

Leadership Behavior in Indian Insurance Sector : A Study of Selected Demographic Variables

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Abstract

This research paper is an attempt to examine the level of leadership effectiveness through different variables of leadership behavior on the middle level managers of Indian insurance companies. The data was collected from 300 middle level managers from Indian insurance companies using standardized scale i.e. Leadership Behavior Scale (LBS). This scale comprises of six variables i.e. Emotional Stabilizer, Team Builder, Performance Orienter, Potential Extractor, Socially Intelligent and Value Inculcator. Total of 8 insurance companies (4 public and 4 private insurance companies) from Haryana and Delhi were targeted. The main objectives of the research were to study the various leadership behavior variables with respect to demographic characteristics of the respondents in Indian insurance companies and to explore the inter-correlated between different Leadership Behavior variables. The results revealed that all the variables of leadership behavior were significantly correlated with each other except Social Intelligence. Level of leadership effectiveness differed across marital status, age, qualifications and nature of organization, but not across gender. It seems that leadership effectiveness was high in all the variables i.e. Emotional Stability, Team Building, Performance Orientation, Potential Extraction and Value Inculcativeness but not in case of Social Intelligence. The findings of the study strongly recommend the improvement, in manager's social intelligence. They should be good listeners and analyzer of others' behavior. It will lead to their better performance. So, managers should work upon it.

INTRODUCTION

Leadership is a very fascinating subject. In fact, it is the most important aspect of human behavior. It gives a positive direction to the use of human resources and brings out the best in a man. Leadership is also a natural phenomenon of a man's work life. It is related to the principle of gradation and hierarchy, which is a universal order of things created by God and man wherever a few persons get together for some purpose or other of common interest more or less automatically; a picking order emerges among them. That means, more often than not, one of the group members, more able and starts striving harder than others for the achievement of the group goal. This gives birth to the practice quite advantageous to his personal and social life. It helps him in achieving his life's goal quickly and smoothly. He, therefore, keeps refining and augmenting the theory and practice of leadership. "By leadership behavior we generally mean the particular acts in which a leader engages in the course of directing and coordinating the work of his group members and showing consideration for their welfare and feelings". In this definition of leadership given by Fiedler (1967), it would be observed that the emphasis is on the particular actions of leader and not on the leader as such. One can, therefore, draw an inference from this definition that these actions can be performed by any member of the group depending upon the relationship between his abilities on the one hand, the characteristics of group members and nature of the situation on the other.

Leadership has been described as a process of persuasion where the leader (or team of leaders) acts as an example for a group in order to induce and motivate the group to pursue the objectives of the leader and the organisation. It is important to realize that leaders cannot be separated from the historic control in which they arise or the culture of their working environment. They are integral part of the system in which they arise and dependent upon two-way communication. In addition, leaders are accountable for the performance of their organisation or the success of the movement that they are heading, regardless of the context in which it occurs. There are many kinds of leaders with a wide array of qualities and styles, and there appears to be no limit to the variety. These complex individuals are selective in displaying different sides of their nature in the different environment, they arise.

Management is about coping with complexity. Leadership, by contrast, is about coping with change. Part of the reason it has become so important in recent years is that the business world has become more competitive and more volatile. Faster technological changes, greater international competition, the deregulation of the markets, overcapacity in capital intensive industries, an unstable oil cartel,

raiders with junk foods and the changing demographic of the work force are among the many factors that have contributed to this shift. The net result is that during what was done yesterday, or doing it 5% better is no longer a formula for success. Major changes are more and more necessary to survive and complete effectively in this new environment. More change always demands more leadership (What Leaders Really Do; John P. Kotter : HBR, Breakthrough Leadership, Dec. 2001). It has been opined that the transition from manager to leaders requires an ability to understand the past, attend to the present and look to the future. To cope up with technological developments and globalization of the market economy skill enlistment, an insightful understanding of oneself is essential for the furtherance of organizational growth.

The portrayal of leadership is incomplete without expressing the views of those that are or have been led by others. After all leadership is a reciprocal process requiring an exchange between those who lead and those who follow. The constituents are clearly important and necessary for successful leadership, and those who aspire to lead must acknowledge the values and vision of the constituents admire and respect in their superiors. The top four characteristics held by advanced leaders included honesty (88%) forward looking (75%), inspiring (68%) and competent (63%).

REVIEW OF LITERATURE

Leadership has long been an area of great interest for researchers and practitioners alike. Organizations devote time and money to leadership training and development (Zorn & Leichthy, 1991). In addition, "a large portion of leadership perspectives concur that individuals will be more successful in emerging as leaders and influencing group members when they perform particular types of behaviors" (Barge, 1989, p. 237). Therefore, it becomes imperative to understand leadership theories and the factors that influence leadership. Investigating the influence of cognitive complexity, "an individual-difference variable associated with a broad range of communication skills and related abilities" (Burleson & Caplan, 1998, p. 233), Hersey and Blanchard (1969) claimed that there is not a perfect style of leadership and that different situations require different leadership styles. Instead of just focusing on certain behaviors, such as initiating structure and consideration, the effectiveness of the leader also needs to be examined by looking at a combination of their style and the environment. In addition, Baker (1990) found that emergent leaders in groups were characterized by certain verbal styles as compared to individuals who were eliminated as potential leaders. For example, emergent leaders were characterized as verbalizing high procedure statements, low to moderate idea

statements, and low opinion statements. High status members who did not emerge as leader but were still perceived as making valuable contributions to the group were characterized by verbalizing moderate to low procedural statements, high idea statements, and moderate to high opinion statements.

Traits and behaviors fall into certain categories and, when an individual exhibits one or more of those traits or behaviors, the perceiver puts them into that category, attributing all the other traits and behaviors to them as well. Linking certain traits and behaviors helps to organize impressions and can be seen as prototypes or stereotypes. Prototypes and stereotypes are a necessity in making sense of the world (Schneider et al., 1979). Pavitt, Whitchurch, McClurg & Petersen (1995) had listed the traits and behaviors they believed an ideal leader would possess, resulting in an idea of a prototypical leader. Their impressions of leadership stem from the leadership constructs that they have developed. According to Goffman (1959), "when an individual presents himself before others, his performance will tend to incorporate and exemplify the officially accredited values of the society, more so, in fact, than does his behavior as a whole". According to Day, Schleicher, Unckless, and Hiller (2002), the goal of impression management is to "positively influence evaluations of oneself and to win approval from others". Individuals are constantly making impressions in day-to-day life, but one area where impression management has significant impact is in the workplace. Day et al. (2002) found that individuals with high self-monitoring skill used impression management techniques to influence positively their performance ratings

THE STUDY

Managers, who perform the role as a leader, should balance the business needs of the firm and the human resources. They should reconcile the needs of the top management and the needs of the followers. In the global scenario no leadership style can be absolutely followed by the organization. An affiliative coaching and target oriented have more positive impact on the member's behavior than autocratic form, in order to ensure better human relationship and organizational development. Only when members in the organization experience culture of coaching and empowering style of support system they will reciprocate by performing in accordance with the supervisory preferences. The leadership culture, which involves empowering elements always viewed as fair by subordinates. It should consider that the leaders who are reluctant to share power and place trust in subordinates are less successful in developing a culture of teamwork and cooperation. A work culture, which ensures empowerment that inculcates the elements like empathy, communication, building relationships, team leaderships, self awareness, initiative, etc., contribute more towards development of high performance culture. With

regard to this, the present study was conducted to know the level of leadership effectiveness among managers.

OBJECTIVES OF THE STUDY

1. To study the various leadership behavior variables with respect to demographic characteristics of the respondents in Indian insurance companies
2. To explore the Inter-correlation between different Leadership Behavior variables.

RESEARCH METHODOLOGY

The survey was conducted among 300 middle level managers through a standardized questionnaire. A total of 8 companies (4 public and 4 private insurance

Table 1

Distribution of sample

Demographic Variables		Nos of Respondents	Percentage
Gender	Male	223	74.3
	Female	77	25.7
	Total	300	100
Marital Status	Married	188	62.7
	Unmarried	112	37.3
	Total	300	100
Qualification	Graduation	141	47
	Post Graduation	82	27.3
	Professional	77	25.7
	Total	300	100
Age	Under 30	129	43
	31-40	84	28
	41-50	67	22.3
	51 and above	20	6.7
	Total	300	100
Work Experience	Less than 10	155	51.7
	10-20	82	27.3
	More than 20	63	21
	Total	300	100
Organization	Public	130	43.4
	Private	170	56.6
	Total	300	100

companies) from places of Haryana and Delhi, were targeted in the survey. The advantage of using the specific standardized questionnaire was administrative simplicity and ease of data processing, analysis and interpretation. The questionnaire was made of Leadership Behavior Scale (LBS) to ascertain the common and unique variances related to leadership behavior of Indian managers.

In order to know the level of leadership effectiveness among middle managers in insurance organizations, 6 dimensions were given in the scale. These were Emotional Stabilizer (ES), Team Builder (TB), Performance Orienter (PO), Potential Extractor (PE), Socially Intelligent (SI), Value Inculcator (VI), and Total Leadership Effectiveness (LB). All these dimensions were studied through field survey. The analysis was divided into two parts viz. descriptive inferences and statistical inferences. Descriptive inferences indicated the frequency distribution while statistical inferences laid emphasis on correlation, one-way ANOVA values and t-test.

RESULT & DISCUSSION

To begin with, Table 2 depicted the scores of male as well as female respondents. Out of 300 respondents, 223 were male and only 77 were female

Table 2

Gender-wise Comparison of Leadership Behaviour

Variables	Gender	N	Mean	Std. Deviation	Value of t-test	Sig. (2-tailed)
ES	Male	223	20.6099	2.712	1.717	0.087
	Female	77	21.208	2.392		
TB	Male	223	21.377	2.549	0.722	0.471
	Female	77	21.623	2.685		
PO	Male	223	21.825	2.477	0.597	0.551
	Female	77	21.636	2.127		
PE	Male	223	22.731	2.369	1.141	0.255
	Female	77	23.065	1.681		
SI	Male	223	20.256	2.463	1.262	0.208
	Female	77	20.649	2.031		
VI	Male	223	22.251	2.721	0.802	0.423
	Female	77	22.519	1.875		
Total LB	Male	223	128.951	11.172	1.295	0.196
	Female	77	130.701	6.732		

** t-values are at 1% level of significance * t-values are at 5% level of significance

managers. Data show that both male and female scored high on different variables of leadership behavior. There was no significant difference found between the scores of male and female respondents with respect to Emotional Stability, Team Building, Performance Orientation, Potential Extraction, Social Intelligence, Value Incultation and Total Leadership Behaviour (Effectiveness). Table 3 shows that total 300 respondents were viewed according to their marital status. Major part (188) of 300 respondents were married and remaining (112) were unmarried. Data show that in all the variables of leadership behaviour except social intelligence, both married and unmarried respondents scored high. Table reveals that responses of married and unmarried respondents were significantly different in case of Emotional Stability, Team Building, Performance Orientation, Potential Extraction, Value Incultation and Total Leadership Effectiveness (the value of significant level for t-test was less than 0.05) and not significantly different in case of Social Intelligence (the value of significant level for t-test was greater than 0.05).

Table 3
Marital Status-wise Comparison of Leadership Behaviour

Variables	Marital Status	N	Mean	Std. Deviation	Value of t-test	Sig. (2-tailed)
ES	Married	188	21.106	2.394	2.95**	0.003
	Unmarried	112	20.188	2.936		
TB	Married	188	21.777	2.29	2.963**	0.003
	Unmarried	112	20.875	2.935		
PO	Married	188	22.016	2.023	2.262*	0.024
	Unmarried	112	21.375	2.869		
PE	Married	188	23.053	1.928	2.416*	0.016
	Unmarried	112	22.419	2.588		
SI	Married	188	20.484	2.143	1.211	0.227
	Unmarried	112	20.143	2.688		
VI	Married	188	22.601	2.234	2.514*	0.012
	Unmarried	112	21.848	2.914		
Total LB	Married	188	130.984	8.291	3.539**	0
	Unmarried	112	126.741	12.451		

** t-values are at 1% level of significance * t-values are at 5% level of significance

Table 4
Qualification-wise Comparison of Leadership Behavior

Variables	Qualification	N	Mean	Std. Deviation	F value	Sig. level
ES	Graduation	141	20.617	2.529	6.896**	0.001
	Post Grad.	82	21.609	1.955		
	Professional	77	20.129	3.226		
TB	Graduation	141	21.439	2.619	3.88*	0.022
	Post Grad.	82	21.988	2.152		
	Professional	77	20.857	2.827		
PO	Graduation	141	22.064	2.281	10.24**	0
	Post Grad.	82	22.244	1.816		
	Professional	77	20.753	2.815		
PE	Graduation	141	22.844	2.026	4.894**	0.008
	Post Grad.	82	23.317	1.805		
	Professional	77	22.234	2.767		
SI	Graduation	141	20.461	2.395	0.499	0.608
	Post Grad.	82	20.39	2.077		
	Professional	77	20.129	2.592		
VI	Graduation	141	22.617	2.498	7.536**	0.001
	Post Grad.	82	22.695	2.089		
	Professional	77	21.377	2.801		
Total LB	Graduation	141	129.957	9.0474	9.236**	0
	Post Grad.	82	132.122	7.639		
	Professional	77	125.481	13.231		

** f-values are at 1% level of significance * f- values are at 5% level of significance

The predominance (141) respondents were graduates followed by 82 respondents who were postgraduates and rest of 77 respondents possessed professional degrees like C.A., Ph.D., M. Phil, Advance Studies in Banking and Finance etc. (Table 4) Data show that most of the respondents among various qualifications scored high on all the dimensions of leadership behaviour except social intelligence, where they scored less. F value reveals that there was significant difference between the scores of respondents of various qualifications, in case of Emotional Stability, Team Building, Performance Orientation, Potential Extraction, Value Inculcation and Overall Leadership Effectiveness. There was no significant

Table 5
Age-wise Comparison of Leadership Behavior

Variables	Qualification	N	Mean	Std. Deviation	F-value	Sig. level
ES	Under 30	129	20.496	2.913	3.865**	0.01
	31 - 40	84	20.417	2.672		
	41-50	67	21.284	2.073		
	51 and above	20	22.2	1.576		
TB	Under 30	129	21.047	2.749	1.833	0.141
	31 - 40	84	21.809	2.525		
	41-50	67	21.627	2.341		
	51 and above	20	21.8	2.285		
PO	Under 30	129	21.411	2.738	2.093	0.101
	31 - 40	84	21.964	2.097		
	41-50	67	22.254	1.949		
	51 and above	20	21.75	2.268		
PE	Under 30	129	22.566	2.446	2.002	0.11
	31 - 40	84	22.714	2.215		
	41-50	67	23.343	1.591		
	51 and above	20	23.1	2.269		
SI	Under 30	129	20.24	2.543	2.01	0.11
	31 - 40	84	20.024	2.313		
	41-50	67	20.91	2.043		
	51 and above	20	20.65	2.159		
VI	Under 30	129	21.853	2.851	2.946*	0.033
	31 - 40	84	22.809	2.17		
	41-50	67	22.642	2.254		
	51 and above	20	22.2	2.215		
Total LB	Under 30	129	127.519	11.817	3.388*	0.018
	31 - 40	84	129.619	9.929		
	41-50	67	132.059	6.672		
	51 and above	20	131.7	8.241		

** f-values are at 1% level of significance

* f- values are at 5% level of significance

difference between the scores of respondents of various qualifications in case of fifth variable of leadership behaviour i.e. social intelligence.

Table 5 expressed the level of leadership effectiveness of 300 respondents of different age groups. The respondents were divided into age groups of under 30 years, 31-40 years, 41-50 years and 51 years and above. In total, 129 respondents belonged to age group under 30 years, 84 respondents belonged to 31-40 years age group, 67 respondents belonged to 41-50 years age group and 20 respondents belonged to age group 51 years and above. Greater part of respondents showed high Emotional Stability, Team Building, Performance Orientation, Potential Extraction, Value Inculcation and Overall Leadership Effectiveness. A high portion of respondents scored less on Social Intelligence (the fifth variable of leadership behavior). The F value shows that there was significant difference between the scores of respondents of different age groups in case of Emotional Stability, Value Inculcation and Overall Leadership Effectiveness. No significant difference was found between the scores of respondents of different age groups in case of Team Building, Performance Orientation, Potential Extraction and Social Intelligence.

Table 6
Organization-wise Comparison of Leadership Behavior

Variables	Organization	N	Mean	Std. Deviation	Value of t-test	Sig. (2-tailed)
ES	Public	130	21.162	2.352	2.299*	0.022
	Private	170	20.459	2.814		
TB	Public	130	21.915	2.353	2.821**	0.005
	Private	170	21.077	2.696		
PO	Public	130	22.162	1.883	2.46*	0.014
	Private	170	21.482	2.683		
PE	Public	130	23.185	1.733	2.539*	0.012
	Private	170	22.535	2.491		
SI	Public	130	20.854	1.981	3.238**	0.001
	Private	170	19.977	2.558		
VI	Public	130	22.831	2.08	3.1**	0.002
	Private	170	21.929	2.771		
Total LB	Public	130	132.062	7.105	4.038**	0
	Private	170	127.365	11.714		

** t-values are at 1% level of significance

* t-values are at 5% level of significance

Preponderance (170) of 300 respondents in Table 6 belonged to private insurance companies and rest of 130 respondents belonged to public insurance companies. Major portion of respondents scored high in Emotional Stability, Team Building, Performance Orientation, Potential Extraction, Value Incultation and Overall Leadership Effectiveness. A good part of respondents scored less on Social Intelligence. It can be extracted from t-score that public and private sector respondents had significant different responses regarding all the five variables of leadership behavior as well as overall leadership effectiveness (the value of significance level for t-test ranges from 0.01-0.05) To begin with, Table 2 depicted the scores of male as well as female respondents. Out of 300 respondents, 223 were male and only 77 were female managers. Data shows that both male and female scored high on different variables of leadership behavior. There was no significant difference between the scores of male and female respondents with respect to Emotional Stability, Team Building, Performance Orientation, Potential Extraction, Social Intelligence, Value Incultation and Overall Leadership Effectiveness.

Table 7

Inter-correlation Among Different Variables of Leadership Behavior

Variables of leadership behavior	ES	TB	PO	PE	SI	VI	LB
ES	1.000	.355(**)	.177(**)	.262(**)	.032	.196(**)	.502(**)
TB	.355(**)	1.000	.485(**)	.485(**)	.348(**)	.476(**)	.756(**)
PO	.177(**)	.485(**)	1.000	.547(**)	.393(**)	.522(**)	.744(**)
PE	.262(**)	.485(**)	.547(**)	1.000	.453(**)	.531(**)	.771(**)
SI	.032	.348(**)	.393(**)	.453(**)	1.000	.445(**)	.629(**)
VI	.196(**)	.476(**)	.522(**)	.531(**)	.445(**)	1.000	.756(**)
LB	.502(**)	.756(**)	.744(**)	.771(**)	.629(**)	.756(**)	1.000

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

CONCLUSION

Middle level managers are the line managers, who have the direct contact with the people at operational level. Their interaction pattern, leadership style and communication skills need to be tailored to satisfy individual employees motivational needs. Naturally the effectiveness of their behavior is directly related to the employees' level of satisfaction, motivation and retention. Therefore, they need to

balance the top managements' expectation and those of the lower level employees. They also need to constantly create a harmony between concerns for tasks and people. This definitely demands high emotional stability, performance orientation, team building capability etc.

It is evident from the results and discussion that there is high correlation found between all the variables of leadership behavior except emotional stability and social intelligence. High correlation among the variables means if one increases other increases as well. Managers scored high on Emotional stability, team building, performance orientation, potential extension, value inculcation and overall leadership effectiveness. They scored less on social intelligence. Therefore, managers need to learn to develop relationship based on empathy, challenge and respect, with successive personal transformations according to opportunities and situations.

Since significant difference is found on different variables of leadership behavior when analyzed marital status-wise qualification-wise, organization wise. Therefore, it is evident that all the respondents having the above said personal attributes have the different responses regarding different variables of leadership behavior. On the basis of age, there is significant difference found in case of emotional stability, values inculcation and overall leadership effectiveness but no significant difference found in case of team building, performance orientations, potential extraction and social intelligence. There is no significant difference found in the scores of male and female respondents. In nutshell, leadership effectiveness is high in Indian insurance companies. The findings of the study strongly recommend the improvement in managers' Social intelligence. They should be good listeners and analyzer of others behavior. It will lead to better performance.

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