

Study of Managerial Grid and Entrepreneurial Orientation in the Banking Leadership Team (Managers) of Haryana

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Abstract:

In today's competitive era chasing the traditional methods will not suffice the existence of any business, thus it is a very crucial aspect to develop the entrepreneurial orientation among the employees. The present study helps to investigate the Managerial grid and employee orientation towards entrepreneurship among the Bank Leadership Team of Banking sector in Haryana.

The study also helps us identify the relationship between the managerial grid and employee orientation. With the aim of accomplishing the objective, the data was collected from 128 HDFC bank managers of Haryana. The Study concluded that most of the managers who have fallen under the Team Leadership style, are very proactive in nature. The study also concluded that Managers working in the HDFC bank are highly oriented towards the people and tasks are collectively under the Team leadership style. In terms of Entrepreneurial Orientation managers are proactive in nature.

Keywords:

Managerial grid, Entrepreneurial Orientation, Team leadership style.

Introduction:

Leadership theory and entrepreneurship theory advocates that every business organisation that gravitates to launch and grow successfully requires efficient and impactful leadership style as well as entrepreneurial orientation for effective performance of a firm (Miller, 1983; Covin & Slevin, 1989; Lumpkin & Dees, 1996; Bass, 1999; MacMillan, & Surie, 2004). Failure to recognise and adapt a suitable leadership style which is conducive to strategic entrepreneurial orientation will reduce the performance of an organisation (Schumpeter, 1934; Gupta *et al.*, 2004; Burgelman 2015, 2016;).

Schumpeter (1911, 1934, 1961) investigated those entrepreneurial activities of a business organisation leads to the operational performance of the organisation. Miller (1983); Burgelman, (1983, 2015); Covin & Slevin (1986); Wiklund & Shepard, (2003, 2005) argued that within an organisation, the sovereignty of entrepreneurial activity depends on the leadership style which ensures constant strategic development while addressing the uncertainty, innovativeness, and proactive take on actions that classify entrepreneurial activity. Scholars acquiesce that employees will abstain themselves from acting entrepreneurially and will also consider that management at the top reinforces such behaviour (Brugelman, 1983, 2015, 2016).

The relationship amongst the leadership style, the entrepreneurial orientation and their attainments depends upon the internal and external organisational contingency. Various authors (Barney, 2015; Bass, 1999; Brazier, 2005; Burgelman, 2015, 2016; Miller, 1983; Pawar, 2003; Perrow, 1967; Ramsey et al., 2004; Stinchcombe, 2015) have investigated the relationships between business performance, leadership style and entrepreneurial orientation. They found that the lack of experiential authentication and effect of contextual realities like disproportionate circulation to edification, training, funding, national bias, or others veracity is still unidentified.

Before moving ahead, understanding of the definition of entrepreneurship and leadership is a prerequisite. According to (Shane & Venkataraman, 2000) entrepreneurship may be defined as a process in which an individual discovers, assess, and implements the opportunities to fetch innovative products or services in market. (Northouse, 2016) Explains, that leadership is a process that facilitate and allows collaborations among the leaders and his subordinates that helps in achieving the organisational goals.

Entrepreneurial Orientation:

Lumpkin & Dees (1996) defines that the entrepreneurial orientation is the variable that depicts various strategies of decision-making, for the employees of a firm, which results in innovation of new products or services as per the requirement. Researchers (Landström *et al.*, 2012; Shane & Venkataraman, 2000) are of an opinion that firm rejuvenates through business entrepreneurialism needs identifying and developing innovative trade opportunities. Lumpkin & Dess (1996) defines entrepreneurial orientation as the readiness for new entry, self-sufficiency, innovation, competitiveness, and compliance to take risks.

Leadership Style:

Pioneer of the leadership style Lewin, Lippett and White, (1939); Likert (1961); Blake and Mouton (1964, 1978, 1985, 1994) and Hersey and Blanchard (1969) suggested that approach of leadership portrays plentiful behavioural strategies which leaders exercise to persuade others within a particular situation. Modern researchers presently support the transformational leadership as the main effectual leadership style for organisation (Mind Tools, 2016). In addition to that, various authors have the same opinion that transformational leadership is the leader style which interrelate the compatibly with a firm's entrepreneurial orientation that constructs an affirmative relationship between company entrepreneurship and organisation's performance (Bass *et al.*, 2003)

Review Of Literature:

Leadership Styles and Business Performance:

This research paper tries to unite the two theories: leadership style and entrepreneurship. The purpose of the study is to examine the association between the leadership style and entrepreneurial orientation and how leadership style can influence the growth and execution of entrepreneurial orientation in the organisation. Nowadays business firms require competent leaders who discover the complications of the dynamic comprehensive surroundings. Nahavandi (2002) stated that different leadership styles might affect performance of the firm (entrepreneurial orientation and business performance). According to Wiklund and Shepherd (2005) entrepreneurial orientation is considered as global measure in entrepreneurship context. Entrepreneurial orientation is the presence of organisational-level entrepreneurship in business firm. Wiklund (1999) stated that a number of researchers agreed about the three major factors that affects the entrepreneurial orientation i.e. risk taking ability, innovation and proactiveness. A large number of research pertinent to entrepreneurship (Covin and Slevin 1989; Desset *al.* 1997; Wiklund 1999) believe that the entrepreneurial orientation is the unitary model. The concept of a single entrepreneurial orientation notion has also been probed in some studies.

The hypothesis of entrepreneurial orientation believes that the entrepreneurial firms are different from the other firms.

Leadership Styles and Entrepreneurial Orientation:

Cohen (2004) considers entrepreneurial leadership as an effective and much required leadership style in today's era. Entrepreneurial leadership has been invented by the authors who recognised the value of transformation in leadership style as an essential element. Entrepreneurial leaders play a significant character in the success of a new firm. Wah (2004) concluded that latest leadership studies exploit more quantitative approaches to analysis entrepreneurial leaders. Tarabishy *et al.* (2005) entrepreneurial leadership is comprehensible because of the unexplored and exceptional region that lies forward for businesses in current vibrant markets.

Since the very beginning, it has been affirmed that leadership is essential for a firm and it involves the testimony of goals and objectives, inclination of subordinates and the indication of followership. Yukl, (2010) and Northouse, (2010) stated that leadership style is described as the approach implemented by the leader in engaging and persuading the assistants towards the accomplishment of firm goals and entrepreneurial orientation consist of the competition, pro-activeness, innovation, risk-taking ability and sovereignty seeking actions of the organisation, involving an inclination towards transformation receptivity and commencement. Authors (Lumpkin & Dess, 1996; Ibeh & Young, 2001) also explained that the evidence of entrepreneurial orientation by firm is established on their behaviour and acceptance of changing systems, principles or policies. Though in previous studies the autocratic leadership form has been considered as gaining a large productive result but this style of leadership has also been noted as a constraint on creativity of employees as they are bound to follow norms and specific formats given by leader.

Mandell (2003) stated that high supervisory activities which support the standards and formats given by the leader also curtail the sovereignty. It has been confirmed that autocratic leader is appropriate for regular organisational goal achievement and less suited for innovative workplaces. Quite the opposite, democratic leadership style allows more level of participation which ultimately leads to a more creative work. Santrock, 2007; Clark et al, 2007, stated that though the supervision is important, given the accepted levels of direction and connection by leaders and supervisors, on the other hand it sets aside for a more focused configuration of such individual creativity and pro-activeness.

Michael (2010) explained that the main drawback of the Laissez-faire leadership style is its evident lack of cohesion which gives the impression of criticised laid-back leadership characteristic. In this way, though workers are given a high level of independence and a number of opportunities and room to be innovative and courageous in their work, there is a low level of cohesion and alliance as most of the creativity and talent are wasted due to poor goal clarity. It is also seen in the relationship between transformational leadership and entrepreneurial orientation as researchers affirmed that there is high evidence of creativity and pro-activeness in the transformational leadership style (Bass, 1990).

Bass (1990) explained that the transformational leadership allows more change and creativity than the transactional leadership style. He further stated that transformational leadership style implements the orientation which not only accomplishes the organisation goals, but also identifies and enlarges the talent, skills and innovation levels of the employees. Therefore, the employees not only support in achieving the organisational goals, but they also fulfil the demand of market and clients by using their creative and innovative practices and sustain in the highly aggressive completion. Consequently, it has been clearly stated in the literature that leadership style has a major impact on the employee's entrepreneurial orientation which further leads to improved business performance. In today's competitive era chasing the traditional methods will not serve the purpose thus it is a very crucial to develop the entrepreneurial orientation among employees. Therefore, in this research paper it has been attempted to find out the Managerial Grid and Entrepreneurial Orientation in the Managerial level of employees in Banking Sector of Haryana.

Methods:

Research Design:

A descriptive research design was used to study Managerial Grid and Entrepreneurial Orientation among the managers working in HDFC banks in Haryana. To know the relationship among two major variables viz. Managerial Grid and Entrepreneurial Orientation has also been studied in the descriptive research.

Participants:

The study selected the managers from private sector bank i.e., HDFC Bank from Haryana. To achieve the objective of the study, the data is collected from the managerial level with the help of simple random sampling from 128 managers working at managerial level in various branches of HDFC Bank in Haryana.

To fulfil the objective 200 questionnaires were distributed among the managers working in HDFC bank in Haryana, after data the cleaning process, 128 completed questionnaires were received. The samples include from various scales of the managers working in the bank. The managers are divided into seven scales as per their designation. In the present study the highest four scale managers are adopted for the present study.

Table 1: Scale in the Banking Sector

Scale	Designation
1	Officers
2	Assistant Managers
3	Manger
4	Chief manager
5	Assistant General Manager
6	Deputy General Manager
7	General Manager

Measuring Instruments:

The Blake and Mouton managerial grid model (1985) was used to assess the orientation and leadership styles among the managers. The Managerial grid model provides the Styles of the managers who performs the role and duties of the leaders. In the Managerial grid model, first column represents the people orientation, and the second column represents the task orientation.

There are total of 18 statements which amplifies the orientation of leadership styles. The statements 1,4,6,9,10,12,14,16 and 17 measures the people orientation and the statements 2,3,5,7,8,11,13,15 and 18 measures the task orientation.

After summing up the total score of the people orientation, next we multiply the sum by 0.2 and then the same process is followed in task-orientation. After this step, the scores are plotted on the 9X9 matrix in which there are five leadership styles which are given by Blake and Mouton (1985). In final step, the score of the grid model helps to recognise the leadership styles of the managers.

Miler and Friesen (1982) developed Entrepreneurial orientation scale which was published by Miller in (1983). This study uses Miller's construct of entrepreneurial orientation represented by three dimensions "innovativeness", "pro-activeness" and "risk taking".

This present scales measures on the scale 1 to 5 ranging from highly dissatisfied to highly satisfied. The Entrepreneurial orientation scale consisted of 25 statements which provides the three major variables viz. Innovativeness, Pro-activeness and Risk taking. In the final step this helps to find out the Entrepreneurial orientation among the managers working in HDFC Bank in Haryana.

Results:

Table 1.1: Reliability Statistics of the Data:

Cronbach's alpha	No. of Items
.81	43

Table 1.1 represents the reliability statistics of the data i.e., Cronbach's alpha value, the managerial grid and the entrepreneurial orientation, and also shows the relationship between managerial grid and entrepreneurial orientation among the managers working in the HDFC bank in Haryana.

Table 1.1 represents the Cronbach's alpha value .81, representing the Cronbach's alpha coefficient value is acceptable for present scale. In the present study two scales have been used; for measuring leadership style, Blake and Mouton Managerial Grid model has been used and to study the entrepreneurial orientation Miller (1983) has been used.

Table 1.2: Represents Descriptive Statistics Leadership Styles among HDFC Managers

	N	Mean	Std. Deviation
Task Oriented	128	7.54	.793
Human Oriented	128	7.51	.814

Predictors: (Constant) Managerial Grid:

The above table 1.2 shows the team-oriented Leadership Styles and Human oriented leadership styles. Above mentioned both the Leadership Styles computed in terms of mean and standard deviation. In mean score of the task-oriented leaders, Leadership Styles score is 7.54 and the mean score of the human oriented leadership style score is 7.51. Hence, in the comparison of the 9X9 matrix the obtained mean value is above (5, 5) which shows that managers working in the HDFC managers are high on the task orientation and high on the relationship orientation and both the orientation fall under the team leadership style.

Table 1.3: Entrepreneurial Orientation among the HDFC Bank Managers:

	N	Minimum	Maximum	M	SD
Innovativeness	128	3	5	3.12	.498
Pro-Activeness	128	3	5	4.21	.370
Risk- Taking	128	3	5	3.87	.478
Valid N (List wise)	128				

The above table 1.3 depicts the Entrepreneurial Orientation among the HDFC bank managers in Haryana. The First column represents the variables of entrepreneurial orientation viz. innovativeness, pro-activeness and risk taking. The mean value of innovativeness is 3.12, pro-activeness is 4.21 and for the risk taking is 3.87. The obtained values demonstrates that the managers working in the HDFC banks is more pro-active as compared to other factors.

Table 1.4: ANOVA Summary:

Model 1	Sum of Squares	Df	M ²	F	Significance
Regression	690.035	1	690.035	8.201	.005
Residual	11,432.673	127	72.975		
Total	12,022.707	128			

Dependent Variable: Entrepreneurial Orientation:

Predictors: (Constant) Managerial Grid:

Table 1.4 shows the analysis of variance i.e., ANNOVA summary. The obtained data depicts that regression model is fit for the data. This interprets that researcher can proceed further with the overall model.

Table 1.5: Model Summary:

Model	R	R ²	Adjusted R ²	SE of the Estimate
1	.631	.382	.372	9.48230

Table 1.5 gives the values of R= .631, R²= .382 and Adjusted R²= .372 and provides the standard error of estimate. In the above Model summary table R values the correlation value among the managerial grid and entrepreneurial orientation. The Value of correlation is .631 which depicts the positive moderate correlation between the managerial grid and entrepreneurial orientation. The R² value is .382 this represents the value of total variation in dependent variable i.e., entrepreneurial orientation is 38 percent explained by the independent variable managerial grid.

Table 1.6: Coefficients:

Model 1	Unstandardised Coefficients		Standardised Coefficients		Significance
	B	SE	B	T	
Constant	79.645	8.006		8.700	.000
Managerial Grid	.376	0.086	.231	2.654	.005

Note: Dependent Variable: Entrepreneurial Orientation:

Table 1.6 shows the B value, which is .376 and it shows a positive value, which clearly shows the positive relationship between the managerial grid and entrepreneurial orientation.

Discussion And Conclusion:

Several reviews have been done on the construct of managerial grid and entrepreneurial orientation as well as on the relationship of managerial grid and entrepreneurial orientation with other variables. Cohen (2004) considers entrepreneurial leadership as an effective and much required leadership style in today's era. Entrepreneurial leadership has been invented by the authors who recognised that a transformation in leadership style was essential. Entrepreneurial leaders carry a significant role in the success of new firm. Mandell, (2003) stated that high supervisory activities which support the standards and formats given by the leader also curtail the sovereignty. So, from the present study researcher found that managers working in HDFC bank are more competent in both the orientations, as the obtained score reveals those managers who fall under team leadership style are high on task as well as high on the relationship-oriented factors. In the given data score, manager is more proactive than risk taking in behaviour. In the study of (Bass, 1990), affirmed that there is high evidence of creativity and pro-activeness in the leadership style. Further, explained and also identify enlarges the talent, skills and innovation levels of the employees.

The present study contributed to the present scenario that managers who were presently working on the upper grade level are already nourished and flourished with the talent, skills behaviour and attitude to excel.

The managers were high on both the orientation. This shows that when the organisation required the relationship managers, the individual manager relations with other as well as when organisation required task-oriented people they behave in the desired way and will achieve the goal on time. In the study of (Yukl, 2010; Northouse, 2010) stated that leadership style is described as the approach implemented by the leader in engaging and persuading the assistants towards the accomplishment of firm goals and entrepreneurial orientation consist of the competition, pro-activeness, innovation, risk-taking ability and sovereignty seeking actions of the organisation, involving an inclination towards transformation receptivity and commencement. The obtained score also shows the positive relationship among managerial grid and entrepreneurial orientation. Wah (2004) concluded that upcoming leadership studies exploit more quantitative approaches to analysis entrepreneurial leaders.

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