

Relationship between Management Styles and Performance of the Managers and Staff of Tax Administration Office of Tehran

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Abstract

The aim of the present research is to study the relationship between management styles and the performance of the managers and staff of the Tax Administration of Tehran and for this purpose 108 of the managers and 331 of the staff of the Tax Administration of Tehran were selected with the use of stratified random sampling method and responded to the author-made questionnaire of the research. In the end, the gathered data from the research questionnaires were analyzed by using two-variable linear regression test and the results indicated that management style has a significant effect ($p < 0.01$) on the performance of the managers and staff of Tax Administration of Tehran.

Keywords: management style, staff's performance, managers' performance, Tax Administration of Tehran.

Introduction

Management or leadership has different meanings and styles; however, in general they refer to assistance in the progress of works and affairs (Wiles, 1997). In other words, management refers to the ability of influencing or affecting a group in line with securing the goals, etc (Robines, 1995).

Luthans (1992) has studied the management type of the managers in terms of two dimensions of human-oriented and organization-oriented. Human-oriented managers in an organization direct their maximum attention to the organization's members and organization-oriented managers put the goals and missions of an organization on top of its members. Human-oriented managers promote collective targeting; they trust the employees, respect them and value them. On the contrary, organization-oriented managers rely mostly on organizational rules and regulations and severely control the employees to assure the exact implementation of the rules and regulations. Also, leadership style refers to the special behavior of the managers for motivating a group of employees for realization of a part of the organizational goals (Chiu, 2005).

Leadership is a special attribute of the managers which direct work circles toward the achievement of goals. Leadership is defined as a behavior which starts a new structure in a social system interaction (Abdelati, 2004). This will cause a change in special goals, combinations, methods, processes, inputs and eventually outputs of social systems (Nilei, 1991). Therefore, it can be concluded that leadership is the special attributes of managers which cause the work process of a company to be directed toward a path which facilitates goal achievements. This will either manifest through daily and natural behavior or through functional and offices processes.

Manager is the beating heart of an organization and his ideas all always flowing and this is why successful companies have been always caring capable and qualified managers' name with them. Managers such a Gates, Toyota, Dell and ... are among these managers who have managed to raise their organizations to global level and keep it there. However, the point is that who are these managers managed to acquire such level of knowledge and action. studies show that management style of the managers have a significant effect on the efficiency of an organization and these are manages who, with the use of ideas of great people such as Blanchard, Dessler, Likert etc, have managed to steer their company to its destination in different time and places (Luthans, 2008).

The style that a manager uses as his dominant style and for coordinating the affairs in performing the activities of an organization and the way he performs his tasks have the highest level of effect on execution process of tasks as well as the cooperation level his colleagues provide him with. This means that the behavior style of the manager, the way he interacts and the style he adopts in this relationship guarantees the highest percentage of success of him. The most important opinions about leadership and management style can be named as follows:

Contingency Model of Intercultural Leadership: Two scholars with integration of goal-course model of Robert House and Michelle and dividing the cultural dimensions in Geert Hofstede studies have developed a model and base on this model have studied the most appropriate cultural behavior in 18 countries around the world. In their model, they have divided leadership types into four categories:

A) Authoritative leadership: preparing guidelines for what employees should do; how to do it and planning the works and maintaining the performance standards.

B) Supportive leadership: giving attention to the welfare of the employees and their needs, establishing friendly relationships with them and having equal behavior toward all the employees.

C) Collaborative leadership: consulting with employees and serious consideration of their views at the time of decision-making.

D) success-oriented leadership: encouraging the employees to perform their tasks as best as they can, defining goals at a level that their realization will involve so many challenges, expressing trust in high abilities and capabilities of the employees (Akroyd et al., 2009).

Table 1: Contingency Model of Intercultural Leadership

Item	Country and region name	The most proper leadership behavior in terms of cultural aspect			
		Normative	Supportive	Collaborative	Success-oriented
1	Australia		×	×	×
2	Brazil	×		×	
3	Canada	×		×	×
4	France	×		×	
5	Germany		×	×	×
6	England		×	×	×
7	Hong Kong	×		×	×
8	India	×		×	×
9	Italy	×	×	×	
10	Japan	×	×	×	
11	Korea	×	×	×	
12	Netherland		×	×	×
13	New Zealand			×	×
14	Pakistan	×	×	×	
15	The Philippines	×	×	×	×
16	Sweden			×	×
17	Taiwan	×	×	×	
18	North America		×	×	×

Based on the findings of the present research, collaborative leadership for all the cultures under study has been found to be proper. Off course, it does not mean that collaborative leadership is the best leadership style in intercultural management, but merely points to the extensive

application of it at global level. Table 1, as per the findings, with the exception of France, authorization style is inappropriate from culture point of view for Northern America, Northern Europe, Australia and New Zealand. In some regions and countries like Hong Kong and the Philippines there is a greater variety in leadership styles. In general, leadership style should be adjusted with the cultural environment dominating the organizations (Robert and Angelo, 2007).

Life Cycle Theory : The life cycle theory is also another contingency theory. In this theory there are two general leadership styles of task-oriented and relationship-oriented and there are four style combinations which are related to the status of maturity and growth of the subordinates which are in turn summarized in three factors of success-seeking motivation, accountability and level of education and experiences. Different types of leadership combinations in terms of task-orientation and relationship-orientation have been presented in the following figure. As we can see in the picture, these four types of leadership styles are related to four status of maturity of the subordinates. For example, for those who are mature leadership style should be combination of strong task-orientation and weak relationship-orientation (Alwani, 2003). Four types of leadership styles in the life cycle theory have been described below:

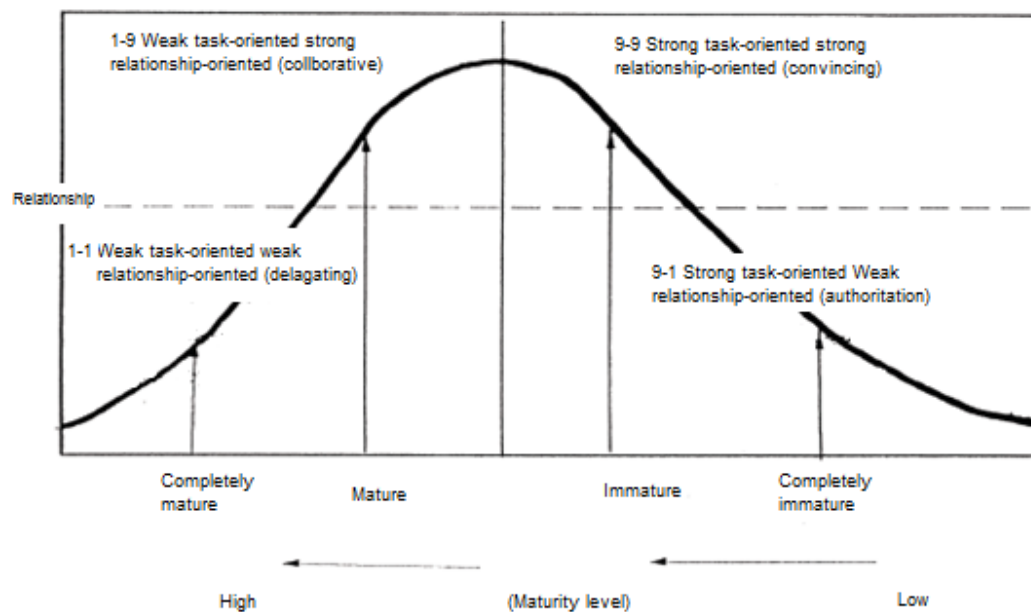


Figure 1: Life cycle theory (Alwani, 2003).

Telling leadership style :Strong task-orientation and weak relationship-orientation: this leadership style is appropriate for those who are completely immature and should be led in an authorization way.

Selling leadership style (strong task-oriented and strong relationship-oriented): When the individuals under leadership are considered to be somehow immature, this leadership style will be appropriate for them. In this style, they should be convinced and persuaded of the organizational goals realization and in line with this, we should make the maximum use of relationship-oriented and task-oriented style (Balogh et al., 2011).

Collaborative leadership style (weak task-oriented and strong relationship-oriented): For those who are somehow mature, collaboration with employees is the best leadership style.

Delegating leadership style or delegation of authority to subordinates (weak task-oriented and weak relationship-oriented): When subordinates have full maturity and growth, this style is the most efficient of styles. In short, in this theory as much as individuals evolves more from maturity point of view, leadership style shifts from telling leadership style to delegating leadership style and hence it have been called the life cycle theory (Likert, 1961).

Heller's management style : Frank Heller has performed some studies about management style and have reached the following results:

Every given situation demands a special decision-making style. A manager should be flexible in his decision-making style. That is, a manager doesn't have a fixed decision making style for different decision that he requires to make.

Table 2: Heller's contingency model styles

Style 1	A manager makes the decisions alone, without explaining it.
Style 2	A manager makes the decisions alone, but explains it to the subordinates.
Style 3	A manager discusses with subordinates before making a decision, but the final decision is made by him.
Style 4	Decision making is participatory, i.e., the decision is the outcome of the discussion between the manger and the subordinates and both have equal share in the process.
Style 5	A manager delegates the authority to the subordinate to make decision about a given subject independently.

Based on the Heller's contingency model if a manager will be in a situation in which he should make a clear-cut decision, there is no possibility of contact between a manager and his subordinate and the affair is repetitive, adoption of any style except for the management style would be less efficient. Also in a situation in which participating others in the decision making process increase the quality of the decisions, be effective in creating job satisfaction, creates correct and effective relations, have educational value and be effective in creating the proper and desirable situation for organizational transformation, styles 3, 4 and 5 are considered to be appropriate.

Gene Hall management style: Gene Hall and her colleagues have performed studies on the managers' style for change facilitation in school environment. Their findings indicate that in terms of change and innovation in a school environment, managers mainly take advantage of three management styles:

Initiator style: this group of managers has clear policies and objectives, have high expectations from their students and themselves, go beyond their boundaries and think about the whole system. They are not unkind; however, are serious with the employees at work and value innovations and novelties (Rahimian, 1999).

Manager style: managers with active style express a combination of two innovative and passive behaviors and in other words they have a passive behavior toward some issues and in the meantime support innovation and change. This group of managers are sensitive toward the needs of students and inform them about the current decisions and news of school and often they advocate teachers and prevent over-assignment of tasks to them (Rahimian, 1999).

Responder style: these managers give the strings of innovative behavior to their employees. They emphasize on maintaining peace in the organization and adoption of traditional methods and believe that employees are individuals who know their works well and need the least amount of control, monitoring and guidance. These managers put more value and importance on their personal

relations with their personnel and in decision-making discuss the matter with each and every employees and in general their decision – makings are performed in critical situations and in a passive way and they don't think of long-term goals (Rahimian, 1999).

Likert management style

Likert in the studies has found that in organizational efficiency retention and development of employees is considered to be of great importance. He suggests that the relationship between a manager and subordinate should not be one-way but it is better that it will be based on mutual cooperation. Hence, Likert finds satisfying and preserving the spirit of individuals consistent with long-term interests of an organization and even have presented certain indicators for the measurement and studying the employees' spirit. In this regard, he has shown conventional management styles of organizations on a scale of four from system 1 to system 4, which can be described as below:

System 1 (Authoritarian, exploitative - autocratic style)

This type of management does not have any trust and faith in the subordinates, because it never participate them in the process of decision-making. All the decisions and policies of the organization are being made on top and are conveyed to down through a chain. Subordinates have work with fear, punishment and threat, incidental rewards and satisfaction on the physiological and safety levels. Little interactions which occur between the manager and his subordinates often accompanies by fear and suspicion. The control process is intensely focused at the level of top management and often in this situation, in informal organization is formed which opposes the organizational goals and objectives (Hersey and Blanchard, 1998).

System 2 (Authoritarian paternal-compassionate style)

This type of management has confidence and trust together with a Tolerance such as the confidence and trust of a master toward servant, toward the subordinates. While all the decision and goals determination is performed on top level of the organization, some of the decision are made at lower levels Within a prescribed framework and every mutual interaction of the manager and subordinates takes place with tolerance and Leniency of the mangers and fear and caution of the subordinates, while the control process is still focused in the hands of top management. Some also is delegated to middle or lower levels. In this case, usually an information organization is formed, but do not always oppose or resist the formal goals of the organization (Hersey and Blanchard, 1998).

System 3 (advisory style)

This management has a significant, but not complete, trust and confidence in subordinates, while the general policies and important decision are made at top level, the subordinates are allowed to made decisions at a lower level in so much special and specialized matters. Communication is flowing from higher levels to the lower levels. Incidental Punishment and reward and to some extent participation are used as a mean of employee motivation and there are mutual interactions between a manager and a subordinate which often are accompanies by a balanced trust and confidence. Important aspects of control process are delegated to lower levels. Informal organization might be formed as a result; however, it either confirms the organization's goals or to some extent resists it (Hersey and Blanchard, 1998).

System 4 (collaborative style)

In this type of management complete trust and confidence is expressed toward subordinates. Although decision making in largely distributed across the organization; however, it has a kind of integration. Communication is not only from top levels to low levels but from also between groups and everyone. Employees' motivation is created as an effect of their direct participation in determining economic rewards, goals, methods improvement and performance appraisals in line with the organization goals. Under this type of management, mutual interaction between a manager

and a subordinate is extensive which is accompanied by so much confidence and trust. With regards to control process, there is a collective and extensive responsibility in which the lower levels completely participate. Formal and informal organizations are often the same. Hence, social forces support the efforts for realization of the organization's goals.

In short, management is a task-oriented, authorization and structure-oriented. While the management system 4 is a relationship-oriented style which is based on group work, trust and confidence, Systems 2 and 3 are between the two extreme cases, which are respectively comparable with theoretical assumption of y and x. Likert considers his desirable manager and leaders as a personnel –oriented managers and define managers without efficiency as those who are work-oriented, and in his view the former is relationship-oriented and the latter is task-oriented (Hersey and Blanchard, 1998). The Likert's management styles or systems can be summarized as per table 3:

Table 3: Likert's management styles

styles indicator	S1 Authoritation (dictatorship behavior)	S2 Compassionate management (Benevolent Dictator)	S3 Advisory management	S4 Collaborative management
Level of confidence and trust		Master-servant	Rather good	Complete
Way of motivation creation	Fear and threat	Potential reward and punishment	Potential reward and punishment	Agreed Reward and punishment between two parties
Way of communication	One-sided	One-sided	two-sided	two-sided
Interaction level		With caution from subordinate side	Rather good	Good

Further to the forgoing, it should be noted that in appraisal of the previous performances the previous activities are emphasized and mainly two performance measurement and performance comparison as well as the way of using the created information receive attention and often judgmental assessments of past performance is used for employees' behavior control. An Organization reward the desirable behaviors of the employees by increasing their salaries, promoting them, entering them into useful improvement programs and punishes undesirable behaviors with terminating employment, not salary increase and demotion. Performance assessment provides the required documents for firing employees. Management's improvement skills will describes how the supervisors should properly use the performance appraisal system. Judgments about the past performances also provide a valuable feedback regarding the efficiency of the selection methods and educational programs.

In performance assessment with the aim of improvement, the future performance and application of the information resulted from the assessments for progress are emphasized. If the aim of the assessment process is to increase future performance, the manager can focus on long term and short term goals of employees, eliminating the existing problems and impediments on the way of

future performance improvement and future educational needs which is closely related to the managers' and employees' performance (Moorhead & Griffin, 2006).

The author's studies has revealed that unfortunately so far no study has been conducted regarding the effect of management styles on managers' and employees' performance and for this purpose in the present paper, we seek to study the relationship between management styles and the performance of the managers and staff of the Tax Administration of Tehran. In the following section the methodology, findings and conclusion will be presented.

Research methodology

The present research is an applied research from aim viewpoint and it is a descriptive research from methodology viewpoint and is a survey research from conduction way point of view.

Research population and sample

The population of the present research includes all the employees (2408 employees) and managers (150 managers) of Tax Administration of Tehran and from this population the research sample has been selected which the use of stratified random sampling method. The sample size, calculated with the use of Cochran's formula, is equal to 331 employees and 108 managers.

Data collection tools

In the present research, for the purpose of data collection of the theoretical part of the research, bibliographical methods (such as books, articles, theses and online sites) and for the purpose of studying the individuals of the research sample the author-made questionnaire have been used. Questionnaire is one of the most common instruments of research and is a direct method for acquiring research data. Questionnaire is a series of questions that the respondents are required to answer considering the questions and these would form the data required by the researcher. Through these questions and the answers, we can study the knowledge, interest and mental attitude of the person who has responded to them (Bazargan et al., 2007). Format validity of the questionnaires has been confirmed by three specialists in this field and its reliability has been tested with the use of Cronbach's alphas which is equal to 0.78, 0.88 and 0.86 for management styles, employees' performance and managers' performance questionnaires, respectively.

Research findings

In order to sue the parametric test in the analysis of the research data, these data should have the condition of normal distribution of the variables and this condition (assumption) has been analyzed with the use of Kolmogorov–Smirnov test, the results of which has been presented in table 4:

Table 4: Results of Kolmogorov–Smirnov test

Variable	Management style	Organizational culture	Employees' performance	Managers' performance
Kolmogorov–Smirnov value	1.427	2.498	2.061	1.614
Sig.	0.095	0.142	0.216	0.159

The results of this test indicates that the research variables' distribution is normal and the parametric test, which is two-variable linear regression test in this study, can be used in research hypothesis tests and in table 5, the inferential results have been presented:

Table 5: Results of the effect of management style on managers' and employees' performance

Variable	R ² adj.	Beta	F	P
Management style and employees' performance	0.24	0.501	35.502	.000
Management style and managers' performance	0.11	0.341	13.959	.00

The results of two-variable linear regression test indicate that management style has a significant effect ($p < 0.01$) on managers' and employees' performance of Tax Administration of Tehran.

Conclusion

Selection of management style on behalf of a manager depends on the request of an organization, time status, personality of the manager, etc. When the organizational guidelines create range for the managers, it means that they have determined his management style beforehand. In such a situation, the manager cannot apply his opinions and personal creativities. In addition, if the criteria and standards of an organization will not intervene in the management, it is possible that the time requirements in terms of the critical situation of the society in which the organization is place or the certain situation which is dominant on the system itself will completely intervene in the management styles and method. However, in both of the above mentioned factors, the individual personality of the managers has a significant effect and cannot be ineffective in the selection of management style and application of material resources and human forces of an organization. On the other hand, performance management and the systems and methods related to it in different organizations are among today's management branches which deal with empowerment and Responsiveness in the framework of management principles for realization of the organizational goals and responsibility. Here, the managers' and employees' performance can be affected by multiple factors and the findings of the present study indicate that management style has a significant effect ($p < 0.01$) on employees' and managers' performance of the Tax Administration of Tehran city and based on this finding the following recommendations are presented:

Managers should try to identify their strength points as well as their employees and develop them

Managers should execute all their decision in a transparent and clear way

Managers should try to have a positive view of the future and motivate their employees

Managers should try to review the conditions and proportion of their tasks with their employees and assess their appropriateness

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