysis, and the need for research.

1.2.1 Company Background: KG Household Appliance Company

KG Co., Ltd. has been in the appliance industry in Thailand since 1987. The company imports and sells appliance products in the Thailand market under only one brand name. The Company's products cover the lines of small-size household appliances such as convection ovens, blenders, mixers, food processors, electric ovens, gas stoves, rice cookers, microwave ovens, water heating, induction burners, hair dryers, electric fans, and vacuum cleaners. In particular, the company is the first to introduce the convection oven to Thai market (KG Company's Board of Director, personal communication, November 30, 2009). It emphasizes the product quality and manufacturing process which is equivalent to the required standard of TISI, other lines of products are coming after received good response from the customers of the company's convection ovens. Major distribution channels of the company are local wholesalers in every province in Thailand, these include department stores, superstores e.g. Tesco Lotus, Big C, and Carrefour, and local dealers. The wholesalers particularly locate near the border of the country approach to the neighboring countries' market. By these means, the company's products are exported to Laos, Vietnam, Myanmar, and Cambodia.

1.2.2 Organizational Structure

1.2.2.1 Bureaucratic structure

The organizational structure design of KG is bureaucratic, as shown in Figure 1.4. It composes of the Chairman and the managing director as top management. Heads of all departments report directly to the managing director, for whom every

decision is made and confirmed in final, or he may bring up issues to the Chairman when consultation is necessary.

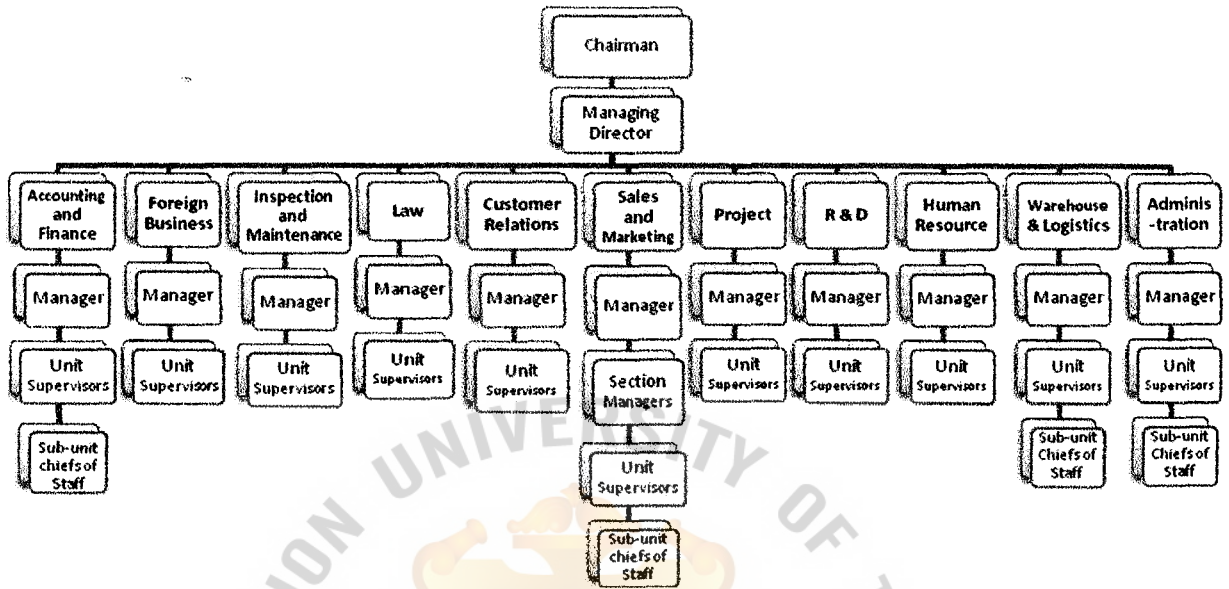


Figure 1.4. Organizational Structure of KG company

Adapted from "Organizational Manual," by KG company, 2006, p. 3.

1.2.2.2 Eleven departments

KG comprises of eleven departments: accounting and finance, sales and marketing, foreign business support, customer relations, warehouse and logistics, project, law, human resource (HR), inspection and maintenance, administration, and research and development (R&D).

The accounting and finance is responsible of the company's accountancy and due payments. The sales and marketing department is the largest department of the company. It is controlled and supervised by a sales and marketing manager, under whom eight divisions are divided into regional sales, hypermarkets, department stores, local dealers, and billing and sales administrative office. They operate under

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each supervisor whose responsibility is to assist their team in achieving financial targets, in staffing the managerial jobs, and in ensuring compliance with the company's policies and customers (stakeholders, wholesalers and end customers).

The foreign business support department is in charge of tracking all foreign business transactions, activities, and cross-borders' documents with foreign suppliers and conforming to the rules of Thailand's import regulations and merchandised standardization. It also involved with the production lines and quality control of the manufacturing factories located in foreign bases. The inspection and maintenance department works hand in hand with the foreign business support department in terms of re-testing and re-examining the product quality from abroad. The warehouse and logistics department is responsible for the merchandise in stock, and the delivery and distribution to the destinations. The administration department maintains its control over office management. The project department is planning for the company's advertising and media, introducing premium products to the credit card companies and other joining business companies. The law department covers all legal works such as written agreements and contracts, pursuing debts and taking the lawsuits to the court. The human resource or personnel department is responsible for the company's workforce, matters includes social security, employee's records, salary and benefits, and labor law and regulations. The customer relations department deals with all customers, not only categorized as the end users but it also includes the commercial purchasers and contractors. This department initiates in-class activities and membership and is responsible for customers' complaints and repair of products. The research and development (R&D) department is newly introduced in the company, their staff works in response to the need for innovation and development of the company's products.

1.2.2.3 Hierarchical supervision levels

In KG, members in each department are coordinated vertically within the function by hierarchical supervision. Top management is responsible for cascading, setting parameters, and planning for entire departments. Each level below completes their tasks according to the operational planning from above only. Line managers are responsible for assisting their people achieve functional targets and in ensuring compliance with company policies. For some time their opinions may be presented to top management for approval. Supervisors are to ensure their teams are committed to achieving the goals of their divisions and their responsibilities. Chiefs of staff, as is assigned on the basis of experience within the function, control the ordinary employees in their team to perform routine duties.

The stratification of all leadership levels in KG company is divided into five levels, as shown in Table 1.2. However, only leadership at descending levels within the departments, namely, managers (as leadership Level 3), supervisors (as leadership Level 2), and chiefs-of-staff (as leadership Level 1) are the focusing concern. This study excludes leadership Level 4, the managing director, and Level 5, the Chairman.

Table 1.2.

The Hierarchical Rank of Leadership Levels in KG company

Leadership Level	Leadership Position
5	Chairman
4	Managing Director
3	Managers
2	Supervisors
1	Chiefs of staff
	Ordinary employees

Note. Adapted from Organizational Manual, 2006. Bangkok: KG Co, Ltd.

The hierarchical rank of organizational leadership levels in Table 1.2 is used in determining who reports directly to whom in the company. The leaders at Level 1, 2, and 3 serve two different roles at the same time. They stay in between a subordinate, who reports to the upper-level leader, and a leadership, who manages and receives report from the lower-level work groups. Ordinary employees as a staff-level report to their chiefs, after that, the chiefs report directly to their supervisors, and then, the supervisors report to their managers. All department managers report directly to the managing director (MD) who acts as a chief executive officer (CEO).

The differences in the specific functions and qualifications of leadership at Level 1 to 3 in the department make the extent of action required different. At Level 1 leadership, namely the chief of team staff, the person in this positioning level must have basic knowledge and skills with past experience in related field of work and the capacity to maximize the performance of the existing resources, particularly are the team's employees or staff. The work at Level 1 leadership is involved with employees with a low education level and from different backgrounds. The chiefs of team staff are only to ensure maximum consistency and effectiveness of their team because the employees under their control may vary from unskilled to semi-skilled. These employees are not expected to make any changes or act against guidelines. The decisions to be taken are prescribed in advance and cannot be changed without higher level approval, this means the work of these chiefs is often mapped out in guidelines or defined processes. If there is an unfamiliar problem not covered by the guideline, or these chiefs look for refinements or improvements, they can bring the issues upwards and report to their immediate superior, who is then required to resolve the issue and act as their immediate leader. This person is called 'supervisor'.

Level 2 leadership, refers to 'the supervisors', the level of knowledge and skills required are different from that required in the chief of staff at operative working level. As one moves up from Level 1 leadership, the general knowledge and skills required at Level 2 leadership include planning implementation, communication, and general people and information management. This is what distinguishes the supervisors at Level 2 leadership from the chiefs at Level 1 in that the chiefs of staff may not be required to have skills relating to management, but the skill of managing others is required for a supervisory support role in the supervisors at Level 2. The supervisors have many chiefs of staff reporting to them directly, as their immediate subordinates, for the work accomplished at the front line. Therefore, it is necessary for the supervisors as Level 2 leadership to be required of more skills and knowledge that are essentially held to account for managing several subunits.

Whereas the supervisors lead and run their units, they form the basis of the actions needed to help ensure each team and their subordinates are better prepared for the job in accordance to their principal. These supervisors also play a support role in assisting the manager of the department. A consistent picture emerged from this point that the supervisors themselves are the immediate subordinate to the department manager, who is considered to be Level 3 leadership.

Managers are authorized from the managing director to devise new approaches to a problem or respond to change the proposed outcome in some situations. They are considered as leaders at Level 3 leadership who help manage the exceptions and are given a development theme in planning a campaign of work and report directly to the managing director. They help the managing director to create a strategic plan and setting out how their departments can help deliver the output that contributes to an integrated set of results for the organization.

Managers are required to have a clear understanding of work priorities and time management as an additional key competence above all that possess by those in the other supervisory levels. The managers are accounted for integrating the work of all discrete units in the departmental process. The work of this level is no longer prescribed in specified guidelines or routines. Their distinct knowledge concerns the degree of specialization which is, in some cases, often relative to the established professions, such as chartered accountants and certified engineers. The managers' works contain an element of judgment, derived from professional qualifications, combined with several years of practical experience and professional training with accreditation and certification. Thereby, the department managers at Level 3 are, unlike Level 1 or Level 2 leadership, given power, for some extent, to make changes to operating guidelines and procedures as appropriate, so that the managers and their subordinates can transform and improve the team performance according to the urgency.

1.2.2.4 Downstream working process orders to upstream reports

The operation in each different department performed by the groups of common function created an initial division of labor in KG company. The employees in each department can adopt similar values, goals, and orientations according to their different functional department. However, it is difficult to make coordination and cooperation or integration with other departments because similarity of the same function only encourages collaboration and efficiency within the department. It is difficult to coordinate and cooperate between departments due to similarity of the same function only encourages collaboration and efficiency

within that department. The work procedures across departments have to follow process orders by hierarchical ranks which take more time to finish.

Figure 1.4 shows the cascading effects from downstream process orders to upstream reports.

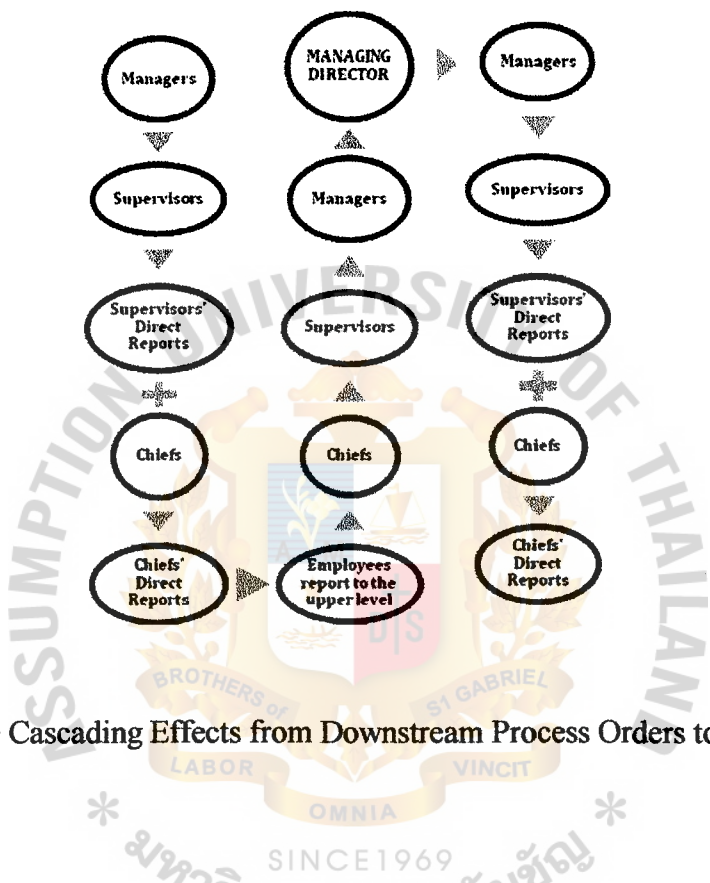


Figure 1.5. The Cascading Effects from Downstream Process Orders to Upstream Reports

In cross-departmental processing, work load falls on the managing director, who is required to mediate the different functions of departments since there is a lack of central staff or formal mechanisms for coordination to manage this integrative load. The managing director has to rely on reports by all departmental heads to integrate the work of all departments and units across the corporation. The presence of a few weak functions can bring along risks that impedes the need to have all capabilities optimized. These limit the managing director's ability to make accurate predictions on overall performance of departments.

The organizational structure where an increasing number of decisions need to be made on a decentralized basis makes it more difficult to accommodate centralized planning, and a concentration of managerial talent at the top corporate level. There is a growing possibility for the company to broaden its potential, thereby, aiding further growth. A more strategic focus was pinpointed to overcome the company's weakness so that it could help release the work load falling on the managing director, and increase the strength of each different function in departments to gradually transform it into a more decentralized organization.

1.2.2.5 The problem and weakness

In the case of KG, it was concerned with the problem of weak and ineffective performing departmental and division heads in responding to sudden environmental changes, and the contribution to the work performance of their immediate employees. This weakness derived from an unwillingness to effectively use their leadership, power, and ability to leverage the outcomes of the employee's work performance under their direct control as a leader at each level.

From the problem of weak and ineffective leadership at each level, it affected the overall performance across organizational level. In the downstream roles, the impact began from managers to supervisors, from supervisors to chiefs of staff, and from chiefs of staff to employees at the lower levels. From failures to identify and help remove obstacles, and inability to optimize the ability to learn from the feedback for the employees at each level under their direct control, these leaders were far less accessible to support functions. As a result, it is likely that these leaders could no longer ensure that employees under their direct control at each level remained connected to the defined objectives.

The situation was worsened when it affected the upstream reports from employees at the bottom to upper levels. It caused the managers to be misguided on their department performance and unable to anticipate needs and opportunities in time. Because each level proceeded works with unclear of what a definitive destination is and not knowing what optimal target of the current state and its desired outcomes should be. By the end process, the front-line employees lose touch with the core purpose, vision, values, and have no inspiration to fuel their performance. From this scenario only ineffective outcomes can be expected. Problems at each leadership level are illustrated in Figure 1.5. It showed how the ineffective leaders at each level within departments impacted the performance on other level.

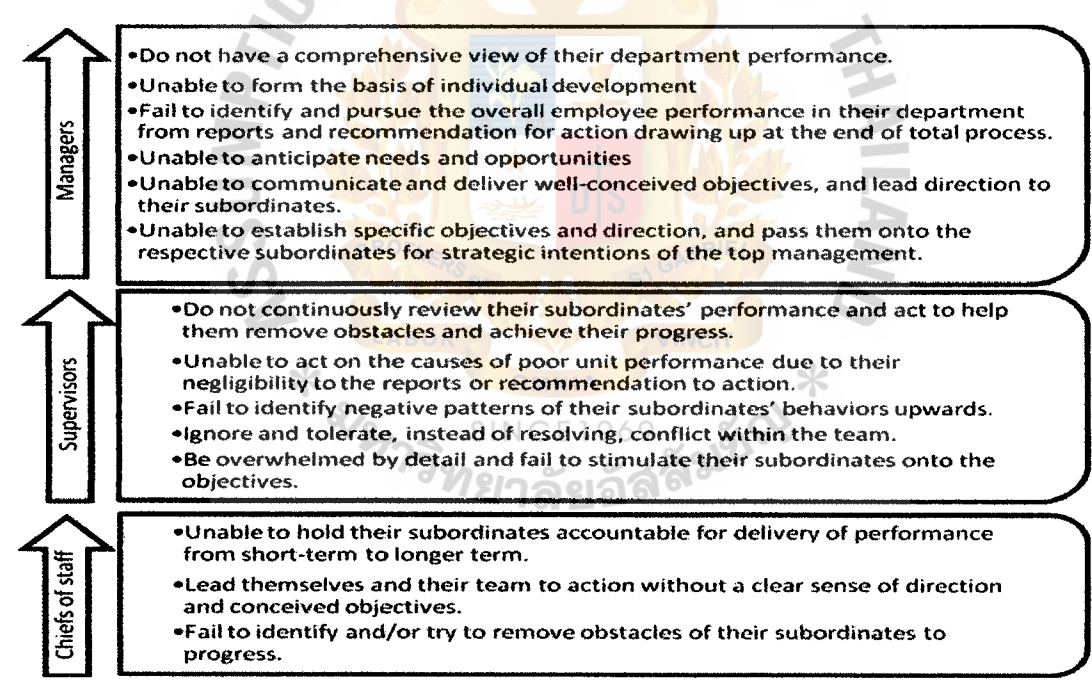


Figure 1.6. Ineffective Performing Leadership at Different Levels and Its Impact on Other Levels

Note. The information of problems at different leadership levels obtained from observation, survey, and interview with the top management, leaders at different levels, and employees of KG company before the ODI was implemented.

From Figure 1.5, it showed a logic flow of the upstream reports, leaders at lower levels reported to the upper leveled leaders. The outcomes, which make the overwhelming ineffective response, from one level to another level, to the problem understandable, involved with how well and how often managers, supervisors, and chiefs of staff monitor and review their respective employee performance. It is apparent that they did not contribute to the work performance of others under them.

Departmental, unit, and sub-unit leaders in different departments of KG focused primarily on what they did, but paid little attention to how they came across to their subordinates. When these leaders took action, they may assume that their action would have a certain impact that produced specific outcomes. However, their action with little attention to adding values to other's work, for instance, a comprehensive acknowledgement in how their subordinates approach achieving the goals and maintaining continual feedback can create different results.

In an effort to improve the ineffectiveness of leadership at departmental, unit, and sub-unit reside the organizational departments, it became a concern that it is insufficient for leadership at all departmental levels to perform common functions as status quo, unless their roles add value to the work of others, and contribute to full capacity and potential of leadership (Dive, 2008).

1.2.3 Corporate Statement

In the corporate statement, it mentioned the company's vision that KG company is "to become a leading brand in the household appliance market in Thailand and the region." The company's mission is "to improve, develop, and generate the organization's capacity from within in terms of people (employees), innovation (products), and service (after-sales service) as well as to pursue changes

in order to deal with opportunities and threats in response to future needs.” (company brochure, 2008).

1.2.4 SWOT Analysis

SWOT analysis for KG is shown in Table 1.3. It helps generate an understanding of strength and opportunities that the company has maintained for its long reputation and accountability that built the stakeholders’ confidence towards their decisions on investment in KG company. Whereas the threat from outside comes from the arrival of cheap imports from China that create the shifts in consumers’ preferences to low priced appliance products, the company’s weaknesses from inside derived from the ineffective performing of leadership at descending levels in the organizational departments.

Table 1.3.
SWOT Analysis

Strength:	Weaknesses:
<ul style="list-style-type: none">• Long reputation and accountability since 1987	<ul style="list-style-type: none">• Problem of ineffective leadership at three levels within the departments (consist of department managers, unit supervisors, and sub-unit chiefs of staff respectively)
Opportunities:	Threat:
<ul style="list-style-type: none">• Growth trends• Positive stakeholder’s attitude and behavior towards the company• Market expansion	<ul style="list-style-type: none">• Market competition with Chinese corporates

Strength.

The company has maintained its reputation and accountability for long. KG made it clear during economic crisis in 1997 whilst firms had suffered from loss and closure of businesses, there was no record from KG in laying off even one employee. With the entrepreneurial talents of the founder and co-founder who had organized debts until the company could pass through the time of difficulties. It serves as the primary link between the company and employees as well as the company and shareholders in ensuring its responsibility and accountability to their people and the creditors.

Weaknesses.

The company's weaknesses derived from the ineffective performing leadership at descending levels in the organizational departments. The departmental, unit, and sub-unit leadership ineffectively performed their supervisory roles. They did not contribute to the work performance of others, and were not frequent enough to anticipate results of their employee performance.

It is worth noting that this research began to seek for the weaknesses of the company in many ways, and it came up with the ineffective performing leadership at descending levels in the organizational departments as the company's weaknesses because of two main reasons. Firstly, it was involved with the company's vision and mission as aforementioned in the corporate statement. The company's vision is to become a leading brand in Thailand and the region, and importantly, the company has its mission to improve, develop, and generate the organization's capacity from within. Therefore, the researcher concentrated on what happened inside the organization that captured the most concern, and it was leadership at three different

levels include managers, supervisors, and chiefs of staff that the top management of KG was concerned with their ineffective performing roles. Secondly, the top management emphasized the individual leaders at different functions reside the organization as important members of the organization because they ensured the delivery of results at different levels of work. For KG has to prepare for adaptation to change and remain responsible for high capability level, thus, managers, supervisors, and chiefs of staff were the main concern of this research.

Opportunities.

The company's opportunities derived from three factors: stakeholders' (including the customers and shareholders) attitudes and behaviors, growth trends, and market expansion. The presence of opportunities is a necessary condition for the company to increase business expansion and investment on a new manufacturing factory in Thailand and another one in China. There are positive beliefs among the company's stakeholders about the potential of the company and its capacity in supplying products on time. KG proved to them that it can adapt to a high competitive market and be able to take the fast pace of change within the hardships of the environment. Significant increases in the number of customers and shareholders has recently represented their confidence and motivation in investing and purchasing the company's products and shares relatively.

Future plan to cooperate with multinational firms regards as a chance to further the company's growth in the international arena. Many giant firms from China have contacted the company to agree contracts for its distribution in Thailand, but their offers were denied due to the lack of readiness the company was at that time. Recently, they returned again and the company's reassessment is in process.

Government spending and foreign investment in land and houses in Thailand are expected to increase the demand on household appliance products in the near future. Foreign monetary funds have Thailand targeted for investment, and with the help of government spending and policies all accumulates the high growth economy in the country up to six percent (Thailand Board of Investment, 2009). The implementation of new fiscal stimulus program on house buying allows people to have more money left in their pocket. When people buy houses, they are looking to purchase appliances for home use.

Threat.

It involves the market competition with the Chinese household appliance industry, and its impact on market opportunity. The expansion of global markets and future growth potential in the major part of the world have strengthened Asian growth and market competition, it especially gives the rise to Chinese exports of household appliance products. Cheap imports from the China to Thai market are the main threat facing KG. Customers see no differentiation from the outside appearance of the appliance products. They rather consider the difference from the price if the specifications of the products are the same.

1.2.5 The Need for Research

The need for research derived from a concern on KG company's weaknesses that focused attention on the ineffective performing of leadership at descending levels in the departmental framework, which include department managers, unit supervisors, and subunit chiefs of staff, that affected the process output of entire departments.

It became a concern for this research to improve and develop leadership at three levels in order to enhance the leadership effectiveness at capability level. In Figure 1.7, it shows the framework upon which the focus of the research in this study reflected on how the problem affected from one to another component within the departmental levels. It illustrates cause and effect of ineffective performing leadership at the departmental, unit, and subunit levels, which directly impact on people at different levels in the organization when they perform the work process to produce the outcomes of work output.

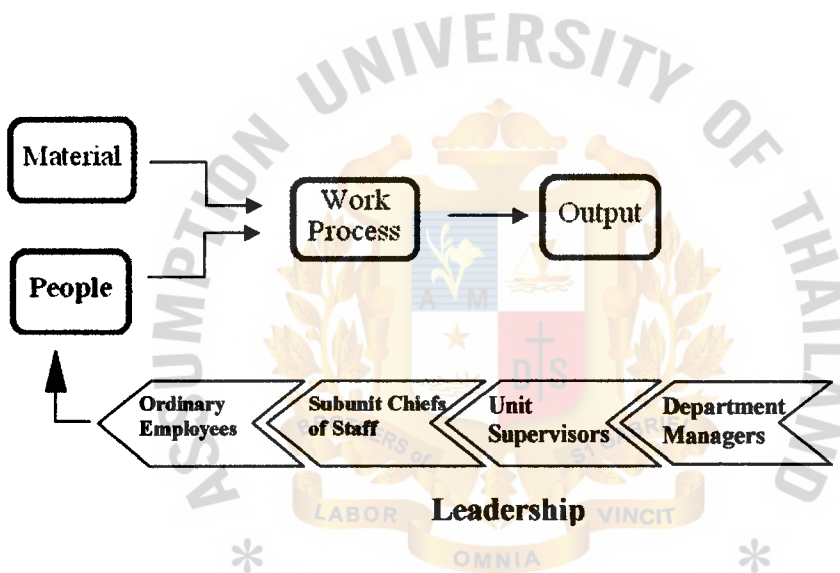


Figure 1.7. The Research Problem

From Figure 1.7, the focus of the research results from the weaknesses found at the three-supervisory level of the departments include manager, supervisor, and chief levels. Managers are regarded as the head of each department whose authority and control is above their immediate subordinates, namely supervisors, and chiefs of staff respectively. Supervisors act as a leader of units inside the department, and chiefs of staff, who lead each of the teams under the supervisors' unit control. All of them are regarded as three leadership levels operating under the departmental framework in the organization as shown in Figure 1.8 for more details.

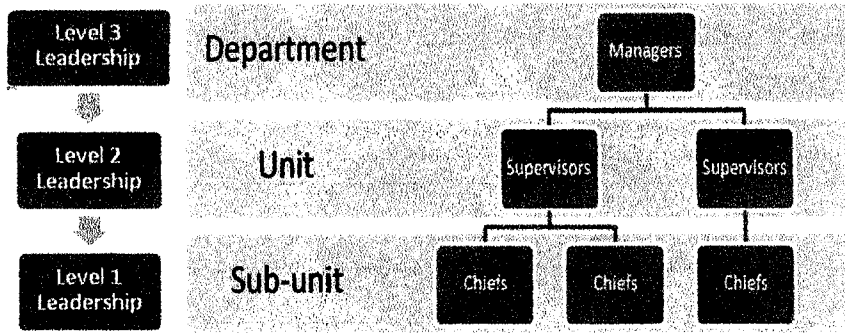


Figure 1.8. Leadership in the Departmental Framework

Adapted from “Organizational Manual,” by KG , 2006, p. 10.

From Figure 1.8, each layer of management locates level of leadership to be accountable for the distributed duties and controls from top management descending to different levels in the department. The main responsibility and accountability for these leaderships at different levels is expected to lead change, develop, and improve the work performance of people under their direct control in the department, unit, and subunit respectively as well as to help them better understand and adopt shared values to produce a process output efficiently in order to achieve organizational goals.

When these leaders at different levels in the department, as specified in Figure 1.8, did not monitor and manage outcomes in effect of making people in descending level or vice versa to perform and to deliver effective outputs. They were unable to hold their subordinates accountable for delivery of good performance. It affected the process output of the entire department producing ineffective results, as shown in Figure 1.9. These concerned various parts of the enterprise work that these leaders were to manage because they were the fundamental link tying the people at each functioning level to produce results that can make a significant contribution to a companywide achievement.

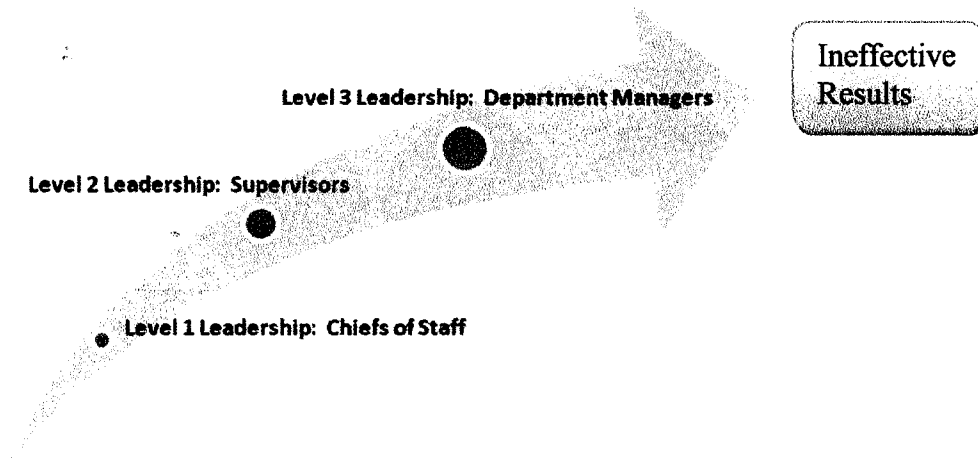


Figure 1.9 Problem of Ineffectiveness at the Supervisory Levels

In KG, there was no guidance offered on what are behavioral attributes of these leaders at department, unit, and sub-unit should be to effectively impact on subordinates' performance. Conscious and deliberate actions to drive and transmit the company's vision to employees may rarely be embedded in the thinking, feeling, and behaviors of these leaders.

These reflected the core believe that people cannot be trusted to succeed or they will behave poorly if their leader does not exert authority, influence, motivation, and support them closely (Anderson & Anderson, 2001). The result was apparent at the end process of producing work output that KG employees have often made mistakes and failures because they were unable to meet and maintain expectations on a departmental strategic plan and organization goals. With all these respects, it was difficult for all parties to stay on the same wavelength with the planning process when the leaders at three levels did not provide full support to enhance employee performance.

Maintaining operating efficiency of all units and sub-units in the department becomes difficult, but above all, achieving a stronger alignment of departmental

employees to the core values is more difficult. In this research, a predetermined method must be considered carefully how to make these leaderships at different levels downstream the work and core values effectively in the process until employees at lower layers can produce outcomes that can meet the planned objectives and shared goals.

1.3 Research Objectives

This research seeks to achieve the following objectives:

- 1.3.1 To describe and analyze the current leadership behaviors at three levels (department, unit, and subunit) and employee performance in KG .
- 1.3.2 To design and implement the ODI for leadership development at three levels (department, unit, and subunit).
- 1.3.3 To determine impact of the ODI on leadership development at three levels.
- 1.3.4 To determine impact of leadership development on employee performance.

1.4 Statement of the Problem

The main purpose of the study is on the impact of ODI on leadership development and employee performance.

1.5 Research Questions

- 1.5.1 What is the current situation at KG concerning leadership at three levels (department, unit, and subunit) and employee performance?

- 1.5.2 Is there a difference between pre- and post-ODI on leadership development and employee performance?
- 1.5.3 Is there an impact of ODI on leadership development?
- 1.5.4 What is the effect of leadership development on employee performance?

1.6 Research Hypotheses

The hypotheses for this study in the null and alternative forms are as follows:

- Ho₁: There is no difference between pre- and post-ODI on leadership development and employee performance.
- Ha₁: There is a significant difference between pre- and post-ODI on leadership development and employee performance.
- Ho₂: There is no impact of the ODIs on leadership development.
- Ha₂: There is an impact of the ODIs on leadership development.
- Ho₃: There is no effect of leadership development on employee performance.
- Ha₃: There is the effect of leadership development on employee performance.

1.7 Scope and Limitation of the Study

The scope of this research was set to study the impact of the leadership development at three levels only. It included department managers, unit supervisors, and subunit chiefs of staff. The researcher spent a substantial amount of development effort on the three-level leadership in the departmental framework, but had no intention of studying the superior levels of leadership. That is why this study excluded two levels of leadership in KG, i.e. the managing director and the Chairman. The time to conduct this research was limited to seven and a half months. Intentions of this research study significantly relate to efforts to investigate the

impact of leadership development, and its effect on their immediate subordinates' performance at different levels in departments of KG. The researcher focused on each level impact on the other below them, who in turn impacted on their respective subordinates.

1.8 Significance of the Study

The results of the current study reflected real problems and situations that took place in KG. It pointed to the importance of examining what caused the root of the problem. This study proposed the leadership development to offer the potential for embedding and reinforcing some aspects of leadership applicable to solve the problem and overcome the weakness in the company, and creating values contribute to achievement of the organization (Lievens et al., 1997). Leadership development in this study responded to demands on developing people and to generate capacity from within, according to what stated in the corporate statement. As a result of this study, it contributed to organization development (OD) in many levels. From management perspectives, leadership development helped create an influence process in the organization, rather than an individual success of being a leader alone. At the corporate level, it added values of effective workforce to organization capability to deliver stakeholder confidence in future results. At the management level, leadership development helped ensure that the persons in position to lead effectively delivered value to their immediate subordinates, who receive the outcomes of leadership efforts. At the employee level, individual strengths to lead, motivate, create, and control were established and guided systematically. It was concluded that leadership development in this study helped both individual leaders and whole leadership cadres in the organization became more effective from which it

changed the status quo in KG and was regarded as a critical factor in the initiation and implementation of the transformations in the household appliance organization.

1.9 Definition of Terms

The following definitions are provided for clarification of the terms used in this research study.

Continent definition in the global market of the household appliance industry:

The global market, as defined by the Freedonia Group (2008) consists of the Americas, Asia-Pacific, and Europe. *Europe* is deemed to be France, Germany, UK, Belgium, Italy, Netherlands, Spain, Czech Republic, Denmark, Hungary, Norway, Poland, Russia, and Sweden. *Asia-Pacific* is deemed to be Australia, China, India, Japan, Singapore, South Korea, Taiwan, Thailand, Malaysia, Indonesia, Philippines, Cambodia, Burma, and Laos. *The Americas* is defined as Brazil, Canada, Mexico, and the United States. In the study, the terms, the West, refers to the Americas and Europe, and the East refers to Asia-Pacific.

Employee performance: It refers to behaviors that are relevant to organizational expectations on the desired goals (Liao & Chunag, 2004). People, who are under the control of a superior, are regarded as employees. The behaviors of the employees play a critical role in achieving desirable outcomes, it is thus imperative that employee's performance should be managed. The complexity of managing employee performance requires managers, supervisors, and chiefs to view their subordinates' performance in several areas simultaneously. The process of performance management included employee's personal development with the

assistance of their direct leaders, and superior reviews on performance assessment of the individual employee. The performance assessment system employed in this study included measures that provided feedback on employee's quality of work, work habits, overall job knowledge, interactions with co-workers and superiors, job and behavior correction, expectation for contingent rewards, mistake avoidance, inspiration, and self-efficacy.

Household appliance industry definition: Household appliance industry comprises establishments primarily engaged in many different types of manufacture:

household-type cooking appliances, household-type laundry equipment, household-type refrigerators, upright and chest freezers, and other electrical and non-electrical major household-type appliances, such as dishwashers, water heaters, and garbage disposal units.

Leadership: is viewed as an influence process wherein the individual members of the leading positions (comprised of department managers, unit supervisors, and subunit chiefs of staff) are to pursue for the development of the discipline to influence the objectives, strategies, and cooperative relationships among their followers or subordinates by using the engagement process of coaching, mentoring, motivation, inspiration, and skill practice through role play (Hart, 1980; Hollander, 1985; Hersey & Blanchard, 1988).

Leadership development: The primary goal of leadership development focuses on the interaction of the leader and subordinates within a social-organizational context, where it constitutes a complex interaction between leaders, followers, and the context

in which they operate (Bass, Avolio, Jung, & Berson, 2003). In this study, leadership development was set as a program to provide for the individuals at the leading positions a process of influencing the activities of their subordinates in efforts towards goal achievement.

Market definition: The household appliances market reflects the sale of six product sectors: refrigeration appliances (including fridges, freezers and fridge freezers), cooking appliances (including cookers, microwaves, ovens, cooker hoods, food processors and toasters), washing appliances (including washing machines, clothes dryers and washer-dryers), heaters (which include space heaters and water heaters), vacuum cleaners, and dishwashers.

TISI: Standards and conformity assessment systems including procedure and regulations have been under the responsibility of the Thailand Industry Standard Institute (TISI), Ministry of Industry. TISI's mission has been mandated by law on Industrial Product Standard since BE. 2511 (or in 1968) to assume duty and authority to approve use of standard mark, authorize manufacturing industrial products according to TISI Standard or Foreign Standard for export, inspect the manufacturing process, and inspect / approve imported industrial products those have to conform with TISI Standard. Standards of conformity assessment procedure and regulations are used as a measure to prevent dumping of low quality, below standard, unsafe electronic appliance products into domestic market thus affecting public consumers & local manufacturers.

Chapter 2

Review of Related Literature

2.0 Introduction

This chapter provides theoretical background including definitions, concepts, theories, and critiques of leadership development in an organizational system. The focus is on creating a framework, and the inherent logic in the development for leadership and its impact on employee performance, as shown in Figure 2.1. Approaches are also presented in the conceptual framework to ensure that leadership development processes in organizations are sustainable, and can be created to increase leadership at different stages in order to achieve the greatest impact on performance outcomes. In this tradition, it is typically based on an action research framework where research findings and theories can serve as the basis for collaborative problem solving.

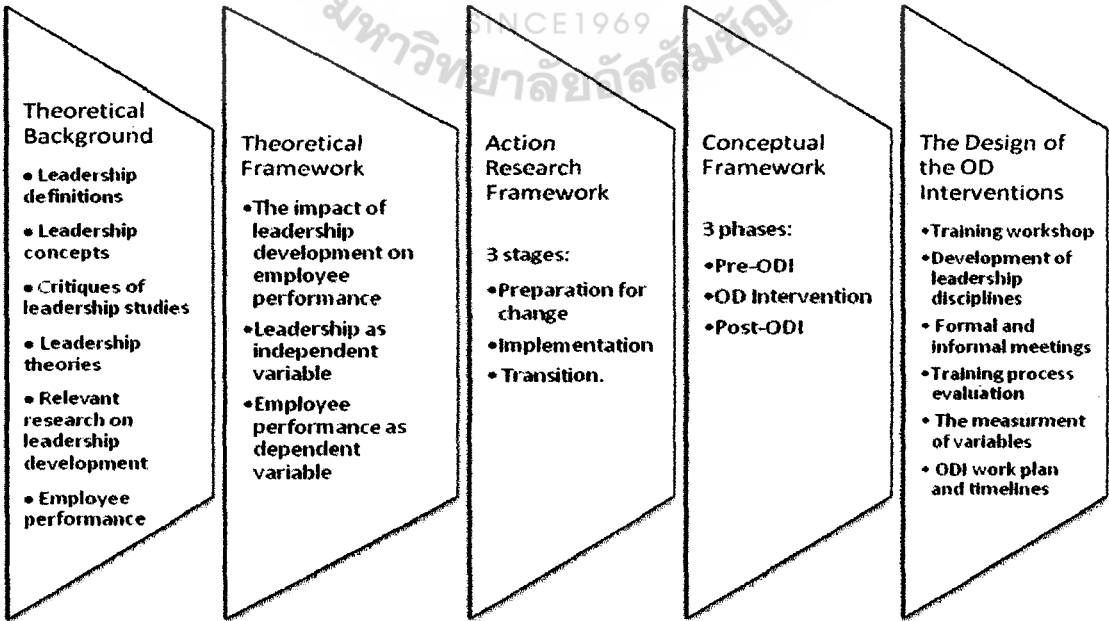


Figure 2.1. Whole-System Work Design

2.1 Theoretical Background

2.1.1 Leadership Definitions

Leadership literature has captured the interest of organizational researchers for more than half a century. It is characterized by an endless proliferation of terms and definitions to deal with the construct (Hayward, 2005). Many extraneous connotations create ambiguity of meaning and an array of imprecise descriptions; nonetheless, the basic constructs have remained the same (Hayward, 2005; Bass & Avolio, 1990; Bennis & Nanus, 1985; Yukl, 1998).

Leadership definition has been defined differently to different authors. Warren Bennis, one of the most revered observers of leadership had already identified over 350 different definitions of leadership by the early 1980s. Stogdill (1974: 259) said that “there are almost as many definitions of leadership as there are persons who have attempted to define the concept.” His observation in the statement has made the stream of new leadership definitions continue unabated. But no one definition of leadership has been widely agreed upon (Kippenberger, 2002).

The issue became part of the problem for the absence of a commonly agreed on definition. Many representative definitions of leadership have been continually presented by different authors. Sternberg and Vroom (2002) noted that the term leadership has been defined by using a popular concept rather than a practical application of a science. Gary Yukl (1998), another revered observer of leadership in organizations, made his significant comment while probing the meaning of the term leadership, that researchers usually define leadership “according to their individual perspectives and the aspects of the phenomenon of most interest to them” (Yukl, 1998: 2). That is why the numerous definitions of leadership that have been

proposed differ in many respects in terms of traits, behavior, situational patterns, influence, or integrative view.

Perhaps at its simplest, broad categorized concepts from various sources of leadership definitions may seemingly explain most interest in the subject. They are divided into four categories that reveal different researchers' emphases: a process of influence, the exercise of authority, acts or behaviors, and relationships with people in their definitions of leadership.

First category, some authors have defined leadership in terms of a process of influence in achieving group or organization goals. According to Hollander (1985), leadership is defined as the process of influence the leader has given to the subordinates in order to attain organizational or societal goals. Hersey and Blanchard (1988) defined leadership as the process of influencing the activities of an individual or a group in efforts towards goal achievement in a given situation. Hart's (1980) definition of leadership was focusing on a process of influencing one or more people in a positive way, so that tasks which are determined by the goals and objectives of an organization will be accomplished. These authors have defined leadership as a process of influence.

Second category, leadership definitions of some scholars that emphasize the exercise of authority include Warren Bennis's 1959 definition (Kippenberger, 2002), Fiedler and Garcia's (1987), and Hunt and Osborn's (1980). According to Hunt and Osborn (1980: 47), the authors refer to leadership that is "the attempt a superior makes towards his subordinates as a group or a one-to-one basis". Warren Bennis's definition in 1959 refers to leadership thus "it can be defined as the process by which an agent (a leader) induces a subordinate to behave in a desired way" (Kippenberger, 2002: 7). Fiedler and Garcia (1987) mentioned in their book that leadership is a part

of organization management that deals with the direction and supervision of subordinates. These authors include in this category a focus on leadership as an exercise of authority.

Third, other theorists who prefer to define leadership in terms of acts or behaviors (Rojknajonnaphalai, 1999) include Bass (1981), Stogdill (1974), and Fiedler (1967). Fiedler (1967) defined leadership in that it generally means the particular acts a leader engages in while directing or coordinating the work of group members, such as structuring work relations, praising or criticizing group members, and showing consideration for their welfare and feelings. Bass (1981) also pointed to a leadership act which results in others acting or responding in a shared direction. Stogdill (1974) added that leadership may be defined as the behavior of an individual while he is involved in directing group activities. These authors who fall in the third category have defined leadership with an emphasis on a leader's acts or behaviors.

The fourth group is of definitions defined by researchers whose focus of attention points to relationships with people. Crawford and Cabanis-Brewin (2006: 88) pointed out that leadership is characterized by "a sense of ownership and mission, a long-term perspective, assertiveness, and a managerial orientation." While management focuses on systems and structure, short-range goals, and supervision on how work gets done, leadership focuses on people and relationships by developing people, creatively challenging the system, inspiring others to act, and communicating why the work is worth doing. Kouzes and Posner (2002) suggested that leadership is fundamentally about helping people make sense of what they do so that they will understand and be committed to the mission. These authors just mentioned therefore defined leadership according to the relationships with people.

Despite no one definition being widely accepted, the concepts of leadership as mentioned in the four categorized definitions imply that a basic theme of leadership lies in the ability to get other people to achieve something that a leader wishes them to accomplish (Kippenberger, 2002). Leadership can be demonstrated in many ways in the relationships with constituents such as followers or members. In this study, leadership is likely to be best demonstrated as the influence that a relationship has between leaders and subordinates in order to bring about change towards desirable outcomes in an organizational context.

2.1.2 Leadership Concept in the Organizational Context

Leadership is a mainstay of an organizational change (Friedman, 2004). Management literature assumes leadership to be the capability to lead and set direction for an entire organization to follow, and mostly refers to executive positions whose impact of creating new outcomes and the capacity to continually develop changes are significant (Free Management Library, 2008). Leadership is relevant to aspects of ensuring effectiveness and for managing changes in organizations (Ibid.).

The concepts and practices of leadership have driven gains in the popularity of the topic. Ever since the economic environment became increasingly turbulent, strategic leadership has been used as an instrument to manage the complexity that challenges the organization (Parry, 2000). Their vital role to play in generating and maintaining a fundamental transformation in the organizational systems and processes becomes “a critical factor in the initiation and implementation of changes in organization” (Lievens, Geit, & Coetsier, 1997: 416). These result in a strong need for strategic leaders to guide organization members to achieve their desired goals (DuPont, 2002: 3). As agents of change, they place value on the development

of a clear vision and inspire followers to pursue their mission (Parry, 2000; Lievens, Geit, & Coetsier, 1997: 416). A clear vision or mission of the leader is most likely to foster development, and for innovation to exist in the organization (Anderson & King 1993).

Given their potential, leadership shall not only be specified at the CEO's level or top of an organization's hierarchy. It is advised to propose it at every organizational level because of the decisions that these people are empowered to make, and ultimately, they account for what happens at the sectional, unit, and departmental level to run the business (DuPont, 2002; Vera & Crossan, 2004: 222; Hambrick, 1989: 5).

According to Parry (1999), leadership has an immediate effect on the social psychology of the workforce in the organization. At its vital point when organizational change occurs, not only the leaders at the top of the hierarchy of an organization, but also managers, supervisors, or subunit leaders become the change agents, which is inherent in their jobs to guide a large, comprehensive and detailed organizational change effort (Cummings & Worley, 2005). These people are able to provide a "motivational force for change" in followers directly and closely (Lievens et al., 1997: 416) by which their efforts to transfer the top executives' vision and direction will provide enterprise-wide breakthrough guidance and support, and produce their intended business results that leads to profound change in the entire organization (Parry, 1999; DuPont 2002).

With an emphasis on building an organization's capabilities, especially in creating values over the organization's intangible intellectual capital, leadership is a significant contributor to achievement of the organization's competitive advantage (Hitt & Duane, 2002; DuPont, 2002). If the key to this future competitive advantage

is given to the importance of an organization's capacity to create "the social architecture capable of generating intellectual capital", then, the importance of developing leadership is suggested to be included as "an essential component of all levels of the organization" (DuPont, 2002: 2).

It is a matter of survival in the world today that the effort to initiate leadership development is considered to be an essence of the change implementation in the organization. However, the question arises whether leadership can be taught or developed. The following sections discuss this issue, and also the evolution of leadership, and some of the theories which are relevant to this research.

2.1.3 Critique of Leadership Studies

Researchers in leadership studies have a vested interest in the discussion of in-born qualities versus learned abilities of leadership. For 60 years the literature of leadership has eventually been developed, many researchers have examined the behavior of leaders to determine what features comprise a leadership style and how particular behaviors relate to effective leadership. However, efforts to prove if leaders are born or made have made various assumptions on the acquirement of leadership competencies that enable the leaders to rise above the followers.

Researchers' views on born-leaders is believed to come from a largely unconscious level of leading character which is inherited and derived from early experiences (Sinclair, 1998). In contrary, another view assumes that leadership potential can be made by consciously focusing on one's abilities development and by seeking opportunities and education (Ibid).

Until the present day, researchers' debates on the question of whether leadership is born or made seem to resist final resolution. Amanda Sinclair (1998)

has assumed that researchers typically have an interest in believing that individuals can overcome the shortfalls of their origins. Researchers continue to trace the abilities of leadership through a mass of life factors. For example, when examining the ruling elites, a preponderance of people with backgrounds can be characterized as economically and educationally privileged (Ibid.).

Warren Bennis's work (1994) emphasized the 'born-to-be' view of leadership in which early experiences and the formation of character traits in early life endow a leaders' ability to lead. Also, David Norburn (2001), who takes a 'born rather than made' stance, believed that leadership is basically genetic. Norburn has given a remarkable notion on a genetic issue, that people can be encouraged to accelerate the embryonic capacities for leadership. In Nigel Nicholson's (2001) argument he pointed out that it is a big lie by much of the management literature in believing that any man or woman can be turned into a leader by giving them developmental intervention. Nicholson has taken accumulating evidence of the new science of behavior genetics to argue that differences in individual character, style, and competence can explain that leadership is inborn. Roger Gill's work (2006: 272), conveys the belief that "leadership behavior can be 'moderated' but not 'transformed' by training people who are not naturally gifted leaders in key behaviors and habits that are associated with effective leadership".

It is unfashionable to emphasize the importance of early experiences in the formation of leadership (Sinclair, 1998). Much of leadership research continued to rely on the belief that leadership could be made and was grounded for leadership development. In Winston's (2003) work, the author proclaimed that there may be genetic effects, but leadership can be developed and that the environment and values such as training and development have a huge impact in a mysterious way. Kotter

(1990) emphasized that values such as training and development should be delivered to potential leaders. Genes may make things possible; however, it is necessary to acknowledge that some traits are inherited; nonetheless, it can be additionally noted that others are to be acquired (Greenfield, 2003; Stogdill, 1948).

Environment has a huge impact in a mysterious way for forming learned competencies in leaders (Winston, 2003). Kets de Vried and Florent-Treacy (1999) have proven in their research how early childhood influences, and leadership potential development can shape, the character of leadership. Amanda Sinclair (1998: 79) exposed that “if it were found that such capacities were all predestined in the first few years of life, then our efforts might appear more than a little belated.”

Hilarie Owen (2001: 2) argued that “leadership is an ongoing process of learning about oneself and the world.” Though Owen (Ibid.) opposed the world views explaining leadership as a set of skills or techniques that can be learned and added or bolted on to management, the same author (Ibid.) contended that leadership and management require different thinking, and leadership cannot be taught as with a list of skills, but that leadership is more about taking an inward journey and finding ones’ own strengths and leadership gifts. In other words, leadership potential already exists in the individual, but it requires recognition, development, growth, and practice to make leaders (Owen, 2002).

Roger Gill (2006: 272) has advocated that developing leadership potential is a combination of the accidental, the incidental, and the planned from which ones have largely learned most of what they know through experience from their life, not a week’s training course in the classroom. Though some may possess skills or strengths however, they may lack other abilities such as motivation and will. Still,

they have the potential to improve their leadership effectiveness by being given necessary opportunities (Ibid.).

Despite all of this, the question has still dominated the debate as to whether leadership can be developed or is destined from the moment of birth, either to rule or to be ruled. Over subsequent decades, the question never goes away. Researchers' debates have not yet brought the 'born or made' question to rest, but it seems that several authors' work remains noteworthy in the leadership literature. Despite the fact that leadership capacity has its roots partly in genetics (Nicholson, 2001), development and experience during childhood and adulthood are regarded as an important part (Sinclair, 1998).

A key underlying assumption in part of this study is prone to the fact that individuals can be developed, at which point the important capacities that facilitate the effectiveness in leadership may vary, according to differing degrees, in the individual's ability to learn and cognize from experience and development processes (Owen, 2001; Kotter, 1990).

2.1.4 Leadership Theories Overview

The absence of a particular prevalent view inspires researchers to continue seeking achievements in their leadership studies. Many have created different conceptions of leadership in the literature. Prior research attempted to identify effective leaders through different models and theories of leadership, but no theories or models so far have provided a satisfactory explanation of leadership (Yukl, 1998).

With attempts to organize the literature according to major theories, approaches, or perspectives which have created a growing stream of research findings regarding leadership studies, many are said to be partial research (Yukl,

1998). Each of the major theories and models of leadership is a piece in the jigsaw puzzle that has helped understand leadership, but none of them alone provides a complete picture (Gill, 2006).

Gill reasoned that it resulted from researchers having approached the study of leadership from different perspectives according to their personal interests, rather than building on one another's work and creating general theories or models. Particular ideological points of view show that the answers one gets depend on the questions one asks (Ibid.).

Consequently, the literature is confusingly fragmented (McCall & Lombardo, 1978). Popular approaches to leadership differ in their emphasis, namely traits, behavior, situations or contingency, and constitutive theories (new paradigms of leadership that emphasize the nature of doing; Grint, 2000). It provides insight but an incomplete and inadequate exploration (Bennis & Nanus, 1985).

Apparently, a key concept in one taxonomy is absent (Yukl, 2002). Yukl explained that different terms have sometimes been used to refer to the same type of behavior, and at other times, the same term has been defined differently by various theorists. He found that "what is treated as a general behavior category by one theorist is viewed as two or three distinct categories by another theorist" (Ibid., 61).

There appeared very little research or opinion that deals with the issue (Dubrin, 2001). Therefore there has never been an agreed on paradigm in the study and practice of leadership. Researchers have become increasingly disenchanted with the field because "the seemingly endless display of unconnected empirical investigations is bewildering as well as frustrating" (Quinn, 1984: 227).

Yet, leadership remains one of the most appealing subjects in the management field (Whipp & Pettigrew, 1993). Despite the number of arguments in leadership

studies, the subject is one of the most observed and least understood phenomena on earth (Burn, 1978).

The evolution of leadership research has been consistently profitable to researchers (Gill, 2006). The confused state of the field can be attributed to the large volume of publications. The disparity of approaches helps the proliferation of confusing terms and the narrow focus of most researchers (Yukl, 1998).

From large contributions to the study of leadership, evidence has shown that theoretical approaches to leadership had an era in which it was the focal point for leadership research and that it continued to generate contemporary interest up until this point in time (Rojkhajonnaphalai, 1999). Gill (2006) has observed that the four major models of leadership theories, namely traits, situations, contingency, and constitutive, have included attributes modifiable from some early weaknesses.

2.1.4.1 Trait theories

Historically, the first scientific and systematic attempt to study leadership was based on theories of trait. The studies in trait theories assumed that effective leaders have special common qualities of trait in which they are born with. The idea of the 'great man' approach to leadership is the best defined of the trait theories, it identifies the traits leaders as being possessed with an assumption that great leaders will arise when there is a great need (Lussier & Achua, 2001). These contributed to the notion that leadership had something to do with breeding. The determination of leadership here was based on a set of characteristics or traits that distinguished leaders from followers.

However, the idea of the 'great man' approach to leadership, which is the best defined of the trait theories, is aimed at identifying special traits in common that are

possessed by the effective leaders, and has been inconclusive. These theories raise the question of whether such qualities that appear to be important to leadership can make future leaders. Nonetheless, a universal list of traits that can guarantee leadership success has not been discovered.

Empirical research has found a weak relationship between personal traits and leader success (Lussier & Achua, 2001). At first glance, the findings on traits and personal characteristics seem to be helpful, but when researchers spent any time around the trait characteristics, once used to assume a personality of leadership, it was found that people who possessed them were less likely to become leaders (Lussier & Achua, 2001; Wright, 1996). Consequently, a characterization on leadership traits becomes a critical issue among researchers (Wright, 1996; Doyle & Smith, 1999; Stogdill, 1948).

Whether or not the characteristics of leaders can be gendered is still questionable (Doyle & Smith, 1999; Sinclair, 1998). When men and women are asked about their characteristics and leadership qualities, some significant patterns of differences emerge. Doyle and Smith (1999) found that the attributes associated with leadership in most research were often viewed as male because the people in those days, where trait researches were conducted in 1940s-1950s, tended to have difficulties in seeing women as leaders.

Sinclair (1998) agreed that there has been passing attention given to men leading women; in this case, women's leadership is rather invisible to the conventional tests of leadership. The equation of leadership with masculine leadership persists because it suits not just the interests of decision-makers who tend overwhelmingly to be male, but leadership as masculinity resonates deeply with a wider cultural mythology, such as the experience of history, religion and politics

(Sinclair, 1998: 27). This can explain why the characteristics of leaders are readily seen in certain types of men while there's a reluctance to bestow leadership on women (Ibid.).

Critics on the trait theories were extensive in terms of different occurrences. Doyle and Smith (1999) noted that while the same set of traits may not work in different circumstances, researchers tended to mix some qualities of leadership attributes with others in preference for a particular situation. At this point, the mixture of leadership qualities explains the lack of concern on the impact of this situation in the early trait research (Ibid.).

Stogdill's (1948) review of research on leadership emergence also pointed to a concern on the value of particular traits that varied with the organizational situation. Stogdill's review in 1948, which resulted from his studies based on the trait approach, uncovered several traits that were consistent with effective leadership. It was found that the possession of some combinations of traits cannot be a reliable predictor of leadership because the importance of a particular trait was relative to the situation.

In Daft's (1999) research on the trait of creativity of leaders who reside in a highly bureaucratic organization, it becomes less viable than in a newly built business (Ibid.). Daft (1999: 66) summarized his finding that "initiative may contribute to the success of a leader in one situation but it may be irrelevant to a leader in another situation". This suggests that the expression of traits from individual leaders can be different in other situations.

Bass (1981) reviewed that certain traits may increase the likelihood that a leader will be effective, but it cannot guarantee effectiveness. The relative importance of different traits is dependent on the nature of the leadership situation

(Ibid.). As a result, it becomes a weakness of the trait approach to reproduce leaders because the trait theorists seem to ignore the situational context of leadership (Northouse, 2000). With its central belief that leadership was a quality at birth, the same set of personal characteristics that made a leader resulted in ineffectiveness in some other situations, and confused the theorists' concern as to what combination of traits should be suited to the circumstances. Since a lack of a definitive list of personality traits has been published, it caused the researchers to subjectively decide which traits were most important (Ibid.). These deficiencies have made trait-based theories of leadership obsolete (Chemers & Ayman, 1993).

2.1.4.2 The behavioral or style theories

The lack of a consistent set of leadership traits brought about by the behavioral or style theories became the dominant way of approaching leadership within organizations in the 1950s and early 1960s, the theorists use the Behavioral approaches to determine behaviors that are associated with effective leadership, and to serve two objectives which include goal achievement and group maintenance (Gill, 2006). A major development of the Behavioral theories was that different patterns of behavior are grouped and differentiated with styles. The Behavioral theorists used their theories to diagnose a leader's working styles, such as the task-oriented and people-oriented style of leadership in the Michigan studies (Katz et al., 1950), the directive and participative leadership models of Bernard M. Bass and his colleagues (1975), Managerial Grid studies of leadership style (Blake & Mouton, 1964), and the initiating structure and consideration style of leadership in the Ohio State leadership studies (Haplin & Winter, 1957). Since traits alone cannot explain

leadership effectiveness, the behavioral theorists sought to explain the relationship between what leaders did and how followers reacted behaviorally.

Interestingly, the style models of leadership that appeared in behavioral theories seemingly share the same basic ideas, in which the similarity tends to concentrate on the achievement of concrete objectives in the organization, and the difference is attributed to the exercise of leadership to approach the goal (Cohen & Tichy, 1997). For example, leaders exercise a people-oriented style and participative leadership tends to be more admired among followers and results in its ability to strengthen business efficiency in which the participative leadership shares responsibility with their followers (Ibid.). Whilst directive leaders are responsible for decision making, they are similar to authoritarian ones in a sense that leaders in this style tend to give direction and expect others to follow.

Notwithstanding that the behavioral or style approaches are simple and solid in its conceptual base in which its central key behavior clearly emphasizes tasks (or productivity) and relationship (or people) between leaders and associates (Parzefall, 2006), Northouse (2000) and Parzefall (2006) argued that the implication of a task and relationship style has been proven by the unclear relationship between style and performance outcomes.

Manshu's (2008) work supported evidence that the differences still produced inconsistencies which were derived from the impact on the size and structure of the organization and caused the unfit style of leadership. The same leadership style had produced different results and the style approaches appeared to assure that each of the styles of leadership was better than the others (Doyle & Smith, 2001). Owing to the undue emphasis on the leader, followers, and the task, the style theories fail to

consider the contingencies in the leadership situation (Gill, 2006; Whipp and Pettigrew, 1993).

The style approaches tend to focus on behavior, but do not address values that are relevant and effective in getting the job done and relating to subordinates and others. These approaches do not account for the behavior of middle-level leaders who are expected to translate to subordinates the vision and strategies usually set by top-level leaders (Gill, 2006). This makes it difficult to identify the impact of leadership style over other factors in the situation.

The behavioral or style approaches have remained largely unfulfilled. No universal style is applicable in some given situations, evidence regarding the outcomes in this approach is proclaimed contradictory ((Northouse 2000; Parzefall, 2006). Though people or relationship orientation is more often associated with improvement, no one style consistently produces better results (Gill, 2006).

2.1.4.3 Situational or contingency theories

The lack of inflexibilities and of consideration upon a complex variety of environmental contingencies in the style of leadership approaches stimulated alternative approaches that have been called situational or contingency theories. This new concept of leadership paradigm underpinned the belief that particular contexts demand particular forms of leadership (Doyle & Smith, 2001). The nature of the theories emphasizes the distinctive characteristics of the leader, subordinates, and situations. The theories make it possible to see leaders adopt a different style in accordance with their followers and situations.

Noticeably, the leading leadership literature for situations or contingencies that shows a sensitivity to leadership style appears to show a bit of a difference between

the two: situational and contingency; yet, both names are still used interchangeably. Northouse (2000) remarked that situational approaches focus on adaptation in current contexts while the contingency approach further suggests that leadership has to consider and indeed influence future situations. Nevertheless, the central idea of the situational and contingency approach is seemingly based on the idea that leaders and followers viewed each other in various contexts (Doyle & Smith, 2001).

The research conducted on this paradigm has tried to prove and give importance to the interaction between the leader and variables in the work situation consisting of the leader's personality, followers, the task, and the organizational environment (Dean, 2003). Bass and his colleagues' (1975) work had proven that variables such as organizational, task, personal, and interpersonal characteristics and specific leadership styles were associated. Fred Fiedler's (1969) contingency theory assumed that effectiveness of a leadership style such as task-oriented or people-oriented also depends on the favorableness of a situation. It is similar to Hersey and Blanchard's (1969) situational leadership model, that leaders need behavioral skills and the ability to diagnose the situation.

Remarkably, there was found a difference between Hersey and Blanchard's (1969), and Fiedler's (1969) models. Fiedler's contingency theory of leadership effectiveness is the principal situational theory that introduced the leadership match concept (Northouse, 2000), whereas that of Hersey and Blanchard additionally introduced the idea that the leadership style of the leader must correspond to the development level of the follower (12manage, 2008).

There is little conclusive research evidence to support situational and contingency models of leadership (Gill, 2006; Landy & Trumbo, 1980). The problems are that methodology, analysis, and ambiguity in its implications have led

to much disillusionment to the approaches (Ibid.). The theories have contributed the idea that effective leaders need to consider situational factors in examining leadership behavior, but to keep in mind that different leadership styles may work well in some situations, but will not necessarily work well in others (Ibid.).

In general, the theories found in situation/contingency models that effective leadership is a good fit between behavior, context, and need (Hodgson & White, 2001). An attempt was made to integrate these elements into a solution regarded as most appropriate for leaders in response to a specific circumstance (Ibid.).

2.1.4.4 The new paradigm of leadership: the constitutive theories

According to the new paradigm of leadership studies, the focus of attention had shifted the basis of leadership from the actions and style behavior of leaders in response to situations to the relationship between leaders and followers (Chemers, 1984). They are said to be constitutive theories of leadership because of their nature of doing (Grint, 2000), which consists of transformational and transactional leadership approaches. It was James McGregor Burns (1978) who first introduced the distinction between transactional and transformational leadership leaders, but it was Bernard M. Bass (1985) who brought the idea to life with the identification of eight dimensions of leadership behaviors covering these two domains, transformational and transactional, and another one which is laissez-faire leadership, the opposite of transformational and transactional leadership.

Transactional leadership conceptualized the leader-follower relationship in terms of a transaction or exchange process between leaders and followers. The transactional leader recognizes followers' needs and wants, and satisfies their desires in exchange for meeting specified objectives. In environments perceived to be

certain, transactional leadership is proposed to operate within an existing system or culture by attempting to satisfy the current needs of followers by focusing on exchanges and contingent reward behavior, and paying close attention to deviations, mistakes, or irregularities and taking action to make corrections (Waldman, Ramirez, & House, 2001).

Transactional leadership may be good at traditional management for focusing on the aspects of followers' job performance and productivity improvement, but in today's world where organizational success often depends on continuous change, effective leaders tend to use a different approach, transformational (Lim & Daft, 2004).

Rather than analyzing and controlling specific transactions using rules, directions, or incentives with followers, transformational leadership tends to promote innovation and lead changes in the organizations' vision, strategy, and culture (Lim & Daft, 2004). This leadership is based on the personal values, beliefs and qualities of the leader who focuses on intangible qualities such as vision, shared values, and ideas in order to build relationships with followers (Ibid.).

From empirical evidence it is convincing that in environments perceived to be uncertain, a possible form of strategic leadership is transformational. Bass (1985) set out a model of situational antecedents for transformational leadership and reiterated the importance of contextual antecedents in later work that transformational leadership is particularly effective in environments characterized by change and uncertainty, and distress of the employees (Bass & Avolio, 1990; 1993; Bass, Avolio, Jung, & Berson, 2003; Nemanich & Keller, 2007). Transformational leaders transform the self-concepts of their followers to build identification with the mission and goals of the leader and organization to the followers in order to make sure that

the followers' feelings of involvement, cohesiveness, commitment, and performance are enhanced (Shamir, House, & Arthur, 1993). Because key behaviors on the part of transformational leadership dimensions include articulating a vision and sense of mission, showing determination, and communicating high performance expectations, these favorable attributions have effects on the followers which include the generation of confidence in the leader, making followers feel good in his/her presence, and the generation of strong admiration and respect (Waldman, Ramirez, & House, 2001).

In contrast to transformational and transactional leadership is laissez-faire leadership. Such a leader gives complete free rein to the group, and maintains a hands-off approach that avoids making decisions or joining the discussions with the group. Laissez-faire leadership indicates an avoidance and absence of leadership.

Thus, transformational and transactional leadership emerges as a popular prescriptive to the leadership development for the difficult and challenging times facing today's organizations (Lawrence, 2000). The next section is an attempt to present various research involved with transformational and transactional leadership.

2.1.5 Relevant Research on Leadership Development

Leadership research and theories that have moved from time to time contribute to a desire to exercise and develop effective leadership behavior for the purpose of leadership development (Gill, 2006). Nonetheless, literature on leadership development has resulted in a scarcity of meaningful research (Bass et al., 2003; Ibid.).

The primary goal of leadership development focuses on the interaction of the leader and subordinate within a social-organizational context (Bass et al., 2003) An

area which, it is argued, has been repeatedly neglected in past leadership research (Ibid.; Gill, 2006). Most leadership development interventions have ignored the theory that leadership constitutes “a complex interaction between leaders, followers, and the context in which they operate” (Bass et al., 2003: 216). Relatively few studies have examined the effects of transformational and transactional leadership in predicting the performance of the followers or subordinates (Pawar & Eastman, 1997; Bass et al., 2003). Nearly all empirical work in transformational and transactional leadership research has been directed toward individual-level outcomes such as individual satisfaction and performance. Little attention has been paid to the influence of a leader on group or organizational processes and outcomes (Lim & Ployhart, 2004).

A recent meta-analysis by Judge et al. (2002) did not find a single leadership study that had used group performance as the leadership effectiveness measure, but few empirical studies have linked transformational leadership to unit-level performance criteria (Lim & Ployhart, 2004). Some researchers have made progress in “exploring leadership emergence and development” in the interaction between the leader, the follower, and the context (Bass et al., 2003: 216). In Barling et al.’s (1996) field experiment, the researchers were able to link transformational leadership training to enhanced follower commitment and organizational performance as a result in their field experiment conducted within a Canadian banking institution. Dvir et al. (2002) conducted another field experiment which showed evidence that leaders who demonstrated transformational leadership behaviors after the experimental transformational training program, positively impacted higher levels of unit performance and effort in Israeli platoon leaders. In Bass and his colleagues’

(2003) work in infantry teams, it was found that transformational leadership predicted unit performance.

Some studies evaluate leadership effectiveness in terms of ratings provided by superiors, peers, or subordinates (Lim & Ployhart, 2004; Judge et al., 2002). For example, Bass, Avolio, Jung, and Berson (2003) conducted their research on the rating of transformational and transactional leadership, and reported it to positively predict unit performance. Meta-analyses conducted by Lowe et al. (1996) confirmed the positive relationship between transformational leadership and performance of subordinates. DeGroot, Kiker, and Cross (2000) reconfirmed the positive relationship between ratings of charismatic-transformational leadership and performance, in their meta-analysis to review organizational outcomes related to transformational leadership. Walumba and Lawler (2003) maintained evidence that relationships supporting transformational leadership explained a significantly greater proportion of variance in work-relations.

Bono and Juge (2004) suggested that leadership effectiveness should also be assessed in terms of team or organizational effectiveness. The authors reasoned that it was difficult to separate attributes of leaders and their effectiveness from the specific behaviors they exhibit. Even when survey measures of leadership focused on specific behaviors, they did not perfectly reflect leaders' behaviors (Bono & Judge, 2004). Studies demonstrated that questionnaire measures were able to capture differences in leader behaviors, but when Bono and Ilies (2002, 2003) analyzed the vision statements and speeches of two groups of leaders, they found that the use of positive emotion was associated with ratings of charisma but not with ratings of intellectual stimulation or individual consideration (Ibid.). The same as Barling, Weber, and Kelloway's (1996) research, the authors found that when leaders were

trained to be intellectually stimulating, subsequent followers' ratings were significantly higher for intellectual stimulation; in contrast, it was not for charisma or individual consideration. Bono and Judge (2004) found that survey measures of transformational and transactional leadership confound perceptions, attributions, and implicit theories with behaviors.

Walumbwa and Lawler (2003: 1096) found evidence on the cultural impacts examining employees from banking and financial sectors in three emerging economies, namely China, India, and Kenya and found that transformational leadership explained "a significant greater proportion of variance in work-related attitudes", especially organizational commitment and satisfaction with co-workers compared to perceptions of withdrawal behaviors. It is hardly surprising that teams with transformational leaders outperform teams without such leaders, given the instrumental role of transformational leadership to the development of important team processes (Lim & Ployhart, 2004).

Lee (2005) has proven the strength of Leader-Member Exchange (LMX) relationships for predicting organizationally significant outcomes including performance related and attitudinal variables. Leadership styles were found to be correlated with LMX, transformational leadership has positive associations with the quality of leader-member exchange.

Other literature accumulated testing on transformational and transactional leadership theory for the hypothesized relationships between transformational, transactional leadership, and the outcomes of performance. They have provided general support for the link between transformational, transactional leadership and performance mediated through, for example, followers' work-related attitudes (Walumbwa & Lawler, 2003), trust and value-congruence (Jung & Avolio, 2000;

Conger & Kanungo, 1987), commitment (Burn, 1978), personal values and interests with the collective interests of the group/organization (Burn, 1978; Bass, 1985; Gardner & Avolio, 1998; Shamir, 1995), empowerment (Yukl, 1999), motivation (Avolio & Bass, 1995; Kouzes & Posner, 1995), and performance (Avolio & Bass, 1995).

Even though little is known about the conditions that lead to the development of transformational leadership, inadequate clarity on the understanding of the outcome variables comes from the different types of transformational leadership that influences different outcome variables (Bass et al., 2003: 216). The focus of the existing research seems to study particular effects of the transformational leadership rather than examining the effects of different dimensions that consist in transformational leadership development (Pawar & Eastman, 1997).

Shamir, House, and Arthur (1993) noted that the dimensions comprising transformational leadership models encompass powerful tactics that mobilize followers into action. This style of leadership uses “influence strategies and techniques that empower the followers, enhance their self-efficacy and changes their values, norms, and attitudes, which is consistent with the vision developed by the leader” (Kanungo, 2001: 257).

The effect that transformational leadership has on their employees is further expressed, many authors specifically noted the notion of contextual and facilitating variables in relationship to transformational behavior (Hunt & Conger, 1999). Lee (2005) noted that transformational leadership is an indication that such leadership style helps enhance the quality of exchange in R&D work teams. A key facet is its emphasis on emotions and values, which builds enthusiasm of followers and attunes

to developing and satisfying the needs of followers, which are then likely to gain their followers' commitment to the organization (Ibid.).

Significant theoretical work of Waldman, Javidan, and Varella's (2004) has explored important factors of transformational leadership including charismatic and intellectual stimulation. Their findings showed that the connection between top executives and firm outcomes may depend to a large extent on the executive's charismatic attribute of transformational leadership. It attained significant interactions between CEO intellectual stimulation and perceived uncertainty in the prediction of two measures of firm performance, which included returns on shareholder's equity (ROE) and sales growth. In another case, Keller's (2006) work proved that "the inspiration and intellectual stimulation effects of transformational leadership usually deal with more radical innovations that require originality and the importation of knowledge from outside the project team" (Keller, 2006: 209).

Previous research conducted by Walumbwa and Lawler (2003), and Jung and Avolio (1999) lend support to the view that organizations can benefit greatly by providing transformational leadership development and training programs for their managers and supervisors because transformational leadership behavior is traditionally viewed as an independent variable exerting influence "downstream" (Bommer et al., 2004: 196). Of their opinion, managers and supervisors equipped with transformational leadership techniques are likely to engage employees by developing and motivating them to perform beyond their expectations.

Since numerous studies have confirmed that followers' commitment, cohesiveness, involvement, and performance are related to transformational leadership (Conger & Kanungo, 1987; Shamir, House, & Arthur, 1993; Lim & Ployhart, 2004; Waldman, Ramirez, & House, 2001). Empirical literature

concerning transformational leadership further supports that leader's behaviors positively impact the performance of followers/subordinates (House & Aditya, 1997; Lowe, Kroeck, & Sivasubramaniam, 1996; Lim & Ployhart, 2004; Shamir, Zakay, Breinin & Popper, 1998). Transformational leadership has been linked to a number of positive organizational outcomes. The development of transformational leadership helped create a more inspired and committed culture that elevated followers' motivation and performance at higher levels of accomplishment (Bass, 1985; Geyer & Steyrer, 1998).

Yet, there is a need to know how particular transformational leadership dimensions influence performance (Bass et al., 2003). The research in the field of leadership can now focus on how to develop transformational leadership as a means of leadership development in order to find out different perspectives on the answer towards its influence; the same as Bommer, Rubin, and Balwin (2004) discovered: that transformational leadership helped create a vision in a way that makes followers/subordinates respond with an enthusiasm and commitment to the leader's objective.

2.1.6 Employee Performance

It is implicit that an organization is an integrated system and that individual and organizational characteristics interact and combine to shape individual and organizational outcomes (Amos et al., 2004). In response to an increasingly competitive marketplace, growing attention is being turned to focus on factors contributing to desirable employee performance. Because employee performance cannot be left to a natural anticipation without the employee's desire to perform or to

be rewarded, their desire needs to be accommodated, facilitated, and motivated (Amos et al., 2004).

For the purpose of this research, employee performance was defined in terms of behaviors that contribute to the accomplishment of the organizational goals (Liao & Chuang, 2004). The organization resides at different layers, it includes the department, unit, and subunit, and each part is required to continually improve, organize, and manage their work to deliver effective results. The complexity of managing employee performance at each part of the department required managers to view performance of their employees in several areas from units to subunits under their control. Everyone under the manager's control was considered as employees. Even the managers themselves were considered as employees because they were under the managing director's direct control. Therefore, department managers, unit supervisors, and subunit chiefs of staff were to be measured for performance levels as well as their immediate subordinates. In this study, all employees in the departments were measured for their performance on the same lengths as the assessment system, but were separated in different categories for an analysis, between employees in leading positions and ordinary employees under the leaders' control.

Business research and program development has centered on improving the work performance of the individuals in organizations. Incentive programs, employee-assistance programs, or participative management have suggested ways to create a major instrument to successful performance on the job (Cornwall, 1980; Carr & Hellan, 1980; Cook, 1980). They demonstrated the potential impact for launching sophisticated people-involved programs and brought human resource issues to the surface in an operating context of organizations.

However, researchers among organizational behavioralists continue to search for other co-determinants of work performance for explanations of the satisfaction-performance debate on the inconsistent results (Blumberg & Pringle, 1982; Green & Craft, 1979). Enormous effort has been expended in attempts to unravel the possible relationships between employee performance and its hypothesized antecedents (Blumberg & Pringle, 1982; Porter & Lawler, 1968; Schwab & Cummings, 1970; Green & Craft, 1979). Among the most studied antecedents of employee job performance are behaviors, personality, satisfaction-performance, leadership, motivation, and performance management.

Liao and Chuang (2004) defined employee performance in general, that it refers to behaviors that are relevant to organizational goals and that are under the control of the individual employee. For example, in service settings, the behaviors of employees in serving and helping customers can explain how employee performance is defined (Ibid.). The quality of the interaction between employee and customer is critical in determining customer satisfaction. Therefore, the behaviors of the employees play a role in shaping the customer's perception of service quality, basing performance standards on customer expectations are particularly functional in achieving desirable employee performance outcomes (Ibid.).

A universal assumption on personality variables has also received considerable attention. Theorists have been attempting to predict behavior from measures of an individual's personality (Blumberg & Pringle, 1982; McGrath & Altman, 1966). Personnel managers assume that personality has an effect on the performance of employees. However, research has failed to evidence a strong consistent relationship between personality and behavior (Blumberg & Pringle, 1982; McGrath & Altman, 1966).

A more recent study that has gained widespread attention is that performance causes satisfaction; however, evidence from other research has shown that the relationship is circular, that is, satisfaction causes performance, but it is not convincing (Blumberg & Pringle, 1982; Porter & Lawler, 1968; Schwab & Cummings, 1970; McGrath & Altman, 1966).

One managerial perspective assumed that performance might mean maintaining or improving on a certain level of productivity, however, another perspective showed that performance means the human factor (Cook, 1980). The human performance factor involves personal growth or development which includes the individual employee's job skills, knowledge, health, and emotional state (Ibid.). Also involved are other factors of management and organization such as job designs, organizational structure, managerial style, policies and procedures. These factors bear directly on performance that affect the individual employee satisfaction and may thus have a double impact on performance (Ibid.).

Leadership is the most thoroughly investigated organizational variable that has a potential impact on employee performance (Cummings and Schwab, 1973). A growing recognition of this is the continued existence to elevate and sustain the level of work performance of employees in the organizations. Researchers seeking to examine organizational variables that have an impact on employee performance should find it important to consider the moderating effect of leadership (Cummings and Schwab, 1973; Johnson & Dipboye, 2008).

Since the mid-1940s a great deal of attention has been paid to the leadership-performance connection, the basic premise of this stream of research is that all one needs to do is practice "good leadership" and employee effectiveness inevitably will improve (Blumberg & Pringle, 1982: 561). The identification of leaders that

characterize good leadership has been on traits, behavioral styles, or situations.

Although there appeared the most promising of the leadership models, the situational theories of Fiedler (1967) and Vroom and Yetton (1973), the models suffer from serious methodological and conceptual flaws (Gill, 2006; Landy & Trumbo, 1980).

The study of transformational leadership and their facets have received a great deal of attention for its impact on the follower's performance outcomes (Conger & Kanungo, 1987; Baum, Locke, & Kirkpatrick, 1998; Berson, Shamir, Avolio, & Popper, 2001; Johnson & Dipboye, 2008). Research has demonstrated a positive relationship between transformational leadership and the use of an inspirational vision where the articulation of that vision functions to inspire and build enthusiasm among followers to work toward the leader's goals.

It is important to understand when and how transformational leaders are able to improve follower performance. Perceptions of transformational leadership are expected to affect employee performance when considering the significant cost and effort that leaders undertake to attract and retain follower performance. Leaders use visionary content to manipulate the expected susceptibility to the effects of transformational leadership that lead to better quality of employee performance (Johnson & Dipboye, 2008). At this point, vision is linked to employee performance outcomes (Baum, Locke, & Kirkpatrick, 1998; Johnson & Dipboye, 2008; Shamir et al., 1993).

Vision is more likely to affect performance if it is effectively communicated to followers (Johnson & Dipboye, 2008). When the employees are committed to the vision set by their leader and are motivated by that vision, it results in the perception that causes employees to perceive the group's goals as their own goals (Shamir et

al., 1993) and to have high expectations for and confidence in their ability to reach difficult goals (Johnson & Dipboye, 2008).

Motivation becomes another concern when employee performance is the target, it affects the performance outcome of the employees as well (Cook, 1980). Motivation causes performance (Blumberg & Pringle, 1982). Motivational techniques that have been used are job enrichment, management by objectives, flexitime, gainsharing plans, and work redesign (Blumberg & Pringle, 1982; Hellriegel & Slocum, Jr., 2004). Theories such as goal setting, expectancy, equity, and achievement motivation have proved to predict performance of workers (Hellriegel & Slocum, Jr., 2004). Nonetheless, an examination of the evidence in these models is said to be restricted by the domain of the theory, and it can only apply to certain individuals under certain circumstances (Miner, 1980).

Some authors' works were found to combine motivation with ability. According to Cummings and Schwab (1973), employee performance is ultimately an individual phenomenon with environmental factors that influence performance primarily through their effect on the determinants of performance which are comprised of ability and motivation. Vroom (1964) pointed to the factors influencing individual performance in that they include the ability of the person, and the willingness of the person to exert effort. Whetten and Cameron (1998) reaffirmed that performance of an individual is the product of ability multiplied by motivation.

Ability is a reflection of capability which is a relatively stable characteristic that enables people to behave in some specified fashion (Hayward, 2005). Motivation reflects effort or energy which is a dynamic characteristic that determines how capabilities will be employed in some activity (Cummings & Schwab, 1973).

An abundance of ability may not result in successful performance if the employee is unwilling to perform adequately (Ibid.). It is necessary for employees to have both ability and motivation to a certain degree before successful job performance is obtainable (Hayward, 2005).

In parallel with these, employee performance should be managed (Hayward, 2005). The realization of this brought the attention to the importance of performance management, which has resulted in the invention of a performance measurement system that can be employed in the organizations to measure the performance, for instance, the Balance Scorecard.

The Balance Scorecard of Kaplan and Norton (1996) provides a holistic measure of organizational performance which includes financial measures that reveal the results of actions already taken, and operational measures that are the drivers of future financial performance. This mechanism provides managers with a comprehensive view of business that enables them to clarify their vision and strategy and translate them into action (Kaplan & Norton, 1996).

An effective performance management system can result in motivating employees to improve their performance and self-motivation, and have better relationships with their managers (Baird, 1986). But it must be under a condition that performance management systems are to reward personal development and achievement, because it is important that targets are viewed to be fair and equitable across all groups, due to a process of performance management which includes group assessments, peer reviews, and written reports (Hendrey, 1995; Hellriegel et al., 2004; Hayward, 2005). To elevate the level of work performance of the employees, it is vital that employees have confidence in their work and reckon on the support of management (Cherrington, 1994; Baird, 1986).

Performance management becomes an ongoing process which strives to improve the employees' individual performance and their contribution to the organization's objectives (Hellriegel et al., 2004). It is an integral part of effective human resource management and development strategy (Hellriegel et al., 2004). It translates the overall strategic objectives of the organization into clear objectives for each individual, and also incorporates all aspects of human resource management, as well as develops the effectiveness and efficiency of both the individual and the organization (Amos et al., 2004).

While attentions are focused on performance management, the US Office of Personnel Management (2000) has noted many of the critical factors affecting employee performance retention relate to the quality of performance management. It includes type of work (planning), coaching/feedback from the boss (monitoring), opportunity to learn new skills (developing), training, and recognition for a job well done (rewarding).

Getting employees involved in the planning process helps them understand the goals of the company or organization, what needs to be done, why it needs to be done, and how it should be because planning means setting performance expectations and goals for the employees to channel their efforts toward achieving objectives (US Office of Personnel Management, 2000).

Continually monitoring employee performance means measuring performance and providing ongoing feedback to employees on their process toward reaching their goals, these provide the opportunity to check how well employees are meeting predetermined standards and to make changes to unrealistic or problematic standards (US Office of Personnel Management, 2000). When deficiencies in employee performance become evident and are addressed, action can be taken to help

employees improve. It is vital when unacceptable performance can be identified at any time during the appraisal period, assistance that is provided is significant to addressing such performance, rather than waiting until the end of the period when summary rating levels are assigned (Ibid.).

Providing employees with training creates the opportunity for developing the capacity of employees, it encourages good performance, strengthens job-related skills and competencies of the employees as well as helps them keep up with changes in the workplace (US Office of Personnel Management, 2000). Giving assignments that introduce new skills or higher levels of responsibility help identify developmental needs in the individuals, and the areas for improving good performance.

It is suggested that organizations should summarize employee performance from time to time (US Office of Personnel Management, 2000). Among various employees, organizations may need to identify the best performers out of the others. The rating of record is within the context of formal performance appraisal requirements used to evaluate employees against the elements and standards in an employee's performance plan and evaluation.

The importance of rewards involves recognizing employees individually or as a team for their performance and acknowledging their contributions to the organization's goal (US Office of Personnel Management, 2000). Sometimes good performance is recognized without formal awards and does not require a regulatory authority. Recognition can be transformed into actions that reward good performance with, for instance, saying thank you, placing names on the declaration board to be widely known in the office, and many non-monetary items.

In effective organizations, all five component processes as mentioned above work together to achieve natural effective performance management (US Office of Personnel Management, 2000). By executing each key component process, managers and employees must be practicing good performance. While goals are set and work is routinely planned, progress toward these goals is measured and employees are able to receive their feedback. Great care is also taken to develop the skills of all employees to reach higher standards. In what follows, rewards in both formal and informal forms are used to recognize the behavior of employees to celebrate the results of accomplishing the goals.

2.2 Theoretical Framework

Schematic drawings in Figure 2.2 show the theoretical framework that this study was conducted upon. It employs leadership development, which is viewed as an influence process wherein an individual member in the leading position is to pursue the development of the discipline to influence the objectives, strategies, and cooperative relationships among their followers or subordinates (Hart, 1980; Hollander, 1985; Hersey & Blanchard, 1988). It is considered a valuable means for helping leaders at different levels in the departmental setting for adding values, cascading the effects, and enhancing employee performance to their immediate subordinates (Webb, 2003).

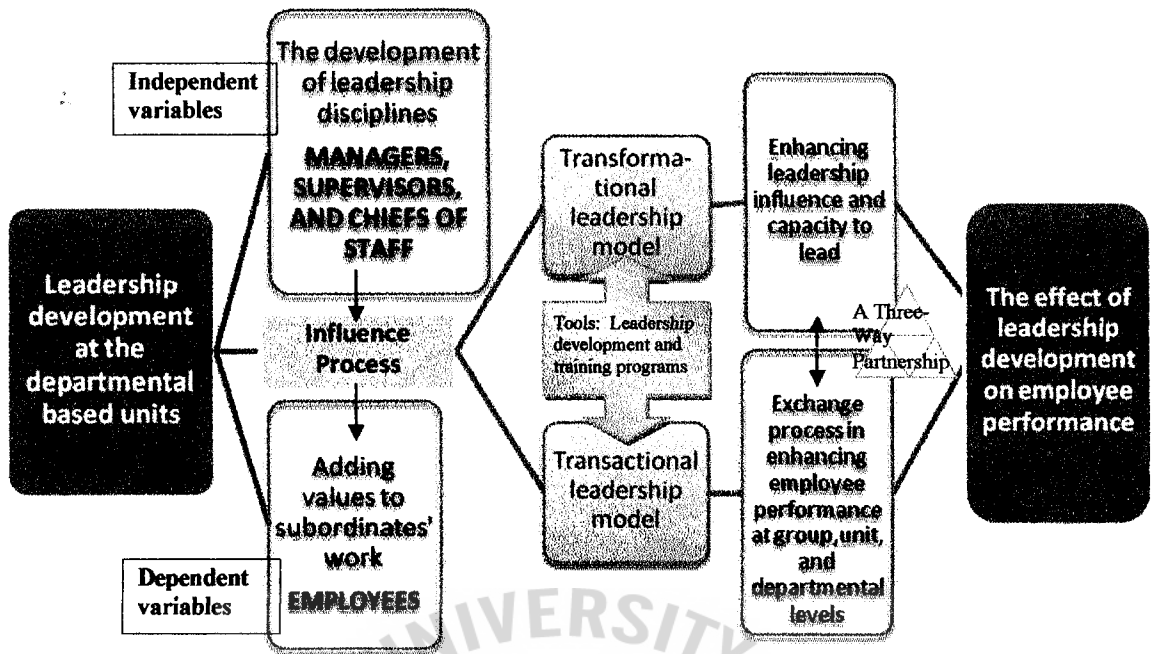


Figure 2.2. Theoretical Framework

The theoretical framework in Figure 2.2 shows the connection between the forces driving leadership development in an organizational setting to enhanced leadership capacity and employee performance. Leadership development was determined to be an independent variable, the criteria to be tested includes the primary factors of transformational and transactional leadership dimensions (Bass & Avolio, 1993). The dependent variable to be measured was employee performance, a broad outcome measure of whether leadership development effort is effective (Cummings and Schwab, 1973; Avedon & Scholes, 2010).

To expand the understanding of the theoretical framework, each proportion residing in Figure 2.2 is reproduced and magnified in Figure 2.3 to 2.5 for an insight of specific areas. For the strategy to be effective, development requires a three-way partnership focused on creating development actions tied to business needs and competency requirements (Avedon & Scholes, 2010). The employees, the leaders at

descending levels, and the organization all have specific accountabilities to make development successful, as shown in Figure 2.3, (Ibid.).

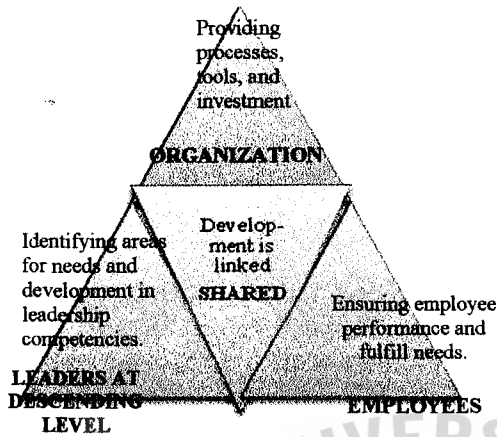


Figure 2.3. A Three-Way Partnership

Adapted from M. J. Avedon and G. Scholes (2010). Building competitive advantage through integrated talent management. In R. Silzer & B. E. Dowell (Eds.), *Strategy-driven talent management: A leadership imperative* (pp. 73-122). San Francisco, CA: John Wiley & sons.

From Figure 2.3, the organization provides processes, tools, and investment for leadership development programs. Leaders at these levels, including departmental, unit, and subunit levels were placed in the leadership development and training programs, as provided by the organization. It emphasized leaders' coaching, mentoring their subordinates in efforts towards goal achievement, and directing and coordinating the work of group members, e.g. structuring work relations, praising or criticizing group members, and showing consideration for the welfare and feelings of their subordinates (Webb, 2003). By following through development suggestions and committing to improving their skills and developing leadership competencies, leaders at descending levels took responsibility for the development and improvement of their individual employee's performance (Avedon & Scholes, 2010).

The appropriate level of leadership development was linked to seek opportunities in ensuring employee performance.

A preferred background for determining effective leadership in this research is based on Bass' (1985) full range leadership model, which includes transformational, transactional, and laissez-faire leadership. "Most research has examined transformational and transactional leadership together because both styles of leadership imply closely relating to followers' performance" (Lievens et al., 1997: 416). For non-leadership behaviors, namely laissez-faire leadership, it refers to the avoidance or absence of transformational and transactional leadership.

Bass' (1985) full range leadership model provided a comprehensive framework in which the greatest impact on leadership development is inherent in enhancing employee performance (Webb, 2003). As shown in Figure 2.4 details of the dimensions reside in the transformational leadership model. Four components of transformational leadership were based on original ideas proposed by Burns (1978) and brought to life by Bass (1985): charisma or idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration.

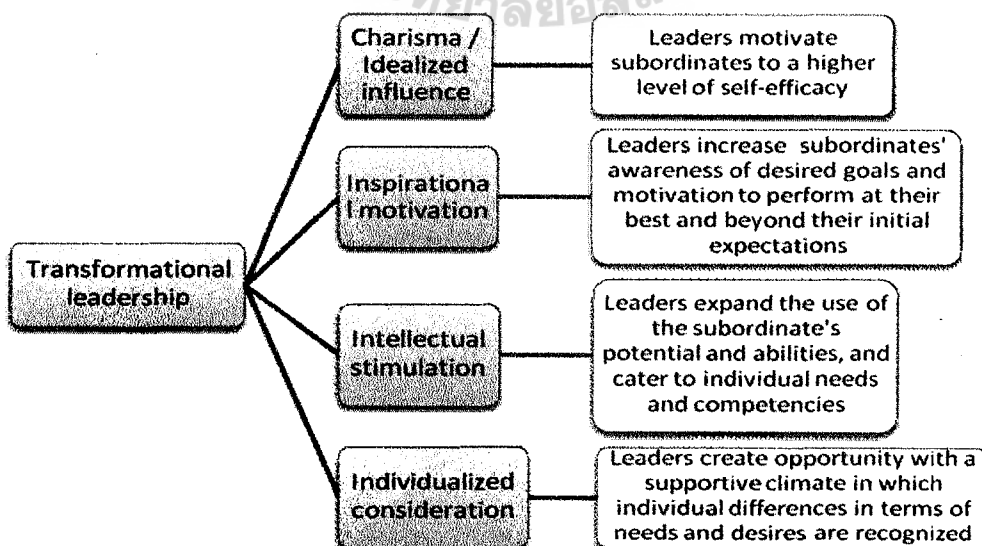


Figure 2.4. Transformational Leadership Dimensions

From Figure 2.4, the primary component of transformational leadership is charisma or idealized influence. Charismatic leaders are “extraordinarily gifted people who gain the respect, pride, trust and confidence of followers” by transmitting a strong sense of vision and mission (Walumbwa & Lawler, 2003: 1083), subordinates who have bought into a charismatic relationship with the leader are motivated by “a higher level of self-efficacy to persist in reaching more challenging goals” (Keller, 2006: 203).

An emotional appeal known as inspirational motivation is another component of transformational leadership that Bass (1985) saw as “a distinct factor” (Keller, 2006: 213), it is to increase awareness and understanding of mutually desired goals between leaders and followers/subordinates. These enable leaders to be able to increase followers’ motivation to perform at their best and beyond their initial expectations (Shamir et al., 1993), and because it relates to charisma, the followers come to accept and internalize the values articulated by their leaders (Jung & Avolio, 2000: 951).

Jung and Avolio (2000: 951) further explained of transformational leaders that they provide “ideological explanations that link their follower’s identities to the collective identity of their group or organization”. They are receptive to innovations and are likely to promote creativity in their subordinates by intellectually stimulating their followers to expand the use of their potential and abilities, and cater to individual followers’ needs and competencies (Lim & Ployhart, 2004). Bass (1998) contended that transformational leaders exert intellectual stimulation to their followers by attaching them to their organizations and encouraging them to transcend their self-interests and work towards goals leading to long-term commitment.

Avolio and Bass (1995) discussed an occurrence of individual consideration, that leaders pay attention to an individual's need for achievement and the growth of their followers, discover what needs to be developed, and motivate each individual. Avolio and Bass (1995: 202) noted that "a leader displays individualized consideration by showing general support for the efforts of followers." These create opportunity along with a supportive climate in which individual differences in terms of needs and desires are recognized (Bass et al., 2003).

In the contrary, transactional leadership provides rewards and recognition in exchange for followers' achievements at the leader's expected levels of their performance (Bass, 1985). Prior to Burn's (1978), Bass's (1985), and House's (1977) introduction of charismatic-transformational leadership theory into the literature, researchers have long been acquainted since they found transactional contingent reward leadership the core component of effective leadership behavior in organizations that clarifies expectations and offers recognition to the followers when goals are achieved (Bass et al., 2003).

More specific factors were found in transactional leadership where leader-subordinates relationships are based on an exchange or contingent rewards between leaders and subordinates (Bass, 1985). Two factors composed of transactional leadership are distinctive, they include contingent rewards, and active and passive management-by-exception as shown in Figure 2.5. Contingent reward leadership transacts with followers by providing praise, rewards and recognition in exchange for followers successfully carrying out their roles and assignments. Hence, transactional contingent reward leadership clarifies goals and expectations, and provides recognition when goals are achieved at expected levels of performance in individuals or groups (Bass, 1985). On the other side, management-by-exception exhibits more

intervening roles of leaders when the follower is given negative feedback. Leaders specify the standards for compliance and identify what constitutes ineffective performance. By the time the followers deviate from the leader's expectation or fails to meet standards, management-by-exception leaders will intervene.

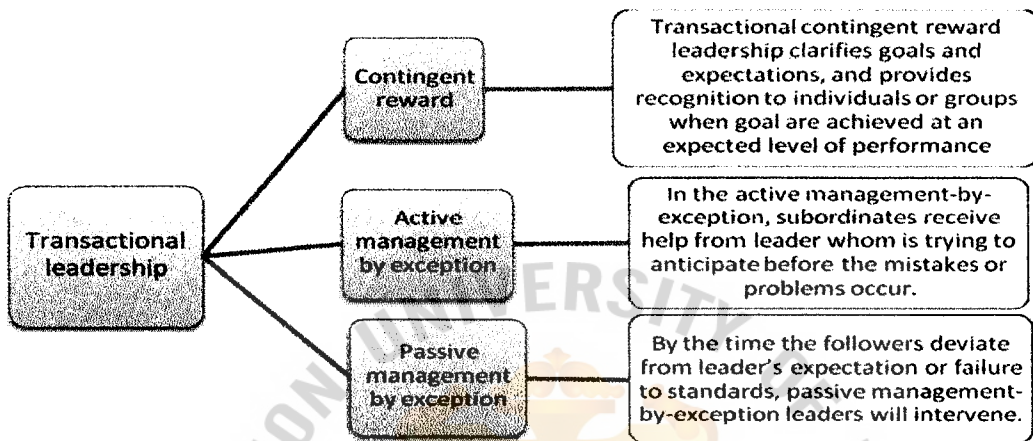


Figure 2.5. Transactional Leadership Dimensions

A distinction appears between active and passive management-by-exception styles of leaders, based on the timing of the leader's interventions (Leivens et al., 1997). In the active form management-by-exception leaders are trying to anticipate before the mistakes or problems occur, but if leaders intervene after expectations and standards are not met they are called passive management-by-exception.

Transformational and transactional leadership theory is used in this research as a framework for analysis and as a basis for implications for development and change in the organizational system. The presence of transformational leadership theory has received increased attention as it serves as a suitable site to study leadership development because it moves beyond simple exchange processes, rewards, and punishment (MacKenzie, Podsakoff, & Rich, 2001). However, it took both active transactional and transformational leadership to be successful in predicting the performance of leadership and their subordinates because "being a passive leader

waiting for problems to arise and then correcting them was counterproductive in terms of predicting performance (of the follower)” (Bass et al, 2003: 215).

2.3 Action Research Framework

Action research is a strategy used to pursuing action and knowledge through a cyclical process. It consists of pre-step, which is to unfold the context of the project and its purpose to the participants, then four main steps that comprise of diagnosis, planning action, taking action, and evaluating action. The action research cycle is shown in Figure 2.6.

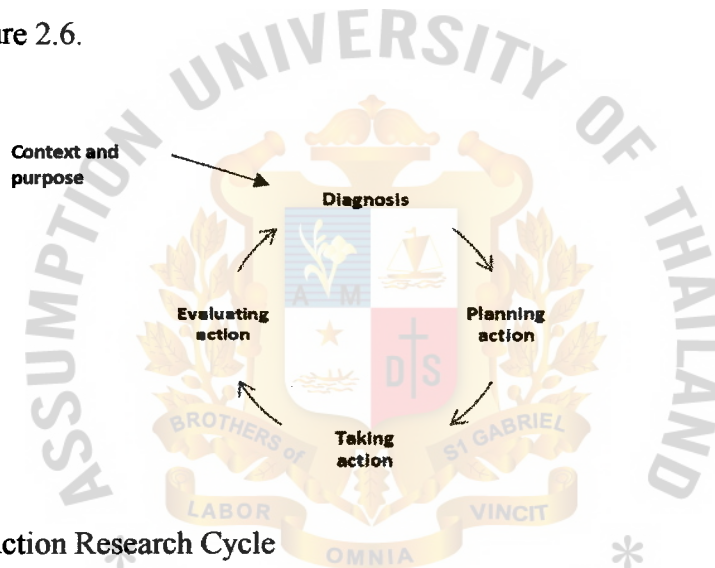


Figure 2.6. Action Research Cycle

Adapted from “Doing Action Research in Your Own Organization,” by Coghlan and Brannick, 2001.

The action research framework consists of three phases, as shown in Figure 2.7. Phase I pre-ODI is preparation for change, which is involved with diagnosis of problems and action planning. Phase II is ODI implementation. Phase III is post-ODI, where transition occurs in the organization.

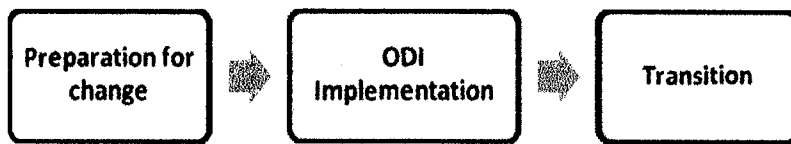


Figure 2.7. Three Phases in Action Research Framework

Figure 2.8 shows more details in the three phases of the action research framework, and Figure 2.9 illustrates how action planned throughout the research was done based on the action research framework. In Figure 2.8 the action research framework, the pre-ODI concerns the diagnosing phase of problems, where the impact of leadership ineffectiveness, in terms of their lack of effort to contribute to the work performance of others, inability to anticipate results, needs, and opportunities in time, being unclear of a definitive destination, inability to connect subordinates to the defined objectives, and to optimize their ability to learn from the feedback, leads to low employee performance.

Phase I: Pre-ODI	Phase II: ODI Implementation	Phase III: Post-ODI
<p>Ineffective Performing Leadership Affected Low Employee Performance</p> <p>➤ Leadership Ineffectiveness</p> <p>Lack of transformational leadership:</p> <ul style="list-style-type: none"> • Lack of effort to contribute to the work performance of others. • Unclear of a definitive destination. <p>Lack of transactional leadership:</p> <ul style="list-style-type: none"> • Inability to anticipate results, needs, and opportunities in time. • Unable to ensure that subordinates remain connected to the defined objectives. <p>High in laissez-faire leadership:</p> <ul style="list-style-type: none"> • Unable to optimize their ability to learn from the feedback. 	<p>Leadership Development</p> <p>➤ Large group intervention</p> <ul style="list-style-type: none"> • Leadership development and training workshop <ul style="list-style-type: none"> - Using full range of leadership model. <ul style="list-style-type: none"> ▪ Enhancing transformational (TF) and transactional (TA) leadership ▪ Reducing laissez-faire leadership - Impact Maps Design. - Activities: sport days and in-class games. <p>➤ Development of leadership disciplines</p> <ul style="list-style-type: none"> • Coaching • Mentoring • Motivation • Inspiration • Skill practice through role play <p>➤ Formal and informal meetings</p> <ul style="list-style-type: none"> • Educating sessions • Reflecting sessions • Mirroring sessions 	<p>The Effect of Leadership Development on Employee Performance</p> <p>➤ Leadership Effectiveness</p> <ul style="list-style-type: none"> • The development of transformational leadership enhanced leadership capacity and potential to help increase the work performance of others. • The development of transactional leadership enhanced leaders' abilities to anticipate results of employee performance. • The development of leadership disciplines increased leaders' abilities to connect subordinates to defined objectives, to have a clear definitive destination, and encourage them to learn from the feedback.
<p>Employee Performance</p> <p>➤ Low Employee Performance</p> <ul style="list-style-type: none"> • Employees lose touch with the core purpose, vision, and values. • Lack of inspiration to fuel performance • Often done with mistakes, failures • Unable to meet and maintain expectations and organization goals. 	<p>Employee Performance Enhancement</p> <p>➤ Managers, supervisors, and chiefs displayed more TF and TA leadership influence to enhance employee performance at descending levels</p>	<p>Employee Performance</p> <p>➤ High Employee Performance</p> <ul style="list-style-type: none"> • Employees proceeded work with a clear understanding of the core purpose, vision, values, and a clarification of goals and expectations. • Were motivated to self efficacy. • Understood their potential and abilities, and performed beyond expectations. • Produced better results of work output.

Figure 2.8. Action Research Framework

After identifying the problems, KG Company adopted the OD intervention on leadership development. The ODI process went through the leadership development and training workshop. Various approaches were introduced in the workshop, such as coaching, mentoring, motivation, inspiration, and skill practices through role play. Meetings that were organized in formal and informal forms included educating, reflecting, and mirroring sessions.

The result of the plan according to the action research framework was the expectation to enhance the leadership capacity to think on their own, based on the organizational goals and expectations, and encourage themselves and their subordinates to come up with new creative ideas, potentials and abilities to perform beyond expectations, as well as to maintain and improve performance and self-efficacy (which was comprised of efforts and commitment in the long term) of employees through their leadership influence (Bass, 1985; Burns, 1978; Pawar & Eastman, 1997; Waldman et al., 2001; De Hoogh et al., 2005).

In order for the influence of their leadership to have a cascade effect from top-down to bottom-up levels, high impact leaders must ensure that their subordinates were on track and that they could perform work that was meaningful to the organization. It called upon leaders at every level to act to accelerate their immediate employee's performance, and to manage their own job responsibilities in order to take on the additional role of coaching and mentoring their employee to transform them from a low performance to a higher one (Bass, 1985). By these means, leaders at every level were likely to follow the internalized ways of working by motivation and inspiration with their employees, analyzing how and what affected them, and how to change it. In Figure 2.9, action research planning revealed steps to follow up the execution of the plan.

Phase I: Pre-ODI		Phase II: During ODI		Phase III: Post-ODI	
← Preparation For Change →		← ODI Implementation →		← Transition →	
Context and Purpose	Diagnosis and Action Planning	Taking Action	Leadership Development	Evaluating Action	Report the Results and Renewal Planning
<ul style="list-style-type: none"> - Met with the Chairman and the managing director to evaluate the program and made necessary modifications. - Met with the management team to clarify the ODI processes, and to build understanding and commitment to the program. - Prepared the announcement to all employees. 	<ul style="list-style-type: none"> - Developed a profile of problems: <ol style="list-style-type: none"> 1. KG Company and each department 2. Managers 3. Supervisors 4. Supervisors' direct reports 5. Chiefs of staff 6. Employees - Surveyed all sections - Randomly interviewed across all sections - Made observation - Reviewed the results - Met with the management and planned the program. 	<ol style="list-style-type: none"> 1. Leadership development and training 2. Development of leadership disciplines 3. Formal and informal meetings 4. Training process evaluation 	<ul style="list-style-type: none"> - Workshop training: Full range of leadership model - Case studies - Coaching - Mentoring - Motivation - Inspiration - Skill practice through role play - Meeting sessions: <ul style="list-style-type: none"> - Educating sessions - Reflecting sessions - Mirroring sessions - In-depth interviews - Observation 	<ul style="list-style-type: none"> - Followed through improvements - Monitored the progress. - Made necessary modifications - Learned from mistakes. - Conducted a follow-up and assessment: Interviews, observation, and surveys - Gathered the data for qualitative and quantitative analyses. 	<ul style="list-style-type: none"> - Compared before and after ODI results. - Evaluated the progress. - Planned future improvements - Reviewed the results with the top management

Figure 2.9. Action Research Planning

2.4 Conceptual Framework

The conceptual framework is portrayed in Figure 2.10. It shows the relationship of leadership development and employee performance in this research.

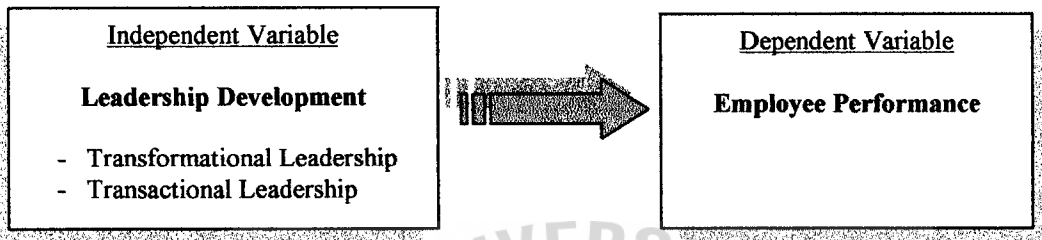


Figure 2.10. Conceptual Framework

From Figure 2.10, the study conceptualizes the potential challenges for change by using leadership development as a basis for the OD intervention to enhance employee performance in the organization. The effect of transformational and transactional leadership on the employees' performance has been further expressed by many authors who specifically noted with the notion of context that pointed to the connection between leaders, subordinates, and the outcomes of work that depend to a large extent on specific behaviors the leaders exhibit (Hunt & Conger, 1999; Waldman, Javidan, & Varella, 2004; Lee, 2005). Employee performance cannot be left without monitoring, accommodating, and motivating, it is therefore an attention to focus on factors contributing to desirable employee performance outcomes. The transformational and transactional leadership model provided powerful tactics that helped leaders of all unit groups mobilize employees into action by influencing strategies that empower the employees, enhance self-efficacy, and change values,

norms, and attitudes of the employees to be consistent with the vision developed by the leaders (Kanungo, 2001).

Leadership development was represented as an independent variable, so that its primary factors of transformational and transactional leadership were tested as the criteria as to whether an improvement was made in employee performance or not. Employee performance was a dependent variable that was represented as a broad outcome measure of whether the leadership development effort was effective.

2.5 The Design of the OD Interventions

The need to establishing OD interventions was derived from the conceptual framework in the previous section, the intervention was designed to get everyone involved and put the change in place.

The process, found in the work design of the OD interventions in this study, was to produce what ever results were possible for learning about the organization. It was instrumental in order to change and have improvement on the plan, that the entire organization needed to begin with a benchmark, and that included a plan for transitioning from the current situation in today's reality to tomorrow's goal. For the design of the OD interventions to produce the best results, it needed to recognize and consider current levels of performance. In the case of KG Company, efforts for improvement on performance of leaders at departments, units, and subunits were needed. By establishing the right benchmark, or starting point, Figure 2.11 illustrated a work design that consisted of six main parts: establishing a training workshop targeted to leadership development, using the impact maps, development of leadership disciplines, formal and informal meetings, training process evaluation, and the measurement of variables.

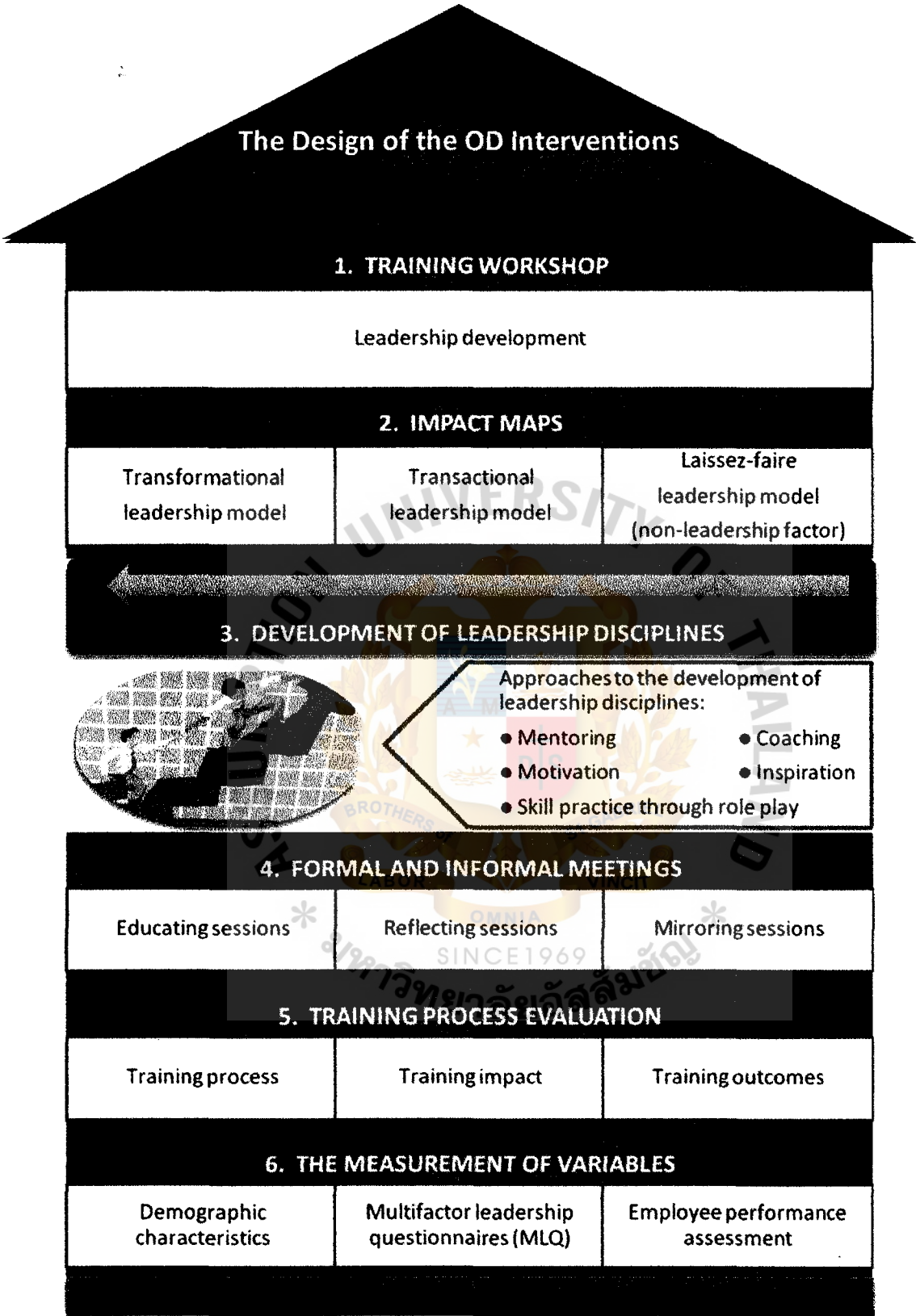


Figure 2.11. The Design of the OD Interventions

The interventions in this study exerted a participative design workshop, which was a method used for large group interventions when it deliberately involved a critical mass of the people affected by change, especially employees and management (Bunker & Alban, 1997). A major advantage of the method is that less time is needed for implementation because it is not necessary to tell, resell, and finally beat the change into everyone, and the implementation is more likely to be successful (Ibid.).

The fundamental logic of the ODIs in this study was simply that some leaders needed certain capabilities to perform their duty more effectively towards the enhancement of their subordinates' performance. Hence, a leadership development workshop was conducted upon the Impact Maps, which listed the key capabilities as guidance offered on what the behavioral attributes of the leaders should be in order to effectively impact the subordinates' performance so that they displayed leadership appropriately. It deployed a simple framework of leadership that allowed the participants to improve their learning and refine their leadership capabilities, this included approaches to the development of leadership disciplines so that the participants would find it comfortable to take the steps necessary to learn. They could use the following approaches to discover the following disciplines towards leadership: mentoring, coaching, motivation, inspiration, and skill practice through role play.

In order for the ODI design to be effective and work successfully in the process, all the meetings must be divided into three sessions, which included educating, reflecting, and mirroring sessions, to engage the participants in learning, responding, and receiving feedback. Using a training process evaluation helped them discover the data that goes into the participation and the follow-up that resulted from it. In the end, the process of the ODI was to ensure that all variables were measured by using

multifactor leadership questionnaires (MLQ) to test leadership effectiveness, and used employee performance assessments in evaluating the performance of all employees at different levels. In assessing the employee performance, it measured ten key performance factors: the quality of work, work habits of the employees, job knowledge, interactions with superiors, interactions with co-workers, job and behavior correction, expectation for contingent rewards, mistake avoidance, inspiration, and self-efficacy. All of these were used to reflect on how the employees improved from the previous stage before the ODI was implemented, and could also be used to determine the impact of leadership development, as each employee behaved in response to leadership behaviors differently.

2.5.1 Training Workshop

The ODI on leadership development in this study followed a participative design workshop, a method used for involving large group interventions for organizations in the change process (Bunker & Alban, 1997). The workshop was set up by integrating a leadership development program with the full range of the leadership model in order to raise the participants' awareness of transformational, transactional, and laissez-faire or non-factor leadership (Bass, 1985).

The development of the transformational and transactional attributes, which convey leadership dimensions in some depth, served as the foundation of the leadership development and training program in this study. Avedon and Scholes (2010) suggested that these practices were important for success in the deployment of the program because it was built around a well-defined and simple model or framework of leadership, which helped leaders improve their learning in a way that they can “learn,

self-correct, develop, and refine their leadership capabilities” (Avedon & Scholes, 2010: 326).

Training activities in the workshop followed frame-of-reference (FOR) training which was a way to help participants better understand and make correct behavioral observations, and increase their rating accuracy; provided that norms for effective performance behaviors in this study were identified in terms of transformational and transactional leadership dimensions, these norms became the standard frame of reference (London, Mone, & Scott, 2004).

The training was not intended to transform someone into becoming an effective leader overnight. Rather, it was to guide the participants as raters in the evaluation processes by training them to comprehend and apply theories of transformational and transactional leadership. It helped the participants understand the nature of expected performance, behaviors, and how to spot and record behaviors that reflect that performance (London, Mone, & Scott, 2004; DeNisi, 1996). These enabled participants to identify and classify observed behaviors correctly, and then the quality of ratings can be improved when they know the performance expectations and behaviors desired by the organization (DeNisi, 1996).

2.5.2 The Impact Maps

The unique feature of the Impact Maps explicitly deals with Bass’s full range leadership model (1985): transformational, transactional, and laissez-faire leadership. The Impact Maps, as shown in Table 2.1 to Table 2.3, are tailored to reflect the intended rationale and impact for leaders (Mooney & Brinkerhoff, 2008). They list the key capabilities for each meeting session to work in parallel on the task activities, which is meant to provide ideas to the participants (Ibid.). The key

capabilities are discussed and determined based on the individual's situation and needs, so that when the leaders at every level in the departments took it upon themselves they could be assured that all of the key capabilities were displayed appropriately.

Table 2.1

Impact Map for Leadership Development Program (Transformational Leadership Model)

Key Capabilities	On-the-Job Actions	Key Results	Goals
<ul style="list-style-type: none"> Charisma or idealized influence 	<ul style="list-style-type: none"> Leaders exerting charisma or idealized influence to transmit a strong sense of vision and mission to their subordinates, and demonstrate high moral standards that avoid the use of power for personal gain 	<ul style="list-style-type: none"> Ability to lead with a clear sense of direction and objective to hold their subordinates accountable for delivering performance 	<ul style="list-style-type: none"> Leaders of all units maintain higher level of influence and self-efficacy
<ul style="list-style-type: none"> Inspirational motivation 	<ul style="list-style-type: none"> Leaders performing inspirational motivation to increase their subordinates' awareness and understanding of mutually desired goals. 	<ul style="list-style-type: none"> Ability to motivate and inspire employees, by providing meaning and challenge 	<ul style="list-style-type: none"> Lateral relationship between leader-subordinate increases
<ul style="list-style-type: none"> Intellectual stimulation 	<ul style="list-style-type: none"> By intellectually stimulating their subordinates, the leaders are to expand the use of their subordinates' potential and abilities, and cater to individual needs and competencies by attaching them to their organizations and encouraging them to transcend their self-interests and work towards goals leading to long-term commitment 	<ul style="list-style-type: none"> Ability to stimulate and encourage subordinates to question assumptions, look at old problems from new and differing perspectives, and approach to the problems in new ways; giving rise to employees who become more creative and innovative 	<ul style="list-style-type: none"> A supportive climate at work in which employees' individual differences in terms of needs and desires are recognized
<ul style="list-style-type: none"> Individualized consideration 	<ul style="list-style-type: none"> An occurring of individualized consideration makes leaders pay attention to individual's need for achievement and growth of their subordinates, and to discover what to be developed and motivate each individual difference in terms of the needs and desires that are recognized. 	<ul style="list-style-type: none"> Ability to act as a coach and mentor to develop subordinates' potential 	<ul style="list-style-type: none"> Favorable organizational outcomes on leadership development and employee performance

Table 2.2

Impact Map for Leadership Development Program (Transactional Leadership Model)

Key Capabilities	On-the-Job Actions	Key Results	Goals
<ul style="list-style-type: none">• Transactional contingent reward• Active management-by-exception• Passive management-by-exception	<ul style="list-style-type: none">• Leaders specify the standards for compliance and identify what constitutes ineffective performance to employees, and use contingent reward to transact with their subordinates by providing praise, rewards and recognition in exchange for their subordinates successfully carrying out their roles and assignments, or when goals are achieved at an expected levels of performance• In the active management-by-exception, leaders are monitoring errors so that subordinates receive help from leader who is trying to anticipate before the mistakes or problems occur.• By the time the subordinates deviate from leader's expectation or failure toward standards, passive management-by-exception leaders will intervene.	<ul style="list-style-type: none">• Leaders capable of setting goals, articulating explicit agreements, and employing structure and consideration to motivate the employee's expectations for reward associated with goal attainment• Ability to make corrective actions when it is necessary• Ability to act on the causes of subordinate's poor performance	<ul style="list-style-type: none">• Organizational operations and management are based on motivation, inspiration, performance, and job satisfaction of the employees (Bass, 1985)• Leading from a contingent reinforcement perspective can lead to maximizing short-term gains for employees to reach the goals• Leader-subordinate relationships are based on a series of exchanges or bargains between leaders and subordinates

Table 2.3

Impact Map for Leadership Development Program (Laissez-faire Leadership Model)

Key Capabilities	On-the-Job Actions	Key Results	Goals
<ul style="list-style-type: none">• Laissez-faire leadership	<ul style="list-style-type: none">• Avoiding taking a stand or ignoring problems• Refraining from intervening• Do not follow up	<ul style="list-style-type: none">• Conflicts• A lack of achievement	<ul style="list-style-type: none">• Understanding leadership that has failed to take place

2.5.3 Approaches to the Development of Leadership Disciplines

Case studies, coaching, mentoring, motivation, inspiration, and skill practice through role play were different approaches used in the development of leadership disciplines in this study, as shown in Figure 2.12 (Bailey, 2001; Hoare, 2001; Olivier, 2001; Gill, 2006; Emerson & Loehr, 2008). All of these approaches resided beneath each leadership topic in the Impact Maps.

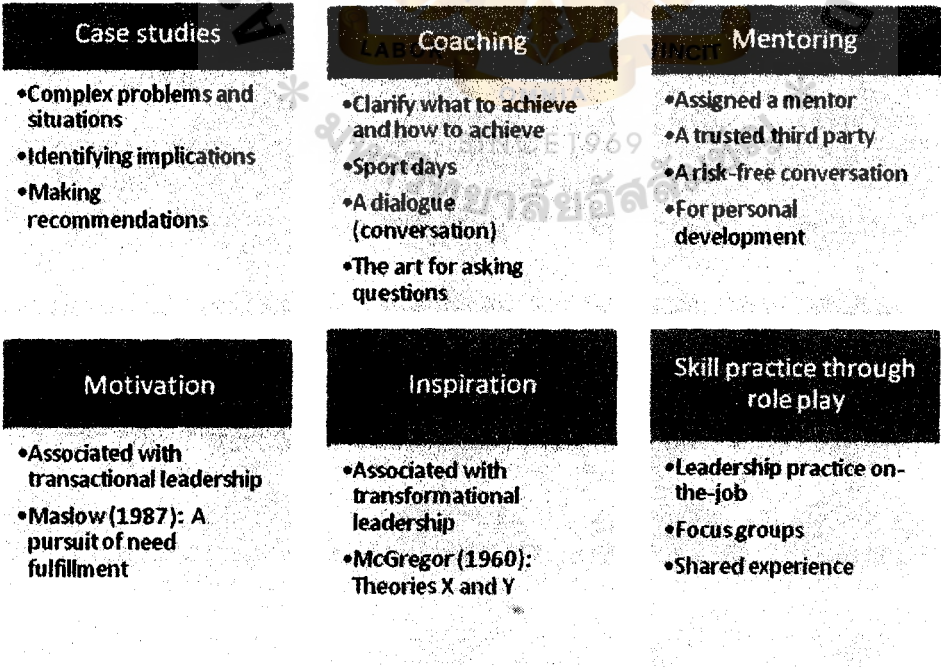


Figure 2.12. Approaches to the Development of Leadership Disciplines

2.5.3.1 Case studies

Given the detailed investigations of an individual, group or organization that contain background, contextual, and historical information, and detail on aspects of leadership, it requires participants to make sense of complex problems or situations (Gill 2006). Using leadership theories to do so, participants were to identify the implications and make recommendations for action and answer specific questions about leadership in the case. The choices for the chosen case were as follows:

- Leaders who motivate subordinates to a higher level of self-efficacy.
- Leaders who increase subordinates' awareness of desired goals and motivation to perform at their best and beyond their initial expectations.
- Leaders who expand the use of the subordinate's potential and abilities, and cater to individual needs and competencies.
- Leaders who create opportunity with a supportive climate in which subordinates' individual differences in terms of needs and desires are recognized.
- Leaders who clarify goals and expectations, and provide recognition to individuals when goal are achieved at an expected level of performance.
- Leaders who try to anticipate before mistakes or problems occur.
- Leaders who intervene when the subordinates deviate from standards.
- Leaders who do anything but the above action.

2.5.3.2 Mentoring and coaching

Mentoring and coaching are examples of leadership (Gill, 2006). The researcher asked each team or individual to assign a mentor in their unit to create a

trusted third party who had been helpful to inspire and help a person in resolving difficulties and in personal development without seeming to look weak or silly. Employees could bring their doubts and anxieties to consult with their mentor, it was an opportunity to have a risk-free conversation between them.

The researcher raised the awareness that coaching helps employees clarify what they really want to achieve and how to achieve it, it was about providing the support and guidance necessary to do so (Emerson & Loehr, 2008).

Activities such as races between football teams, volleyball teams, and games on sports days at KG Company required that coaching moved managers, supervisors, and chiefs of staff into action as the coach, who helped inspire their immediate subordinates to strategize, plan, and hold true to their employee's commitments by creating a dialogue that led to building awareness and taking action.

One aspect of coaching is asking questions that create a dialogue, and then at the end of the coaching dialogue there must be action taking. Otherwise, it is not regarded as coaching. It is only a nice conversation between leader and employee. A dialogue is a conversation in which the coach attempts to understand, and thereby help the coachee to understand, what and how it is that the coachee is blocking their own success (Emerson & Loehr, 2008). A coach is not trying to fix the problems by himself. Instead, he creates a two-way conversation, by asking questions to the employees in order to create a dialogue that builds awareness of their problems, because awareness is the key to any personal change. These allow employees to try a new approach to their situation. Emerson and Loehr (2008) advised that people learn more when they are involved in their own teaching, and are more likely to take action on that teaching and apply it again in other situations if they have discovered it for themselves.

As a coach, his or her job is to help the coachees be more aware of how they are getting in the way of their own success, and what they need to do to enhance their performance. An example of a dialogue with open-ended questions in Table 2.4 was presented in the class. The coach opened a conversation with the coachees by asking open-ended questions that they could not typically answer in one or two words because it required the responder to elaborate and share more information with the coach for their explanation.

Table 2.4

Creating Open-ended Questions

Open-Ended
<ul style="list-style-type: none">- What are the things that stand in the way of your work task meeting its deadline?- Would you explain which of the requirements most concerns you?- What are the key results that you need to notify about the changes?
Closed-Ended
<ul style="list-style-type: none">- Will your project be done on time?- Did you check all of those requirements?- Have you notified Sompob about these changes?

Note. Adapted from “A Manager’s Guide to Coaching: Simple and Effective Ways to Get Best Out of Your Employees,” by B., Emerson and A. Loehr, 2008. New York: Amacom.

In Table 2.5 is another example used in the class. It shows the art of asking questions. It allowed the coach to stay curious about what was going on while their employees listened to what they were saying. Emerson and Loehr (2008) suggested that when the person takes the time to really listen to what the coachee is saying,

then the right questions comes to mind, and that the coach does not have to be busy composing his or her next brilliant question because an employee will not walk away remembering the coach’s beautifully phrased questions. In contrary, what the coachees remember is that the coach listened to them and they felt heard (Ibid.).

Table 2.5

Short Versus Long Questions

Examples of Long Questions
<ul style="list-style-type: none">- In the end, if it could go perfectly in your mind, how would you like everything to work itself out?- So, tell me how did you see that working out for you, and what kind of effect do you expect it to have on your work?- Did you let your concern for the well-being of the employees, with no bias, over-ride your desire to just have everyone on the team get along?
Examples of Short Questions
<ul style="list-style-type: none">- What do you want?- What will that get you?- What’s stopping you?

Note. Adapted from “A Manager’s Guide to Coaching: Simple and Effective Ways to Get Best Out of Your Employees,” by B., Emerson and A. Loehr, 2008. New York: Amacom.

2.5.3.3 Motivation and inspiration

An attempt was made to relate motivation and inspiration to transformational and transactional leadership. Motivation may be thought of as associated more with transactional leadership, and inspiration is more with transformational leadership (Gill, 2006).

The researcher set the platform for thinking by following Maslow's (1987) theory of the hierarchy of needs and McGregor's theories X and Y. Maslow contributed ideas about human motivation that suggested an evolutionary pursuit of needs fulfillment and that management today has evolving motivators according to the pyramid of achievement. Humans are motivated to meet their needs, which are arranged in a hierarchy from lowest to highest order: physiological needs for food and shelter, safety needs for security and physical comfort, social needs for acceptance and affection, esteem needs for recognition and prestige, and self-actualization needs for accomplishment and realization of creativity.

In McGregor's (1960) theory, the researcher presented two contrasted sets of assumptions in respect of human nature that had a profound effect on management. Theory X represents the person who inherently dislikes and tries to avoid work, and has less ambition to work, this category of person must be controlled, directed, and threatened to do their job. In contrast, theory Y represents the person who exercises self-direction and self-control in pursuing objectives he or she committed, and seeks out responsibility.

At this stage, the participants were educated on how to identify their subordinates from Maslow's and McGregor's theories. The participants were guided to distinguish how and what category each of their subordinates was in within the groups, so that they were able to demonstrate motivation and inspiration, and catalyze their employees' commitment towards rewards (transactional means) associated with achievement (transformational means). For example, followers of transformational leaders can be motivated to achieve the highest possible level of need satisfaction, which is self-actualization (Burn, 1978). But leaders must be able

to distinguish what kind of person their subordinates are, X or Y, so that transformational and/or transactional means can be served appropriately.

2.5.3.4 Skill practice through role play in leadership

The participants carried out the project as assigned, focused on applying leadership approaches, and practiced on the job according to transformational, transactional, and laissez-faire leadership models. Then, when they came back to the class again they were divided into small focused groups, each group sent a representative to present in front of the class and shared their experience with the class. Also, the participants shared opinions using examples from the common theme that emerged in a story telling, short poem, play, movie or speech, or they may have shared their experiential learning that they learned from books, peers, or success and failures that they had directly experienced. These methods were recommended to be inspirational for skill practice in leadership development (Hoare, 2001; Bailey, 2001; Olivier, 2001; Gill, 2006).

2.5.4 Formal and Informal Meetings

2.5.4.1 Educating sessions

The formal meetings aimed to make the participants understand how to use, perceive, and apply leadership skills and key capabilities as a mechanism that contributed to their development and employee performance. The managing director acted as a host of the meetings and identified important implementation issues emerging from the guidelines in the Impact Maps Table 2.1 to 2.3 as aforementioned. All formal sessions were held at the grand hall conference room at KG company.

2.5.4.2 Reflecting sessions

Engaging the participants in reflection during the interventions is important because their initial understanding of, and intentions for using, their new learning from training will probably change, so the reflection helps them to refocus (Mooney & Brinkerhoff, 2008).

Reflecting sessions contained both formal and informal sessions. The formal sessions for reflection were held at the grand hall conference room, which were scheduled after every two educating sessions had ended. The informal style of these meetings took place in the coffee shop, canteen, or outside the workplace after office hours.

The researcher, acting as a facilitator of the meeting sessions, prepared for a regulatory audit that had been announced to all participants in order to help them reflect and refocus on what they had learned so that they could identify and forecast the obstacles that they were likely to face when they applied their new learning on their job.

The participants were grouped to discuss a general overview of the approach learned, and given examples of successful business cases with simple language and explanations appropriate for the understanding level of the participants. They were divided into small focused groups, which helped the participants uncover, discuss, refine, and personalize what they had learned. These created an individual insight that resulted from their ability to identify key learning outcomes, actions to apply to their learning on the job, and results to be expected (Mooney & Brinkerhoff, 2008).

2.5.4.3 Mirroring sessions

An interesting technique that was actually used in the Participative Design workshop is mirroring (Bunker & Alban, 1997). Mirroring took place in the last week of February on the 24th, and on March 5th, 10th, and 17th after all the educating sessions had finished. After that, two sessions of mirroring were held again at the end of each month from April to July. All participants made their plan to apply what they had learned from all sessions and how they used it on the job with their immediate subordinates.

Mirroring allowed everyone to participate. Individual participants were encouraged to share situations they experienced after he or she had been back to work with their practice on rehabilitation with their immediate subordinates (Bunker & Alban, 1997). Participants were asked to describe changes in the situations and their perception of the results in their reactions to their employees' performance. Any suggestion schemes regarding problems to do with methodology and ambiguity in its implications of the transformational, transactional, and laissez-faire leadership approaches were allowed to be shared with other participants in the class. They prepared answers to the class, for example, on how they stimulated the development of motivation in their employees, how they recognized and emphasized the person's accomplishments, how they related the four "Is" (idealized influence, intellectual stimulation, inspirational motivation, and individualized consideration) and contingent rewards to use with their style of leadership in reality, and how they recognized and overcame laissez-faire leadership behaviors in some situations. By these means, it helped them to review their own actions, which provided the necessary information on how they deployed their skills and knowledge that led to

improved performance of themselves as a leader and of the others under their control.

2.5.5 Training Process Evaluation

It was necessary to evaluate the training process through a combination of interviews and observation at this stage. It was regarded as another extension of the mirroring method because organizations confront the truth that no training works all of the time, but they can leverage this reality by dutifully seeking out and accurately reporting the business impact of the training, by making sure that all participants in the training process were fully informed and acknowledged, and that the responsible parties were fully engaged of who is doing what and what they need to do in order to make things work better (Mooney & Brinkerhoff, 2008).

The training evaluation process adapted from Mooney and Brinkerhoff (2008) is shown in Figure 2.13. The researcher conducted the personal interviews, and observed the type of information acquired from each of the participants. The researcher asked a focused set of questions that allowed managers, supervisors, and chiefs in different divisions to present a clear idea of their behaviors and outcomes at each unit. Each set of questions driven by the answers that preceded them imply action needed by the training function itself. It was an opportunity that allowed them to participate and communicate accurately to their employees, and made sure that the training was not distorted or misrepresented.

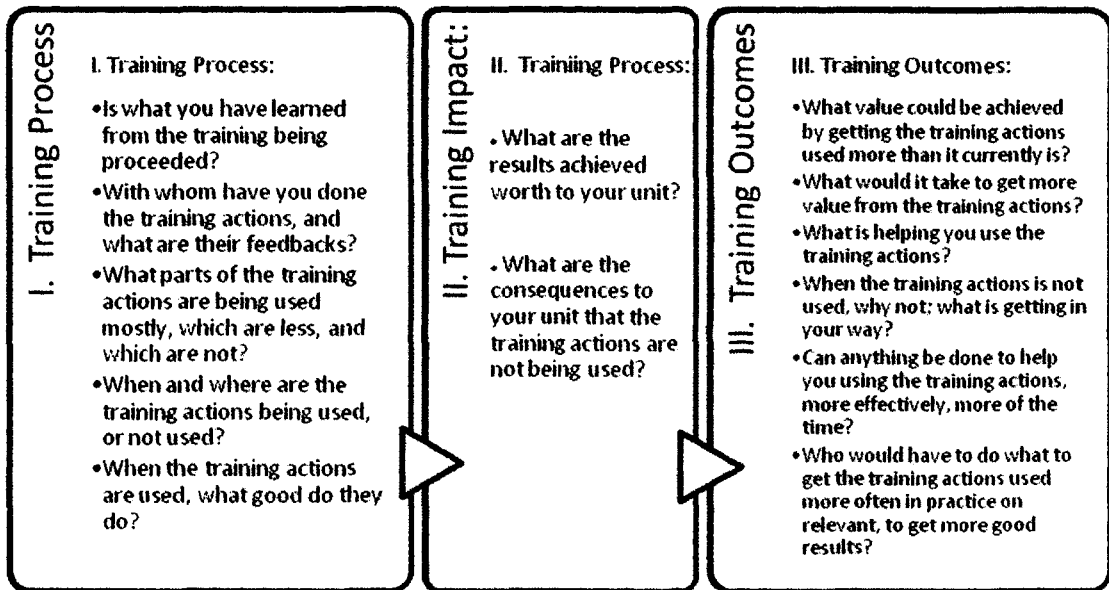


Figure 2.13. Training Process Evaluation

2.5.6 The Measurement of Variables

There are two variables investigated in this research, it includes leadership and employee performance. The instruments used in the measurement of variables are the multifactor leadership questionnaires (MLQ) and KG Company's employee performance appraisals. The MLQ was used for testing and measuring the leadership behaviors and development. The employee performance appraisal was used for assessing the performance of all employees both before and after the ODI. The demographic characteristic survey was used before the ODI.

2.5.6.1 Demographic Characteristics

This involved basic demographic information like age, gender, educational background, and more personal information to reveal the demographic characteristics of the respondents (See Appendix E).

2.5.6.2 The Multifactor Leadership Questionnaire (MLQ)

The identification of leadership qualities was tested via distribution of the Multifactor Leadership Questionnaire (MLQ) to the target leaders and their immediate subordinates (Avolio & Bass, 2002). The MLQ is both a self-report and other-report measure of leadership style and leader effectiveness based on Bass's (1985) full range of leadership. It is the primary and most commonly used measure to test the model of transformational, transactional, and laissez-faire leadership (Bass & Avolio, 1993, Avolio & Bass, 2002). (See Appendix A for description of leadership, and Appendix D for scoring key).

The MLQ consists of two versions of questionnaires, one for the leader to complete (namely leader versions; See Appendix B), and another for the leader's subordinates to complete (namely respondent rater versions; See Appendix C). Both questionnaires use exactly the same statements but the difference is the perspective. The questionnaire contains 36 statements that identify and measure the key aspects of leadership behavior which relates to transformational, transactional, and non-leadership factors.

According to the leadership attribute items asked in the MLQ (Avolio & Bass, 2002), leaders display behaviors associated with four components of transformational leadership (Four I's) and are described as follows: Idealized influence (e.g., "Asking about the importance of values"), Inspirational motivation (e.g., "Emphasizes a collective sense of mission"), Intellectual stimulation (e.g., "Seeking different problems' solving"), and Individualized consideration (e.g., "Helps subordinates to develop their strengths").

Two components of transactional leadership are: Contingent reward (e.g., "Rewards upon agreements with subordinates if they do what needs to be done") and

Management-by-Exception Active and Passive (active form represents in the items “Directs attention toward failures to meet standards” and passive form represents in the items “Delays responding to urgent problems”).

For non-leadership or laissez-faire leadership, this type of leader avoids transactional agreements with the employees and lacks transformational attributes as leadership involvement is absent. Non-leadership factors represent in the items “Avoid getting involved when important issues arise”, “Is absent when needed”, and “Avoids making decisions”.

When evaluating a survey instrument, reliability and validity of the instrument used are the most important aspects to be considered (Booth, 1995). It can be assured that the MLQ has been tested for reliability and validity in a number of settings through test-retest, internal consistency, and alternative methods (Prujin & Boucher, 1994; Bass & Avolio, 1997; Yammarino & Bass, 1990; Hackett & Allen, 1995; Lievens, Geit, & Coetsier, 1997). Pruijn and Boucher (1994) used the Cronbach’s alpha reliability coefficients to substantiate the reliability of the MLQ. Yammarino and Bass (1990) has proven the content and concurrent validity of the MLQ, whilst Bass and Avolio (1997) has also reaffirmed the construct validity of the MLQ and the results of the test-retest studies indicated that the components of transformational, transactional, and non-transactional leadership were reliable. Hackett and Allen (1995) conducted a factor analysis on the various transformational and transactional leadership variables that proved the reliability of the MLQ. The Confirmatory Factor Analysis (CFA) that was used to test the convergent and discriminate validity of each MLQ 5X scale in which all indicators loading on each construct as the survey instrument represents each leadership concept within the full range of leadership models has been proven significantly in demonstrating

satisfactory levels of internal consistency for each scale (Hackett & Allen, 1995; Avolio, Bass & Jung, 1996).

A large amount of research has been extensively used and recommends this instrument, the findings from the meta-analyses in both military and non-military settings, studies with 3,750 cases and 14 samples resulted in the selection of the 45 items of the MLQ and provided further evidence of the reliability of the MLQ due to its ratings on four transformational leadership dimensions, three distinct factors of transactional leadership dimensions, and non-leadership dimensions emphasize the measurement of leadership qualities (Avolio, Bass & Jung, 1996; Lievens et al, 1997; Avolio & Bass, 2002). Extensive research proved that “the MLQ yields an accurate, fine-grained and unbiased profile of the leader on the various transactional and transformational leadership dimensions” (Lievens et al, 1997: 416). In this way the MLQ helps in identifying the transactional and transformational leadership qualities in association with leadership development and training efforts. It enables the researcher to identify the strengths and weaknesses of the leaders in the presence or absence of certain transformational, transactional, or non-leadership dimensions. In each part of the MLQ, the scales represent distinct leadership facets. Respondents are able to differentiate between the various leader behaviors associated with the transactional, transformational, and non-transactional styles (Lievens et al, 1997; Avolio & Bass, 2002).

2.5.6.3 Employee Performance Assessment

For the purpose of this research, employee performance is another variable to be captured and recorded in order to determine the impact of leadership development. Each employee who was exposed to performance responded to the

leadership behaviors differently. The specific levels of individual employee performance required a particular rating assessment as a part of the evaluation on leadership development, because any attempt a superior makes towards his subordinates as a group or a one-to-one basis can cause significant changes on the employee's performance (Hunt & Osborn, 1980).

By relying on the employee performance management system, it enabled the researcher to exert performance management processes in evaluating the performance of the work force, which may signal in reference if the employee performance is respondent to the leadership behaviors.

The performance management system of KG Company has been implemented and continuously improved upon for more than a decade. The current format has been utilized for three years and has been settled on for further improvement. The performance management processes are embedded in the planning, managing, and measuring for the performance of the company's employees. It seeks to ensure fairness, consistency, and objectivity to create the appropriate climate at work for positive interaction, communication, and work achievement and improvement among employees (Organizational Manual, 2006).

The performance appraisal process, which is a component of the performance management system, is used to build a better work force (Organizational Manual, 2006). The current performance appraisal system covers key performance areas including the employee's job outputs, interpersonal relationships among employees and superiors, and performance management. It is comprised of 10 key performance factors: the quality of work, work habit of the employees, job knowledge, interactions with superiors, interactions with co-workers, job and behavior correction, expectation for contingent rewards, mistake avoidance, inspiration, and

self-efficacy. The performance appraisal is done on a yearly basis, the criteria by which it judges an employee is clearly related to the demands of the job and linked to the individual employee's job profile.

During the process a midyear performance discussion is held between the superior and employees, following this a final performance discussion is held at the end of the year where the employee is finally rated on their performance for an annual performance appraisal. All supervisory levels are required to fill in the employee performance assessment form, which is the form which the leaders at each component level in departments use in rating or grading their members individually, in order to pass the result to the departmental manager, who will then analyze and assess the final report to the managing director for each individual employee's job promotion and bonus according to their performance (see Appendix F for Employee Performance Assessment Form of KG Company).

The performance appraisal utilized in this research has been changed to the period of time that the data was collected and evaluated, from a midyear employee performance discussion to an eight-month basis, due to the fact that the annual performance appraisal for 2010 was unable to be completed by the time the statistical analysis of this research commenced.

Chapter 3

Research Methodology

3.0 Introduction

Chapter 3 discussed the research design and procedures in data gathering, including respondents, sampling procedure, research questionnaires, and the treatment of data.

3.1 Research Design

Figure 3.1 represents the research design that employs three phases of organizational development intervention (ODI) process. Phase I is the pre-ODI stage, phase II involves the implementation of the ODI process, and phase III concerns the post-ODI, where the results of the ODI are evaluated.

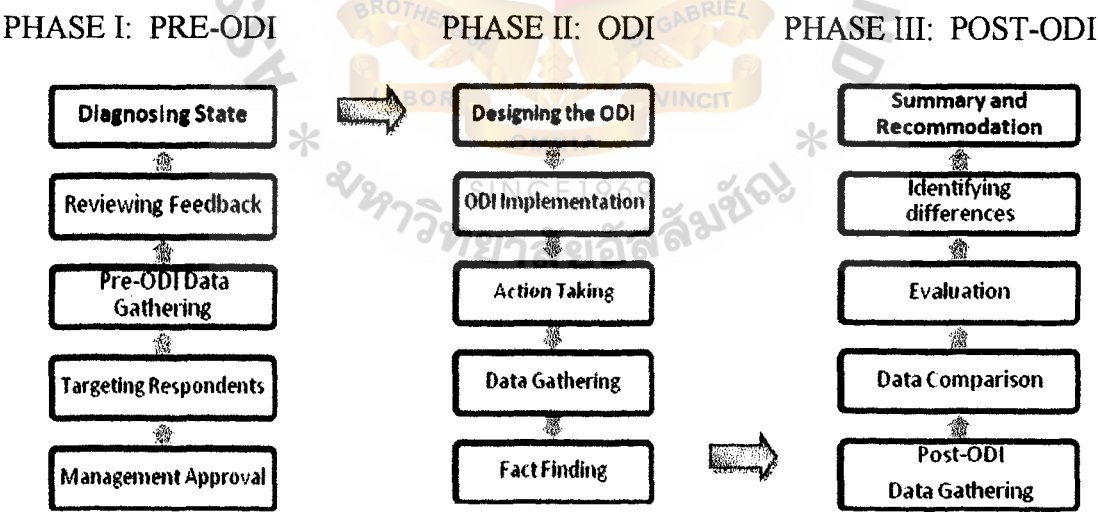


Figure 3.1. Research Design Model

Adapted from “Action Research Model,” by T. G. Cummings and C. G. Worley, 2005.

Organization development and change (8th ed.). Mason, OH: South-Western.

3.1.1 Phase I: Pre-ODI

Phase I concerned diagnosing the current state of the situation and the actual performance of leaders, and the impact on employee performance. After received approval from the top management of the KG Company the researcher continued to work on the ODI project, initially to specify the target respondents, which consisted of leadership at descending levels under the top executives, including department managers, section unit supervisors, and subunit chiefs of staff and their immediate subordinates. One hundred and ninety-four respondents (from the total of three hundred and ninety-five KG employees according to the sampling process) participated in the ODI. Data was gathered via surveys, in-depth interviews, and observation. The feedbacks of this pre-ODI stage were used in diagnosing the current state of the organization and in determining the need for change and the degree of development.

The Pre-ODI Objectives are as followed:

- To diagnose and determine the current situation of the company in relation to three leadership variables: the level of transformational leadership behaviors, the level of transactional leadership behaviors, the level of laissez-faire leadership behaviors (non-leadership), and one variable of employee performance.
- To observe the situations of leadership at descending levels perceived by employees in KG Company.
- To target the respondents: the managers of departments, the supervisors of section units, and the chief of subunit's staff and their subordinates.

- To collect survey data and in-depth interviews with the respondents (which included leaders at three levels and their immediate subordinates), and observe the results.
- To receive feedback from those respondents answering the questionnaires and interviews.

3.1.2 Phase II: ODI Implementation

The implementation of the ODI concerned the action-taking stage that was planned for a specific set of problems. The OD intervention aimed to change the status quo into a desired state. It involved leadership development, and its impact on employee performance enhancement.

The ODI Objectives:

- To actively intervene in the system to develop new leadership behaviors and competencies.
- To determine the impact of the intervention
- To determine the impact of leadership development on employee performance

The OD Interventions were conducted as followed:

1. Leadership development and training:

- A leadership development and training workshop was set up for thirty-nine participants. They were leaders from across organizational levels, including

managers, supervisors, and chiefs. (See 3.2 Description of the Sample Population for more information.)

- The Impact Map was used as a tool to provide insights about leadership behaviors, competencies, and the specific outcomes that these would help the participants achieve (Mooney & Brinkerhoff, 2008).

- Full Range Leadership model (Bass, 1985) was used as a prime illustration of pattern of leadership styles in contributing to the work performance of employees. The characteristics involved in the Full Range Leadership model include transformational, transactional, and laissez-faire leadership.

- The training was aimed at these ends: to provide standards setting for leadership styles that were not for command and control alone, but to hold employees accountable for delivering performance with a clear sense of direction and objectives; to motivate and stimulate them to expand the use of their potential and abilities; and to transcend self-interest to work towards common long-term goals.

Activities in the workshop included story-telling, experience sharing, discussion groups, movies, and games. Knowledge was derived from other people's research, biographies, books and journals, lessons learned from surroundings, management school, discussions, personal experiences, and notices.

2. Development of leadership disciplines:

Approaches to the development of leadership disciplines include using case studies, coaching, mentoring, motivation, inspiration, and skills practice through role play.

2.1 The investigation of case studies allowed all participants to identify problems and make recommendations on leadership issues.

2.2 A mentoring approach was practiced through a trusted third party to help those participants experiencing difficulties.

2.3 Coaching approach:

- The purpose of coaching was to inspire the participants to action, since the coach helped inspire the subordinates to strategize, plan, and hold true to their commitments (Emerson & Loehr, 2008: 14).
- Coaching consisted of a three part process (Emerson & Loehr, 2008). Determining “coachability” was to make the participants understand the role of helping others solve problems by themselves instead of fixing the problems for them, and to inculcate the belief that their own success is connected to the success of the employee. (Ibid: 47). Building awareness taught the participants about how to ask questions that created a dialogue that then led to action. Taking action involved taking a step in which the participants devised a realistic plan that led the others to complete their tasks. It was important to make it clear that without action after a dialogue, it was not coaching but merely a polite conversation.

2.4 A motivational approach was conducted to link to a transactional leadership model, and Maslow’s theory on the pursuit of need fulfillment.

2.5 An inspirational approach was conducted to link to a transformational leadership model, and McGregor’s X and Y theory.

It was important that when the participants applied these approaches they knew the difference between them and how to differentiate between a motivational and inspirational approach.

2.6 Skill practice through role play was based on planning and creating interactions between leader and subordinates so that the participants applied leadership behaviors and practices on the job. The purpose was to help participants arrive at a clear plan using the new skills and to focus on applying these skills to job tasks and to interacting with their employees.

3. Formal and informal meetings:

3.1 Educating sessions were organized to generate knowledge and to produce change using the leadership models, business cases, and impact maps to raise awareness and generate a commitment from the participants to perform their roles.

3.2 Reflecting sessions were set up to encourage the participants to apply the new knowledge learned from their education sessions into ongoing performance improvement and practice at work.

3.3 Mirroring sessions were conducted to evaluate participants on their practice and improvement.

3.4 Informal meetings were held at the coffee shops, canteen, and other places inside and outside the office to suit the participants' needs for extra time in repeating the educating, reflecting, and mirroring sessions in a small and narrowly focused group. This method was customized to suit particular needs for development, since they had

differences in their educational background, scope of responsibility, and desire. The informal meetings were used to encourage the participants to share, question, and talk freely.

4. Training process evaluation:

Personal in-depth interviews were conducted with each of the participants to gather useful information and to evaluate the training process.

3.1.3 Phase III: Post-ODI

Phase III is the evaluation period. In the context of doing action research in the organization, the value in action research is not whether the change process was successful or not, but rather that the exploration of the data (Coghlan & Brannick, 2001). The researcher gathered the data to identify the differences between pre-ODI and post-ODI, and evaluated the impact of ODI, then determined if the relationship between leader and subordinates had moved to the desired state or not, that is leaders influencing subordinates to improve their performance. The circumstances were identified to what extent the critical task was to move from the present to the desired state.

The Post-ODI Objectives are as follows:

- To identify the differences between pre-ODI and post-ODI
- To evaluate the outcomes of pre-ODI and post-ODI based on leadership and employees variables.
- To report the summary and recommendation of the ODI and its aftermath.

3.2 Description of the Population

There are, in total, 395 KG employees working in the company's affiliates situated in different provinces in Thailand. It was inconvenient for the researcher to study all employees at different locations. For the reason of time and budget restrictions, this study preferred to take a sampling process, which was used for the selection of a proportionate number of units of interest (Parasuraman, 1986; Leedy, 1993).

3.2.1 Sample Respondents

194 sample respondents were used in this study. The formula used in calculation is a finite population with an error tolerance rate of 0.05 or 5%.

$$n = \frac{N}{1 + N(e)^2}$$

n = Sample size

N = Total number of population

e = Error tolerance rate

Total number of employees working at KG company = 395 employees

$$\text{Then } n = \frac{395}{1 + 395 (.05)^2}$$

$$= 194.75$$

It requires a sample population of 194 to be used in this study.

In Figure 3.2 the unit of analysis shows four entities from sample levels operating in the departments; they were members of the sample respondents. For

convenience, the sample was chosen according to its availability to the researcher. Data for the research were obtained from this stratified sample of department managers, unit supervisors, subunit chief of staff, and employees under them. For the purpose of data collection, all employees in the sample group were eligible to participate. Their consent was obtained to join in the research. Persons who were unwilling to participate in the experiment were not penalized in any way.

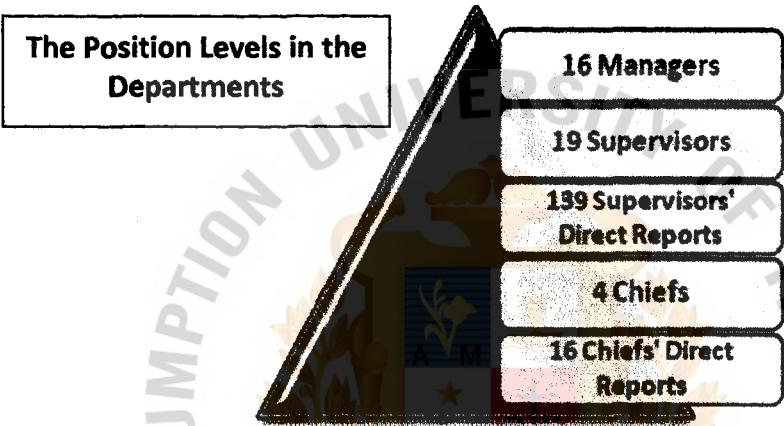


Figure 3.2. The Stratification of the Sample Respondents

The stratification in this research, as shown in Figure 3.2, ensured that the sample represented the position levels in the company’s departmental setting (Lawrence, 2000). The final sample was 39 leaders from eleven departments, which composed of 16 managers, 19 supervisors, and 4 chiefs. And the respondent employees were drawn from the following: 19 supervisors who work under managers, 139 direct reports of the supervisors, 4 chiefs at the subunit who work under the supervisors, and 16 direct reports who work under the chiefs.

3.2.2 Unit of Analysis

The researcher divided the sample into two groups for the purpose of data collection: leaders’ group (included managers, supervisors, and chiefs) and respondent employees’ group (included their immediate subordinates).

Individuals who hold a supervisory position from different departments, divisions, and units were grouped as “leaders”, noting that the supervisory position is defined as a person with subordinates reporting to them directly (Hayward, 2005).

Employees who directly reported to the leaders as aforementioned were characterized as their immediate subordinates. They were grouped as “respondent employees” assessing their leaders.

From Figure 3.3, the participants of the leaders’ group were assigned to do a self report on their leadership styles, assessing self-development, and employee performance. The participants of the respondent employees’ group were assigned to assess their immediate leaders according to their perception, which was as follows: 19 supervisors assessed their managers, 139 subordinates assessed their supervisors, 4 chiefs at the subunit assessed their supervisors, and 16 subordinates assessed their chiefs.

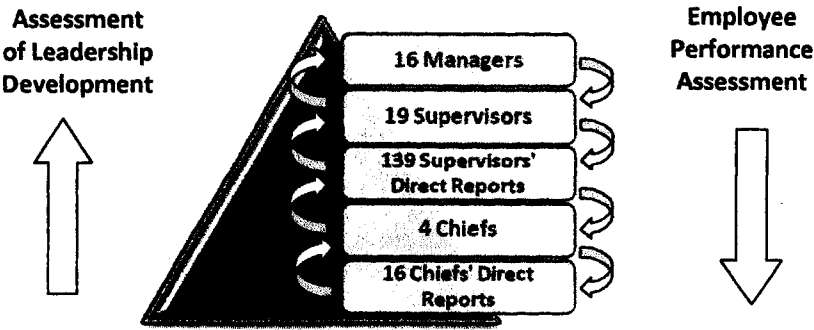


Figure 3.3. The Unit of Analysis

3.2.3 Participants in the Training Workshop

The workshop targeted the leaders’ group. The total number of managers, supervisors, and chiefs attended the workshop were as shown in Figure 3.4.

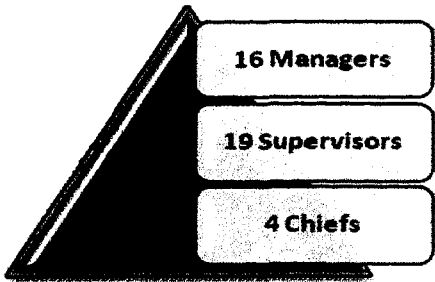


Figure 3.4. Participants in the Training Workshop

3.3 Measuring Instruments

The research was conducted using two methods: primary and secondary. The primary method relied on qualitative and quantitative approaches using instruments such as interviews, surveys, and observation. The primary method was used to measure the attitudes and perception of the respondents before and after OD interventions, and to monitor and check the impact of the ODI on the participants. The secondary method used other people’s research, reports, books and journals to support the primary data.

Various instruments used for the measurement of variables before, during, and after the OD Interventions were implemented as shown in Table 3.1. In conducting the primary research, the selected tools were in-depth interview, observation, and questionnaire surveys.

Table 3.1

Measuring Instruments

Measures for Leadership Development		
Independent Variable	Scales for measurement	Instruments
Leadership development	Transformational Scales (Relations-Oriented Leadership Behaviors) <ul style="list-style-type: none">• Idealized Influence• Inspirational Motivation• Intellectual Stimulation• Individualized Consideration	<ul style="list-style-type: none">➤ Interviews:<ul style="list-style-type: none">- In-depth interview with top management level for problem diagnosing- Focus group interviews with supervisory level- Personal interviews with each of the participants➤ Surveys:<ul style="list-style-type: none">- Demographic Characteristics- Multifactor Leadership Questionnaire (MLQ) for leader rater form➤ Observation
	Transactional Scales (Task-Oriented Leadership Behaviors) <ul style="list-style-type: none">• Contingent Reward• Active Management-by-Exception• Passive Management-by-Exception	
	Laissez-Faire Scales (Non Relations-Oriented and Non Task-Oriented Leadership Behaviors) <ul style="list-style-type: none">• Laissez-faire (non-leadership behavior)	
Measures for Employee Performance		
Dependent Variable	Scales for measurement	Instruments
Employee Performance	Performance Scales (based on overall performance assessment) <ul style="list-style-type: none">• Quality of Work• Work Habits• Job Knowledge• Job and Behavior Correction• Interactions with Superior• Inspiration• Interactions with Co-Workers• Self-Efficacy• Expectation for Contingent Rewards• Mistake Avoidance	<ul style="list-style-type: none">➤ Surveys:<ul style="list-style-type: none">- Demographic Characteristics- Multifactor Leadership Questionnaire (MLQ) for subordinate rater form➤ Performance Assessment<ul style="list-style-type: none">- Employee Performance Assessment Form➤ Observation

3.3.1 Interviews

In-depth interviews were conducted to generate an overview of the problem with top management and supervisory level. They were based on a semi-structured method with a defined questioning plan used in a conversational style of interview to make the flow of conversation go smoothly. The interviews took place in an informal setting in the office, in coffee shops, and in restaurants.

During the intervention, formal and semi-structured interviews were arranged for the purpose of measuring the training process. The researcher conducted focus group interviews among leaders at all descending levels under the MD, including department managers, supervisors, and chiefs of staff. They involved interviewing more than one person at a time in each session, where the researcher acted as a moderator or facilitator rather than an interviewer. Except for an individual in-depth one-on-one interview, the researcher met with each interviewee personally in a closed-door room. Due to time constraints, interviews generally took no more than 45 minutes.

3.3.2 Observation

Observation relied on actual behavior of employees by using a checklist as shown in Table 3.2. In the observing role, it involved watching interactions through a one-way mirror in which the researcher as an observer was physically present at meetings but was unobserved by participants.

Table 3.2
A Sample of Observation Checklist

Observation Checklist	Yes	No
<ul style="list-style-type: none">- Leads by adding values to the work of others- Aware of team and individual needs- Engaging to coaching- Engaging to mentoring- Have a clear sense of direction and confidence in the ability to achieve- Exhibits transformational leadership that inspires confidence and performance of subordinates- Exhibits transactional leadership in associated with motivation- Be active in accepting the risks of leadership- Exhibits appropriate behaviors to maintain high standards of personal performance- Demand high standards of performance from subordinates		

3.3.3 Surveys

3.3.3.1 The surveys of demographic characteristics

All 194 sample respondents were obligated to complete the demographic characteristics surveys to reveal basic biographical information about themselves, including gender, age, birth place, current address, education, employment period, current job position, and length of time in current position.

3.3.3.2 The Multifactor Leadership Questionnaire (MLQ)

The researcher provided the MLQ to the respondents in two different sets: a self-report (leader raters), and a report on others (subordinate raters). The target leaders completed a self-explanatory questionnaire (leader raters) describing their own leadership style, whilst the respondent employees or the immediate subordinates of the target leaders completed a questionnaire (subordinate raters) regarding leadership style and how frequently they observed their leaders exhibiting specific behaviors and leadership attributes that together form the components of transformational, transactional, and laissez-faire leadership. This was in order to measure leadership style and leader effectiveness. The department managers, unit supervisors, and subunit chiefs completed leader versions. Their immediate subordinates completed subordinate rater versions. All respondents of the questionnaires completed the MLQ by scoring each question based on a measurement scale of a 5-point frequency scale 0 (not at all) to 4 (frequently).

3.3.4 Employee Performance Assessment

Each of the leaders at descending levels completed employee performance assessments to measure their immediate subordinates' performance, as illustrated on

the right hand side in Figure 3.3. Each performance appraisal factor was measured using the scale of 1 to 10. The scale indicates the following: 1 unsatisfactory; 3 needs improvement; 5 meets requirements of the performance standards; 8 exceeds requirements; and 10 outstanding (being exceptional performance). Following this the scores were calculated resulting in a total score of 100.

3.4 Data Collection

In Table 3.3, the research used two methods. The primary method relied on qualitative and quantitative approaches using survey, interview, and observation techniques. The secondary method used the data from other people’s research, database searches, books, journals, and company’s documents for supporting the primary data.

Table 3.3
Data Collection

	PRIMARY	SECONDARY
QUALITATIVE	<ul style="list-style-type: none">• In-depth interviews• Focus groups• Observations• Open-ended questions (for training evaluation)	<ul style="list-style-type: none">• Books and journals• Database searches• KG Company’s documents e.g. organizational manual, structure, charts, and newsletters
QUANTITATIVE	<ul style="list-style-type: none">• Demographic characteristics surveys• The MLQ questionnaires• Employee Performance Assessment	<ul style="list-style-type: none">• Other people’s research• Industrial market research from research institute• Employee performance reports

3.4.1 Primary Data

Primary data were the results from interviews, surveys, and observations that the researcher conducted with the participants of the ODI project.

3.4.2 Secondary Data

These data were used for the purpose of supporting the primary data. The secondary data were obtained from books and journals, organizational manual, structure, charts, the company's brochures and catalogues, search engine on internet, and industrial market research of marketing research institutes.

3.5 Data Analysis

This study used two methods in data analysis: quantitative and qualitative.

3.5.1 Quantitative Data Analysis

For statistical analysis, Statistical Package for Social Science (SPSS), a computational program in version 16.0, was used for analyzing the feedback. It helped evaluate the questionnaire data in this research.

The SPSS program was the statistical software program used to perform all procedures in this research. All collected questionnaires rating by the respondents were coded and the scores were captured by a data capturer into a Microsoft Excel spreadsheet, then it was statistically analyzed by SPSS program.

The scores obtained from demographic surveys, the Multifactor Leadership Questionnaires (MLQ), and employee performance assessments were analyzed to determine if ratings of each were significantly different.

For the demographic characteristics and employee performance assessment, the profiles were analyzed by descriptive statistics of frequency distribution and percentage.

The analysis of the MLQ data relied on paired sample t-tests to describe the relationship between transformational, transactional, and laissez-faire leadership behaviors and employee performance in pre- and post-ODI periods.

Paired sample t-tests represented the primary statistical test in this research. This was a dependence statistical technique that was used to assess the degree of the relationship between a single dependent variable, which referred to employee performance, and multiple independent variables, that referred to three different leadership styles in this research (Siljaru, 2008).

3.5.2 Qualitative Data Analysis

The resulted data from the interviews with open-questions and observations were qualitative data. They were used to support the intervention process in which descriptive answers helped describe, summarize, and draw conclusions that extended beyond the quantitative data.

3.6 Time Frame

The time frame of this research in Figure 3.5 shows the period of time during which the three stages of pre-ODI, ODI implementation, post-ODI, and final defense were to be undertaken.

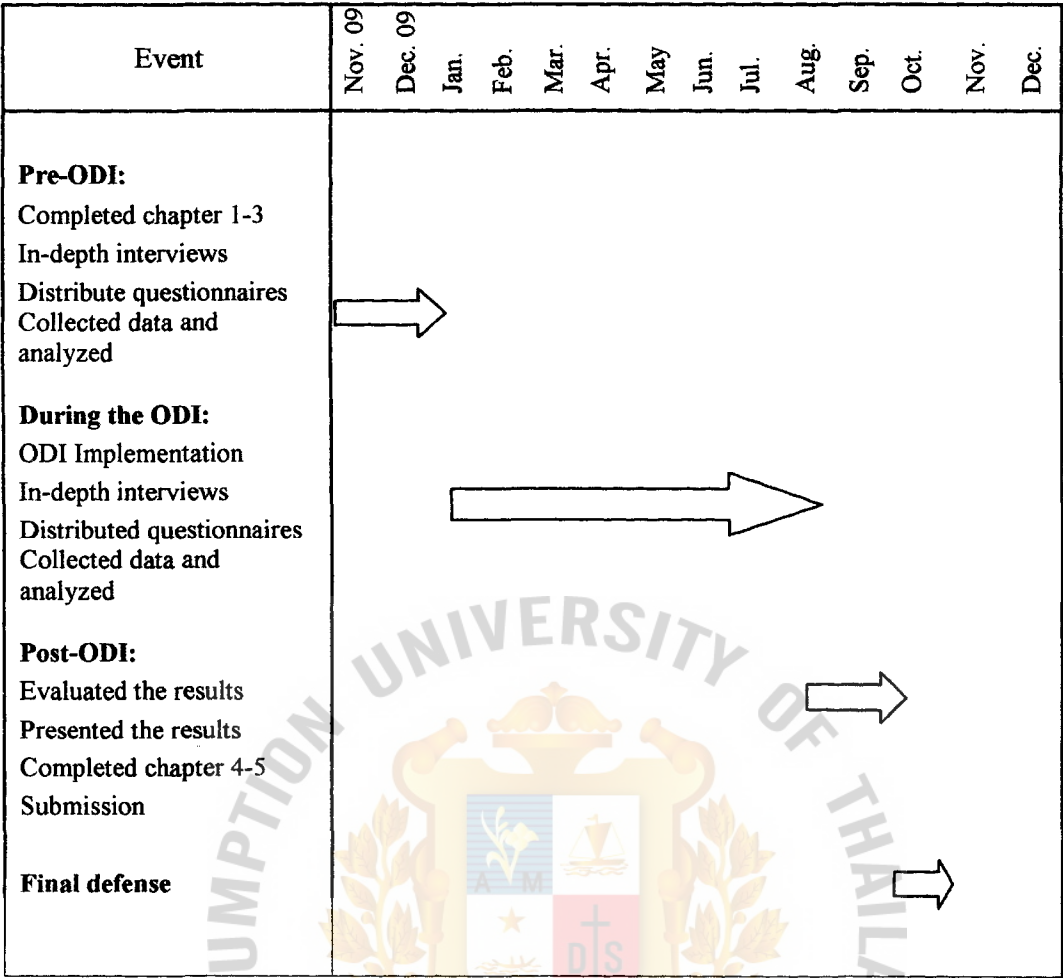


Figure 3.5. Time Frame in Year 2010

3.7 The ODI Work Plan and Timelines

Figure 3.6 shows the ODI work plan and timelines specified for the pre-ODI period. The first set of questionnaire surveys were distributed to the participants on 3rd November, 2009. A week later, the researcher collected the data from surveys and employee performance assessment, and began the analysis ready for the presentation of the data to the managing director in December.

PRE-ODI PERIOD

NOVEMBER, YEAR 2009

MON	TUE	WED	THU	FRI	SAT	SUN
						1
2	Pre-ODI Survey Distribution				7	8
9	10	Survey Collection			14	15
16	17	18	19	20	21	22
23	Pre-ODI Results Analysis			27	28	29

DECEMBER, YEAR 2009

MON	TUE	WED	THU	FRI	SAT	SUN
	1	2	3	4	5	6
7	Review with Top Management		10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

Figure 3.6. The Pre-ODI Work Plan and Timelines

Figure 3.7 shows the ODI work plan and timelines for the period during ODI implementation and post-ODI. The opening session for the OD intervention was held on 7th January 2010. 8th, 11th, and 13th January, 2010 were spent on education sessions for transformational leadership model (TF), and 15th January was for reflection of the 8th, 11th and 13th January classes.

On 29th January and 3rd February there were sessions to discuss the transactional leadership model (TA), and on 5th February there was a reflection of these sessions. On 12th February a class was scheduled for a comparison between transformational and transactional leadership, and the non-leadership factors, such as laissez-faire (LZ) leadership behaviors. On 17th February there was a round-up of all leadership approaches, and on 19th February was for reflection. Mirroring sessions were organized twice at the end of the month from February to July.

DURING ODI IMPLEMENTATION AND POST-ODI PERIOD

YEAR 2010

MON TUE WED THU FRI SAT SUN

JANUARY

				1	2	3
4	5	6	ODI	TF	9	10
TF	12	TF	14	Reflect	16	17
18	19	TF	21	TF	23	24
25	26	Reflect	28	TA	30	31

FEBRUARY

1	2	TA	4	Reflect	6	7
8	9	10	11	LZ	13	14
15	16	All	18	Reflect	20	21
22	23	Mirror	25	26	27	28

MARCH

1	2	3	4	Mirror	6	7
8	9	Mirror	11	12	13	14
15	16	Mirror	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

APRIL - JULY

Two sessions of mirroring were held in each month.

AUGUST

						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	Post ODI data collection and analysis					22
23	24	25	26	27	28	29
30	31					

Figure 3.7. The ODI Work Plan and Timelines

Chapter 4

Presentation and Analysis of the Data

4.0 Introduction

This chapter contains the statistical information resulting from the research study in Pre- and Post-ODI periods. The analysis of the data was designed to assess and determine the impact of leadership at three levels (department, unit, and sub-unit) on current performance of the employees in KG.

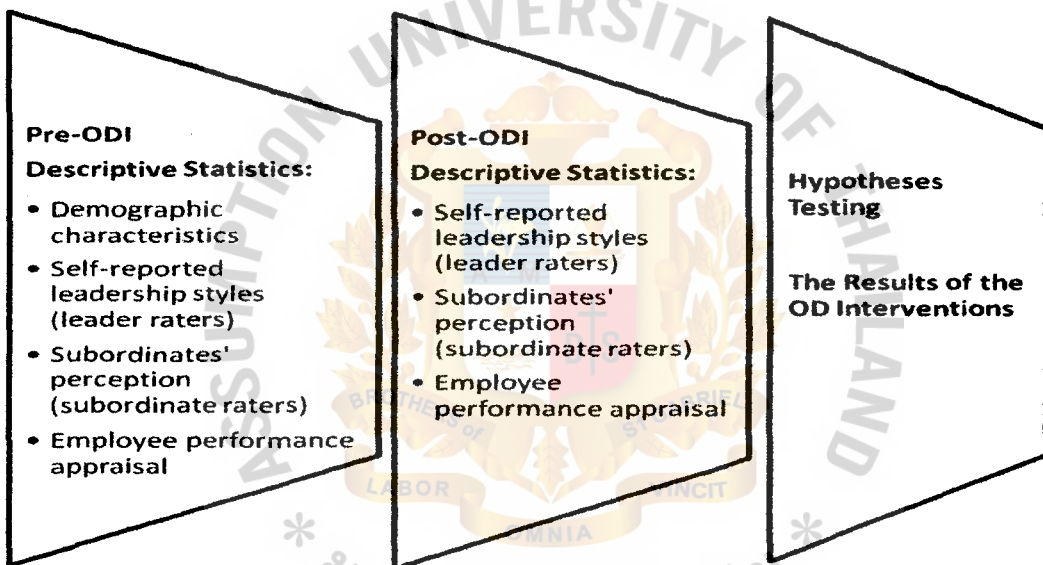


Figure 4.1. Presentation of the Data Analyses

4.1 Pre-ODI

After the approval of the senior management of KG Company, the first step began with the distribution of questionnaire surveys and performance assessments to the target group on 3th November, 2009. All surveys and assessments were returned on 12th November. The interpretation of the data was on 24th November, and the presentation of the results to the managing director was on 8th December. The results were as follows:

4.1.1 Sample Demographics

194 sets of questionnaire surveys were distributed to the target respondents.

The demographic data of the sample presented in Table 4.1 to 4.9.

Table 4.1

Gender of the Respondents

		Gender		Valid Percent	Cumulative Percent
		Frequency	Percent		
Valid	Male	72	37.1	37.1	37.1
	Female	122	62.9	62.9	100.0
	Total	194	100.0	100.0	

From Table 4.1, gender of the respondents was different. The respondents were 37.1 percent males and 62.9 percent females. It indicated that the nature of KG Company's business was more attractive to the female employees.

Table 4.2

Age of the Respondents

		Age		Valid Percent	Cumulative Percent
		Frequency	Percent		
Valid	20 or lower	5	2.6	2.6	2.6
	21 – 25	31	16.0	16.0	18.6
	26 – 30	53	27.3	27.3	45.9
	31 – 35	62	32.0	32.0	77.8
	36 – 40	22	11.3	11.3	89.2
	41 – 45	11	5.7	5.7	94.8
	46 – 50	5	2.6	2.6	97.4
	51 – 55	5	2.6	2.6	100.0
	Total	194	100.0	100.0	

From Table 4.2, the age group of the employees from 21 to 35 years old was considered to represent a large number of all employees currently working for KG. Majority of the respondents was in the 31-35 age group or 32 percent of all respondents. The second large of the same age group was 27.3 percent at the age between 26-30 years old and those who were ranged between 21-25 age group accounted for 16 percent. These indicated that the employees begin to leave the company when they are over 35 years old.

Table 4.3
Birth Place of the Respondents

		Birth Place			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Central	94	48.5	48.5	48.5
	North	27	13.9	13.9	62.4
	South	15	7.7	7.7	70.1
	East	2	1.0	1.0	71.1
	North-east	55	28.4	28.4	99.5
	West	1	.5	.5	100.0
	Total	194	100.0	100.0	

Table 4.3 showed birth place of the respondents that most of them were born in the central (48.5 percent) and northeastern (28.4 percent) part of Thailand respectively.

Table 4.4

Address of the Respondents

Address					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Bangkok	94	48.5	48.5	48.5
	The circle	65	33.5	33.5	82.0
	Provincial area	35	18.0	18.0	100.0
	Total	194	100.0	100.0	

Table 4.4 listed the address of the respondents. It indicated that a large number of the respondents in this research live in Bangkok, they accounted for 48.5 percent. 33.5 percent were those who live in the circle area around Bangkok, and only 18 percent of the respondents live in the provincial area. These helped reduce difficulties in the return of all surveys and participation in the intervention programs.

Table 4.5

Education of the Respondents

Education					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Primary School	5	2.6	2.6	2.6
	Secondary School	96	49.5	49.5	52.1
	Certificate	24	12.4	12.4	64.4
	Diploma	24	12.4	12.4	76.8
	Bachelor Degree	37	19.1	19.1	95.9
	Master Degree	8	4.1	4.1	100.0
	Total	194	100.0	100.0	

Table 4.5 reported the educational level of the respondents that the highest education of the largest group of the respondents was secondary school. They accounted for 49.5 percent because they were at the employee level. 19.1 percent of the respondents hold a Bachelor degree at the supervisory level.

Table 4.6

Place of Education of the Respondents

Place of Education				
		Frequency	Percent	Valid Percent
Valid				Cumulative Percent
	Bangkok	85	43.8	43.8
	The circle	22	11.3	55.2
	Other provinces	85	43.8	99.0
	Foreign country	2	1.0	100.0
	Total	194	100.0	100.0

Places of education as listed in Table 4.6 indicated an equal percentage of 43.8 between those who were educated in Bangkok and other provincial areas. 11.3 percent were educated from cities nearby Bangkok. Only one percent was educated abroad.

Table 4.7

Employment Period of the Respondents

		Employment			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<six months	31	16.0	16.0	16.0
	Six months to 1 year	27	13.9	13.9	29.9
	>1but≤ 2 years	32	16.5	16.5	46.4
	>2but≤ 3 years	29	14.9	14.9	61.3
	>3 but ≤ 4 years	17	8.8	8.8	70.1
	>4 but ≤ 5 years	6	3.1	3.1	73.2
	>5 but ≤ 6 years	9	4.6	4.6	77.8
	>6 but ≤ 7 years	6	3.1	3.1	80.9
	>7 but ≤ 8 years	5	2.6	2.6	83.5
	>8 but ≤ 9 years	5	2.6	2.6	86.1
	>9but≤ 10 years	8	4.1	4.1	90.2
	>10 years	19	9.8	9.8	100.0
	Total	194	100.0	100.0	

Table 4.7 shows how many years the respondents have been working for the company. The survey result showed the highest score of 16.5 percent were the group of people who have been working for one to two years. The second highest score

was 16 percent, people in this group have been working with the company for less than six months. The third rank of the highest score was 14.9 percent for those who have been working with the company for two to three years. For those employees who stay with the company more than ten years were accounted for 9.8 percent.

Table 4.8

Job Position of the Respondents

		Job Position			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Department Manager	11	5.7	5.7	5.7
	Section Manager	5	2.6	2.6	8.2
	Unit Supervisor	19	9.8	9.8	18.0
	Chief of staff	4	2.1	2.1	20.1
	Staff	155	79.9	79.9	100.0
	Total	194	100.0	100.0	

Job positioning level in Table 4.8 revealed the percentage of the respondents in this research. It indicated 79.9 percent of the respondents were at the employee level, 2.1 percent were chiefs of staff, 9.8 percent were supervisors, 2.6 percent were section managers and 5.7 percent were department managers. The objective of this research attempts to study those people in the twenty-percent to develop and gain the effective control and motivation of the other eighty-percent by using interventions appropriate to enhance their performance.

Table 4.9

Current Position of the Respondents

		Current Position			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	< six months	30	15.5	15.5	15.5
	Six months to 1 year	32	16.5	16.5	32.0
	>1but ≤ 2 years	34	17.5	17.5	49.5
	>2 but ≤ 3 years	28	14.4	14.4	63.9
	>3 but ≤ 4 years	22	11.3	11.3	75.3
	>4 but ≤ 5 years	7	3.6	3.6	78.9
	>5 but ≤ 6 years	9	4.6	4.6	83.5
	>6 but ≤ 7 years	6	3.1	3.1	86.6
	>7 but ≤ 8 years	4	2.1	2.1	88.7
	>8 but ≤ 9 years	3	1.5	1.5	90.2
	>9but ≤10 years	7	3.6	3.6	93.8
	>10 years	12	6.2	6.2	100.0
	Total	194	100.0	100.0	

From Table 4.9, the majority of the respondents have stayed in their current position one to two years accounts for 17.5 percent of the survey. Second major group was 16.5 percent which stayed for six months to one year.

4.1.2 Descriptive Statistics of Self-Reported Leadership Styles for Department, Unit, and Sub-unit Leaders

Table 4.10 shows mean score values and standard deviations on the Multifactor Leadership Questionnaires for leader self-reported.

Table 4.10

Descriptive Statistics for Self-Reported Leadership Styles of the Department Managers, Unit Supervisors, and Chiefs of Staff (Leader Raters — Pre-ODI)

Leadership style	n	M	SD	SE
Transformational				
Level 3 managers	16	2.57	.66	.17
Level 2 supervisors	19	2.68	.41	.09
Level 1 chiefs of staff	4	2.58	.71	.35
Transactional				
Level 3 managers	16	2.18	.45	.11
Level 2 supervisors	19	2.35	.35	.08
Level 1 chiefs of staff	4	2.41	.20	.10
Laissez-Faire (or Non-Leadership)				
Level 3 managers	16	.92	.48	.12
Level 2 supervisors	19	.91	.43	.10
Level 1 chiefs of staff	4	1.38	.32	.16

Table 4.10 presented the mean score values and standard deviations for each transformational, transactional, and laissez-faire leadership styles of the managers, supervisors, and chiefs of staff. Examination of mean scores indicated that Level 2 supervisors (2.68) and Level 1 chiefs of staff (2.58) rated themselves higher in transformational leadership than Level 3 managers (2.57). The mean value was higher for Level 3 chiefs self reported transactional leadership variable 2.41, than

Level 2 supervisors, 2.34, and Level 1 managers, 2.18. The sample produced the lowest self-reported mean score for Level 2 supervisors laissez-faire or non-leadership variable .90. That means the behavior is perceived occasionally by Level 2 supervisors.

4.1.3 Descriptive Statistics of Subordinates' Perceptions of their Leaders

Table 4.11 summarizes the mean score values and standards deviations for transformational, transactional, and laissez-faire leadership style of the leaders across organizational levels as perceived by their immediate subordinates.

Table 4.11

Descriptive Statistics for Transformational, Transactional, and Laissez-Faire Leadership across Organizational Levels as Perceived by the Immediate Subordinates (Subordinate raters — Pre-ODI)

Leadership style	n	M	SD	SE
Transformational				
Level 3 managers	19	2.85	.60	.14
Level 2 supervisors	143	2.76	.62	.05
Level 1 chiefs of staff	16	2.46	.41	.10
Transactional				
Level 3 managers	19	2.35	.37	.08
Level 2 supervisors	143	2.35	.39	.03
Level 1 chiefs of staff	16	2.29	.42	.11
Laissez-Faire				
Level 3 managers	19	.64	.72	.17
Level 2 supervisors	143	.90	.84	.07
Level 1 chiefs of staff	16	1.36	.87	.22

From Table 4.11, it determined whether or not differences in leadership behaviors showed across organizational levels. The mean difference in transformational leadership scored between level 3, 2, and 1 was statistically significant. Level 3 managers were rated transformational leadership scores 2.85, higher than other levels. In contrast, the lower-level leaders displayed transformational leadership behavior to their subordinates at a lesser degree, Level 2 supervisors were rated 2.76 and Level 1 chiefs of staff were rated 2.46.

The test also conducted transactional leadership scores across organizational levels. Nonetheless, it did not find significant differences in the perceived transactional leadership behaviors of managers (2.35) and supervisors (2.35) across organizational levels.

Further examination conducted on laissez-faire or non-leadership scores across organizational levels. Level 3 managers were rated lowest in their laissez-faire leadership behaviors (.64). These behaviors became greater in the lower levels.

For comparison purposes, subordinates perceived leaders displaying transformational leadership behaviors more obvious at a higher level of leadership. Meanwhile, subordinates perceived leaders' laissez-faire leadership behaviors at lower levels.

4.1.4 Descriptive Statistics of Perceived Employee Performance

Leaders of the subordinates assessed the scores of their employee's performance using KG Company's employee performance appraisal (EPA).

Table 4.12

Outcomes of Employee Performance (Pre-ODI)

Descriptive Statistics: EPA of All Levels						
	N	Minimum	Maximum	Mean	Std. Deviation	
				Statistic	Std. Error	
Managers	16	60.00	86.00	72.50	2.01	8.03
Supervisors	19	53.00	86.00	70.11	2.11	9.19
Supervisors' direct report	139	25.00	98.00	66.48	.98	11.61
Chiefs	4	54.00	69.00	62.50	3.43	6.86
Chiefs' direct report	16	39.00	74.00	60.31	1.99	7.96
Total	194					

From the result of total EPA in Table 4.12 it showed the mean scores that appeared decreasing in the lower levels. Managers who work at upper levels received higher scores of their performance assessment at 72.50. Supervisors who report directly to their managers received 70.11. For those under the supervisor's level their overall performance was below seventy.

4.2 Post-ODI

The same set of questionnaire surveys was redistributed to measure for the result of post-ODI. In this section, the researcher placed the pre-ODI data beside the post-ODI descriptive statistics for the convenience of the reader in a comparison between pre- and post-ODI results.

The method for analyzing pre- and post-ODI used Paired Sample T-Test. The measure of the significance is that if the value is less than 0.05, the significant difference between the two scores exists.

4.2.1 Descriptive Statistics of Self-Reported Leadership Styles for Department, Unit, and Sub-unit Leaders

A comparison between mean score values and standard deviations on the MLQ subscales for leader self-reported in pre- and post-ODI shows in Table 4.13.

Table 4.13

Descriptive Statistics for Self-Reported Leadership Styles of the Department Managers, Unit Supervisors, and Chiefs of Staff (Leader Raters — Post-ODI)

Leadership Style	Pre-ODI			Post-ODI			
	n	M	SD	M	SD	t	Sig.
Transformational							
Level 3 Managers	16	2.57	.66	3.32	.46	-7.01	0.000
Level 2 Supervisors	19	2.68	.41	3.24	.55	-3.99	0.001
Level 1 Chiefs	4	2.58	.71	3.76	.09	-3.69	0.034
Transactional							
Level 3 Managers	16	2.18	.45	2.62	.24	-4.97	0.000
Level 2 Supervisors	19	2.35	.35	2.63	.16	-4.55	0.000
Level 1 Chiefs	4	2.41	.20	2.85	.20	-4.62	0.019
Laissez-Faire (or Non-Leadership)							
Level 3 Managers	16	.92	.48	.45	.31	4.29	0.001
Level 2 Supervisors	19	.91	.43	.26	.23	7.30	0.000
Level 1 Chiefs	4	1.38	.32	.19	.13	6.33	0.008

The self-reported leadership styles according to leadership variable means of the managers, supervisors, and chiefs of staff between pre- and post-ODI in table 4.13 showed that the department managers, unit supervisors, and chiefs perceived

themselves that they demonstrated more transformational and transactional leadership behaviors, and less laissez-faire behaviors .

4.2.2 Descriptive Statistics of Subordinates' Perceptions of their Leaders

Examination of the mean scores and standard deviations for transformational, transactional, and laissez-faire leadership style of the leaders as perceived by their immediate subordinates showed in Table 4.14.

Table 4.14

Descriptive Statistics for Transformational, Transactional, and Laissez-faire Leadership across Organizational Levels as Perceived by the Immediate Subordinates (Subordinate Raters — Post-ODI)

Leadership Style	Pre-ODI			Post-ODI			Sig.
	n	M	SD	M	SD	t	
Transformational							
Level 3 managers	19	2.85	.60	3.54	.32	-4.55	0.000
Level 2 supervisors	143	2.76	.62	3.18	.65	-6.58	0.000
Level 1 chiefs of staff	16	2.46	.41	3.34	.54	-5.02	0.000
Transactional							
Level 3 managers	19	2.35	.37	2.58	.26	-2.41	0.027
Level 2 supervisors	143	2.35	.39	2.45	.32	-2.72	0.007
Level 1 chiefs of staff	16	2.29	.42	2.63	.25	-3.36	0.004
Laissez-Faire							
Level 3 managers	19	.64	.72	.09	.24	3.42	0.003
Level 2 supervisors	143	.90	.84	.47	.72	5.34	0.000
Level 1 chiefs of staff	16	1.36	.87	.31	.63	3.58	0.003

From Table 4.14, it determined whether or not differences in leadership behaviors showed across organizational levels. The mean difference in

transformational leadership between level 3, 2, and 1 was statistically significant.

The scores of transformational and transactional leadership styles of the leaders as perceived by the immediate subordinates were significantly increasing during post-ODI than pre-ODI. The department managers, unit supervisors, and chiefs of team staff were rated lower in laissez-faire leadership behaviors in post-ODI.

For comparison purposes between the findings from self reported leadership styles of the leader raters in Table 4.13 and descriptive statistics for transformational, transactional, and laissez-faire leadership across organizational levels as perceived by their immediate subordinates (subordinate raters) are shown in Table 4.14. The findings suggested that supervisors and chiefs perceived that they exhibited transformational (supervisors 3.24, chiefs 3.76) and transactional leadership (supervisors 2.63, chiefs 2.85) more frequently than their subordinates reported. The laissez-faire behaviors of supervisors and chiefs as perceived by the subordinates were more than those self reported.

The results also show that immediate subordinates perceived department managers display transformational leadership behaviors (3.54) more frequently than as self reported (3.32), but for the transactional behaviors the immediate subordinates perceived department managers (2.58) display less than self reported (2.62). The subordinates reported mean values of laissez-faire leadership .09, while managers self reported .45. It means that managers focused more attention on their subordinates than pre-ODI (self reported .92).

4.2.3 Descriptive Statistics of Perceived Employee Performance

Table 4.15 shows the mean values of employee performance in comparison between pre- and post-ODI.

Table 4.15

A Comparison of Mean and Standard Deviation of Employee Performance between Pre- and Post-ODI

Level	Pre-ODI			Post-ODI		T	Sig.
	N	Mean	S.D.	Mean	S.D.		
Managers	16	72.50	8.02	82.88	5.75	-4.63	.000
Supervisors	19	70.11	9.19	83.16	10.82	-4.66	.000
Supervisors' direct report	139	66.47	11.61	83.21	10.60	-12.50	.000
Chiefs	4	62.50	6.86	78.00	3.65	-3.95	.000
Chiefs' direct report	16	60.31	7.96	73.00	8.39	-9.57	.000
Total	194						

Leaders of employees at every level used the same set of employee performance appraisals to assess their immediate subordinates for post-ODI. Paired Sample T-Test was used for analyzing pre- and post-ODI results. The alpha value was set at 0.05. If the value received from the questionnaires is less than 0.05, then there is a significant difference between the results of pre- and post-ODI. From Table 4.15, the final column showed the value is 0.000 which means the measure is significant. Before implementing the ODI, scores of employee performance at each level were lower than the post-ODI's scores. After ODI, scores of employee performance increased. Consideration of these outcomes guided the practice of

developing leadership at descending levels enhanced the level of employee performance.

4.3 Hypotheses Testing

The hypotheses testing described the research hypothesis examined in this research.

The hypotheses to be tested are as presented in Chapter I.

H_{01} : There is no difference between pre- and post-ODI on leadership development and employee performance.

H_{a1} : There is a significant difference between pre- and post-ODI on leadership development and employee performance.

For the first hypothesis, the H_0 was rejected. Significance was tested at the .05 level. The value was less than .05. There was a significant difference between pre- and post-ODI on leadership development and employee performance.

H_{02} : There is no impact of the ODIs on leadership development.

H_{a2} : There is an impact of the ODIs on leadership development.

For the second hypothesis, the H_0 was rejected. There was impact of the ODIs on leadership development.

H_{03} : There is no effect of leadership development on employee performance.

H_{a3} : There is the effect of leadership development on employee performance.

For the third hypothesis, the H_0 was rejected. There was the effect on leadership development on employee performance.

4.4 The Results of the OD Interventions

The main purpose of this research is to study and assess the impact of ODI on leadership development. During the ODI implementation, leadership development and training programs were brought to KG. The intervention process directly involved managers, supervisors, and chiefs of staff with effective ways of displaying different leadership angles and how they manage their subordinates in monitoring, reviewing, and motivating their employees for performance improvement.

For the achievement gained from the interventions employed in this research, the results showed an overall success. The development of leadership disciplines was regarded as a practical approach offering guidance to individuals in managing complicated challenges. From the observation results, it was found that the approaches in the program allowed the leaders to find ways around coaching, mentoring, motivation, inspiration, and skill practice through role play to get improved performance. Leaders often stepped into the coaching process. They determined whether the situation requires coaching by asking questions to create a dialogue that builds awareness about the issues at hand, and then moved the coaches to take action so that changes occurred leading to more effectiveness. It showed that they led by adding values to the work of others that made them better leaders in building awareness about situations and all that it entails to meet the subordinates' needs. It is easy to be caught up in a problem or crisis, and it is easy to see employees decreasing performance. Mentoring helped all employees to step back

and look deeper and reflect often but a third party is likely to figure out how they are hindering themselves from being successful.

Along with understanding their employee's differences, leaders were better able to learn valuable and useful information that they could use to set goals and select improvement initiatives that match different subordinates, teams, and their ability to perform. Leaders practiced more transactional leadership associated with motivating their subordinates to achieve an expected level of performance by specifying the standards for compliance and providing praise, rewards, and recognition. Leaders exhibited transformational leadership that inspired confidence and performance of subordinates. They were more active in accepting risk for the subordinates and teams under their control. Not only the leaders themselves maintained high standards of personal performance to lead by example, but they demanded a high standard of performance from their subordinates and teams.

According to the results derived from the analyses between pre- and post-ODI leadership development, it was found that the ODI effectively impacted on managers, supervisors, and chiefs of staff across organizational levels due to a significant increase of their practice of leadership towards transformational and transactional styles, and employee performance indicated at higher levels.

The interventions helped leaders at every level familiarize themselves with methods and tools they could use to apply in important job-related actions, thus helping them achieve their goals. Figure 4.2 and 4.3 illustrated the different results between pre- and post-ODI on leaders' self-reported transformational and transactional leadership styles. Regarding processes included in the transformational leadership dimensions after the ODI was implemented, the evidence indicated that leaders at every level increasingly demonstrated new leadership and coaching skills

to encourage their subordinates to perform. These resulted in an increased level of transformational leadership after the ODI was implemented, as shown in Figure 4.2.

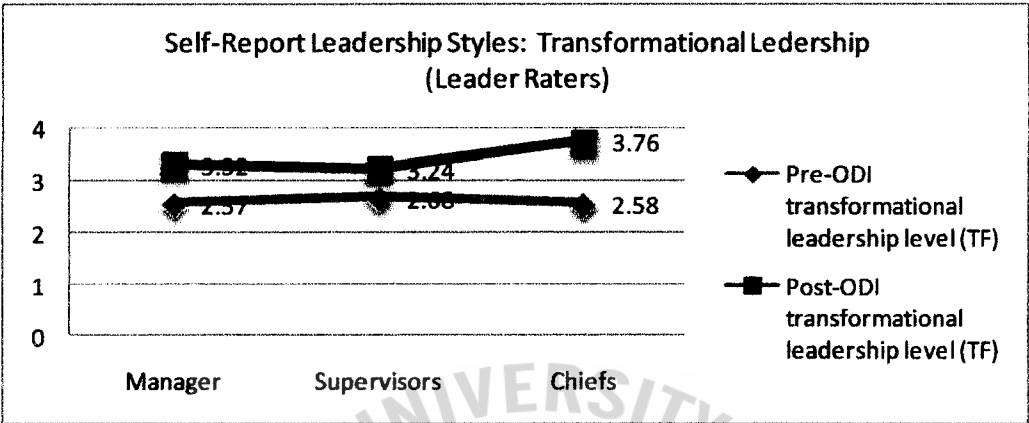


Figure 4.2. A Comparison between Pre- and Post-ODI on Self-Reported Transformational Leadership (Leader Raters)

The results of the ODI helped leaders understand more about how to recognize subordinates’ needs and wants, use rewards in exchange for specified objectives to be met, and focus on close attention to deviations from standards, mistakes, and make corrections. These resulted in an increased level of transactional leadership after the ODI was implemented, as shown in Figure 4.3.

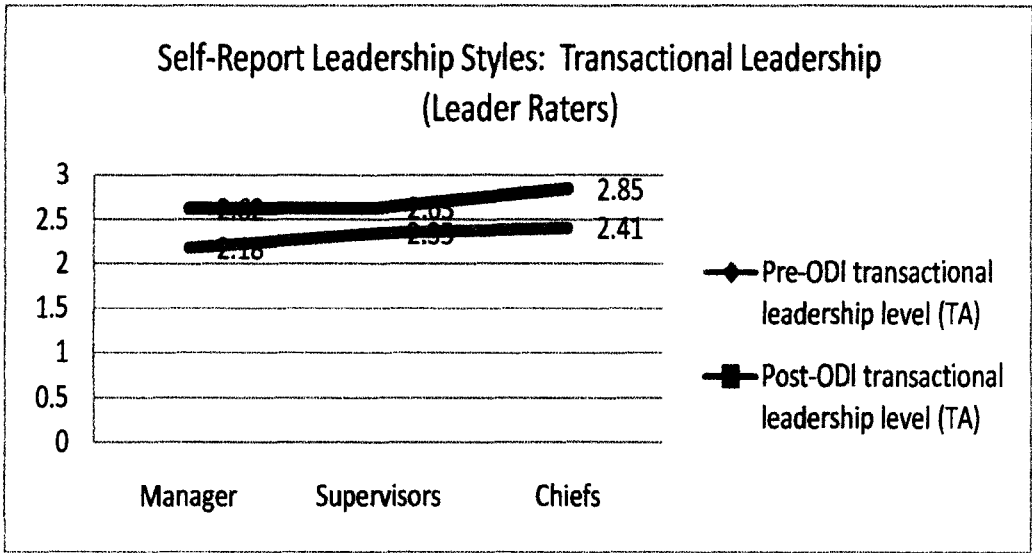


Figure 4.3. A Comparison between Pre- and Post-ODI on Self-Reported Transactional Leadership (Leader Raters)

When these leaders often identified and communicated to employees, the high-impact application of the training was leveraged from which the leaders hold their employees accountable to accomplish on-the-job tasks. That resulted in the decrease of the avoidance or absence of leadership because before the intervention was implemented, leaders (managers, supervisors, and chiefs) avoided to perform leadership role. For instance, leaders did not want to take responsibility when their subordinates did wrong. They said that it was that person’s mistake. This kind of action is called “the avoidance or absence of leadership”. But after the intervention was implemented, leaders displayed leadership role better than before. For example, they regarded their subordinate’s faults as their own responsibility. They helped their subordinates to improve performance, not just only commanding the subordinates to finish work as they want.

When these leaders communicated to employees, the high-impact application of the training was leveraged from which the leaders hold their employees

accountable to accomplish on-the-job tasks. The avoidance or absence of leadership was likely to decrease, as shown in Figure 4.4.

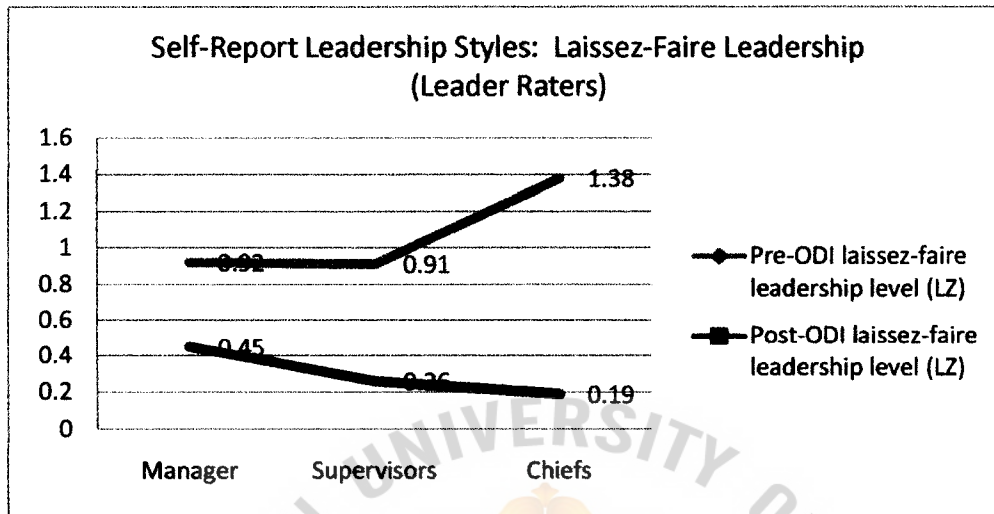


Figure 4.4. A Comparison between Pre- and Post-ODI on Self-Reported Laissez-Faire Leadership (Leader Raters)

Further analyses were conducted for pre- and post-ODI results to determine whether or not leadership development contributed to employee performance. From the results that were based on the fact finding of this study, it proved that significantly more employees have perceptions of the leadership displayed by their leaders, and that make subordinates perform better.

Performance level among employees across organizational levels before and after the ODI is shown in Figure 4.5. The results conducted after the ODI implementation indicated an increased level of employee performance.

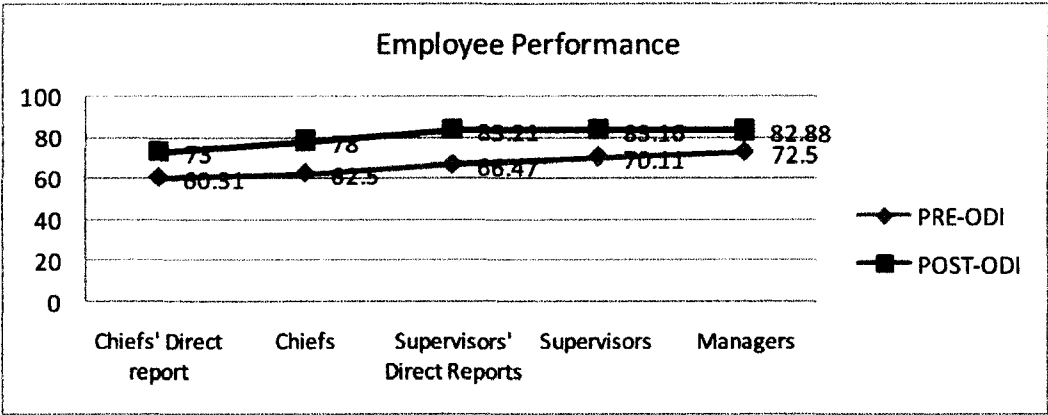


Figure 4.5. A Comparison between Pre- and Post-ODI on Employee Performance

When comparing the data from employee performance assessment in pre- and post-ODI, it was significantly related to employees perceived transformational, transactional, and laissez-faire leadership, as shown in Figure 4.6.

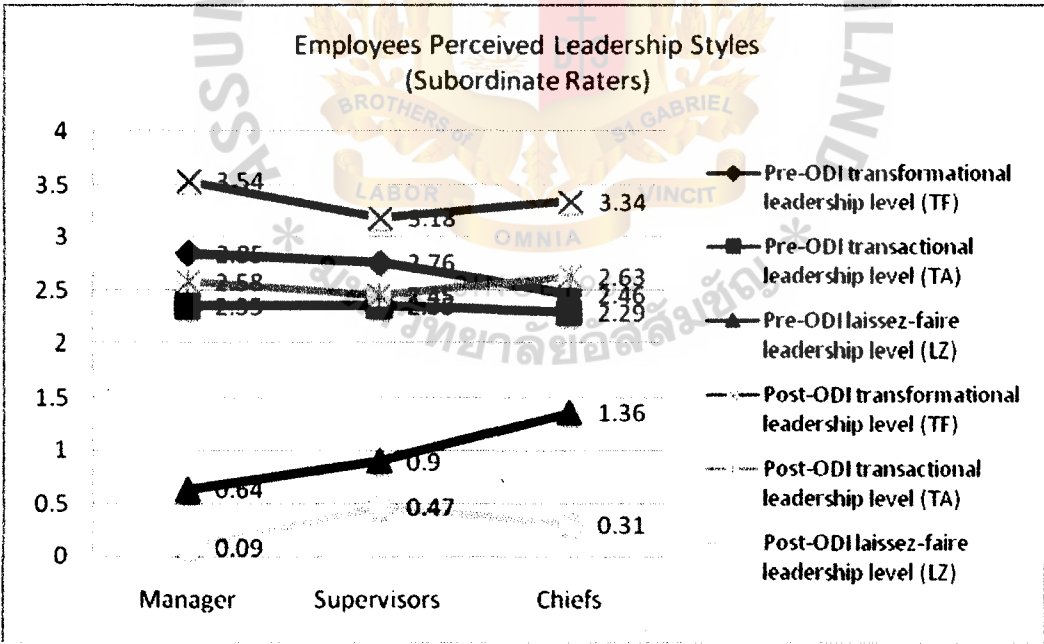


Figure 4.6. A Comparison between Pre- and Post-ODI on Transformational, Transactional, and Laissez-Faire Leadership as Perceived by the Immediate Subordinates

Figure 4.6 shows the scores of leadership styles as perceived by the immediate subordinates that transformational and transactional leadership styles increased, and the laissez-faire decreased after the ODI. It can be interpreted that the employees perceived their immediate leaders exhibited behaviors and played a critical role in helping them to perform beyond expectation by inspiring them to work toward more challenging work. New perspectives allowed everyone, both leaders and subordinates, to participate in understanding and fixing problems that affect their work. The employees were inspired and motivated to maintain their job and performance in more creative ways in spite of the difficulties and uncertainty. These promoted a supportive climate in KG Company, thereby opening employees' minds to new ways of thinking and enabling them to better understand the need for their involvement and participation in goal setting, it propelled the employee to respond to the need for change with their leaders (Nemanich & Keller, 2007).

Thus, the OD interventions on leadership development created productive business results for KG. It is proactive and focused actions for providing a direction that can make connections between the business goals, the performance of both leaders' and subordinates' vital job roles, and that the training can link to help shape employee performance by holding leaders at every level in the departments, units, and subunits accountable for supporting employee participation and improving performance, and making contributions to the work of their subordinates as it is tied to their own success.

Chapter 5

Summary, Conclusion and Recommendations

5.0 Introduction

This chapter presents the summary of the findings, conclusion and recommendations for future research, as shown in Figure 5.1. The purpose of the study is to assess the impact of ODI on leadership development and employee performance.

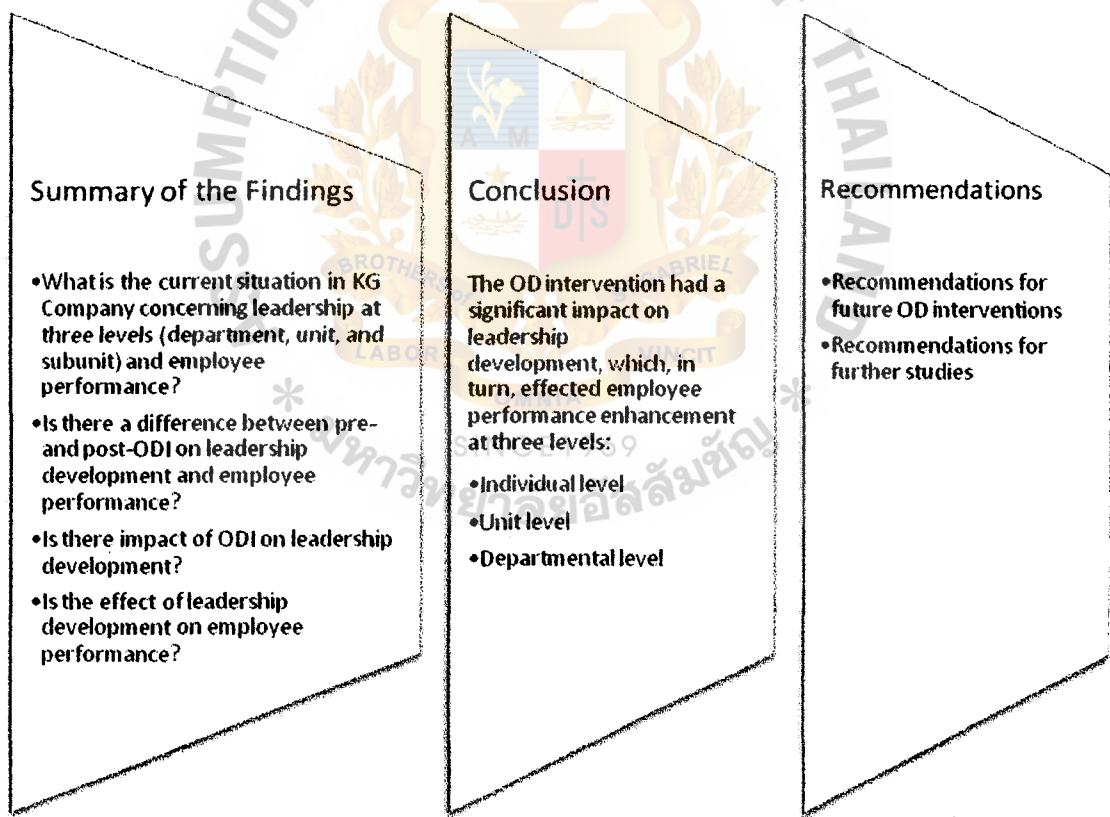


Figure 5.1. Review Components: Summary, Conclusion, and Recommendations

5.1 Summary of the findings

The summary of the research findings is presented by answering four research questions as appears in Chapter 1. Question 1 asked, what is the current situation in KG Company concerning leadership at three levels (department, unit, and sub-unit) and employee performance? Question 2 asked, is there a difference between pre- and post-ODI on leadership development and employee performance? Question 3 asked, is there impact of ODI on leadership development? Question 4 asked, what is the effect of leadership development on employee performance?

1. What is the current situation in KG Company concerning leadership at three levels (department, unit, and sub-unit) and employee performance?

The findings from the interviews, observations, and questionnaires before the implementation of the ODI led to an understanding of the current situation regarding the problem of ineffective performing leadership at each level within the department that impacted the performance of immediate employees on other levels.

The investigation on the cause of the problem in pre-ODI began by approaching top-down impact of leadership functioning at departments, units, sub-units, and the performance of the respective subordinates resided under each level. At the departmental level, managers passed tasks as assigned by the top management onto the respective subordinates, but failed to pursue the employee performance in establishing downwards the formation of individual-oriented consideration, motivation and inspiration, recognition and rewards, standards and compliances, and long-term commitment.

At the unit-based level, supervisors lacked the intention and abilities to critically observe and reflect on their subordinates' current practices and future actions and continually checked on the causes of poor unit performance to avoid repeating mistakes, and then to report upwards.

At the sub-unit level, chiefs led the teams without a closely downward guidance from the upper levels, as a result, conflicts occurred among and within the teams.

At the employee level, the direct reports of leaders at each level were left alone to perform the tasks, and often made mistakes.

The study found that employee perception of leadership at department, unit, and sub-unit levels directly affected employee performance across organizational levels. From the surveys, the immediate subordinates perceived their leaders displayed transformational and transactional leadership behaviors less than their leaders assessed themselves. In line with these, the mean score values of employee performance in the pre-ODI were likely to indicate a significant decrease from leadership at descending level downward to immediate employees at each level under them.

Regarding these findings in part of the leadership at descending levels and the employee performance at the respective levels, the individual employees' performance was potentially influenced by their leaders. It implied that when these leaders ineffectively performed their supervisory roles as they did not contribute to the employee's work performance and anticipate results of their employees' tasks. In return, the employee performance at each level could hardly be improved and achieved at a desired state.

2. Is there a difference between pre- and post-ODI on leadership development and employee performance?

There is a significant difference between pre- and post-ODI on leadership development and employee performance. The results of the analysis for self-reported leadership styles, and as perceived by the immediate subordinates according to leadership variable means of the managers, supervisors, and chiefs of staff between pre- and post-ODI showed that the department managers, unit supervisors, and chiefs of team staff perceived themselves that they demonstrated more transformational and transactional leadership and less in laissez-faire leadership behaviors. Sufficient data were available to include the respective subordinates in three reporting levels rating their immediate leaders. Given the findings obtained in the analyses, these subordinates perceived that the leadership behaviors displayed was parallel to the leader rating. Employee performance was also improved as the scores of outcome variables increased significantly after the ODI was implemented.

3. Is there an impact of ODI on leadership development?

There is impact of ODI on leadership development. Before the ODI was implemented, the problems of ineffectively performing leadership at department, unit, and subunit levels in KG Company were unsolved. The current difficulties occurred at leadership layers within the departments.

These leaders were incapable of retaining, encouraging, and improving their subordinates' performance. Department managers, unit supervisors, and chiefs of team staff were unable to make an objective analysis on performance of the subordinates for what they do poorly or well in what areas of work. Regardless of talent and other abilities available in individual employees, their exiting capacities

were simply unreported to the leader's awareness on upper levels. At fault for not living up to anticipated results of their employee performance outcomes, these leaders conspired to make the organizational performance even less likely to excel.

The OD interventions brought a training program with approaches to the development of leadership disciplines into practice. In the deployment of the leadership development and training program it was built around well-defined and simple impact maps, models of transformational and transactional framework of leadership and several leadership disciplines including coaching, mentoring, motivation, inspiration, skills practice through role play, and the use of case studies. These were proceeded with formal and informal meetings with educating, reflecting and mirroring sessions. These helped leaders improve their learning and practicing through their roles on the job so that they could learn, develop, and refine their leadership capabilities.

After the ODI, the findings supported that the practice of leadership development had cascaded its effect across organizational levels, which contributed to improved performance and efficiencies on leadership roles. As with the challenge to change, it was evidenced that the ODI on leadership development was important in solving the current problems at KG. The interventions provided opportunities for leadership at every level to cope, learn and grow their sphere of influence on some specific leadership behaviors that resulted in an augmentation of leadership effectiveness.

As a result, the department managers, unit supervisors, and chiefs of team staff leading their respective subordinates carried through the work with a definitive destination that was made clear on both sides what optimal target of the current state and their desired outcomes were. Before these leaders left their immediate

subordinates to finish the assigning tasks, they ensured that everyone under their direct control remained connected to the defined objectives core purpose, vision and values with inspiration and expectations to fuel their employee performance. At the end , these leaders were able to optimize their ability to learn from the feedback, to identify, and help remove obstacles for the subordinates.

4. What is the effect of leadership development on employee performance?

Leadership development in KG helped enhance leaders' capacity and performance to effectively lead, direct, and support their subordinates. It provided opportunities to resolve the problem of ineffectiveness in leadership at every level by linking the specific nature of leadership to employee performance enhancement. With regards to the transformational and transactional leadership behaviors associated with ratings among employees, leader's behaviors positively impacted the performance of their subordinates by creating a more inspired and committed value that helped elevate employees' motivation and performance at higher levels of accomplishment.

5.2 Conclusion

From the results of the study both quantitative and qualitative, and a significant difference between pre- and post-ODI, this research reaffirms that there is a impact of the ODI on leadership development, which, in turn, effects employee performance enhancement in KG Company.

The outcomes after the ODI implementation showed that the result of leadership development led to increased levels of employee performance. The main reason is that leadership at descending levels were devoted to developing

transformational and transactional leadership behaviors that allowed them to exert not only the power of authority, but be an influence of leadership on employees. Their principal roles as leaders at different level in departments, units, and sub-units have engaged in influencing, motivating, and encouraging their subordinates to perform beyond expectations by continually developing their employee's skills and personal capabilities to meet the organizational goals.

The positive changes after the ODI were found in terms of increasing leadership effectiveness in contribution to the performance enhancement of the employees at each level, and of leaders themselves. These changes had a significant impact on leadership development at three levels:

Individual level – the development and training the company provided helped increase their competences towards leadership roles. They were able to perform a charismatic transformational leadership influence to gain the respect, trust, and confidence of their subordinates.

Unit level – the leaders were capable of drawing on collective identity by increasing awareness and understanding of mutually desired goals in their unit group, and displayed individualized consideration that focused attention to individual's needs and support for the effort of the subordinates.

Departmental level – as a result that the leaders at every level improved and developed at a competent level as aforementioned, these created a strength in leadership effectiveness across organizational levels.

In the conclusion of this study, the results of the ODI confirmed the value of leadership development under the criteria of transformational and transactional leadership used in the household appliance corporate setting. The study's results increased the understanding of the effects of leadership development on employee

performance enhancement. The practice of leadership development became a transformational vehicle for not only changing the way in leading and influencing others but also for expanding leadership capacity with confidence in their abilities to lead effectively and improve employee performance. It served as a model that nurtured a learning environment in the organization where the practice of effective leadership is catalyzed by the collaboration between leaders and subordinates. This contrasts with previous practice where line managers were given relatively full authority and autonomy in process and task design but had little ability to stimulate subordinates to perform beyond expectations. This changed a social context from the status quo to a cultivation of an environment that supported participation, sharing opinions, expanding the potential and abilities, and increasing awareness of vision and desired goals.

5.3 Recommendations for Future OD Interventions

Future research on leadership development and employee performance is encouraged to use different OD interventions. This suggests that the Balance Scorecard (Kaplan & Norton, 1996) is appropriate to use because it is a mechanism which provides a holistic measure of organizational performance. The performance measurement system must measure the performance of all assets including the human ones. The Balance Scorecard maintains a set of measures that provide a fast and comprehensive view of the business, it is not only a measurement system but a management system that enables organizations to clarify vision and strategies and translate them into action. It employs financial measures that reveal the results of actions already taken, and operational measures that provide feedback around both

the internal business processes and external outcomes in order to improve strategic performance and results.

5.4 Recommendations for Further Studies

The researcher suggests for further studies to explore the impact of the ODI on leadership development and employee performance in conjunction with the OD interventions as designed by this research. The findings from the replication of the ODI implementation in other research may contribute to theoretically support. An indication of differences as alternative explanations and findings are needed to prove reliability of the ODI design employed in this research.

Another important area for future research which suggests itself is that studies should include leadership on the top management level. As noted by the limitation, this research excluded study on the higher levels of management in KG. For these reasons, it is important to realize that the results of this research and theoretical implications speak only to department managers, unit supervisors, and sub-unit chiefs of staff. The higher-level such as the managing director and the Chairman may provide more sources of ratings, and be supplemented with other sources of leadership development information. It can be thoroughly investigated to explore how leadership factors are associated with many different levels of leadership in the organization.

In addition, further studies might extend the approaches to leadership disciplines to differ in its implication at different leadership levels. It is an opportunity to evidence how the purpose of influence attempts is similar or different for each target person at different leadership levels.

Epilogue

Research Reflection

The topic of this research was conducted on the study of the impact of leadership development on employee performance. It is composed of five main chapters in relation to the challenge to change, and the implementation of organization development interventions (ODI) in a household appliance company in Thailand. The researcher realized that the ODI is involved with an ongoing process in order to prove ultimate results. With the limitations of time and budget, the implementation period of the ODI in KG Company was only seven and a half months. Despite this limited time to explore more on the result of the ODI, this research considered the experiment to be a success. In leadership development, which was considered as a process, not just a person, it casted a light on both individual and organization implications of leadership in the way that leadership behaviors were translated in congruence with the influence process of leadership. These affected the development of every employee from different functions and at all stages to improve performance and contributions to deliver value to achieve the goal. An increasingly significant number of top performers in the organization resulted in the desired developmental level of leadership at every level, which allowed transitions to higher positions, as ordinary employees become chiefs, chiefs become supervisors, supervisors become managers and managers become executives. In the aftermath of the study, the researcher found it valuable to discover the effects of leadership development and the improvements in employee performance. It built confidence in the researcher to go on to consider future research in other related areas that incorporate leadership development and employee performance enhancement.

Personal Reflection

The researcher spent a lot of time carrying out and completing this research. It provided many opportunities to refine an understanding about what it takes to create an organization that continually performs at a high level. It seems to me the answer is that it is people who make a difference in the organization. The researcher discovered that some people lack initiative and need motivating, and inspiring to perform to their best. The few people who are able to maintain their high standards for many years, sometimes fail after reaching a peak of performance. It happens all too often because the competitive work environment today is ever changing. Though they may work hard and have good intentions to complete tasks and accomplish goals, they never quite recognize which is most important to the larger objective. They fail to see the big picture and add little value to the organization or the functions they manage. Several challenges ahead can wreck their capacity to perform; but collaboration helps achieve better results than being disconnected by a lack of communication with their peers and leaders. The researcher found the relationship between leader and subordinates becomes important that both parties have a more direct impact on business results than any other layer of an organization does. Because they incorporate in the system to produce work results, and it is a serious concern when leaders do not know what to do in helping and contributing to the work of their subordinates for performance optimization. Though line leaders such as managers, supervisors, and chiefs are not CEOs, but are qualified enough and should not be underestimated responsibility that they are expected to understand and take part in a broad range of tasks such as performance management, problem

solving, and relationship building, rather than business planning, goal setting, and process improvement as daily practices.



Appendix

Appendix A Descriptions of Transformational, Transactional, and
Laissez-Faire Leadership

Appendix B Multifactor Leadership Questionnaire
Leader Rater Form (MLQ 5X-Short)

Appendix C Multifactor Leadership Questionnaire
Subordinate Rater Form (MLQ 5X-Short)

Appendix D Multifactor Leadership Questionnaire
Scoring Key (MLQ 5X-Short)

Appendix E The Survey of Demographic Characteristics

Appendix F Employee Performance Assessment Form

Appendix A

Descriptions of Transformational, Transactional, and Laissez-faire Leadership

Scale definition	Number of items
------------------	-----------------

Transformational leadership

<i>Idealized Influence:</i> The leader instills pride and faith in followers by overcoming obstacles and confidently expressing disenchantment with the status quo.	8
<i>Inspirational motivation:</i> The leader inspires followers to enthusiastically accept and pursue challenging goals and a mission or vision of the future.	4
<i>Individualized Consideration:</i> The leader communicates personal respect to followers by giving them specialized attention and by recognizing each one's unique needs.	4
<i>Intellectual Stimulation:</i> The leader articulates new Ideas that prompt followers to rethink conventional practice and thinking.	4

Transactional leadership

Contingent Reward: The leader provides rewards contingent on performance. 4

Management by Exception (active): The leader takes corrective action in anticipation of problems. 4

Management by Exception (passive): The leader takes corrective action when problems arise or things do not go as planned. 4

Laissez-faire Leadership

Laissez-faire Leadership: Avoidance or absence of leadership. 4



Appendix B

Multifactor Leadership Questionnaire

Leader Rater Form (MLQ 5X-Short)

This questionnaire aims to describe your leadership style as you perceive it. Please answer all items on this answer sheet. If an item is irrelevant, or if you are unsure or do not know the answer, leave the answer blank.

Thirty-six descriptive statements are listed on the following pages. Judge how frequently each statement fits you. The word “others” may mean your peers, clients, direct reports, supervisor, and/or all of these individuals.

Use the following rating scale:

Not at all	Once in a while	Sometimes	Fairly often	Frequently, if not always
0	1	2	3	4

1. I provide others with assistance in exchange for their efforts
2. I re-examine critical assumptions to question whether they are appropriate
3. I avoid interference until problems become serious
4. Focus attention on irregularities, mistakes, exceptions, and deviations from standards
5. I avoid getting involved when important issues arise
6. I talk about my most important values and beliefs

7. I am absent when needed
8. I seek differing perspectives when solving problems
9. I talk optimistically about the future
10. I instill pride in others for being associated with me
11. I discuss in specific terms who is responsible for achieving performance targets
12. I wait for things to go wrong before taking action
13. I talk enthusiastically about what needs to be accomplished
14. I specify the importance of having a strong sense of purpose
15. I spend time teaching and coaching
16. I make clear what one can expect to receive when performance goals are achieved
17. I show that I am a firm believer in “If it ain’t broke don’t fix it”
18. I go beyond self-interest for the good of the group
19. I treat other as individuals rather than just as a member of a group
20. I demonstrate that problems must become chronic before I take action
21. I act in ways that build others’ respect for me
22. I concentrate my full attention on dealing with mistakes, complaints, and failures
23. I consider the moral and ethical consequences of decisions
24. I keep track of all mistakes
25. I display a sense of power and confidence
26. I articulate a compelling vision of the future
27. I direct my attention toward failures to meet standards
28. I avoid making decisions

29. I consider an individual as having different needs, abilities, and aspirations from others
30. I get others to look at problems from many different angles
31. I help others to develop their strengths
32. I suggest new ways of looking at how to complete assignments
33. I delay responding to urgent questions
34. I emphasize the importance of having a collective sense of mission
35. I express satisfaction when others meet expectations
36. I express confidence that goals will be achieved



Appendix C
Multifactor Leadership Questionnaire
Subordinate Rater Form (ML Q 5X-Short)

This questionnaire is to describe the leadership style of the Senior Executive/Department Head to whom you directly report, as you perceive it. Please answer all items on this answer sheet. If an item is irrelevant, or if you are unsure or do not know the answer, leave the answer blank. Please answer this questionnaire anonymously.

IMPORTANT (necessary for processing): Which best describes you?

- ☐ I am at a higher organizational level than the person I am rating.
- ☐ The person I am rating is at my organizational level.
- ☐ I am at a lower organizational level than the person I am rating.
- ☐ I do not wish my organizational level to be known.

Thirty-six descriptive statements are listed on the following pages. Judge how frequently each statement fits the person you are describing. Use the following rating scale:

Not at all	Once in a while	Sometimes	Fairly often	Frequently, if not always
0	1	2	3	4

THE PERSON I AM RATING...

1. Provides me with assistance in exchange for my efforts
2. Re-examines critical assumptions to question whether they are appropriate
3. Fails to interfere until problems become serious
4. Focuses attention on irregularities, mistakes, exceptions, and deviations from standards
5. Avoids getting involved when important issues arise
6. Talks about their most important values and beliefs
7. Is absent when needed
8. Seeks differing perspectives when solving problems
9. Talks optimistically about the future
10. Instills pride in me for being associated with him/her
11. Discusses in specific detail who is responsible for achieving performance targets
12. Waits for things to go wrong before taking action
13. Talks enthusiastically about what needs to be accomplished
14. Specifies the importance of having a strong sense of purpose
15. Spends time teaching and coaching

16. Makes clear what one can expect to receive when performance goals are achieved
17. Shows that he/she is a firm believer “if it ain’t broke, don’t fix it.”
18. Goes beyond self-interest for the good of the group
19. Treats me as an individual rather than just as a member of a group
20. Demonstrates that problems must become chronic before taking action
21. Acts in ways that builds my respect
22. Concentrates his/her full attention on dealing with mistakes, complaints, and failure.
23. Considers the moral and ethical consequences of decisions
24. Keeps track of all mistakes
25. Displays a sense of power and confidence
26. Articulates a compelling vision of the future
27. Directs my attention toward failures to meet standards
28. Avoids making decisions
29. Considers me as having different needs, abilities, and aspirations for others
30. Gets me to look at problems from many different angles
31. Helps me to develop my strengths
32. Suggests new ways of looking at how to complete assignments
33. Delays responding to urgent questions
34. Emphasizes the importance of having a collective sense of mission
35. Expresses satisfaction when I meet expectations
36. Expresses confidence that goals will be achieved

Appendix D
Multifactor Leadership Questionnaire
Scoring Key (MLQ 5X-Short)

Scoring: The MLQ scale scores are average scores for the items on the scale.
The score can be derived from summing the items and dividing the number of items that make up the scale. All of the leadership style scales have four items. 'Extra Effort' has three items, 'Effectiveness' has four items, and 'Satisfaction' has two items:

	Not at all	Once in a while	Sometimes	Fairly often	Frequently, if not always
	0	1	2	3	4
Idealized Influence (Attributed)	total/4=				
Idealized Influence (Behavior)	total/4=				
Inspirational Motivation	total/4=				
Intellectual Stimulation	total/4=				
Individual Consideration	total/4=				
Contingent Reward	total/4=				
Management-by-Exception (Active)	total/4=				
Management-by-Exception (Passive)	total/4=				
Laissez-faire Leadership	total/4=				

1. Contingent Reward
2. Intellectual Stimulation
3. Management-by-Exception (Passive)
4. Management-by-Exception (Active)
5. Laissez-faire Leadership
6. Idealized Influence (Behavior)
7. Laissez-faire Leadership
8. Intellectual Stimulation
9. Inspirational Motivation
10. Idealized Influence (Attributed)
11. Contingent Reward
12. Management-by-Exception (Passive)
13. Inspirational Motivation
14. Idealized Influence (Behavior)
15. Individual Consideration
16. Contingent Reward
17. Management-by-Exception (Passive)
18. Idealized Influence (Attributed)
19. Individual Consideration
20. Management-by-Exception (Passive)
21. Idealized Influence (Attributed)
22. Management-by-Exception (Active)
23. Idealized Influence (Behavior)
24. Management-by-Exception (Active)
25. Idealized Influence (Attributed)

- 26. Inspirational Motivation
- 27. Management-by-Exception (Active)
- 28. Laissez-faire Leadership
- 29. Individual Consideration
- 30. Intellectual Stimulation
- 31. Individual Consideration
- 32. Intellectual Stimulation
- 33. Laissez-faire Leadership
- 34. Idealized Influence (Behavior)
- 35. Contingent Reward
- 36. Inspirational Motivation



Appendix E

The Survey of Demographic Characteristics

Please circle the number preceding your response

1. GENDER:

- 1). Male 2). Female

2. AGE:

- 1). 20 or less 2). 21 – 25 years 3). 26-30 years
 4). 31 – 35 years 5). 36 – 40 years 6). 41 – 45 years
 7). 46 – 50 years 8). 51 – 55 years 9). 56 – 60 years
 10). 61 – 65 years 11). 66 years or more

3. PLACE OF BIRTH: If you were born in Thailand, please specify the province

- 1). Central, please specify _____
 2). Northern, please specify _____
 3). Southern, please specify _____
 4). Eastern, please specify _____
 5). Northeastern, please specify _____
 6). Western, please specify _____
 7). Foreign country

4. CURRENT ADDRESS:

- 1). Bangkok 2). Circle 3). Provincial Area

5. EDUCATION:

- 1). Primary School 2). Intermediate School 3). Certificate

4). Diploma

5). Bachelor Degree

6). Master Degree

6. PLACE OF EDUCATION:

1). Bangkok

2). Circle

3). Other province in Thailand

4). Foreign country

7. EMPLOYMENT PERIOD IN KG COMPANY:

1). Less than 6 months

2). 6 months-1 year

3). >1 but ≤ 2 years4). >2 but ≤ 3 years5). >3 but ≤ 4 years6). >4 but ≤ 5 years7). >5 but ≤ 6 years8). >6 but ≤ 7 years9). >7 but ≤ 8 years10). >8 but ≤ 9 years11). >9 but ≤ 10 years12). >10 years

8. CURRENT JOB POSITION:

1). Department Manager

2). Section Manager

3). Unit Supervisor

4). Chief of Staff

5). Staff

9. LENGTH OF TIME IN CURRENT POSITION:

1). Less than 6 months

2). 6 months-1 year

3). >1 but ≤ 2 years4). >2 but ≤ 3 years5). >3 but ≤ 4 years6). >4 but ≤ 5 years7). >5 but ≤ 6 years8). >6 but ≤ 7 years9). >7 but ≤ 8 years10). >8 but ≤ 9 years11). >9 but ≤ 10 years12). >10 years

Appendix F

Employee Performance Assessment Form

Employee Performance Assessment

Overall Score: / 100.0

Name:

Last Name:

Job Title:

Hire Date:

Department:

Manager

Division/Unit:

Name:

Subunit:

Supervisor

Reviewing

Name:

Person:

Chief Name:

Review

From:

To:

Period:

Purpose:

☐ For evaluating current employees

☐ Other, please specify.



Performance Factors

Score: / 100.0

1. Quality of Work Score: / 10.0
2. Work Habits Score: / 10.0
3. Job Knowledge Score: / 10.0
4. Interactions with Co-Workers Score: / 10.0
5. Interactions with Superiors Score: / 10.0
6. Job and Behavior Correction Score: / 10.0
7. Expectation for Contingent Rewards Score: / 10.0
8. Mistake Avoidance Score: / 10.0
9. Inspiration Score: / 10.0
10. Self-Efficacy Score: / 10.0



<p>1. Quality of Work</p>	<p>Score: <input type="text"/> / 10.0</p>
<p>Consider quality of work:</p>	
<p>Accuracy: <input type="radio"/> high, <input type="radio"/> satisfactory,</p>	<p><input type="radio"/> Outstanding Score: 10</p>
<p><input type="radio"/> fair, <input type="radio"/> low</p>	<p><input type="radio"/> Exceeds Requirements Score: 8</p>
	<p><input type="radio"/> Meets Requirements Score: 5</p>
	<p><input type="radio"/> Needs Improvement Score: 3</p>
<p>Neatness: <input type="radio"/> high, <input type="radio"/> satisfactory,</p>	<p><input type="radio"/> Unsatisfactory Score: 1</p>
<p><input type="radio"/> fair, <input type="radio"/> low</p>	
<p>Timeliness (ability to meet</p>	
<p>deadlines):</p>	
<p><input type="radio"/> high, <input type="radio"/> satisfactory, <input type="radio"/> fair,</p>	
<p><input type="radio"/> low</p>	
<p>Attention to detail: <input type="radio"/> high, <input type="radio"/> satisfactory,</p>	
<p><input type="radio"/> fair, <input type="radio"/> low</p>	
<p>Quantity requirements (ability to</p>	
<p>meet volume):</p>	
<p><input type="radio"/> high, <input type="radio"/> satisfactory, <input type="radio"/> fair,</p>	
<p><input type="radio"/> low</p>	

Adherence to duties and procedures in work instruction. <input type="radio"/> high, <input type="radio"/> satisfactory, <input type="radio"/> fair, <input type="radio"/> low	
Additional comments:	

2. Work Habits	Score: <input type="text"/> / 10.0
Work habits consider:	
Attendance: <input type="radio"/> high, <input type="radio"/> satisfactory, <input type="radio"/> fair, <input type="radio"/> low	<input type="radio"/> Outstanding Score: 10 <input type="radio"/> Exceeds Requirements Score: 8 <input type="radio"/> Meets Requirements Score: 5 <input type="radio"/> Needs Improvement Score: 3 <input type="radio"/> Unsatisfactory Score: 1
Punctuality: <input type="radio"/> high, <input type="radio"/> satisfactory, <input type="radio"/> fair, <input type="radio"/> low	
Postpone the completion of work: <input type="radio"/> high, <input type="radio"/> satisfactory, <input type="radio"/> fair, <input type="radio"/> low	

<p>Concentrate efforts on preferred tasks:</p> <p><input type="radio"/> high, <input type="radio"/> satisfactory, <input type="radio"/> fair,</p> <p><input type="radio"/> low</p> <p>Concentrate efforts on least preferred tasks:</p> <p><input type="radio"/> high, <input type="radio"/> satisfactory, <input type="radio"/> fair,</p> <p><input type="radio"/> low</p> <p>Does the employee stay busy?</p> <p><input type="radio"/> yes <input type="radio"/> no, why</p> <p>_____</p> <p>Does the employee always look for things to do? <input type="radio"/> yes <input type="radio"/> no, why</p> <p>_____</p> <p>Does the employee seek constant improvement? <input type="radio"/> yes <input type="radio"/> no</p> <p>Does the employee demonstrate a commitment to work? <input type="radio"/> yes</p> <p><input type="radio"/> no</p> <p>... to his/her own safety? <input type="radio"/> yes</p> <p><input type="radio"/> no</p>	
---	--

<p>...to safety of others? <input type="radio"/> yes</p> <p><input type="radio"/> no</p> <p>...to guidelines at work? <input type="radio"/> yes</p> <p><input type="radio"/> no</p> <p>Does the employee take proper care of office equipment? <input type="radio"/> yes <input type="radio"/> no</p> <p>Does the employee follow work procedures? <input type="radio"/> yes <input type="radio"/> no</p> <p>Does the employee follow company policies? <input type="radio"/> yes <input type="radio"/> no</p>	
<p>Additional comments:</p>	<p>Additional comments:</p>

3. Job Knowledge

Does the employee demonstrate the skill and ability to perform the job?

- ☐ high, ☐ satisfactory, ☐ fair,
☐ low

Does the employee show interest in learning and improving new knowledge?

- ☐ high, ☐ satisfactory, ☐ fair,
☐ low

Is the employee familiar with company rules and policies?

- ☐ high, ☐ satisfactory, ☐ fair,
☐ low

Has the employee ability to seek out solutions?

- ☐ high, ☐ satisfactory, ☐ fair,
☐ low

Does the employee show adaptability to change?

- ☐ high, ☐ satisfactory, ☐ fair,
☐ low

Does the employee show any initiatives?

- ☐ high, ☐ satisfactory, ☐ fair, ☐ low

Does the employee help create and improve processes and systems of his/her unit? ☐ high, ☐ satisfactory, ☐ fair,
☐ low

Are there any other areas that the

Score: / 10.0

- | | |
|--|-----------|
| <input type="radio"/> Outstanding | Score: 10 |
| <input type="radio"/> Exceeds Requirements | Score: 8 |
| <input type="radio"/> Meets Requirements | Score: 5 |
| <input type="radio"/> Needs Improvement | Score: 3 |
| <input type="radio"/> Unsatisfactory | Score: 1 |

4. Interactions with Co-Workers

The employee’s relations with others consider:

Score: / 10.0

Does the employee cooperate with an effort that contributes to the team?

☐ high, ☐ satisfactory, ☐ fair, ☐ low

- ☐ Outstanding Score: 10
- ☐ Exceeds Requirements Score: 8
- ☐ Meets Requirements Score: 5
- ☐ Needs Improvement Score: 3
- ☐ Unsatisfactory Score: 1

Does the employee respond positively to the others’ need for help?

☐ high, ☐ satisfactory, ☐ fair, ☐ low

Can the employee get along with other employees?

☐ high, ☐ satisfactory, ☐ fair, ☐ low

Does the employee act aggressively to other employees?

☐ high, ☐ fair, ☐ low, ☐ none

Does the employee have a bad attitude towards others?

☐ high, ☐ fair, ☐ low, ☐ none

Does the employee have a favorable

5. Interactions with Superior	Score: <input type="text"/> / 10.0
The employee's behavior and interactions towards his/her superior consider:	<div><input type="radio"/> Outstanding Score: 10</div> <div><input type="radio"/> Exceeds Requirements Score: 8</div> <div><input type="radio"/> Meets Requirements Score: 5</div> <div><input type="radio"/> Needs Improvement Score: 3</div> <div><input type="radio"/> Unsatisfactory Score: 1</div>
Does the employee respond positively to his/her superior's suggestions and instructions or criticism?	
<div><input type="radio"/> high, <input type="radio"/> satisfactory, <input type="radio"/> fair,</div> <div><input type="radio"/> low</div>	
Does the employee have trust and respect of his/her superior?	
<div><input type="radio"/> high, <input type="radio"/> satisfactory, <input type="radio"/> fair,</div> <div><input type="radio"/> low</div>	
Does the employee keep his/her superior informed of important information and details?	
<div><input type="radio"/> high, <input type="radio"/> satisfactory, <input type="radio"/> fair,</div> <div><input type="radio"/> low</div>	
Does the employee adapt well to changing orders or circumstances:	
<div><input type="radio"/> high, <input type="radio"/> satisfactory, <input type="radio"/> fair,</div> <div><input type="radio"/> low</div>	

6. Job and Behavior Correction	
Is there any circumstances which result in the employee receiving a warning or notice from his/her superior?	Score: <input type="text"/> / 10.0
<input type="radio"/> high, <input type="radio"/> fair, <input type="radio"/> low, <input type="radio"/> none	<input type="radio"/> Outstanding Score: 10
	<input type="radio"/> Exceeds Requirements Score: 8
	<input type="radio"/> Meets Requirements Score: 5
Did the employee receive and understand your support or resources to assist with an attempt in resolving problems?	<input type="radio"/> Needs Improvement Score: 3
<input type="radio"/> high, <input type="radio"/> fair, <input type="radio"/> low, <input type="radio"/> none	<input type="radio"/> Unsatisfactory Score: 1
Did the employee delay responding to your advice?	
<input type="radio"/> high, <input type="radio"/> fair, <input type="radio"/> low, <input type="radio"/> none	
Are there any chances that the conduct you were warned about will be repeated in the future?	
<input type="radio"/> yes, <input type="radio"/> no, <input type="radio"/> sometimes	
Did the employee concentrate his/her attempt in trying to improve himself/herself after received your advice?	
<input type="radio"/> yes, <input type="radio"/> no	

7. Expectation for Contingent Reward

Score: / 10.0

If you did an appraisal for this employee last time, according to your opinion how has this employee improved his performance since?

- ☐ high, ☐ satisfactory, ☐ fair, ☐ low, ☐ none

- ☐ Outstanding
- Score: 10
- ☐ Exceeds Requirements
- Score: 8
- ☐ Meets Requirements
- Score: 5
- ☐ Needs Improvement
- Score: 3
- ☐ Unsatisfactory
- Score: 1

Did the employee ask for your advice or assistance in exchange for his/her efforts?

- ☐ high, ☐ satisfactory, ☐ fair, ☐ low, ☐ none

Did the employee have more concern on achieving performance targets?

- ☐ high, ☐ satisfactory, ☐ fair, ☐ low, ☐ none

Did the employee expect more to achieve his/her performance goals?

- ☐ high, ☐ satisfactory, ☐ fair, ☐ low, ☐ none

Did the employee extrinsically satisfy

8. Mistake Avoidance

Did the employee have more focus on avoiding their mistakes than last time?

☐ high, ☐ satisfactory, ☐ fair, ☐ low, ☐ none

Did the employee come to you for your advice or assistance before he/she made his/her action that can lead to any mistaken results?

☐ high, ☐ satisfactory, ☐ fair, ☐ low, ☐ none

Did the employee pay more attention?

☐ high, ☐ satisfactory, ☐ fair, ☐ low, ☐ none

Did the employee fail to avoid the deviations from standards?

☐ high, ☐ satisfactory, ☐ fair, ☐ low, ☐ none

Did the employee intrinsically satisfy with what he/she had achieved?

☐ high, ☐ satisfactory, ☐ fair, ☐ low, ☐ none

Score: / 10.0

- ☐ Outstanding Score: 10
- ☐ Exceeds Requirements Score: 8
- ☐ Meets Requirements Score: 5
- ☐ Needs Improvement Score: 3
- ☐ Unsatisfactory Score: 1

9. Inspiration	
Did the employee understand more clearly about values and beliefs?	Score: <input type="text"/> / 10.0
<input type="radio"/> high, <input type="radio"/> satisfactory, <input type="radio"/> fair, <input type="radio"/> low, <input type="radio"/> none	<input type="radio"/> Outstanding Score: 10
	<input type="radio"/> Exceeds Requirements Score: 8
	<input type="radio"/> Meets Requirements Score: 5
Has the employee shared a sense of purpose with his/her department/unit/sub-unit?	<input type="radio"/> Needs Improvement Score: 3
	<input type="radio"/> Unsatisfactory Score: 1
<input type="radio"/> high, <input type="radio"/> satisfactory, <input type="radio"/> fair, <input type="radio"/> low, <input type="radio"/> none	
Has the employee become more respectful to his/her immediate leader?	
<input type="radio"/> high, <input type="radio"/> satisfactory, <input type="radio"/> fair, <input type="radio"/> low, <input type="radio"/> none	
Did the employee become more optimistic about what he/she can achieve?	
<input type="radio"/> high, <input type="radio"/> satisfactory, <input type="radio"/> fair, <input type="radio"/> low, <input type="radio"/> none	
Was the employee inspired to improve his/her skills and performance?	
<input type="radio"/> high, <input type="radio"/> satisfactory, <input type="radio"/> fair, <input type="radio"/> low, <input type="radio"/> none	
Did the employee articulate a compelling vision with the company?	

10. Self-Efficacy	
Did the employee start to look at problems from many different angles?	Score: <input type="text"/> / 10.0
<input type="radio"/> high, <input type="radio"/> satisfactory, <input type="radio"/> fair,	
<input type="radio"/> low, <input type="radio"/> none	
Did the employee seek help from different perspectives in solving problems, rather than trying to solve the problem by his/her own?	<input type="radio"/> Outstanding Score: 10
<input type="radio"/> high, <input type="radio"/> satisfactory, <input type="radio"/> fair,	<input type="radio"/> Exceeds Requirements Score: 8
<input type="radio"/> low, <input type="radio"/> none	<input type="radio"/> Meets Requirements Score: 5
Did the employee treat you as his/her coach?	<input type="radio"/> Needs Improvement Score: 3
<input type="radio"/> high, <input type="radio"/> satisfactory, <input type="radio"/> fair,	<input type="radio"/> Unsatisfactory Score: 1
<input type="radio"/> low, <input type="radio"/> none	
Did the employee always come to you and expect to receive good advice from you as a way to achieve his/her performance goals?	
<input type="radio"/> high, <input type="radio"/> satisfactory, <input type="radio"/> fair,	
<input type="radio"/> low, <input type="radio"/> none	
Did the employee start to be able to re-examine critical assumptions to questions or problems concerning to their work?	
<input type="radio"/> high, <input type="radio"/> satisfactory, <input type="radio"/> fair,	
<input type="radio"/> low, <input type="radio"/> none	

Please select one option here for overall performance assessment of this employee:

- ☐ Employee performance is unsatisfactory and failing to improve at a satisfactory rate.
- ☐ Employee performance will be improved.
- ☐ Employee performance has been improving at a satisfactory rate.
- ☐ Employee performance is acceptable at a satisfactory rate.
- ☐ Employee has successfully completed for his position.

Additional
Comments:

Recommendations (if need)

For new employee on probation 3-month period, please select one option here:

- ☐ Terminate employee.
- ☐ Extend for further assessment, and next review date will be on .
- ☐ Convert employee to employment status.

For regular employees, please select one option here:

- ☐ Retain employee to current position.

For further assessment, please indicate next review date .

- ☐ Rotate employee to other position, please indicate the position .

Final Comments

I hereby certify that the information I provided is true and accurate.



References

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