

Situational Leadership Style as a Predictor of Success and Productivity Among Taiwanese Business Organizations

COLIN SILVERTHORNE

*Department of Psychology
University of San Francisco*

TING-HSIN WANG

California Management Institute

ABSTRACT. The present study was an evaluation of the impact of Taiwanese leadership styles on the productivity of Taiwanese business organizations. Specifically, it looked at the impact that both adaptive and nonadaptive leaders have on 6 measures of productivity: absenteeism, turnover rate, quality of work, reject rates, profitability, and units produced. The results indicated that the greater the level of adaptability, the more productive the organization is likely to be. Although not all of the computed correlations were statistically significant, they were all in the predicted directions. In particular, the findings for units produced and reject rates were consistently statistically significant. The study was also an examination of the usefulness of the Leadership Effectiveness and Adaptability Description (LEAD) questionnaire (P. Hersey & K. Blanchard, 1988), which appeared to be an accurate predictor of adaptability and valid for use in Taiwan. The final part of this study was an investigation of whether successful companies were more likely to have a greater percentage of adaptive leaders than unsuccessful companies. The data supported this expectation, although it is suggested that caution be used in the interpretation of this particular finding because it could have several different explanations. Overall, the evidence supported the value of adaptive leadership styles in high-technology industries in Taiwan.

Key words: leadership, productivity, Taiwan

THE CHANGING TECHNOLOGY ENVIRONMENT has been a particularly profound phenomenon during the past decade. During this time, technology has had an especially significant impact on the day-to-day activities of individuals and organizations. High-technology businesses experience the organizational impact of technological change to a greater extent than other organizations. In technology-based industries, rapid change influences organizational management, procedures, and production. These changes can also have significant

effects on the leadership styles appropriate to this kind of business environment and to the organization's outcomes or products.

Bennis and Nanus (1985) suggested that one of the key predictors of business success is effective leadership and that ineffective leadership often is a predictor of an organization's failure. Therefore, it is important to all organizations that they understand the role of leadership and that they identify the styles of leadership most effective to their businesses. In particular, the role of leadership, and of leadership style, may be even more significant in high-technology companies because of their unique business environments.

The work of Hersey, Blanchard, and Johnson (1996) focused on the role of the business situation in leadership. What resulted from their study was a theory of situational leadership, which has subsequently been pivotal in redefining research on leadership. This situational leadership approach has also been an important part of organizational training and interventions. The important component in situational leadership is the ability successful leaders have to adapt to a changing organizational environment. Hersey et al. (1996) also argued that a subordinate's ability, willingness, and readiness to perform tasks will influence the outcome of a leader's actions. In order to establish the level of adaptability required of leaders to achieve an organization's goals, those leaders need to understand and consider their relationship with their employees, or followers, as well as the structure of the tasks that are either ongoing or that will be required.

Because different situations may require different styles, the leader needs to decide on an appropriate one by evaluating his or her subordinates and their degrees of readiness or maturity. Because their subordinates' levels of readiness will vary, the leader must be ready to adapt his or her leadership style accordingly when influencing employees, in order to realize the highest possible level of overall effectiveness. The Hersey et al. (1996) theory of situational leadership indicated that the most effective leaders are those capable of using different leadership styles in response to the demands of the situation and to the fluctuating maturity levels of their subordinates. It seems, then, that flexibility in leadership style is a necessity if a high level of leadership effectiveness is desired and required by the situation.

The value of any theory is that it allows some level of prediction about future behaviors and provides a context in which to judge outcomes and benefits of different approaches. A prime interest of this study, then, was determining whether situational leadership theory (SLT) is a valid tool for effectively predicting an organization's success. The impact of SLT on productivity was a specific inter-

The author wishes to thank Ping-Chi Mao and April Chi of the California Management Institute for their assistance with the data collection.

Address correspondence to Colin Silverthorne, Department of Psychology, University of San Francisco, 2130 Fulton Street, San Francisco, CA 94117-1080; please send e-mail to silverthorne@usfca.edu.

est. We anticipated that the greater the flexibility demonstrated in leadership, the more positive will be the employees' response and the greater their productivity. Other key concerns with this research were how leaders define their concepts of adaptability, as well as a leader's ability to be flexible given the particularly rapid changes that occur in high-technology business environments.

Of particular interest to us was the relationship between leadership styles and organizational success. It should be noted that leadership styles differ according to the business environment and that there are other variables influencing employee productivity. For example, the organizational culture of high-technology companies may be different from that found in other types of organizations and may therefore be directly related to leadership issues. This impact of different organizational approaches and cultures means that any theory of leadership should be evaluated in different organizational contexts if the results are to be generalized.

A central theme of this study was an assessment of the effects of two key leadership styles: nonadaptive and adaptive. The nonadaptive, or inflexible, style of leadership is associated with those who manage using a paternalistic philosophy that the leaders feel is appropriate in all, or almost all, situations. These managers think of their subordinates as "children" and of themselves as "parents" (Anderson, 1992). This approach is in keeping with Confucian concepts that are often integral to Chinese business management practices (Punnett, 1995).

The second approach is the adaptive style of leadership. This refers to the leader who takes into account the task to be done, the situation in which the task is to be accomplished, and the readiness of their employees to accomplish the task. Under SLT, "readiness" refers to the psychological and task competencies of those involved in a task (Hersey et al., 1996).

It has been hypothesized that certain leadership styles are better suited than others to enhancing productivity within the work force (Hersey et al., 1996). Styles of leadership may also need to be flexible in order to respond to changes that may occur in the work environment, changes that can occur with particular rapidity in high-technology fields. Under Western management theories, the leadership style is usually situational, contingent on the environment. This quality of contingency—what works in one organizational setting may not work in another—suggests a corollary: that, within a given culture, the more stable and uniform its presiding values, the less necessary it is that a leadership style be situational.

The primary theory tested in this study was the situational leadership model as quantified by Hersey et al. (1996) and Hambleton and Gumpert (1982). Their model suggests that leadership styles change as a function both of a leader's maturity and of an organization's (and its work force's) maturity. More recently, the theory has been modified somewhat (Hersey et al. 1996); the concept of "maturity" has been changed and is now called "readiness." Although readiness is conceptually equivalent to maturity, readiness is considered a less emotional-

ly charged word than maturity, which has certain connotations, some of which may be considered pejorative.

Irgens (1995) elaborated on SLT and argued that a follower's readiness needs to be evaluated in terms of his or her knowledge of the task, skill in performing the task, and ability to meet deadlines. Readiness, then, refers to followers' or staff's abilities and the willingness to do a job. This concept has two equally important meanings. It implies that a follower's willingness to do a job is a necessary but not sufficient condition for its completion and that followers therefore have to have the required ability or knowledge to complete a specific task. Different people tend to have varying states of readiness, and it is therefore the leader's responsibility to adequately assess the degree of supervision each member of the group, as well as the group as a whole, requires.

Using SLT, Blank, Weitzel, and Green (1990) analyzed leader task and relationship behavior in terms of consideration (employee-centered) and initiation of structure (task-oriented). However, their analysis did not support SLT's assumptions. On the other hand, although Vecchio (1987) found strong support for the theory among low-readiness subordinates, he was unable to determine the best leadership style for those subordinates who represented moderate levels of readiness.

Similar findings were noted by Podsakoff, Niehoff, MacKenzie, and Williams (1993) in a study designed to look for substitutes for leadership. According to Greenberg (1996), employee-centered (considerate) and task-oriented (initiating structure) leadership styles are not the opposite ends of a continuum as are the autocratic and participation styles. A leader who is oriented toward the considerate style, for instance, does not necessarily become less concerned with production. Because these orientations are independent of one another, managers may use both orientations to varying degrees. In fact, when one orientation exists alone, the other may be bypassed, and this may result in decreased overall organizational productivity.

It appears that successful leaders are those who are able to balance their leadership-style approach between the consideration and the structure-initiation models (Greenberg, 1996). When flexibility and adaptability were measured to compare a manager's perceptions of his or her own leadership style with the level of use of personal computers by subordinates, there was a positive relationship found between a leader's perceptions of his or her own leadership ability and the use of computers by employees (Stone, 1990).

A study comparing business leaders in Taiwan with those in the United States found that the leader's role within the corporate culture was a significant factor in the allocation of rewards, which in turn influenced employee behavior (Rusbult, Insko, & Lin, 1995). In discussing leadership in a Chinese culture, Hui and Tan (1996) noted that Chinese employees want their leaders to be considerate and benevolent. This indicates that in Chinese culture, there is a preference for a leadership style that emphasizes relationships rather than tasks.

Whether the leader's primary focus is on consideration or on initiating structure, there seems to be general agreement among researchers that the main function of leadership is to address the deficiencies that affect organizational production and detract from an organization's climate and that are part of most job settings (Benson, 1994). As a result of this process, a leader will be effective insofar as he or she can support the followers; can provide them with, as necessary, the guidance, ideas, constraints and pressure that may be missing from the organizations yet are essential to enhancing performance; and can minimize risks.

Collins and Porras (1994) reinforced the idea that finding the right leadership style is key to organizational effectiveness. In extensive research on organizations that they labeled as long term, successful companies found there was no evidence to suggest that leadership is the distinguishing variable between successful and less successful companies. Collins and Porras suggested that company success is associated with leaders who are appropriate to the organization and that the organization shares in the responsibility of ensuring that leadership succession plans are in place.

According to Yukl (1994), SLT is nevertheless intuitively appealing and popular with managers and with organizations in such areas as research and development, communications, project management, health care, and education, even though direct research has provided only weak support for the theory. SLT has proven to be a useful tool for management development; nevertheless, although its value as a strong and useful theory has some research support, not all of the studies conducted thus far have shown clear support for SLT's basic assumptions. Clearly, there is a need for additional research on SLT.

The research questions tested in this study are directly related to the theories of Hersey et al. (1996). In the current research we looked at whether (a) highly adaptive leaders are consistently more effective in rapidly changing organizations than less adaptive leaders; (b) traditional or nonadaptive leadership, consistently applied, results in less effective organizations; (c) effective leaders score higher on self-ratings of leadership effectiveness, and show more leadership flexibility, than lower performing managers; and (d) whether high-performing managers receive higher ratings from their subordinates and are perceived as demonstrating more flexibility in leadership style selection than low-performing managers. In addition, in this study, we evaluated the applicability of using SLT to identify effective managers for high-technology organizations in a non-Western culture, Taiwan.

As has been mentioned, the research support for the SLT is limited. This is not only because of the equivocal nature of the specific findings from the studies themselves but also because relatively little research has been conducted on the situational theory of leadership. Furthermore, the research that exists has been conducted almost exclusively in the United States. It cannot be assumed that a theory based in Western culture and incorporating Western values will be applic-

able to other, non-Western cultures. Because Chinese culture is rooted in Confucian values that can differ substantially from those found in Western cultures (Punnett, 1995), it is highly likely that these values will correspondingly influence how leaders and followers in those societies behave.

For instance, Taiwan's culture is more collective than that found in the United States (Marsh, 1996)—a collectivism that is rooted in Confucian traditions and promoted by the Taiwan government (Ma & Smith, 1992). Because there is limited research on organizational behavior and leadership in Taiwan, this research is appropriate to elucidate the applicability and relevance of leadership theories nurtured by distinctly Western values to other types of cultures.

Method

The research in this study is directly related to the theories of Hersey et al. (1996). If flexibility and adaptability are important to an organization's success, these results will support that theory. In addition, it might be expected that leaders who are flexible and adaptive are more likely to be self-aware and therefore more in touch with both their own leadership abilities and with their subordinates' perceptions of that ability. These five research hypotheses were tested.

Hypothesis 1: Highly adaptive leaders are consistently more effective than less adaptive leaders in rapidly changing organizations.

Hypothesis 2: Traditional or nonadaptive leadership, consistently applied, leads to less effective organizations.

Hypothesis 3: Effective leaders will score higher on self-ratings of leadership effectiveness and will demonstrate more flexibility in leadership style selection than less effective managers.

Hypothesis 4: High-performing managers will be rated higher by their subordinates in leadership effectiveness and will be perceived as showing more flexibility in leadership style selection than low-performing managers.

Hypothesis 5: Successful companies will have more adaptive leaders than less successful companies.

Research Design

Our research design sampled for effective and noneffective leaders and compared them on the basis of both their self-perceptions and the perceptions of their subordinates, or followers. All of the leaders and followers were Taiwanese and worked for high-technology companies in Taiwan, Republic of China. For this study's purpose, the Leadership Effectiveness and Adaptability Description (LEAD) instrument served to validate the criteria established by the organizations and the researcher in selecting the two groups: situational (adaptive) leaders and traditional (nonadaptive) leaders. We used scores from both a self-administered LEAD questionnaire (to leaders) and a LEAD questionnaire administered

to followers. The Pearson product moment correlation statistical technique was used to obtain a correlation coefficient in order to determine the fit between the leaders' self-perceptions and perceptions of subordinates. A statistically significant correlation was used as the criterion that would suffice to ascertain the fit.

Participants

To test Hersey and Blanchard's (1988) theory, we selected two groups of participants, one of employees and the other of managers. They were selected from a cross section (randomly stratified sample) of employees from 20 high-technology companies in Taiwan. We randomly chose the companies from the member list of the Taiwan Electronics Association, using a table of random numbers and then matching the organizational number from the member list in the Association's membership guide with the randomly selected number.

The goal of the sampling process was to identify at least 30 managers who had been identified as nonadaptive (traditional) leaders and at least 30 other managers who had been identified as adaptive (situational) leaders. The final sample included 38 adaptive leaders and 41 nonadaptive leaders. Once the leaders had been identified, three nonmanagement personnel were randomly selected from those working for each leader taking part in this study. Names were drawn at random if the number of employees working for each leader was greater than 3. These 3 individuals were selected to provide a balanced sample of followers and to assist in ensuring equivalency of samples during the statistical analysis of the results. This process yielded a total sample of 79 managers and 234 subordinates.

Once the companies had been selected, the leaders were identified and classified as either traditional or situational, based on discussions within the organization. Identification of leaders as either traditional or situational was based on both information obtained from the organization and our criteria, a list of behaviors that according to Hersey and Blanchard identify an individual as either a traditional or a situational-style leader. The organization's perception of a leadership style led to the identification of potential participants in the management group.

To test this procedure's validity, we evaluated the perception of leadership-style results. This validation used the LEAD instruments developed by Hersey and Blanchard (1988). Those individuals identified as members of either of the two groups of leaders formed the population of possible participants. Samples were randomly selected from the total population of possible participants. Once the initial sample had been identified, a group of alternate participants was selected in case of dropouts or refusals to participate. We evaluated all individuals, both participants and those who did not participate, to ensure that no systematic bias was created by patterns of participation or nonparticipation.

Selected employees were identified as working for one of the leaders selected for inclusion in this study. The employees of traditional leaders were asked to identify the dominant leadership style of their supervisors and the perceived influ-

ence this had on the employees' overall productivity. The LEAD-Self and LEAD-Other instruments (Hersey & Blanchard, 1988) were used to determine the styles of leadership generally used by a participant, determinations that were based both on the leaders' perception of themselves and on their staffs' perceptions of them. We used the LEAD-Self instrument to assess leaders' self-evaluations, and we used the LEAD-Other instrument to assess staff members' evaluations.

Productivity was measured by absenteeism rate, quality of work, turnover rate, units produced, reject rate, and overall profitability. These six criteria were selected because they are generally accepted as good indicators of productivity (Robbins, 1996) and data on each of these dimensions were readily available from the organizations. The leaders were asked for their perceptions of their own leadership style and the perceived impact these had on productivity.

The researchers were asked to ensure that data provided by the companies were kept confidential, were used only in this study, and were used in a way that the companies could not be identified. We established confidentiality by using code numbers for each participant and then destroying the code key after the data were tabulated. Basic demographic data were obtained from the respondents to ensure that there was no systematic bias in respondents' backgrounds and demographics that could provide an alternative explanation for any results.

Variables

The scoring of the leadership-adaptability scale, as designated in the LEAD manual, designated low (0–23), moderate (24–29), or high (30–36) degrees of adaptability. The traditional leadership style, which is based on making directives and is paternalistic in character, was the characterization of those managers scoring between 0 and 23 (low) on the leadership adaptability scale. The situational leadership style, the more flexible and adaptive leadership method that is contingent upon the readiness, or maturity, of the employees, was the characterization of those managers scoring between 30 and 36 (high) on the leadership adaptability scale. Any manager scoring between 24 and 29, a moderate score on the leadership adaptability scale, was excluded from the final pool. Because several managers fell into this category, we eliminated 29 potential participants from the final pool.

Employee productivity was measured using several qualitative and quantitative organizational indicators; these included absenteeism rate, turnover rate, overall profitability, quality of work, reject rate, and units produced.

The companies were also characterized as either successful or unsuccessful. Those classified as successful had shown consistent increases in profits and staff and consistent reductions in employee turnover during the past 5 years. Unsuccessful companies were characterized as those that had consistently falling profits (or consistently increasing losses), consistent reductions in staff, and consistent increases in employee turnover.

Companies listed on the Taiwan Stock Exchange at the time the samples were selected were also judged as either successful or unsuccessful based on the ratings their securities garnered from Taiwanese stock-rating services, a measure that served as a second validation of the level of company success. Any discrepancies in the company evaluation between these two measures resulted in that company's elimination from the final subject pool. Two companies fell into this category. Because all of the companies in this study were high-technology companies, any differences in success levels should be attributable to industry-specific factors including leadership style.

Results

The demographic information was evaluated first to see if there was any systematic bias in the data that resulted from significant variability in the demographics of the groups. A review of the demographic data indicated a reasonable balance in the two groups for the various demographic measures reported; the samples, therefore, were considered demographically equivalent.

To test the first hypothesis, that adaptive leadership is positively related to various performance measures, we computed a series of Pearson product moment correlations. The results are listed in Table 1. A negative correlation indicated that as an adaptive leadership score increased, the measure under consideration decreased. A negative correlation should be expected for the measures of absenteeism, turnover rate, and reject rates. A positive correlation indicated that as an adaptive leadership score increased, so did the measures under consideration. This would be expected for the measures of profitability, quality of work, and units produced.

The data for the nonadaptive leaders is also presented in Table 1. If there is a positive relationship between the style of leadership and the measures of productivity, then the correlation should have the opposite of the positive or negative

TABLE 1
Correlations for Each Measure of Productivity
for Adaptive and Nonadaptive Leaders

Measure of productivity	Adaptive	Nonadaptive
Absenteeism	-.21	+.19
Turnover rate	-.17	+.26
Profitability	+.31	-.29
Quality of work	+.27	-.33*
Reject rate	-.36*	+.39*
Units produced	+.39*	-.33*

* $p < .05$.

TABLE 2
Membership in Successful or Unsuccessful Companies
Tabulated by Leadership Style

Company	Adaptive	Nonadaptive	Total
Successful	24	14	38
Unsuccessful	12	27	39
Total	36	41	77 ^a

Note. ^aThis is two less than the original number of companies because two could not be categorized as either successful or unsuccessful, according to the leadership adaptability scales as designated in the Leadership Effectiveness and Adaptability Description (LEAD) manual.

sign found for the adaptive leaders. Thus, the second research hypothesis predicted that the opposite effect would be found for the nonadaptive leaders than was found for the adaptive leaders.

We also hypothesized (in Hypothesis 3) that, when adaptative and nonadaptive leaders were compared, there would be differences in the scores of both the leaders' self-appraisal of their effectiveness and of their flexibility in selection of leadership style. To test this, we used an independent *t* test to compare the self scores, as measured by the LEAD, of adaptive and nonadaptive leaders. The results were statistically significant, with adaptive leaders reporting a higher level of flexibility, $t(77) = 2.73, p < .05$.

We conducted an equivalent process on the data from the LEAD-Other questionnaire used to measure followers' perceptions of their leaders' styles. This provided a test of the fourth hypothesis, that high-performing managers would receive higher ratings from their subordinates than low-performing managers. To compare the adaptive and the nonadaptive leaders, we calculated an independent *t*. The results, $t(235) = 3.21, p < .05$, indicated that there exists a statistically significant difference between adaptive and nonadaptive leaders in terms of how they are perceived by their subordinates.

Finally, the data were compared for the leaders in the successful and unsuccessful companies based on the criteria established in the methods section. The data are tabulated in Table 2. A chi-square analysis was conducted on this data, $\chi^2(1, n = 77) = 8.11, p < .01$. There was a statistically significant relationship between a company's success and the likelihood that the company included a greater percentage of adaptive leaders.

Discussion

The results from the correlational analysis generally support the hypotheses that adaptive styles of leadership produce greater levels of productivity. However, although the trends with each of the measures were in the predicted direction,

not all of the findings yielded statistically significant findings. For example, with absenteeism, although the correlational trend was in the anticipated direction, the first hypothesis was not supported by a robust number. Another anticipated correlation was between the rate of employee turnover and adaptive style; once again, although the trend was in the predicted direction, the correlation was not sufficiently robust to be statistically significant, and Hypothesis 1 was therefore not supported.

The hypotheses predicted that as adaptive scores increased, the scores on measures of profitability, quality of work, and units produced would correspondingly increase, yielding a positive correlation for all three variables. The results showed a positive correlation of leadership style with profitability, but it was not large enough to be statistically significant. Similarly, there was a positive correlation between leadership style and quality of work, but again, not a statistically significant one. The correlation of leadership style and units produced was the strongest one found and was strong enough to be statistically significant. The final measure of productivity, reject rates, was predicted to correlate negatively with leadership score: in other words, the higher the leadership score, the lower the reject rate was anticipated to be. This was indeed the result of the findings, which yielded a statistically significant correlation between higher leadership scores and lower rejection rates.

The prediction of Hypothesis 1, that higher scores of leadership adaptability lead to greater productivity, received mixed support. Although all of the correlations between the six measures and leader adaptability were in the predicted directions, only two of the measures, reject rates and units produced, yielded correlations sufficiently large enough to be statistically significant. These two measures, in fact, are the easiest to calibrate because they are the least subjective of the six criteria of productivity employed; this lends these two factors greater weighting in support of the hypothesis. Because the first hypothesis addressed a wider concept of productivity embracing all six criteria, however, it must be concluded that the findings, which yielded statistically significant correlations for only two of the measures (reject rates and units produced), furnish only weak support for this hypothesis.

Hypothesis 2 was designed to test the scope and nature of any correlation between scores of nonadaptive leaders and the six measures of productivity. The correlation between levels of absenteeism and nonadaptive leader scores was in the direction predicted, but it was not sufficiently large to be statistically significant. Likewise, the correlation between turnover rate and nonadaptive leader scores was also as predicted but not sufficiently large to be statistically significant. However, the correlation between reject rate and nonadaptive leader scores yielded a correlation both in the predicted direction and large enough to be statistically significant.

There was a negative correlation predicted for the other three measures of productivity (profitability, quality of work, units produced) with nonadaptive

leader scores. There was a negative correlation between leader score and profitability observed, but it was not sufficiently large to be statistically significant. In contrast, the correlation between quality of work and nonadaptive leader score was not only in the predicted direction but was also robust enough for statistical significance. Similarly, the correlation between units produced and nonadaptive leader score was both in the predicted direction and statistically significant. Overall, these findings provide only weak support for the first hypothesis, because only three of the six relationships were robust enough to be statistically significant.

An overall analysis of these findings indicates moderate but not statistically consistent support for the hypotheses that highly adaptive leaders are more successful than their less adaptive peers and that nonadaptive leaders are generally less successful. Nevertheless, when looking at the data, the pattern is clear: The more adaptive the leader, the greater the productivity is likely to be, particularly as measured by units produced and reject rates, the two variables that yielded statistically significant correlations in both cases. The commonality of this finding across both data sets indicates that adaptive leaders can be expected to have a positive impact on the quality and quantity of products produced by their organizations.

Hypothesis 3 was designed to test whether people identified as effective leaders were more likely to score higher on the adaptive dimension of the self-report LEAD scale. This questionnaire requires individuals to evaluate their own leadership style. It was expected that effective and noneffective leaders would score differently. This hypothesis was supported by an independent *t* test comparing the groups and indicates that the ability to identify effective leaders within organizations exists and that individuals are able to assess their own style of leadership accurately (at least as measured by the LEAD-Self instrument).

Hypothesis 4 was designed to test how well subordinates could identify effective leaders, by asking these employees to complete the LEAD-Other questionnaire, which evaluates supervisors in a variety of dimensions. A comparison of the two groups yielded results indicating a statistically significant difference. The data supported the hypotheses that, regarding their leadership qualities, effective leaders score higher both on their self-ratings and on the ratings they receive from their subordinates.

Hypothesis 5 stated that successful companies would have more adaptive leaders than less successful companies. The data was tabulated using a measure of successful or unsuccessful companies and by the primary leadership style. The results showed that there is a positive relationship between the adaptive level of leaders in an organization and the success of that organization.

Overall, the findings indicated a consistent pattern of the effects of leadership style. Adaptive leaders will have an impact on various measures of productivity, can be identified both at the subjective level (through self-reporting) and at the objective level (through subordinates' reports) using the LEAD instruments, and are more likely to be members of successful organizations. This lat-

ter finding, that adaptive leaders are more likely to be found in successful companies, is not as unequivocal as the other findings. It is possible that these companies' successes are attributable to those adaptive leaders; alternatively, such companies may attract or recruit adaptive leaders because they are successful. This issue will need to be investigated in subsequent research.

It should also be noted that this study was limited to high-technology companies. Additional research should explore whether these findings can be generalized to other types of companies. In addition, because this study was conducted in Taiwan, there is an issue of cultural influence and the extent to which these findings can be generalized to other cultures, particularly those in which an autocratic style of leadership is the norm for managers.

The purpose of this study was to examine the relationship between a manager's leadership style and the impact that has on an organization. We hypothesized a relationship between leadership style and productivity as measured by absenteeism rates, employee-turnover rates, company profitability, quality of work, unit rejection rates, and units produced. The results afford weak support for the hypotheses.

SLT appears to be a useful tool for identifying both adaptive and nonadaptive leaders. The strong relationship between the LEAD test scores and evaluations provided from within the organizations provides a validity measure for assessing the concept of adaptive and nonadaptive leaders. This study's results also show that the dimensions identified in SLT are related to an organization's productivity. Adaptive leaders tend to head up subordinates and units that demonstrate higher levels of productivity, whereas nonadaptive leaders tend to head up subordinates and units that demonstrate lower levels of productivity.

One of the limitations of this study is that the participants were individuals who were already employed by the participating organizations. It is possible that there had already been a level of self-selection among leaders, employees, and the organization investigated. The adaptive leaders may have been drawn to particular units or types of positions, whereas the nonadaptive leaders may have been drawn to different types of leadership positions.

The results indicate that adaptive leadership is related to successful organizations. Organizations identified as successful are more likely to have adaptive leaders than organizations that are identified as unsuccessful. This does not necessarily mean that organizations are successful because they have more adaptive leaders. This relationship may indicate a preference by adaptive leaders for successful organizations, or a preference by successful organizations for adaptive leaders. Again, it is difficult to eliminate the problem of self-selection.

Despite the potential problems with its research design, in the context of this study's overall findings it can be reasonably concluded that leadership adaptability is an organizational asset. The use of this approach to understanding leadership appears to have merit for use in Taiwan and possibly in other non-Western cultures and nations as well.

REFERENCES

- Anderson, T. D. (1992). *Transforming leadership*. Amherst, MA: Human Resource Development Press.
- Bennis, W., & Nanus, B. (1985). *Leaders: The strategies for taking charge*. New York: Harper Row.
- Benson, F. (1994). One right way doesn't work with leadership either. *Journal of Quality and Participation*, 17(4), 86–89.
- Blank, W., Weitzel, J., & Green, S. (1990). Situational leadership theory. *Personnel Psychology*, 6, 579–597.
- Collins, J. C., & Porras, J. I. (1994). *Built to last*. New York: Harper.
- Greenberg, J. (1996). *Managing behavior in organizations*. Upper Saddle River, NJ: Prentice-Hall.
- Hambleton, R. K., & Gumpert, R. (1982). The validity of Hersey and Blanchard's theory of leader effectiveness. *Group and Organizational Studies*, 7(2), 225–242.
- Hersey, P., & Blanchard, K. (1988). *LEAD questionnaires*. Escondido, CA: Center for Leadership Studies Press.
- Hersey, P., Blanchard, K., & Johnson, D. E. (1996). *Management of organizational behavior: Utilizing human resources* (7th ed.). Englewood Cliffs, NJ: Prentice-Hall.
- Hui, C. H., & Tan, C. K. (1996). Employee motivation and attitudes in the Chinese workforce. In M. Bond (Ed.), *The handbook of Chinese psychology*. Hong Kong: Oxford University Press.
- Irgens, O. M. (1995). Situational leadership: A modification of Hersey and Blanchard's model. *Leadership and Organizational Behavior*, 16(2), 36–39.
- Ma, L. C., & Smith, K. (1992). Social correlates of Confucian ethics in Taiwan. *The Journal of Social Psychology*, 132, 655–659.
- Marsh, R. M. (1996). *The great transformation: Social change in Taipei, Taiwan since the 1960s*. Armonk, NY: Sharpe.
- Podsakoff, P. M., Niehoff, B. P., MacKenzie, S. B., & Williams, M. L. (1993). Do substitutes for leadership really substitute for leadership? An empirical examination of Kerr and Jermier's situational leadership model. *Organizational Behavior and Human Decision Processes*, 54, 1–44.
- Punnett, B. J. (1995). Preliminary considerations of Confucianism and needs in the PRC. *Journal of Asia Pacific Business*, 1(1), 25–42.
- Robbins, S. P. (1996) *Organizational behavior: Concepts, controversies, applications* (7th ed.). Englewood Cliffs, NJ: Prentice-Hall.
- Rusbult, C. E., Insko, C. A., & Lin, Y. H. W. (1995). Seniority based reward allocation in the United States and Taiwan. *Social Psychology Quarterly*, 58(1), 13–30.
- Stone, R. A. (1990). Leadership style and managers' attitudes toward using personal computers: A field study. *Psychological Reports*, 67(3), 915–922.
- Vecchio, R. (1987). Situational leadership theory: An examination of a prescriptive theory. *Journal of Applied Psychology*, 72, 444–451.
- Yukl, G. A. (1994). *Leadership in organizations* (3rd ed.). Englewood Cliffs, NJ: Prentice-Hall.

Received May 2, 2000