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Improving IT professionals job skills development: The use of management styles and individual cultural value orientation

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ABSTRACT

This study examines how the effectiveness of new management styles (authoritarian, participative) may vary depending on individual cultural values of traditionality and contextual factors of innovative culture, why they moderate the relationship between new management styles and information technology engineers' professional skills. Hypotheses that assume such links are proposed and tested using the sample drawn from 280 research and development employees in high-tech industry. A 3-way interaction qualifies these main effects: in the environment of high innovative culture, new participative management style relates positively to technical specialties and technology management knowledge of professional skills for engineers low on traditionality. In the workplace of low innovative culture, new authoritarian management style relates positively to business function knowledge of professional skills for engineers high on traditionality.

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1. Introduction

Over the past few decades, the effectiveness of management styles has emerged as a focus of attention in management studies. Empirical evidence supporting a contingent theory has long established that certain antecedents, such as management styles and organizational culture, have the capability to direct employee behavior (Luthans & Stajkovic, 1999). Walumbwa, Lawler, and Avolio (2007) reported that individuals exhibited stronger positive attitudes than under other management conditions, such as satisfaction with supervisors or organizational commitment, when management styles involved a cultural value orientation. This suggests that certain contextual factors may weaken or even possibly reverse the effects of management styles on subordinate performance and their development of professional skills (i.e., varied professional job knowledge based on Lee, Trauth, and Farwell (1995) definition). Thus, examining whether the relationship between management styles and professional skills are affected by contextual factors, such as the level of individual held cultural value orientation (i.e., traditionality and perceived

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innovative culture), will be imperative. Meanwhile, social exchange theory has provided the conceptual underpinning of research on work attitudes and behaviors (Settoon, Bennett, & Liden, 1996). Specifically, employees with a high degree of social exchange perception will increase their prosocial motivation to reciprocate their job training and development (Kuvaas, Buch, & Dysvik, 2012). The impact of an innovative culture and traditionality on the relationship between management styles and professional skills has not yet to be examined in a single study. In this line of inquiry, applying the social exchange theoretical lens, we seek to gain a better understanding of how traditionality and perceived innovative culture impact the effectiveness of management styles on the development of professional skills.

Prior studies have mentioned several kinds of management styles. Specifically, participative management style and authoritarian management style are the two common yet opposing management styles found in businesses (e.g., Likert, 1967; Likert & Likert, 1976). Participative management is a style in which leaders empower and reward their subordinates and welcome employees' participation in day-to-day operations (Nystrom, 1990). A more traditional style is authoritarian management (Barrett & Bass, 1976), which is characterized by paternalistic leadership (Morris & Pavett, 1992), collectivist orientation (Wright, Szeto, & Geory, 2000), and greater power distance between managers and employees (Hofstede, 1980). Previous research found firms that tend to

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use the participative style foster experimentation and risk taking (Dixon, Meyer, & Day, 2007) and allow workers to enhance their professional skills (Cheng & Bolon, 1993) while authoritarian style impedes individual creativity which may possibly reduce an employee's motivation to actively develop professional skills (Karakitapoğlu-Aygün & Gumusluoglu, 2013). However, the negative aspects that are assumed inherent in authoritarian management could be alleviated if employees have cultural values aligned with this management style. For example, individuals who rate high in traditionality might prefer to be led by an authoritarian system. This implies that a good fit or an alignment between individuals' cultural value orientation, such as traditionality, and organizational contexts, such as innovative culture, can improve the development of professional skills. Yet, a further review of the literature demonstrates that research exploring innovative culture and individual's traditionality may play a limited role in how subordinates react to the relationship between management styles and the employees' desire to improve their professional skills (e.g., Newman & Nollen, 1996). Employee professional skills are critical for an organization, and they play a fundamental role in attaining and maintaining a competitive advantage. Thus, it is important to understand the extent to which the effectiveness of management styles varies with a person's cultural values and contextual factors. Additionally, innovative culture is a set of shared norms that develop and establish the values, views, and attitudes necessary to foster experimentation and creativity (Schein, 1996). It can drive employees' way of thinking and encourage them to be more proactive in problem solving, thus it has a positive effect on human capital motivation (Marguies, Simon, Jose, & Caranana, 2006). Traditionality emphasizes a respect for hierarchy in relationships and refers to hierarchical values in a broader societal context (e.g., Farh, Cheng, Chouand, & Chu, 2006). Previous studies have found it affects an employee's reaction to employers in both Eastern and Western contexts (Hui, Leeand, & Rousseau, 2004). Thus, traditionality focuses on issues of hierarchy and relationships, making it relevant to this study for understanding management styles.

In a social exchange relationship within an organization, employers offer rewards and favorable job conditions in exchange for the employees' loyalty and work effort (Blau, 1964). The suggested reciprocal commitment, trust, and mutual influence between managers and subordinates are positively related to management styles and professional skills in the workplace. Previous studies have found that social exchange theory is associated with higher levels of work performance (e.g., Song, Tsui, & Law, 2009) and employees will reciprocate the support from the organization by engaging in behaviors that exceed the minimal requirements for employment (e.g., Shore, Tetrick, Lynch, & Barksdale, 2006). Thus, building on previous research on management styles, organizational culture, and social exchange theory, we seek to more fully examine the unique and combined influences of individuals held cultural value of traditionality, the context factor of innovative culture, and the effectiveness of authoritarian and participative management styles on employees' professional skills in the hightech IT sector.

The purpose of this study is to expand the existing understandings of social exchange theory by discussing how the moderating effects of traditionality and innovative culture affect the relationship between management styles and professional skills. Therefore, this paper proposes three specific interaction effects. In particular, this study explores the influence of a new management style (i.e., new authoritarian and participative management style), which is based on Likert's autocratic and participatory management styles and has added in the concept of power distance orientation, on development of professional skills. Second, this study tests the relationships among innovative culture,

traditionality, management styles, and professional skills. Attention is given to the roles of innovative culture and traditionality, with a focus on the moderating effects to examine whether IT technical engineers' professional skills are significantly enhanced.

This current study contributes to the social exchange literature by adding management style (authoritative and participative), and individual held cultural value orientation, such as traditionality and perceived innovative culture, for explaining the improvement of professional skills. We set to understand how professional employees are likely to reciprocate in social exchange with their manager. Understanding how professional employees are likely to reciprocate will improve the accuracy and generalizability of employee reciprocity models and provides insight into how to manage these professional workers effectively. Meanwhile, in order to acquire a more comprehensive understanding of management style, we added the concept of power distance in the current management style theory to be a new management style. We further propose that the extent to which professional workers reciprocate managerial treatment depends on the extent to which individual cultural value orientation, such as perceived innovative culture and traditionality. We anticipate a 3-way interactions effect among new management styles, perceived innovative culture, and traditionality will shape professional workers' frame of references, which will more explicitly aid our understanding on the development of professional skills, especially when understanding the proportion of the workforce performing professional work has dramatically increased (Barley & Orr, 1997). Our findings are consistent with prior advocates of reciprocity dynamics and professionals workers (e.g., Hekman, Gregory, Steensma, & Hereford, 2009), the literature on traditionality (e.g., Farh, Hackettand, & Liang, 2007) and management style (e.g., Likert, 1967; Likert & Likert, 1976). Yet, they also extend these works.

2. Theoretical model and hypotheses

2.1. New authoritarian and participative management styles

Management style is a preferred way of managing people to bind diverse operations and functions together, as well as to exercise control over employees (Clear & Dickson, 2005). Management style is "a recurring set of characteristics that are associated with the decisional process of the firm or individual managers" (Albaum, Herche, & Murphy, 1995; Tull & Albaum, 1971). Extensive research has distinguished two broad types of management style: authoritarian (traditional) and participative (democratic) (Likert, 1967; Likert & Likert, 1976). The authoritarian management style is autocratic, directing, and deal-oriented with rigid hierarchies to ensure that managers make centralized decisions (Wright et al., 2000) while participative management style focuses on communication through interactions and emphasizes procedure (Fu, Peng, Kennedy, & Yukl, 2004). Management styles and philosophies are anchored in the cultural values of a firm's home country - for instance, a higher power distance exists in the authoritarian style and a lower power distance is associated with the participative style (Hofstede, 1980; Pye, 1985; Whitley, 1997). Specifically, the traditional, more authoritarian management concepts are common in Asia or South America (Anwar & Chaker, 2003; Chen, 2001; Hofstede, 1991, 2001; Newman & Nollen, 1996; Poon, Evangelista, & Albaum, 2005). Firms that adopt these concepts have to accept collective values and an unequal distribution of organizational power. In line with this concept, we submit that Likert's four systems of management theory (Likert, 1967; Likert & Likert, 1976), which distinguishes between autocratic and participatory style, should consider the concept of power distance.

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