

THE DETERMINANTS OF SUBORDINATES' PERCEIVED LEADERSHIP STYLES IN SMALL AND MEDIUM ENTERPRISES IN THAILAND

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Abstract

This study aims to examine the determinant factors of perceived leadership style in small and medium enterprises (SMEs) in Thailand. Discriminant analysis results showed that leaders who used different leadership styles (coercive, authoritative, affiliative, democratic, pacesetting and coaching) had different degrees of emotional intelligence, personality traits, adversity quotient, and ethics of leadership.

Keywords: Leadership Styles, Emotional Intelligence, Big-Five Personality Traits, Adversity Quotient, Ethics

บทคัดย่อ

งานวิจัยนี้มีจุดมุ่งหมายเพื่อศึกษาปัจจัยที่มีผลต่อรูปแบบภาวะผู้นำในองค์กรขนาดกลางและขนาดเล็กในประเทศไทย ผลของการวิเคราะห์โดยใช้การวิเคราะห์จำแนกประเภทพบว่าผู้นำที่ใช้รูปแบบภาวะผู้นำที่ต่างกัน (ผู้นำแบบเผด็จการ ผู้นำแบบแบบตามระเบียบ ผู้นำแบบเพื่อนร่วมงาน ผู้นำแบบประชาธิปไตย ผู้นำแบบตัวอย่าง และผู้นำแบบไคซ) มีระดับความต่างกันในด้านความฉลาดทางอารมณ์ ด้านลักษณะบุคลิกภาพ ด้านความสามารถในการฟันฝ่าปัญหาอุปสรรคและด้านจริยธรรม

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INTRODUCTION

Leadership has been a central concept in organization theory for many years. Leadership styles refer to the characteristics and behaviors of leaders which have been defined in various ways, but the key question is "what is the best leadership style?" Leadership styles have long been a matter of discussion in order to determine the appropriate characteristics or styles of leadership behavior because style of leadership is crucial for the performance and growth of an organization (Hogan, Curphy & Hogan, 1994). Leadership is in an open system and leaders face various environmental uncertainty from both inside and outside the company. Environment uncertainty can affect strategic planning, decision making and the performance outcome of the company (Matthews & Scott, 1995). Fiedler (1981) pointed out that leadership success is dependent upon personality and the abil-

ity to adapt as well as maintain situational control through either task or relationship motivation. Goleman (1995) postulated that an effective leader should have many styles to match different situations. However, Hersey and Blanchard (1996) argued that no style of leadership had proved suitable for all situations and the leader should choose the style or adjust to match the situation taking into account the maturity/readiness of the followers they encounter. Thus, the consensus of opinion is that there is no best style of leadership, and that leaders need to adapt and adjust to match situation. Yulk (1999) pointed out that much research on leadership style has measured the behavior of leaders but there is less evidence about integrating factors of independent situations since different environment-related conditions of uncertainty as well as entrepreneurial culture influence the style and behavior of leaders. Thus, lack of an integrative model reveals a gap to investigate the devel-

opment of the leadership phenomenon, especially research in small and medium enterprises (SMEs).

In a global entrepreneurial monitors ranking in year 2011, Thailand ranks the highest in terms of established business owner-managers and statistically ranged high on early stages of entrepreneurial activity than other countries around the world (Kelly, Singer & Herrington, 2011; Virasa & Hunt 2008). The present study investigates the perceptions of subordinates regarding the factors associated with leadership styles among SMEs in the Thai context. These factors include Big-Five personality traits, emotional intelligence, adversity quotient and ethics.

LITERATURE REVIEW

Styles of Leadership

Shea (1999) pointed out that humans reciprocate with each other under the system of causal interaction based on personal characteristics, environmental factors and cognitive self-regulation. Furthermore, the self-regulation of leaders or managers involves different behaviors to persuade followers to accomplish tasks. The behaviors relevant to persuade subordinates are referred to as leadership style. The concept of leadership style is still debated under various perspectives since different approaches have led to different classifications of leadership style such as transformational and transactional leadership (Bass & Avolio, 1985); delegating, participating, selling, and telling styles (Hersey & Blanchard, 1988); and McClelland and Hay/McBer's leadership typology (Goleman, 2000). Styles of leadership are derived from different conceptualization and operationalization of researchers' perspective (Giritli & Oraz, 2004). The concept of leadership style is based on the characteristics of task-relationship behavior between leaders and followers (Chong & Wolf, 2009).

In this study, the researcher has adopted the leadership style from David McClelland and Hay/McBer's leadership style typology. The six leadership styles of McClelland are based on transactional and transformational leadership concepts. There are six styles of leadership that Hay/McBer's consulting firm found when studying effective leadership in various situations and working environ-

ments worldwide (Goleman, 2000). The six typologies of leadership were identified as coercive, authoritative, affiliative, democratic, pacesetting, and coaching leaders.

The coercive and the authoritative styles fall under the transactional leadership definition; and the affiliative, the democratic, the pacesetting, and the coaching styles fall under the transformational leadership definition (Giritli & Oraz, 2004). These six styles stem from different aspects of emotional intelligence but directly impact on the working environment or climate in a company (Goleman, 2000; Montgomery, 2006).

The leadership concept had been studied from the trait, behavioral, and situational approaches in order to define the patterns or characteristics of effective leadership. However, most researchers have accepted that there cannot be a consensus and there are still no empirical studies to support a normative or best leadership style (Hersey & Blanchard, 1996). Trait, behavioral and situational approaches imply the status quo of leadership in a company and makes it possible to predict future performance. It is essential that leadership should match the situations or different climates in different circumstances. Based on the social cognitive perspective, the factors of emotional intelligence, adversity quotient, ethics of leadership and the Big-Five personality traits could be used to explain the behavior or style of leadership in the current study. These factors were derived from the relationships among leadership variables by Yukl (2006) and Derue et al., (2011).

Emotional intelligence

Emotional intelligence is one of the key factors that influences individual work performance and successful life outcomes (MacCann et al, 2003; Goleman, 1995). Goleman's study found that in almost 70 percent of cases, emotional competencies is a determinant of people's success (Goleman, 1995) and up to 30 percent of cases can predict job performance (MacCann et al., 2003). Most research on emotional intelligence and leadership style focus on task oriented and people oriented styles and transformation, transactional and laissez-faire leadership styles but rarely distinguishes specific styles of leadership such as coercive, authoritative, affiliative, democratic, pacesetting, and

coaching styles. Many studies have confirmed that effective leadership rests on transformational leadership. For example, Palmer et al., (2001) found a higher correlation between emotional intelligence and transformational leadership than with transactional leadership. Sunindijo et. al., (2007) conducted research to investigate the relationship between leadership style and emotional intelligence in construction project management in Thailand and found that project managers and engineers who gained high scores for emotional intelligence were more likely to use open communication and a proactive leadership style. Goleman (2000) conducted tests of emotional intelligence and leadership style in different climates and found positive correlations with authoritative, affiliative and coaching styles, and negative correlations with coercive and pacesetting styles. Thus, it is reasonable to hypothesize that emotional intelligence is likely to be associated with leadership styles. Therefore, the first hypothesis was posed as:

Hypothesis 1: Leaders who display different levels of emotional intelligence will adopt different leadership styles in SMEs in Thailand.

Big-Five Personality traits

Personality trait is one of the factors that explains the relationship between personality and behavior. Many researchers have used personality trait to measure performance and establish a taxonomy of personal attributes that can be extended to measure various areas of administration. Most researchers agreed to adopt the five-factor model to measure and establish a taxonomy of personality attributes (Lord et al., 1986; Digman, 1990; Barrick and Mount, 1991; McCrae and Costa 1997; Judge, et al., 2002; Llewellyn and Wilson, 2003; Williamson, Pemberton and Lounsbury, 2007). Personality traits can be distinguished from cognitive ability measurement. The results determine the characteristics of personality in various situations with various behaviors and styles of leadership. Moreover, the personality of individuals are changeable over time (Alkahtani et al., 2011). The meta-analysis of Derue et al. (2011) indicated that the traits of leaders are associated with task competence and interpersonal attributes. Vroom and Jago (2007) adopted personality traits as disposi-

tional variables in specific situations across contexts to determine leadership effectiveness. To develop the prediction criteria of personality traits and to determine the behavior or style of leaders, the present study adopted the five-factor model which includes extraversion, neuroticism, openness to experience, conscientiousness, and agreeableness. The researcher attempted to explore how the five-factor model influences the choice of behavior or the style of leaders. This leads to the following hypothesis:

Hypothesis 2: Leaders who display different levels of Big-Five personality traits will adopt different leadership styles in SMEs in Thailand.

Adversity Quotient

The concept of adversity quotient (AQ) is a measurement tool to determine how people respond to situations and events in hardship circumstances (Hie, 2009). Stoltz (1997) argued that the adversity quotient can measure, predict and enhance leader effectiveness by indicating areas to improve performance outcome. The adversity quotient (AQ) concept is derived from three scientific fields: cognitive psychology (subconscious), psychoneuroimmunology (mental and physical health), and neurophysiology (habit) and enables the measurement of how people respond to adversity. Adversity intelligence can fill the gap between intelligence and emotional intelligence since IQ and emotional intelligence cannot explain one's success or explain why some leaders fall short in different levels of adversity events (Stoltz, 1997). In the present study, the researcher explored the adversity quotient (AQ) as an influential factor upon the behavior or style of leaders as measured by follower ratings. This leads to the following hypothesis:

Hypothesis 3: Leaders who display different levels of adversity quotient will adopt different leadership styles in SMEs in Thailand.

Ethics of Leadership

Ethical scandals involving business leaders are a major impetus for the discussion of how leaders ought to behave and how leaders demonstrate ethi-

cal conduct, especially in hardship situations. Ethics of leadership is essential for an organization and requires leaders to demonstrate ethical behavior to followers in order to create successful outcomes for the company. Ethics of leadership can fill the gap between emotional intelligence and adversity intelligence since a leader who has high emotional intelligence and high adversity intelligence might not be considered as being strong in business ethics and morality. Schminke et al. (2002) stated that the ethical behavior of a leader has a significant influence on the ethical behavior of the followers which is greater than other influences. Moreover, Brown and Trevino (2006), Ponnu (2009) and Piccolo et al. (2010) argued that ethical behavior of leadership is related to the selection of the style of leadership. Behaviors of different leaders are characterized by different notions of morality, beliefs and judgments (Kalshoven, et al., 2011). Ponnu and Tennakoon (2009) found that ethical leadership behavior has a positive impact on employee outcomes in terms of employee commitment and employee trust in leader. Hence, the present study adopted the ethical leadership scale (ELS) from Brown, Trevino and Harrison (2005) to measure how ethics of leadership influences the choice of behavior or style by leaders. This leads to the following hypothesis:

Hypothesis 4: Leaders who display different levels of ethics will adopt different leadership styles in SMEs in Thailand.

RESEARCH METHODOLOGY

Data Collection and Sample

This study was a comparative research that investigated the differences between emotional intelligence, leadership traits, adversity quotient, and ethics of leadership and six leadership styles in the Thai SME context. The present study was conducted using a survey method with various measurement scales. The research survey adopted a questionnaire to assess leadership style. Since this study was based on the perceptions of subordinates on leadership styles and behavior, the participants in this study were subordinates in small and medium enterprises. A list of SME's in Thai-

land was obtained from the Office of Small and Medium Enterprises Promotion (OSMEP). This list was based on the Thailand's Standard Industrial Classification, 2009 (TSIC). According to OSMEP (2010), the number of employees in SMEs in Bangkok and suburban areas was estimated at approximately 3,320,000 or 31.6 percent of registered employees in Thailand. The respondents in this study included the manufacturing, retailing/wholesale and service segments. This study employed the simple random sampling technique by assigning all members into computer program and picked randomly based on the abovementioned list in order to ascertain that each individual of the group has an equal chance of being selected from the entire population (Kemper, Stringfield, & Teddie, 2003). A total of 470 survey responses were collected; however, 44 sets were removed, the remaining 426 sets were usable for analysis which was sufficient for this statistical hypothesis test of discriminant analysis based from formula by Yamane (1967).

Measurement of Variables

There were five variables constructed into a measurement questionnaire that included the variables of leadership styles, emotional intelligence, personality traits, adversity quotient, and ethics of leadership.

The six leadership styles item scale was adapted from a managerial style questionnaire (MSQ) by David McClelland and the Hay group (1988) to assess the leadership behavior and style from the followers' perspective. The MSQ questionnaire was constructed to measure the managerial style of a leader in work situations (Chusmir, Koberg & Mill, 1989). The six leadership styles were depicted as coercive, authoritative, affiliative, democratic, coaching and pacesetting. The item describes the characteristics of each of the six leadership styles. The respondents could respond by choosing only one number that matches their leader's behaviors and styles. The six leadership styles had six responses with anchors for each choice representing: 1 = coercive style, 2 = authoritative style, 3 = affiliative style, 4 = democratic style, 5 = pacesetting style, and 6 = coaching style.

The emotional intelligence was adapted from the self-reported model by Schutte et al., (1998).

The reason for selecting a self-reported model of Schutte is because the SSEIT scale found no correlation between emotional intelligence and the Big Five personality traits (Digman, 1990; Ackerman & Heggestad, 1997; O’Boyle et al., 2011). The questionnaire consisted of a 28 items scale with a 4-point, Likert scale format with 1 = strongly disagree, 2 = not agree, 3 = agree, 4 = strongly agree. The personality traits scale was adopted the Big Five Inventory (BFI) by John, Donahue, and Kentle (1991), cited in John and Srivastava (1999). Big-Five personality traits were adopted as a control variable to distinguish the traits of leaders using different styles and behaviors. The questionnaire consisted of a 44 item scale and four-point Likert scale with 1 = strongly disagree, 2 = not agree, 3 = agree, 4 = strongly agree. The scale determined the personality characteristics of leaders across five factors: extraversion, conscientiousness, neuroticism, agreeableness and openness to experience. The adversity response profile (ARP) by Stoltz (1997) was adopted. The adversity quotient was developed by Albert Ellis (1962) based on the rational emotive model of behavior. The adversity quotient (AQ) is a measurement tool to determine how well people respond to hardship situations. The adversity quotient questionnaire consisted of a 12 item scale with a 4-point, Likert scale format with 1 = strongly disagree, 2 = not agree, 3 = agree, 4 = strongly agree.

The ethical leadership scale (ELS) was adopted from Brown, Trevino and Harrison (2005) to assess the ethical component of leadership from the followers’ perception. The ethical leadership scale

was designed to measure ethics of the upper level management positions such as supervisor, manager and leader in the organization. This questionnaire consisted of a 10-item scale and 4-point Likert scale continuum from 1 = strongly disagree, 2 = not agree, 3 = agree, 4 = strongly agree.

Statistical Treatment of Data

The present study investigated the association between the four determinant factors and six leadership styles in the Thai SME context. The exploratory factor analysis (EFA) and multiple discriminant analysis (MDA) were performed to investigate the phenomena in statistical terms in order to predict group membership (leadership style). The multiple discriminant analysis was applied to test when the dependent variable is categorical and independent variables are measured on the interval scales by calculating the variate’s weight in each independent variable to compare the differences between group means or centroid scores (Hair, 2006). The test of equality of group means was used to examine the group differences in order to test hypotheses 1 to 4.

RESULTS

The Wilks’ Lambda in Table 1 showed all of the tests were statistically significant with the p value < 0.01, hence all null hypotheses were rejected and H1-H4 were accepted. There were significant differences in the levels of emotional intel-

Table 1: Group Descriptive Statistics and Tests of Equality for the Estimation Sample of the Six-Group Leadership Styles

Independent Variables	Dependent Variables Group Mean						Test of Equality of Group Means		
	Coe (n=40)	Au (n=97)	Aff (n=67)	Do (n=131)	Pae (n=36)	Coa (n=55)	Wilks' Lamda	F Value	Sig.
MEIAware1	2.81	3.13	3.14	3.30	3.03	3.30	.911	8.19	.000
MEIRegulate2	2.59	2.97	3.06	3.12	2.86	3.13	.897	9.64	.000
MEIUtilize3	2.66	2.96	3.01	3.10	2.81	2.97	.912	8.06	.000
MExtraversion	2.85	2.99	2.94	3.12	2.96	3.02	.948	4.62	.000
MAgreeableness	2.56	2.97	3.10	3.27	2.83	3.16	.822	18.2	.000
MConscientious	2.82	3.05	3.12	3.29	2.94	3.26	.896	9.75	.000
MNeuroticism	2.51	2.43	2.41	2.33	2.51	2.29	.954	4.05	.001
MOpenness	2.62	2.88	2.88	3.02	2.83	2.92	.889	10.5	.000
MEthics	2.59	3.04	3.17	3.18	2.90	3.22	.828	17.4	.000
MAdversity	2.72	3.16	3.16	3.33	3.03	3.29	.867	12.8	.000

Note: Coe = Coercive, Au = Authoritative, Aff = Affiliative, Do = Democratic, Pae = Pacesetting, Coa = Coaching.

ligence, Big-five personality traits, adversity, and ethics among leaders who adopted different leadership styles.

Emotional Intelligence

The results showed that appraisal and expression of emotion were significantly different as per leadership styles at the $p < .05$ level, $F(5,420) = 8.193$, Wilks' Lambda = .911, $p = .000$. For appraisal and expression of emotion: coaching ($M = 3.30$, $SD = .453$), democratic styles ($M = 3.30$, $SD = .418$), affiliative ($M = 3.14$, $SD = .505$), authoritative ($M = 3.13$, $SD = .433$), pacesetting ($M = 3.03$, $SD = .557$) and coercive ($M = 2.81$, $SD = .582$).

The results showed that regulation of emotion was significantly different as per leadership styles at the $p < .05$ level, $F(5,420) = 9.64$, Wilks' Lambda = .897, $p = .000$. For regulation of emotion: coaching style ($M = 3.13$, $SD = .443$), democratic ($M = 3.12$, $SD = .402$), affiliative ($M = 3.06$, $SD = .416$), authoritative ($M = 2.97$, $SD = .458$), pacesetting ($M = 2.86$, $SD = .625$) and coercive ($M = 2.59$, $SD = .595$).

The result showed that utilization of emotion was significantly different as per leadership styles at the $p < .05$ level, $F(5,420) = 8.06$, Wilks' Lambda = .912, $p < .000$. For utilization of emotion: democratic style ($M = 3.10$, $SD = .404$), affiliative ($M = 3.01$, $SD = .409$), coaching ($M = 2.97$, $SD = .462$), authoritative ($M = 2.96$, $SD = .367$), pacesetting ($M = 2.81$, $SD = .428$), and coercive ($M = 2.66$, $SD = .508$).

Big-Five Personality Traits

The results showed that the levels of extraversion were significantly different as per leadership styles at the $p < .05$ level, $F(5,420) = 4.62$, Wilks' Lambda = .948, $p < .000$. For extraversion: democratic style ($M = 3.12$, $SD = .377$), coaching ($M = 3.02$, $SD = .349$), authoritative ($M = 2.99$, $SD = .412$), pacesetting ($M = 2.96$, $SD = .332$), affiliative ($M = 2.94$, $SD = .359$), and coercive ($M = 2.85$, $SD = .378$).

The results showed that neuroticism was significantly different as per leadership styles at the $p < .05$ level, $F(5,420) = 4.05$, Wilks' Lambda = .954, $p < .001$. For neuroticism: coercive ($M =$

2.51, $SD = .338$), pacesetting styles ($M = 2.51$, $SD = .290$), authoritative ($M = 2.43$, $SD = .321$), affiliative ($M = 2.41$, $SD = .347$), democratic ($M = 2.33$, $SD = .341$), and coaching ($M = 2.29$, $SD = .308$).

The results showed that openness to experience was significantly different as per leadership styles at the $p < .05$ level, $F(5,420) = 10.523$, Wilks' Lambda = .828, $p < .000$. For openness to experience: democratic style ($M = 3.02$, $SD = .345$), coaching ($M = 2.92$, $SD = .318$), affiliative ($M = 2.88$, $SD = .332$), authoritative ($M = 2.88$, $SD = .316$), pacesetting ($M = 2.83$, $SD = .254$) and coercive ($M = 2.62$, $SD = .266$).

The results showed that conscientiousness was significantly different as per leadership styles at the $p < .05$ level, $F(5,420) = 9.755$, Wilks' Lambda = .828, $p < .000$. For conscientiousness: democratic style ($M = 3.29$, $SD = .437$), affiliative ($M = 3.12$, $SD = .503$), authoritative ($M = 3.05$, $SD = .435$), pacesetting ($M = 2.94$, $SD = .456$), coaching ($M = 2.29$, $SD = .308$), and coercive ($M = 2.82$, $SD = .424$).

The results showed that agreeableness was significantly different as per leadership styles at the $p < .05$ level, $F(5,420) = 18.224$, Wilks' Lambda = .828, $p < .000$. For agreeableness: democratic style ($M = 3.27$, $SD = .401$), coaching ($M = 3.16$, $SD = .479$), affiliative ($M = 3.10$, $SD = .499$), pacesetting ($M = 2.83$, $SD = .446$), authoritative ($M = 2.97$, $SD = .449$), and coercive ($M = 2.56$, $SD = .558$).

Adversity Quotient

The results showed that adversity quotient was significantly different as per leadership styles at the $p < .05$ level, $F(5,420) = 12.88$, Wilks' Lambda = .867, $p < .000$. For adversity quotient: democratic style ($M = 3.33$, $SD = .404$), coaching ($M = 3.29$, $SD = .407$), affiliative ($M = 3.16$, $SD = .437$), authoritative ($M = 3.16$, $SD = .420$), pacesetting ($M = 3.03$, $SD = .533$), and coercive ($M = 2.72$, $SD = .590$).

Ethics

The results showed that ethics of leadership was significantly different as per leadership styles at the $p < .05$ level, $F(5,420) = 17.48$, Wilks' Lambda = .828, $p < .000$. For ethics: coaching ($M =$

= 3.22, SD = .375), democratic (M = 3.18, SD = .338), affiliative (M = 3.17, SD = .422), authoritative (M = 3.04, SD = .376), pacesetting (M = 2.90, SD = .458) and coercive (M = 2.59, SD = .556).

Table 2: Box’s M Test Results of Equality of Covariance Matrices Test Results

Box’s M		473.397
F	Approx.	1.593
	df1	275
	df2	99627.301
	Sig.	.000

Tests null hypothesis of equal population covariance matrices.

The Box’s M test was used to test the dispersion matrices of the independent variables (Hair, 2006). The results showed significant differences between groups at the significance level $p < 0.01$ from multivariate normal.

Table 3: Summary of Canonical Discriminant Functions

Function	Eigenvalue	% of Variance	Cumulative %	Canonical Correlation
1	.304	73.1	73.1	.483
2	.055	13.2	86.3	.228
3	.031	7.5	93.8	.173
4	.021	5.2	98.9	.145
5	.004	1.1	100.0	.067

The Eigenvalues showed five discriminant functions of the proportion of variance. The first function accounts for 0.30 and 73.1% of the total among-groups variability. This implied that function 1 could explain the variance at 73.1 percent and canonical correlation at 0.483. A large eigenvalue identified a strong function (Hair, 2006). Thus, the function 1 was a good fit for the data.

Wilks’ Lambda

Test of Function(s)	Wilks’ Lambda	Chi-square	df	Sig.
1 through 5	.688	156.197	50	.000
2 through 5	.896	45.643	36	.130
3 through 5	.945	23.425	24	.495
4 through 5	.975	10.699	14	.710
5	.996	1.865	6	.932

The Wilks’ Lambda was used to explain the proportion of total variability not explained. The Wilks’s Lambda of Canonical Discriminant of function 1 through 5 was 0.688 with statistically significant with $p \text{ value} = < 0.001$. The value for chi-square was 156.197 provides a statistical estimate of model fit.

The independent variables (emotional intelligence, the Big-Five personality traits, adversity and ethical leadership) could predict group membership based on leadership styles.

Standardized Canonical Discriminant Function Coefficients

	Function
	1
MEIAware1	-.097
MEIRegulate2	.053
MEIUtilize3	.236
MExtraversion	-.186
MAgreeableness	.711
MConscientiousness	-.282
MNeuroticism	-.054
MOpenness	.315
MEthical	.495
MAdiversity	-.125

The standardized canonical discriminant function coefficient identifies the importance of each predictor. The important factors in the grouping of variables showed the values of awareness of emotion (-.097), regulate of emotion (.053), utilize of emotion (.236), extraversion (-.18), agreeableness (.711), conscientiousness (-.28), openness to experience (.315), neuroticism (-.05), adversity (-.12), and ethics (.495).

Table 4: Unstandardized Canonical Discriminant Function Coefficients

	Function
	1
MEIAware1	-.206
MEIRegulate2	.115
MEIUtilize3	.564
MExtraversion	-.495
MAgreeableness	1.550
MConscientiousness	-.622
MNeuroticism	-.163
MOpenness	.985
MEthical	1.237
MAdiversity	-.281
(Constant)	-8.053

Table 4 shows the canonical discriminant function coefficient of all the independent variables. In this table, six groups were used to calculate the discriminant function:

$$D = -8.053 - .206 \times \textit{Awareness} + .115 \times \textit{Regulation} + .564 \times \textit{Utilize} - .495 \times \textit{Extraversion} + 1.55 \times \textit{Agreeableness} - .622 \times \textit{Conscientiousness} - .163 \times \textit{Neuroticism} + .985 \times \textit{Openness} + 1.23 \times \textit{Ethics} - .281 \times \textit{Adversity}$$

Table 5: Functions at Group Centroids of Leadership Styles

Functions at Group Centroids	
	Function
Style	1
Coercive	-1.416
Authoritative	-.143
Affiliative	.241
Democratic	.458
Peacesstting	-.541
Coaching	.251

Unstandardized canonical discriminant functions evaluated at group means

Table 5 above indicates the average discriminant score for subjects in the six groups. The comparison of group differences can be assessed through the group centroid, the average of average discriminant scores (Z scores). The results indicate that in function 1 the average discriminant score was coercive (-1.416), authoritative (-.143), affiliative (.241), democratic (.458), pacesetting (-.541), and coaching (.251).

The classification results provide a summary of categorical cases analysis on dependent variables on the basis of the set of independent variables. There were 32.6 percent of the original group cases correctly classified. The results of coercive (57.5%), authoritative (13.4%), affiliative (26.9%), democratic (42%), pacesetting (33.3%), and coaching (32.7%) were correctly classified.

DISCUSSION

Discriminant analysis was conducted which aimed to predict group membership (coercive, authoritative, affiliative, democratic, pacesetting, and coaching) of 426 cases on six leadership styles group. Ten independent variables were used as predictors (appraisal and expression of emotion, regulation of emotion and utilization of emotion emotional intelligence, extraversion, agreeableness, conscientiousness, openness to experience, neuroticism, adversity quotient and ethics). Box’s M indicated, $M = 437.39$, $F(275,99627.3) = 1.5$, $p < .001$.

The discriminant function demonstrated a significant association between groups and predictors, $X^2(DF = 50, n = 426) = 156.19$, $p < 0.0001$, with the discriminant function accounting for 23.3% of the between-group variability.

The structure matrix of correlations between predictors and the discriminant function presented that each independent variables displayed a structure coefficient in excess of .30. The highest value was found for agreeableness (.833) followed by

Table 6: Classification Results

Classification Results									
	Style		Predicted Group Membership						Total
			Coercive tative	Authori- tative	Affilia- cratic	Demo- cessting	Peaing	Coach-	
Original	Count	Coercive	23	7	2	0	5	3	40
		Authoritative	15	13	21	20	18	10	97
		Affiliative	7	5	18	15	8	14	67
		Democratic	7	9	27	55	13	20	131
		Peacessting	9	6	2	2	12	5	36
		Coaching	6	4	10	13	4	18	55
	%	Coercive	57.5	17.5	5.0	.0	12.5	7.5	100.0
		Authoritative	15.5	13.4	21.6	20.6	18.6	10.3	100.0
		Affiliative	10.4	7.5	26.9	22.4	11.9	20.9	100.0
		Democratic	5.3	6.9	20.6	42.0	9.9	15.3	100.0
		Peacessting	25.0	16.7	5.6	5.6	33.3	13.9	100.0
		Coaching	10.9	7.3	18.2	23.6	7.3	32.7	100.0

a. 32.6% of original grouped cases correctly classified.

ethics (.814), adversity (.690), openness to experience (.610), regulate of emotion (.609), conscientiousness (.579), utilize of emotion (.548), awareness of emotion (.541), extraversion (.345).

In univariate comparisons, mean score on awareness of emotion was found to be significantly higher for democratic and coaching style ($M = 3.30$) compared with coercive style ($M = 2.81$), $F(5,420) = 8.19$, $p < 0.001$. Mean score on regulate of emotion was found to be significantly higher for coaching style ($M = 3.13$) compared with coercive style ($M = 2.59$), $F(5,420) = 9.64$, $p < 0.001$. Mean score on utilize of emotion was found to be significantly higher for democratic style ($M = 3.10$) compared with coercive style ($M = 2.66$), $F(5,420) = 8.06$, $p < 0.001$. Mean score on extraversion was found to be significant higher for democratic style ($M = 3.12$) compared with coercive style ($M = 2.85$), $F(5,420) = 4.62$, $p < 0.001$. Mean score on agreeableness was found to be significantly higher for democratic style ($M = 3.27$) compared with coercive style ($M = 2.56$), $F(5,420) = 18.2$, $p < 0.001$. Mean score on conscientiousness was found to be significantly higher for democratic style ($M = 3.29$) compared with coercive style ($M = 2.82$), $F(5,420) = 9.75$, $p < 0.001$. Mean score on neuroticism was found to be significantly higher for coercive and pacesetting style ($M = 2.51$) compared with coaching style ($M = 2.56$), $F(5,420) = 4.05$, $p < 0.001$. Mean score on openness to experience was found to be significantly higher for democratic style ($M = 3.02$) compared with coercive style ($M = 2.62$), $F(5,420) = 10.5$, $p < 0.001$. Mean score on ethics was found to be significantly higher for coaching style ($M = 3.22$) compared with coercive style ($M = 2.59$), $F(5,420) = 17.4$, $p < 0.001$. Mean score on adversity was found to be significantly higher for democratic style ($M = 3.33$) compared with coercive style ($M = 2.72$), $F(5,420) = 12.8$, $p < 0.001$.

The classification procedure for the total sample of 426 cases, 139 (32.6%) overall were classified correctly. Correct classification rates were observed by coercive (57.5%), authoritative (13.4%), affiliative (26.9%), democratic (42%), pacesetting (33.3%), and coaching (32.7%).

IMPLICATIONS AND CONCLUSION

This study provides important knowledge for SME leaders to apply an appropriate style and behavior in the competitive markets of Thailand. Although many organizations focus on financial performance to determine success, another indicator of organizational success should be derived from subordinates' happiness and satisfaction because subordinates are an important element driving organizational growth and success. Subordinates' perceptions and concerns in the form of feedback can be seen as the key to employee satisfaction in the workplace and also can be used as guidelines for leaders and organizational development.

After a thorough analysis of data, the following recommendations are suggested for managers/leaders for SMEs in Thailand. Employees perceived that leaders who showed agreeableness, ethical and adversity of leadership which allow subordinates to participate in the decision-making process, encourage subordinates to share ideas and opinions that could lead to ability to solve problems by teamwork and collaboration, were more democratic. Democratic leadership style was reported as the most effective for successful entrepreneurs and company performance in western countries (McCarthy, Puffer & Darda, 2010). Leaders should realize that the styles they think they are using might not be effective in the perception of the subordinates. Moreover, agreeableness, ethics and adversity contribute toward a democratic style which is seen as competitive for fostering success and growth for small and medium enterprises in Thailand.

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