

BASIC, ACTUAL AND EFFECTIVENESS OF LEADERSHIP STYLES OF CONSTRUCTION PROJECT MANAGERS IN SURABAYA

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ABSTRACT

Leading is one of the most important facets in managing construction projects, and behaving as an effective leader is a vital project manager's responsibility to ensure that work efforts of other persons are directed toward the accomplishment of organizational objectives. This paper aims to determine basic and actual leadership styles of construction project managers in Surabaya. The effectiveness of the actual leadership style is also examined. To accomplish the objective, the paper first briefly reviews the ways in which leadership is approached. Data were then collected through an empirical survey to 46 project managers, taking Fiedler and Hersey-Blanchard's models as the point of departure. The results indicate that the basic leadership of project managers in Surabaya falls slightly on task-oriented behavior. Meanwhile selling is the most common style used as actual leadership in practice. The paper discusses the effectiveness of the styles adopted and situational variables affecting.

Keywords: behavior, leadership, project manager, survey

INTRODUCTION

Today's construction is more competitive than ever before. Especially in Indonesia, the construction business is now entering a gloomy period [1]. Inadequate financial resource (capital) is pointed out as the most serious problem the industry is currently facing. In addition, the industry soon has to deal with the free trade business in the region. Hence, only those contractors, which can effectively manage construction projects, will continue to survive. However, for an effective management, financial resource alone is not sufficient. The construction companies should be equipped with adequate human resource supports as well.

Planning, organizing, leading and controlling are four basic management functions that construction companies, especially the project managers, should possess for the success of projects. This paper will focus on one of the functions, i.e. project leadership, to help provide

the needed human resource support. Leadership is defined as the manner in which the project managers conduct themselves in their role in order to obtain the best performance from the people they are managing [2].

Basically all project managers lead. Some serve well as leaders, while others do not. The inevitable question is "Why?" A correct answer to this question could greatly assist the managers in developing personal leadership capabilities to their maximum potential. These desirable outcomes, in fact, nicely state the ultimate goal of all leadership researches, including construction researches.

Yet, the issue of leadership has been predominantly conducted in management or business school and less in construction. The issue has mainly received attention in construction management literature in the improvement of construction site performance, and little attention has been given to the study of managerial styles the leaders (project managers in this study) adopt in managing their project [3]. Such studies are indeed beneficial in answering the question "Why" mentioned above.

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In other words, the effectiveness of the leader is in some extent, as evidence suggests, determined by the adoption of an appropriate style [3,4].

Nevertheless there is no definite answer to the question whether there is a rational means by which anyone can master the art of leadership. Further, though courses in leadership are common in management or business schools, their achievements have not been quantitatively examined [5]. Despite the difficulty to evaluate, leadership however can be observed by the leader's behaviors [6].

This paper aims to determine leadership style of construction project managers in Surabaya. The focus is to investigate basic and actual leadership styles of the project managers. In addition, the paper seeks to examine the effectiveness of the actual leadership style the project managers adopt. To accomplish the objective, it first briefly reviews the ways in which leadership behavior is approached. Strengths and weaknesses of the approaches are critically examined. Secondly, results of a recently conducted survey are reported and discussed.

LEADERSHIP STUDIES AND CONSTRUCTION

Project management can be defined as the art and science of coordinating people, equipment, materials, money and schedules to complete a specified project within the constraints of time, budget, and quality to the satisfaction of everyone involved [7,8]. Since it is people who have the ability to create ideas, identify and solve problems, communicate, and get the work done, much of the work of a project manager is organizing and working well with people to identify the problems and determine solutions to problems. The project manager is ultimately responsible for the productivity of the people in the project team; it is therefore the project manager's job to maintain cohesion and cooperation among all those involved in the project. Hence, the project manager must be a leader, one who can inspire and motivate people who have ties both the project as well as to the functional organization [9].

Researches in construction have tended to stress the importance of leadership in managing construction and to prescribe a set of characteristics, attributes and skills necessary for the

project managers for the effectiveness of their leadership (e.g. [10]). Yet, there are limited studies conducted specifically to investigate the managerial styles of project managers as leaders. Moreover, the previous studies pay little attention to potentially important situational factors that define the context within which the project managers are expected to function.

Management theory includes three major approaches to the study of leadership [11]. They are trait approach, behavioral approach, and contingency approach. Recent publications have incorporated some contemporary theories in leadership in addition to the three approaches above [6,12]. For the purpose of the study, this paper will discuss the three major approaches in the followings.

The earliest researches to the leadership focused on personal traits or characteristics of the leader. This trait approach involves the assumption that a leader's personal characteristics determine leadership success. It concludes that that leaders are born, not made or developed through experience [13,14]. Thus, the goal is to find a set of personal characteristics that separate effective and ineffective leaders. Given such a list, it would then be easy to select for leadership positions only those people whose characteristics matched the profile and who would therefore surely succeed. The trait approach has been criticized that it only provides a fragmented list of traits and skills commonly found in perceiving effective leader [6]. It cannot determine a set of universal traits that clearly predicts success or failure, and as equal important it is difficult to agree which ones are more important than others [13]. This is not to say, however, that the approach is totally wrong. There are certain traits that do help differentiate leaders from nonleaders [15].

The second traditional approach, called behavioral approach, compares the behaviors of effective leaders with those of ineffective ones. In this view, successful leadership depends more on appropriate behavior, skills, and actions, and less on personal traits [16]. The distinction between this approach and the previous one is a significant one, since behaviors and skills can be learned and changed, while many traits are relatively fixed. Two major research projects dedicated to this approach were conducted at Ohio State University and at the University of Michigan [12]. Both projects resulted in similar

conclusions that leadership style could be classified into two: concern for production and concern for people. This approach, however, gives too little attention to the effects if the situation on leadership behavior and/or leader effectiveness. As Robbins [17] mentions, the effectiveness of a particular leadership style is contingent upon the situation in which it is used. Effective managers must be able not only to determine the most appropriate leadership style but also to correctly apply that style. Hence they should exhibit a degree of versatility and flexibility that enables them to adapt their style to the changing and contradictory demands made on them (Ralph Stogdill as cited from [18]).

The third, contingency approach suggests that whether a person is a leader or not is mainly a matter of external events. While the trait approach emphasizes *who leaders are* and the behavior approach emphasizes *what leaders do*, the contingency approach stresses external factors over which leaders may have no control [14]. Instead of searching for the one best way to behave in all situations (as the behavioral approaches did), contingency approaches try to determine when a particular style is the most appropriate way to achieve leadership effectiveness. This paper will discuss two contingency approaches, i.e. Fiedler and Hersey-Blanchard models, which will be used as instruments to investigate the leadership style of project managers.

Fiedler's Contingency Model

Fiedler was the first one to comprehensively develop contingency model of leadership style. He proposes that effective group performance depends upon the proper match between the leader's style and the degree to which the situations give control to the leader. Fiedler believes that the individual's basic leadership style is a key factor in leadership effectiveness [4]. He created the Least Preferred Co-worker (LPC) questionnaire to identify the basic style. It purports to measure whether a person is task or relationship oriented.

The LPC questionnaire contains 18 contrasting adjectives, such as pleasant-unpleasant, friendly-unfriendly, open-guarded, nasty-nice [4]. It asks the respondents to think of all the co-worker they have ever had and to describe the one person they least enjoyed working with by rating him or her on a scale of 1 to 8 for each of the 18 sets of contrasting objectives. A high LPC

score (73 or above) describes that the respondents are primarily interested in good personal relations with this co-worker (labeled as *relationship-oriented* person). Their self-esteem depends in large part on how other people regard themselves.

A low LPC score (64 or below) indicates a *task-oriented* person, who is primarily interested in productivity. Here, people find their main satisfaction in getting things done. They gain more self-esteem from concrete achievement than from their relations with others. They feel most comfortable when they can work from clear guidelines and standard operating procedures.

Fiedler labels people with a middle score (between 65 to 72) as *socio-independent* leaders. These people are more difficult to describe clearly. Generally speaking, middle LPC leaders appear to somewhat detached, and more inner-directed, less distracted or concerned by what others may think, but more open to their environment. They are therefore more flexible and learn more from their experience, and they may make better use of their abilities under many conditions [4].

Hersey and Blanchard's Situational Leadership Model

To measure the actual leadership style employed by project managers, the Hersey-Blanchard's situational leadership model is applied. According to the model, effective leadership is achieved by selecting the right leadership style, which is contingent on the readiness level of the followers the leader is attempting to influence [18]. Readiness is defined by Hersey and Blachard as the extent to which a follower demonstrates the ability (knowledge, experience, and skill) and willingness (confident, commitment, and motivation) to accomplish a specific task. Thus, there is no one best way to influence people. The follower's readiness dictates the leader's behavior. For this, it is likely possible that a leader's basic leadership style is not an effective one in actual practice.

There are four leadership styles defined in this model. They are:

1. Telling – provide specific instruction and closely supervise performance;
2. Selling – explain decisions and provide opportunity for clarification;
3. Participating – share ideas and facilitate in decision making;

4. Delegating – turn over responsibility for decisions and implementation.

Figure 1 depicts the four leadership styles appropriate for various followers' readiness level.

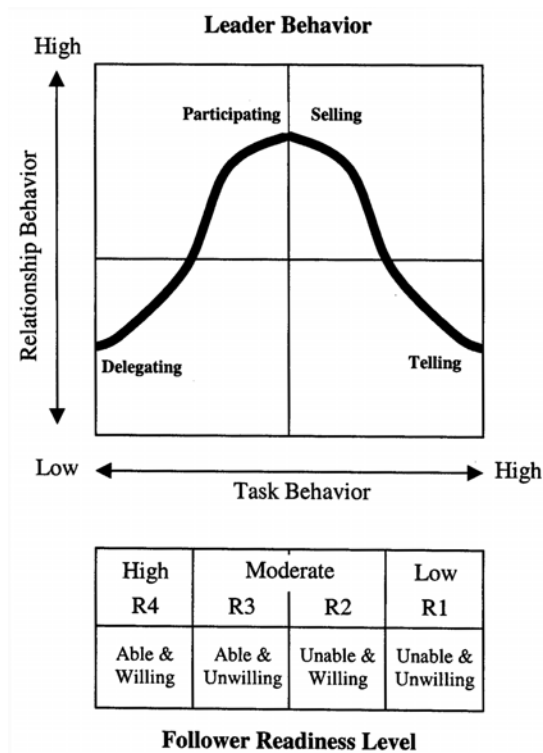


Figure 1. Situational Leadership Model (Adapted from [18])

RESEARCH METHODOLOGY

Questionnaire Development and Method of Analysis

The study employed a questionnaire survey methodology to collect data. The questionnaire was divided into three sections, which covered general information of the respondents, information on basic leadership style, and information on actual leadership style. The Fiedler's LPC questionnaire, with 18-items version [4], is utilized in this research to define the basic leadership style of project managers as Fiedler assumes that an individual's leadership style is fixed and a person's score is an invariant personal characteristic. Similar leadership studies conducted in UK [3] and Hong Kong [19] also adopted the LPC score, thus a comparison of the basic styles of project managers in those countries and in Indonesia could be made possible (see Table 1).

Prior distributing, the original version of the questionnaire was translated into Indonesian and a pilot study was carried out. The followings show the final format of the LPC questionnaire. (The complete version of the questionnaire can be found from [4,20].)

Pleasant 1 2 3 4 5 6 7 8 Unpleasant
 Friendly 1 2 3 4 5 6 7 8 Unfriendly

The analysis performed to find the basic style started with summing up the LPC scores obtained from all respondents, and then continued with finding the average score so that the overall basic style of project managers in Surabaya could be determined. The ranges of score described in the previous section were finally used to label the basic style.

For the actual leadership style, corresponding to the Hersey-Blanchard's situational leadership, a different set of questionnaire was engaged. The questionnaire was adopted from [21], which consisted of 12 sets of situations. Each situation has four answers; each expresses the situational leadership styles (telling, selling, participating or delegating) in which a leader may have taken in managing the work of his/her subordinates. The following paragraph gives one example of the situations. The Indonesian version of the questionnaire can be obtained from [20].

Situation 1 The employees in your program appear to be having serious problem getting the job done. Their performance has been going downhill rapidly. They have not responded your efforts to be friendly or to your expressions of concern for their welfare.

- a. Reestablish the need for following program procedures and meeting the expectations for task accomplishment.
- b. Be sure that staff members know you are available for discussion, but don't pressure them.
- c. Talk with your employees and then set performance goals.
- d. Wait and see what happens.

Two major actual leadership styles would be examined in this paper, namely primary and secondary styles. In addition, the analysis in this part was also intended to see the effectiveness of the style adopted for each situation. This was accomplished by comparing the respondents' answer, for each situation, with the key answer sheet [21]. Since there were four styles in each situation/question, the effectiveness scores would range from -2 to +2,

where negative sign indicated ineffective score and vice versa.

Target Respondents and Questionnaire Distribution

A simple random sampling approach was used to collect the samples, i.e. the project managers. The managers were drawn from three classes of contractors – big, medium and small contractors – listed as member of a contractor association (GAPENSI) in Surabaya. Here a contractor company could supply more than one questionnaire, because there might be more than one project managers working for the company. Totally 76 sets of questionnaire were distributed to 26 contractor companies.

SURVEY RESULTS

General Information

The researchers finally could collect 46 questionnaires (60.5% rate of return), where most of the project managers (33 people) worked for medium contractors. Figure 2 details other proportions. Meanwhile, the working experiences of the project managers ranged from 1 to 30 years, which were grouped into two as portrayed by Figure 3.

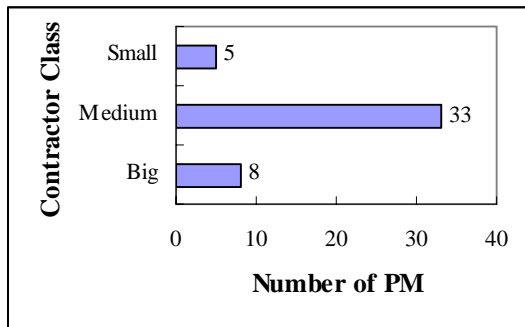


Figure 2. Number of Project Managers according to Contractor Class

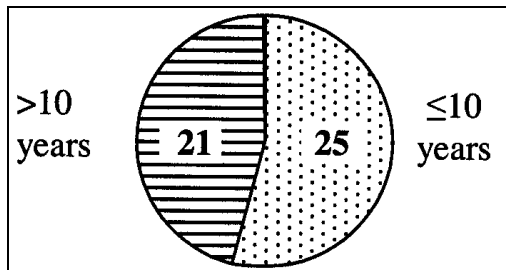


Figure 3. Work Experiences of Project Managers

Basic Leadership Style of Project Managers

Figure 4 displays distributions of the LPC scores, with minimum and maximum scores are 25 and 124 respectively. Meanwhile, the average score is 63.70 (SD = 32.66), indicating that in overall the basic leadership style of the project managers in Surabaya is task-oriented. This basic leadership style is the habitual and actual style a PM would choose to adopt if the influences of situational variables were ignored. Comparing the result with other countries (elaborated in Table 1), the LPC score in Surabaya can be seen to be lower than that in Hong Kong and slightly higher than those in U.K.

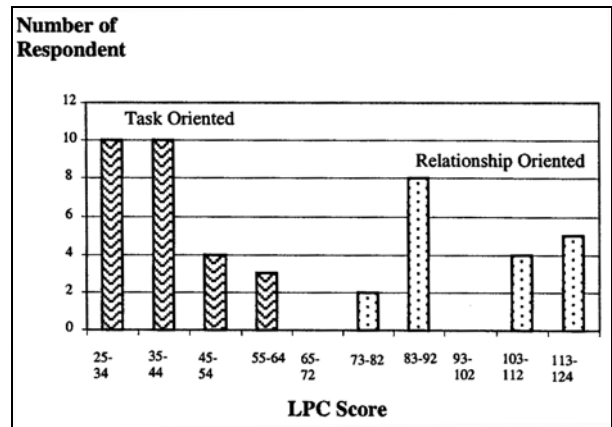


Figure 4. Distributions of LPC Score

Table 1. Average LPC Scores for Construction Managers

| Construction Managers | Average score |
|--------------------------|---------------|
| Hong Kong ⁽¹⁾ | 71.54 |
| Surabaya (current) | 63.70 |
| U.K. ⁽¹⁾ | 62.39 |
| U.K. ⁽²⁾ | 61.91 |

Note: (1), (2) From [19] and [3], respectively using 16-item scale, but have been adjusted to an 18-item scale.

However, the distribution of the LPC scores in Figure 4 shows that 19 respondents (41.3%) fall on relationship-oriented range. This fairly high proportion may explain that construction project managers in Surabaya possess both leadership behaviors and cannot be labeled as task-oriented only. The finding thus needs further investigation, which is described in the following.

When the respondents were divided into two groups based on their working experience (Figure 5), it was discovered that among 25 project managers with experience more than 10

years (Figure 5a), most of them (76.19%) adopted task-oriented style (average LPC score = 50.6). Meanwhile, those less experienced ones (Figure 5b) tended to be relationship-oriented leaders, with a much higher average score of 74.7. A student t-test statistical analysis confirmed a significant difference (at $\alpha = 5\%$) of the basic leadership styles followed by more and less experience project managers ($P\text{-value} = 0.01$). One possible explanation for the difference is the changing political situation in the nation from an autocratic (in the new order era) to a more democratic fashion (in the current reformation era). Educations received from the different era are another possibility.

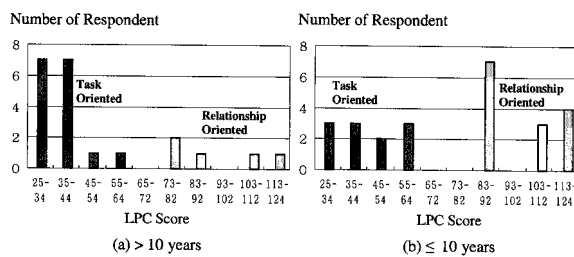


Figure 5. LPC Score Based on Years of Experience

Actual Leadership Style of Project Managers

Based on the four Hersey-Blanchard’s leadership model, the primary actual style employed by project managers was selling (Figure 6a), while the secondary actual style was participating (Figure 6b). According to the model in Figure 1, a leader with selling style exhibits high task behavior and high relationship behavior. Here, a project manager provides guidance, explains and makes decisions, and provide opportunity for the follower for clarification [18].

A statistical Chi-square test performed to see the difference in actual leadership style between more and less experienced project managers showed no significant difference ($P\text{-value} = 0.78$). It points out that, though basically they have different orientation behavior, the project managers perform similar behaviors in actual practice. They need to provide clear guidance as who, what, when, where, and how to do the works. At the same time, maintaining relationship, as an important part of Indonesian culture, with their followers (either site management staff or worker) is also important to accomplish the works. The project managers are required to not only order but also to explain, to clarify and to persuade their followers to do.

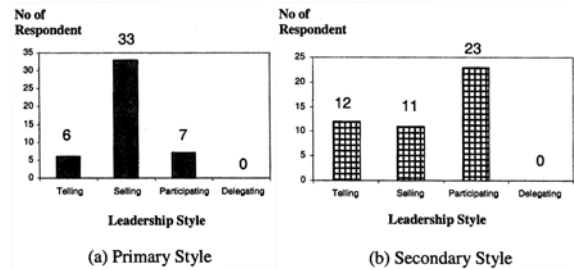


Figure 6. Actual Leadership Style

Effectiveness of Actual Leadership Style of Project Managers

Total effectiveness score of primary actual leadership style adopted for all respondents was 264. (Note: the total effectiveness score would range from -1104 to +1104.) This score demonstrates that in general the project managers were relatively effective in employing the styles. Table 2 provides the detail of the effectiveness score for each 12 situations asked.

Looking at the table, one should wonder with the significant negative effectiveness scores for situations 7, 8 and 11. To be effective, these situations would have required participating and delegating styles instead of selling style. A closer examination of the respondents’ answers found out there were very few respondents chose delegating style in their actual practices. As can be noted also from Figure 6, there was no single delegating style selected by the project managers for either their primary or secondary style. In other words, very rarely did the project managers exercise delegating style in actual construction practice. This could happen maybe because the project managers still could not fully acknowledge or believe the ability and willingness of their followers even though they have.

Table 2. The Effectiveness of Primary Actual Leadership Style in Each Situation

| Situation | Primary Actual Style Used | Total Effectiveness Score |
|--------------------|-------------------------------|---------------------------|
| 1 | Selling | +35 |
| 2 | Selling | +59 |
| 3 | Participating (Participating) | +27 |
| 4 | Participating (Participating) | - 5 |
| 5 | Telling | +75 |
| 6 | Selling | +29 |
| 7 | Selling | - 40 |
| 8 | Selling | - 47 |
| 9 | Participating (Telling) | +64 |
| 10 | Selling | +67 |
| 11 | Selling | - 12 |
| 12 | Participating (Participating) | +12 |
| Total Score | | +264 |

The authors argue that, between the two readiness factors, the second is a more prevalent consideration. Such factors as indiscipline, low motivation and similar others are inherent problems in construction. In his book, Koentjaraningrat [22] has clarified that the very vertical-oriented attitude (too oriented to senior, high position or older people) of Indonesian employees has brought negative impacts of no pure discipline and no responsibility. The current economic situation, where the salary of construction employees (for site staff) is relatively low compared to those working in other industries, may also increase these inherent attitude problems. It could be understood therefore why the project managers hardly maintained delegating styles to lead the projects.

CONCLUSION AND FURTHER RESEARCH

Construction project managers in Surabaya are generally task-orientated. The LPC score (63.70) is slightly higher than those in U.K. (61.91 and 62.39), but lower than that in Hong Kong (71.54). The widespread of the LPC scores pinpoints that the project managers exhibit both task- and relationship-oriented behaviors. Considering their working experience, the less experienced project managers are more relationship-oriented than those with more than 10 years experiences. The changing political situation and different educational background are expected to have influenced the basic leadership style. Future researches can investigate these issues in more detail.

The result of the survey finds out that, in general, selling and participating styles are common actual leadership styles in Surabaya. The project managers need to give guidance and at the same time maintaining good relationship with their followers.

As for the leadership effectiveness, the actual styles adopted by the project managers are relatively effective. Ineffectiveness is found particularly for situations needing delegating style, which necessitates the leaders to give full authority to the followers for making decisions. Indonesian vertical-oriented attitude is argued to have influenced the project managers for very rarely practicing the delegating style.

The research has thrown up some interesting findings. Future researches may explore the

situational variables not specifically investigated here. The authors think that it may be more appropriate if the measurement of the actual leadership styles and their effectiveness are exercised by the followers, since it is ultimately the followers, who by and large perceive whether the leader is accepted and effective or not. This thus needs further clarification.

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