Leader-Follower Relationship Behaviors: Who is a Gatekeeper to Leadership Outcomes?

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Abstract

Classical research on leadership (e.g. Bales, 1950; Stogdill, 1974; Bass, 1998) has not properly engaged with the particular consequences of becoming high-powered and influential or lacking power or influence, the effects it carries on self-perception or the consequences in terms of interpersonal interrelations. This experimental study expose subjects to one of three different descriptions depicting an autocratic leader, who declares necessity of goal setting, a transactional leader, who displays a high level of mutual benefit, and charismatic leader, who invokes leading by example to build relationship behaviors. The paper's findings are focused to indicate of how leaders and followers emphasize relationships in order to achieve desirable leadership outcomes, i.e. satisfaction, activeness, motivation. The paper engages with propositions that focus on how can an understanding of the cognitive and behavioral consequences of goal setting, mutual benefit and leading by example account for a successful exercise of leadership and followership in organization as well as cause expected leadership outcomes.

Keywords: leader-follower relationship behaviors; autocratic leadership; transactional leadership; charismatic leadership; leadership outcomes

1. Introduction

Both power and influence have traditionally been defined in organizational psychology as a property of dyadic relations which affects both leaders and followers, enabling the emergence of leader-follower relationship (Voyer, McIntosh, 2013). However, classical research on leadership (e.g. Bales, 1950; Stogdill, 1974; Bass, 1998;) has not properly engaged with the particular consequences of becoming high-powered and influential or lacking power or influence, the effects it carries on self-perception or the consequences in terms of interpersonal interrelations. From great man theories of leadership to transactional theories of leadership, two general assumptions have been determined. Firstly, the exercise of leadership is a matter of either an individual's characteristics, or of his/her environment. Secondly, becoming a leader does not change the psychological functioning of an individual (Voyer, McIntosh, 2013).

The assumptions are challenged in this paper, which explores both theoretical and practical connections between research on the cognitive consequences of leadership dimensions, such as goal setting, mutual benefit and leading by example in leader-follower relationship behaviors. The paper engages with propositions that focus on how can an understanding of the cognitive and behavioral consequences of goal setting, mutual benefit and leading by example account for a successful exercise of leadership and followership in organization as well as cause expected leadership outcomes.

This experimental study expose subjects to one of three different descriptions depicting an autocratic leader, who declares necessity of goal setting, a transactional leader, who displays a high level of mutual benefit, and charismatic leader, who invokes leading by example to build relationship behaviors. The paper's findings are focused to indicate of how leaders and followers emphasize relationships in order to achieve desirable leadership outcomes, i.e. satisfaction, activeness, motivation.

Survey assessing both leader and follower attitudes and intentions toward leadership outcomes have been administered based on pre-existing scales that were modified for the study (i.e. *The Leader Behavior Description Questionnaire – Form XII Self, originated by staff members of The Ohio State Leadership Studies and revised by Bureau of Business Research* [http://fisher.osu.edu/supplements/10/2862/lbdq%201962%20self.pdf] and P. G. Northouse leadership questionnaires [www.sagepub.com/northouseintro2e].

The authors overall aim is to offer an integrative perception on the particularity of leader-follower relationship behaviors and leadership outcomes. Traditional approaches have separated the study of the consequences of the

behaviors of leaders and the leader-follower relationship behaviors, and the authors argue that it is essential to look at both literatures simultaneously. Such a perspective not only allows a better understanding of the singularity of leaders, but it also allows a simultaneous understanding of the particularity of leadership participants, namely followers.

The paper's findings introduce three main propositions of how leaders and followers emphasize relationships in order to achieve desirable leadership outcomes, i.e. satisfaction, activeness and motivation. The authors note that charismatic leadership style could be related to essential interdependent with leader-follower satisfaction and autocratic and transactional leadership styles could be accordingly related to significative interdependent with leader-follower motivation and activeness. The authors also suggest that both individual characteristics of leaders and followers and perception of leader-follower relationship behaviors could authoritatively moderate leadership outcomes.

These issues underscore the importance of measuring organizational leadership capability shaping mutually accepted leader-follower relationship behaviors. Many scholars have discussed different approaches to and perspectives on leadership on the collective or group or team level, but only a few of them have made any attempt to examine this. Therefore, the aim of the paper is to design and test a measurement tool for evaluating the capability of leadership on the organizational level. In this paper, the authors first focus on the leadership styles and leadership dimensions that may affect organizational leadership capability and leadership outcomes as well as its measurement. The second section presents theoretical framework of autocratic, transactional and charismatic behaviors as leadership styles. The third section summarizes the methodology, while the forth section presents the results. Finally, the authors present limitations, concluding remarks and directions for future research.

2. Literature and Hypotheses

The capability of leadership exists at both the individual and the group level, which together in their sum, forms organizational leadership. However, the traditional view of leadership frequently presumes a top-down influence of the leader on followers, where the leader is the primary originator and conductor of leadership (Pearce, Conger, 2003). Leadership is also a property of the whole organization where collective leadership qualities are embedded in the organization's systems and structure (Pasternack *et al.*, 2001). This is important to emphasize because the success of an organization as a whole depends not on the performance of some remarkable individuals, but on the collective contribution of all members. For such success, many people have to support the prosperity of the organization and the organization should be aware of its member's desire to support their organization and understand the essence of collective, i.e. group and team work (Kivipõld, Vadi, 2010).

Examinations of leadership, however, are mostly based on assumptions that are widely shared across a diverse range of leadership scholars, such as "trait" theory, behavioral approaches, and "content-process" approaches (Conger, 2006). Leadership described in terms of such approaches has from time-to-time been known as "heroic" leadership. Edvinsson (2002) describes this as one-dimensional leadership, which is insufficient for acting in the modern economic environment. Pasternack *et al.* (2001) share this understanding and state that leadership must not be a solo act performed by a charismatic chief executive officer. They argue that leadership can be seen as an institutional capacity and a strategic asset. Describing the process of creating strategy, Mintzberg *et al.* (2005) emphasize the organizational capability of learning and discovery, which construes the strategic initiative of organizational members on different levels of the organization. Mayo (2001) considers this multi-level activity of organizational members as collective leadership, and Kivipõld and Vadi (2010) argue that the capability of leadership at the organizational level manifests as a combination where the organizational structure is interlaced with leadership processes in all organizational systems.

Organizational structure is here understood as a dynamic pattern of a recurrent relationship between organizational members. Organizational leadership capability as an "emergent state" or embedded capacity of the organization that develops over the life of an organization is typically dynamic in nature – various ongoing and developing internal organizational processes with respect to external environmental changes (Kivipõld, Vadi, 2010).

Drawing on the contingency perspective of leadership, the authors examine the relation between autocratic, transactional and charismatic leadership styles and leadership outcomes by focusing on the moderating role of leadership behavior dimensions, such as goal setting, mutual benefit and leading by example. The authors propose and empirically test the hypothesis that the relation between autocratic, transactional and charismatic leadership styles and leadership outcomes could be positive when the level of goal setting, mutual benefit and leading by example both perception and acceptance is high in organization. The authors further suggest directions for future research; also insist to consider type of organization replicating the results of the present study.

Referring to Flamholtz (1990) leadership capability depends on using a leadership style that is appropriate to the type of organization and situation when performing key leadership tasks, i.e. achieving leadership outcomes. The

leadership tasks are also related through two other intervening concepts: the work to be done, or "work," and the people doing the work, or "people." The "work" and "people" operate as key determinants in selecting the leadership style and then operate as the focus on the desired leadership outcomes (Flamholtz, 1990). The leadership tasks are oriented to meeting both the needs of "work" and the needs of "people". This framework hypothesizes that effective leaders use a style appropriate to the organizational situation. Also, effective leaders balance the execution of leadership tasks between those meeting the needs of "work" and "people":

Figure 1. Leader-follower relationship behaviors toward leadership tasks and leadership outcomes.
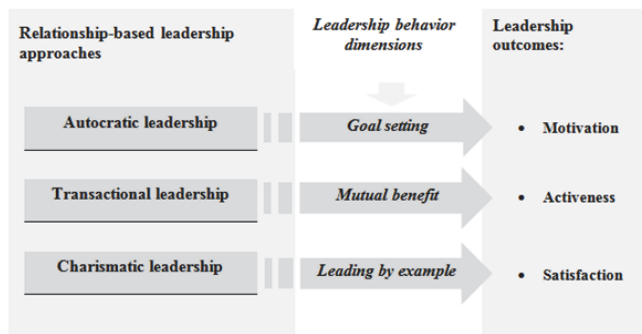
Source: created by authors.

Whereas this framework hypothesizes that leaders use a style appropriate to the organizational situation in order to balance leadership tasks and leadership outcomes as well as meet followers' both acceptance and concernment the three hypotheses could be concretized:

- *H1.* **Goal setting is positively associated with motivation of followers.**
  Followers of autocratic leaders are more motivated and prepared to put in effort, on the other hand, a dimension of goal setting, significantly affect motivation. It appears that goal setting motivate and inspire subordinates to perform at a higher level. Goal setting direct attention of followers toward challenging and worthwhile goals.
- *H2.* **Mutual benefit is positively associated with activeness of followers.**
  Transactional leaders are individuals who have clear directions and strategies for their units/departments and organizations. In order to work on mutual benefit, therefore, followers would expect transactional leader to provide clear goals and necessary technical advice to achieve those goals.
- *H3.* **Leading by example is positively associated with satisfaction of followers.**
  Charismatic leaders understand the feelings and moods of their subordinates. Their high EQ enables them to relate to and be sensitive to their followers. Because of these attributes subordinates of charismatic leaders are likely to be happier and more satisfied than working under non-charismatic leaders, who do not notice their emotions and feelings. The study is focused to show if the satisfaction levels of subordinates increase when working under leading by example of charismatic leaders.

2.1 Theoretical framework: autocratic, transactional and charismatic behaviors as leadership styles

2.1.1 Autocratic behavior: a multifaceted construct

Autocratic leader is commonly interpreted as a person with unlimited power or authority. Absolute power of the leaders over their employees or group commonly characterizes the leadership style in wide range of literature. The autocratic leader may employ coercion, exploitation or even intimidation to achieve their goals.

Autocracy, however, is nowadays very much alive and many types of governments, businesses, and industry still make use of autocratic leadership style. There are many situations where autocracy serves a useful purpose. For instance, an autocratic person in charge successfully runs many corporate organizations and small businesses. Another example would be a leader in an unskilled sector where he/she will have to dictate orders to get the job completed. Some circumstances may clearly demand immediate action, and in these instances an autocratic leadership style is determined

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as the best style to take on. In stressful and extraordinarily in crisis situations a number of subordinates truly prefer an autocratic style to any other leadership style wherein they are told precisely what to do.

Flamholtz (1990) defined the basic types of autocratic leadership. Although the typology includes non-directive (laisser-faire) leadership – that is, an inner contradiction, those types reflect a large spectrum of leaders' directive style:

- Autocratic ("*I decide*");
- Benevolent-autocratic ("*I take care of you, because I know what is best for you*");
- Consultative ("*I decide, but I will consult you*");
- Participative ("*We decide, but my vote is more decisive than the others*");
- Consensual ("*We reach a consensus before going ahead with any project*") (Dion, 2012).

The way authority and leadership are understood is domestically, culturally (and sometimes religiously, or spiritually) induced. Any form of autocratic leadership will then depend on the political, economic, situational, and even cultural, religious or spiritual context in which it is perceived and performed.

According to Aronson (2001) autocratic leadership is mostly influenced by social and cultural expectations. In some countries, particularly in Asia, autocratic leadership is the kind of leadership that is expected by most of the people. However, the fact is that a large majority of people expect autocratic leadership styles does not morally justify that style of leadership, or make it an "ethical leadership style". Insofar as autocratic leaders respect the basic human rights, their authoritative style could be considered as being ethical. In some western countries, autocratic leaders are inclined to adopt a perspective of philosophical egoism; however, it is not a general rule. In Asian countries, the ideal of social order and harmony actually discourages any egoistic attitude. Autocratic leadership could then be differently perceived in various economic, social, cultural and even religious contexts (Dion, 2012).

2.1.2 Transactional leadership as a foundation for leader-follower exchange relationships

Transactional leadership focuses on the interactions between leaders and followers. It is criticized for limitations; however, it can be effective in certain situations. For instance, a transactional style can work well in cases where the problems are clear-cut and fairly simple. Bass (1985) argued that transactional leadership builds the foundation for relationships between leaders and followers in terms of specifying expectations, clarifying responsibilities, negotiating contracts, and providing recognition and rewards in order to achieve the expected performance. Exhibiting transactional leadership means that followers agree with, accept, or comply with the leader in exchange for praise, rewards, and resources or in order to avoid disciplinary action.

Rewards and recognition are provided contingent upon followers successfully carrying out their roles and assignments (Bass, Riggio, 2006). Particularly, a transactional leader is one who operates within an existing system or culture (as opposed to trying to change it) by:

- Attempting to satisfy the current needs of followers by focusing on exchanges and consequent reward behavior;
- Paying close attention to mistakes, deviations and irregularities as well as taking action to make corrections (Bass, 1985).

Moreover, transactional leadership tends to be based on an exchange process whereby followers are rewarded for accomplishing specified goals (Song *et al.*, 2009). As such, team members are not expected to go beyond their team leaders' initial expectations, nor are they motivated to try out creative solutions to change the status quo. One of the major problems commonly determined is that the leadership style does not encourage group members to look for solutions to problems or to contribute creatively, which is why transactional leadership is not the best choice in complex situations where input from group members is required. Bass (1985) also depicts the transactional leader as one who operates within the existing system or culture, has an inclination toward risk avoidance, and focuses on time constraints, standards, and efficiency (Liu *et al.*, 2011).

Typically, transactional leaders set explicit, work-related goals and the rewards that can be expected as a result of performing successfully. Within this definition of transactional leadership, it is the implication that this is not done proactively and in close cooperation with each team member (Rowold, 2011). As each team member has different needs and abilities, especially in heterogeneous work teams, the leader should set clear and explicit goals with each team member individually. However, high demands and workloads often prevent transactional leaders from providing this individual considerate behavior (Bass, 1985). Thus, goals, rewards and mutual benefit are often communicated for the group as a whole.

2.1.3 *Charismatic leadership: vision and energy for knowledge sharing within organization*

Max Weber defined charismatic authority as "resting on devotion to the exceptional sanctity, heroism or exemplary character of an individual person, and of the normative patterns or order revealed or ordained by him." (Weber, 1947)

Politis (2002) said that charismatic leaders provide the vision and energy for knowledge sharing within the organization. Jayakody (2008) mentioned that some conditions (such as a crisis) could cause charisma to emerge. However, Politis suggested that we should take the surrounding culture into account, because in some countries (i.e. Sri Lanka) the attitude of caring is an integral part of daily life, so that no leader could become a hero because of his/her sensitivity to the organizational members. It would be different in individualistic societies, i.e. USA. Huang et al. (2005) found that charismatic leadership actually has significant impact on employee outcomes (i.e. in Taiwan). Aaltio-Marjosola and Takala (2000) looked at charismatic leadership as a species of transformational leadership. Moreover, they believed that ethics play a "guardian's role" in evaluating the outcomes of the charismatic leadership processes. They also put the emphasis on the need to take the various cultural contexts into account.

Charismatic leadership is commonly described as a leadership style based on the leader's capability to converse and behave in ways that reach followers on a basic, moving way, to motivate and inspire. A wide range of literature refers that charismatic leader should have the gift to speak on a very commanding emotional level, and maybe include some personality traits. Dion (2012) states that charismatic leaders put their charisma at the front of their leadership style. In doing so, they could have to use their charisma in a way they will solve ethical dilemmas, or to launch a dialogue about ethical issues within the organization. Any leader, however, would never know in advance which of prima facie duties he/she must accomplish in given circumstances. Leaders must rather look at the situation itself, in order to decide which one has to be prioritized. A given action can be a prima facie duty, in virtue of a given aspect (i.e. "I must respect my promises"), or a second aspect (i.e. "I must help my neighbour") (Dion, 2012).

Charismatic leadership is when the leader gathers followers by using their personality or charm, as opposed to external power or charm. Charismatic leaders pay great attention to scanning and reading their environment and are good at picking up the moods and concerns of both individuals and larger audiences. They then modify their actions and words to suit the situation. Leaders only have to reach equilibrium between the various dimensions of the situation. They cannot know in all cases whether it is better to help those in need than to accomplish their promises. Such priority is never absolute and strongly depends on circumstances. Charismatic leaders thus have limited knowledge of their principles. They cannot know in advance what they should do in all situations. Their life experiences reveal the truth of general principles underlying their prima facie duties. In their moral judgment, charismatic leaders must recognize the properties of duties, which can make the difference between prima facie duties, and proper duties. They must then find out the greatest duty, that is, a duty, which creates the greatest equilibrium between right and wrong, good and bad in a specific context. Charismatic leaders are thus calculating the "net/global" right and wrong effects of their decisions. They consider the short-term and long-term consequences of their decisions, as well as their implications for all stakeholders, however, leaders are actually subjected to very strong conditioning factors, whether they are cultural, social, economic, political or even religious (Dion, 2012).

3. Research Methodology

3.1 *Research method and instrument*

The instrument used in this study was the questionnaire, the most common method of collecting survey data (De Vaus, 2001). In order to measure the three relationship-based leadership approaches, namely Autocratic Leadership, Transactional Leadership, and Charismatic Leadership, a measurement tool in the form of a questionnaire has been designed. In designing questionnaire, a five-point scale (strongly disagree to strongly agree) were used and the choice of answers to the questions was fixed (close-ended) in advance.

The research adopts a positivist and quantitative approach employing previously developed survey instruments to assess subjects' opinions, attitudes, and beliefs concerning preferred leader-follower relationship behaviors and leadership outcomes priorities, i.e. satisfaction, activeness, motivation. Survey assessing both leader and follower attitudes and intentions toward leadership outcomes were administered based on pre-existing scales that have been modified for the study. The Leader Behavior Description Questionnaire – Form XII Self, originated by staff members of The Ohio State Leadership Studies and revised by Bureau of Business Research [http://fisher.osu.edu/supplements/10 /2862/lbdq%201962%20self.pdf], also Leadership questionnaires developed by Peter G. Northouse [www.sagepub.com /northouseintro2e] were used in order to integrate three relationship-based leadership approaches, namely Autocratic

Leadership, Transactional Leadership, and Charismatic Leadership. The questionnaire covers 42 close-ended statements formed as contingency priority, i.e. 14 statements highlighting each of three appropriate leadership styles are included.

The relationship-based leadership categories and styles' clusters and scales conceptual model is based on the Flamholtz Leadership styles and categories framework:

Table 1. Leadership categories and styles' clusters and scales

Category	Clusters	Scales	Number of statements in the questionnaire
Directive	Autocratic	Declares what is to be done without explanation.	
	Benevolent Autocratic	Declares what is to be done with an explanation.	
	Autocratic Leadership	**Goal setting**	**14**
Interactive	Consultative	Gets opinions before deciding on the plan presented.	
	Participative	Formulates alternatives with group; then decides.	
	Transactional Leadership	**Mutual Benefit**	**14**
Nondirective	Consensus	All in group have equal voice in making decisions.	
	Laissez-Faire	Leaves it up to group to decide what to do.	
	Charismatic Leadership	**Leading by example**	**14**

Source: Adopted according to Flamholtz, E.G. (1990), *Pains: How to Make the Transition from an Entrepreneurship to a Professionally Managed Firm.*

In the directive style category, the leader states what will be done. When using the autocratic style, the leader gives no explanation when giving an order. When using the benevolent autocratic style, the leader gives a rationale with the order. In the interactive styles category, the leader asks for the opinions of subordinates before deciding. In the consultative style the leader asks for opinions on a tentative plan of action and then decides. In the participative style, the leader asks for group input in formulating plans and then the leader decides. In the nondirective styles group, the leader lets the subordinates decide what will be done with or without any influence from the leader. In the consensus style, the group decides what to do with the leader participating along with other members of the group. In the laissez-faire style, the leader presents the problem to the group and then leaves it up to them to decide what should be done (Flamholtz, 1990).

3.2 Participants

The experimental study was performed at one of the biggest banks operating on the Lithuanian finance market. The bank is classified as a large-scaled business enterprise that employs more than 250 employees. 54 respondents, 31 females and 23 males, the average age 34.6 years ranging from 20 to 59 years old participated in the experimental study. 2 top managers, 8 middle managers and 44 managers and specialists having the average 4.2 years work experience in the finance sector were provided with the print questionnaire.

Two primary purposes drove the experimental study. First, the authors hoped to highlight common attitudes and concerns and general trends towards leadership assessment in the Lithuanian finance market institutions. The second purpose of the experimental study was to comprehend preferred relationship-based leadership approaches, namely Autocratic Leadership, Transactional Leadership, and Charismatic Leadership; to presume reasonable leadership behavior dimensions, i.e. goal setting, mutual benefit, and leading by example; to infer the leader-follower leadership behaviors impact to preferred leadership outcomes, such as satisfaction, activeness, and motivation. The experimental study should mirror the actual survey that is to be carried out in eight finance institutions operating in Lithuania, a total of approx. 400 questionnaires are to be completed.

4. Findings and Discussion

Generally speaking, the results of the experimental study showed that the 54 respondents had a strong tendency towards all three leadership styles categories, i.e. directive (Autocratic Leadership), interactive (Transactional Leadership) and nondirective (Charismatic Leadership). When choosing answer "Agree" majority research participants underscored Autocratic Leadership (goal setting emphasis), Transactional Leadership (mutual benefit emphasis) and Charismatic

Leadership (leading by example emphasis) as most important for leadership effectiveness as whole and for anticipating leadership outcomes in the organization they are employed (note: 14 statements highlighting each of three appropriate leadership styles are there in the questionnaire):

Table 2. Number of statements chosen by 54 respondents in the Category

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Category	Clusters	Scales	Leadership Outcomes
Number of statements chosen by 54 respondents in the Category (as of total 14 statements):	3	11	14	14	4	Directive	Autocratic Leadership	Goal Setting	Motivation
Number of statements chosen by 54 respondents in the Category (as of total 14 statements):	0	9	10	14	13	Interactive	Transactional Leadership	Mutual Benefit	Activeness
Number of statements chosen by 54 respondents in the Category (as of total 14 statements):	0	10	11	14	11	Nondirective	Charismatic Leadership	Leading by Example	Satisfaction

Interestingly, that almost a half of research participants, i.e. 26 respondents from total 54, chose Autocratic Leadership (goal setting emphasis) as the major significant (answer "Agree" to all 14 statements reflecting the leadership style in the questionnaire), however, the same number of interview participants, i.e. 26 respondents from total 54, staid neutral at the same range (answer "Neutral" to all 14 statements reflecting the leadership style in the questionnaire). Similar tendency is noticeable in the rest leadership styles evaluation, accordingly: 14 "Agree" to 10 "Neutral" as for Transactional Leadership (mutual benefit emphasis); 14 "Agree" to 11 "Neutral" as for Charismatic Leadership (leading by example emphasis):
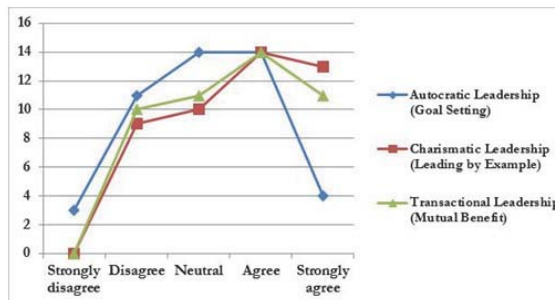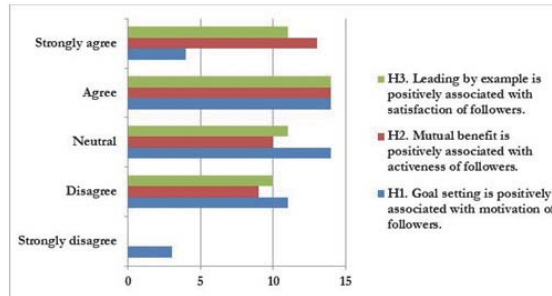

(Axis Y – max 14 statements for each leadership style included in the questionnaire)

Figure 2. Distribution of statements for the three Leadership styles

This experimental study exposed subjects to three leadership behaviors depicting an autocratic leader, who declares necessity of goal setting, a transactional leader, who displays a high level of mutual benefit, and charismatic leader, who invokes leading by example to build congruent relationship behaviors. The paper's findings indicate of how leaders and followers emphasize relationships in order to achieve desirable leadership outcomes, i.e. satisfaction, activeness, motivation. The hypotheses of the paper as initially suggested explanation of the leadership outcomes phenomenon would rely on the empirically tested research results of the to be full-scale survey that is to be carried out in 8 finance institutions operating in Lithuania, and a total of approx. 400 questionnaires are to be completed.

The column chart describes that the 54 respondents, the experimental study participants, answers apparently emphasize „Agree" to reflect the hypothetical statements H1, H2, and H3 (note: 14 statements highlighting each of three appropriate leadership styles, i.e. Autocratic Leadership, Transformative Leadership, and Charismatic Leadership, have been included into the questionnaire):

(Axis X – max 14 statements included for each leadership style in the questionnaire)

Figure 3. Distribution of Hypotheses for the 3 Leadership Styles: H1 – Autocratic Leadership; H2 – Transactional Leadership; H3 – Charismatic Leadership

Whereas the authors hoped to highlight common attitudes and concerns and general trends towards leadership assessment in the Lithuanian finance market institutions, to comprehend preferred relationship-based leadership approaches, to presume reasonable leadership behavior dimensions, to infer the leader-follower leadership behaviors impact to desired leadership outcomes, the three hypotheses' reflection in the experimental study could present wholesome advice for the further full-scale survey to be performed in 8 finance institutions operating in Lithuania.

It should be emphasized, however, that most participants of the research, yet as partial experimental study, while answering the questionnaire statements related to Autocratic Leadership agree that leader gives orders and clarifies procedures (45 respondents from total 54). The research participants also agree that the essence of leadership is to stay fixed on the goals, despite interference (38 respondents from total 54), also that leader debates with followers, but knows that his vote is more decisive than the others (34 respondents from total 54) and that most employees feel insecure about their work and need direction (33 respondents from total 54):
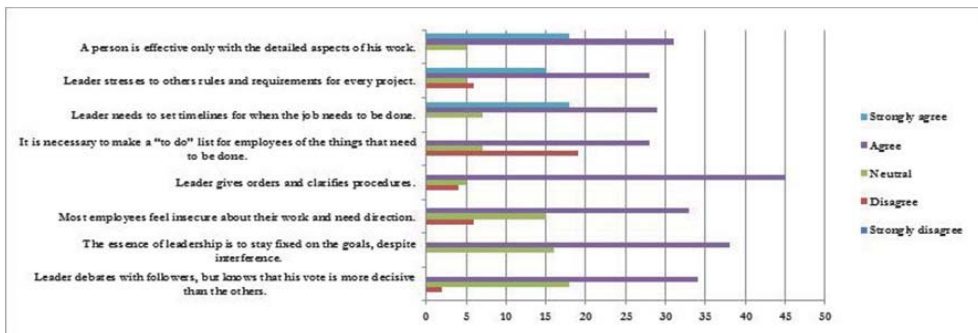
(Axis X – number of respondents who chose answer "Agree")

Figure 4. Distribution of the answer "Agree" to some noteworthy statements for Autocratic Leadership style

Importantly, most research participants while answering the questionnaire statements related to Transactional Leadership agree that leader puts the emphasis on achieving results through organizational processes (38 respondents from total 54). The research participants also agree that leader encourages team members to work to the best of their abilities (35 respondents from total 54); also believe that leadership is based on the leader-follower exchange (34 respondents from total 54) and that leadership is about the common purposes of leaders and followers (31 respondents from total 54):
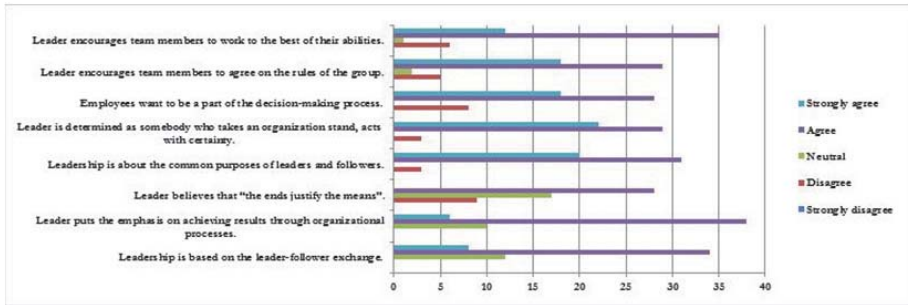
(Axis X – number of respondents who chose answer "Agree")

Figure 5. Distribution of the answer "Agree" to some noteworthy statements for Transactional Leadership style

It is significant, that most research participants while answering the questionnaire statements related to Charismatic Leadership agree that leader's charisma is positively associated with motivation of followers (33 respondents from total 54). The research participants also agree that vision is positively associated with motivation of followers (32 respondents from total 54); also believe that leader's charisma is positively associated with satisfaction of followers (29 respondents from total 54), leader is outgoing: talks freely and gets along well with others (29 respondents from total 54), leader's vision is positively associated with performance of followers (28 respondents from total 54):
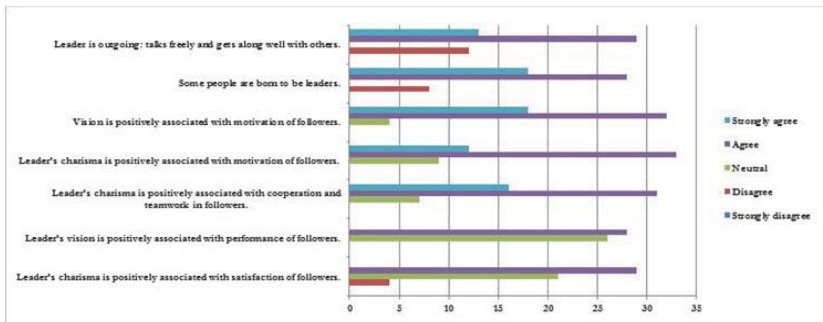
(Axis X – number of respondents who chose answer "Agree")

Figure 6. Distribution of the answer "Agree" to some noteworthy statements for Charismatic Leadership style

25 respondents (from total 54) disagree that employees need to be supervised closely, or they are not likely to do their work; however, 26 respondents (from total 54) stay neutral concerning the statement. 16 respondents (from total 54) disagree that is fair to say that most employees in the general population are lazy; however, 17 respondents (from total 54) stay neutral at the statement. 8 respondents disagree, 3 strongly disagree (from total 54) that leader is self-assured: secure with self, free of doubts; however, 16 respondents agree and 27 respondents (from total 54) stay neutral at the statement:
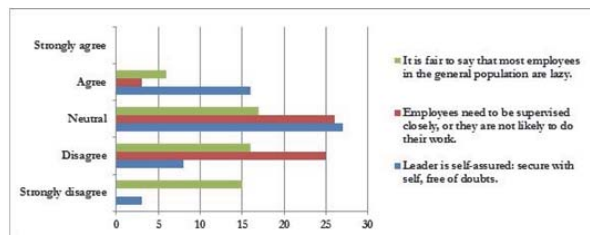
(Axis X – number of respondents who chose answers "Disagree" or "Neutral")

Figure 7. Distribution of answers "Disagree" and "Neutral" to 3 noteworthy statements for Autocratic Leadership style

24 respondents (from total 54) disagree that leaders should give subordinates complete freedom to solve problems on their own; however, 14 respondents stay neutral and 16 respondents agree with the statement. 15 respondents (from total 54) disagree that leader encourages team members to listen and to respect each other; however, 25 respondents agree and 14 respondents strongly agree with the statement:
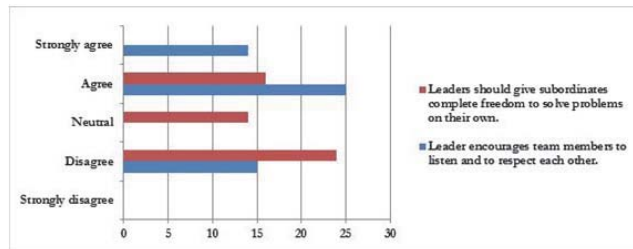
(Axis X – number of respondents who chose answers Disagree", "Neutral", "Agree" or "Strongly agree")

Figure 8. Distribution of answers "Disagree", "Neutral", "Agree" and "Strongly agree" to 2 noteworthy statements for both Transactional and Charismatic Leadership styles

Despite the evidence of strong tendency towards all three leadership styles categories, i.e. directive (Autocratic Leadership), interactive (Transactional Leadership) and nondirective (Charismatic Leadership) the results of the experimental study indicated that some significant relationships and disagreements between the research participants exist. In order to measure and to analyze leadership effectiveness, i.e. of how both individual characteristics of leaders and followers and perception of leader-follower relationship behaviors could authoritatively moderate preferred leadership styles and leadership outcomes further research methodology could also be adapted, e.g. Follower satisfaction with the leader could be measured with the job descriptive index (JDI); Multiple regression analysis; Correlation analyses; Reliability analyses; Confirmatory factor analyses; etc. (Amagoh, 2009).

5. Concluding Remarks

The findings of the research, yet as partial experimental study, indicated that an important factor for leaders to bear in mind is how to combine various behaviors. Not only did satisfaction with the way the leader combines pressure and support correlate most strongly with satisfaction with the leader, but it also augmented the effects of pressure and support on satisfaction with the leader (Dalakoura, 2010).

- In general, important congruency in leader-follower relationship behaviors has been neglected in prior studies. Addressing this gap, the present study focused on three different descriptions depicting an autocratic leader, who declares necessity of goal setting, a transactional leader, who displays a high level of mutual benefit, and charismatic leader, who invokes leading by example to build relationship behaviors. The results revealed that almost a half of interview participants chose Autocratic Leadership (goal setting emphasis) as the major significant, however, the same number of research participants staid neutral at the same range. Similar tendency is noticeable in both Transactional Leadership (mutual benefit emphasis) and Charismatic Leadership (leading by example emphasis) study results.
- The experimental study aimed to indicate of how leaders and followers emphasize relationships in order to achieve desirable leadership outcomes, i.e. satisfaction, activeness, motivation. In order to balance leadership relationship behaviors and leadership outcomes as well as meet followers' both acceptance and concernment the three hypotheses were concretized:
  - *H1.* Goal setting is positively associated with motivation of followers.
  - *H2.* Mutual benefit is positively associated with activeness of followers.
  - *H3.* Leading by example is positively associated with satisfaction of followers.

The study revealed that the survey participants' choices apparently emphasize the answer „Agree" to reflect the hypothetical statements H1, H2, and H3. Whereas the authors' overall aim is to highlight common attitudes and concerns and general trends towards leadership assessment in the Lithuanian finance market institutions, to comprehend preferred relationship-based leadership approaches, to presume reasonable leadership behavior dimensions, to infer the leader-follower leadership behaviors impact to desired leadership outcomes, the three hypotheses' reflection in the experimental

study would present wholesome advice for the further full-scale survey to be performed in 8 finance institutions operating in Lithuania.

In particular, the effects of combinative aspects of leadership style on follower satisfaction with the leader is to be shown in further research to be above and beyond those of leadership styles as indexed by the frequency of specific pressure and support behaviors. If an organization has developed leadership at all levels, then its people would act more like owners and entrepreneurs than just hired employees; they would take initiative to solve problems, acting with a sense of urgency and a willingness to experiment; they would willingly accept accountability for meeting commitments and would share a common philosophy and language of leadership. In addition, they would further create, maintain and adhere to systems and processes designed to measure and reward these distributed leadership behaviors (Tichy, 1997; McCall, 1998; O'Toole, 2001; Dalakoura, 2010).

6. Limitations and Directions for Future Research

The present study was limited to one bank institution operating on the Lithuanian financial market. Thus, future research should presumably replicate the results of the present study in other countries and in similar types of organizations. Furthermore, the data of the present study were collected from the same source, i.e. one organization, leaving room for common-source bias. However, prior researches have demonstrated that significant relationships between leadership behaviors and outcome criteria are only somewhat larger in studies that rely on common-source data than in studies that implement multiple sources of data (Avolio *et al.*, 1991).

Insofar future research should be the application of multi-level techniques which can account for variance being due to the common department level. For instance, similar responses might be in part due to common work situations (e.g. same subordination, team size) and might have influenced the experimental study results. While the present study relied on a convenience sample where full anonymity was of paramount importance (and thus, no information about the departments was collected), future research should aim at gathering data from much wider majority of department levels at number of companies. Although the present study went beyond prior research by including several leadership relationship behaviors, other theoretical approaches to leadership should be included into future studies.

The growing recognition that leadership development involves more than just developing individual leaders leads to a greater focus on the context in which leadership is developed. Followers' perceptions of specific leadership statements are influenced by the way the statements are combined. Followers' perceptions of leadership are important in their own right because perceptions are what followers respond to and act on (Hunt, 1991). Furthermore, perceptions of leadership are vital for a complete understanding of the effects that leadership behaviors have on organizational functioning (Peterson, 1985).

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