

INFORMATION TO USERS

This manuscript has been reproduced from the microfilm master. UMI films the text directly from the original or copy submitted. Thus, some thesis and dissertation copies are in typewriter face, while others may be from any type of computer printer.

The quality of this reproduction is dependent upon the quality of the copy submitted. Broken or indistinct print, colored or poor quality illustrations and photographs, print bleedthrough, substandard margins, and improper alignment can adversely affect reproduction.

In the unlikely event that the author did not send UMI a complete manuscript and there are missing pages, these will be noted. Also, if unauthorized copyright material had to be removed, a note will indicate the deletion.

Oversize materials (e.g., maps, drawings, charts) are reproduced by sectioning the original, beginning at the upper left-hand corner and continuing from left to right in equal sections with small overlaps. Each original is also photographed in one exposure and is included in reduced form at the back of the book.

Photographs included in the original manuscript have been reproduced xerographically in this copy. Higher quality 6" x 9" black and white photographic prints are available for any photographs or illustrations appearing in this copy for an additional charge. Contact UMI directly to order.

UMI

**A Bell & Howell Information Company
300 North Zeeb Road, Ann Arbor MI 48106-1346 USA
313/761-4700 800/521-0600**

PREVIEW

**LEADERSHIP BEHAVIOR AND ORGANIZATIONAL OUTCOMES
IN FARMER COOPERATIVES AS MEASURED BY THE
MULTIFACTOR LEADERSHIP QUESTIONNAIRE**

by

Frank M. Jabati

A DISSERTATION

Presented to the Faculty of

The Graduate College at the University of Nebraska

In Partial Fulfillment of Requirements

For the Degree of Doctor of Philosophy

Major: Interdepartmental Area of Community and Human Resources

Under the Supervision of Professor Leverne Barrett

Lincoln, Nebraska

August, 1997

UMI Number: 9804326

UMI Microform 9804326
Copyright 1997, by UMI Company. All rights reserved.

**This microform edition is protected against unauthorized
copying under Title 17, United States Code.**

UMI
300 North Zeeb Road
Ann Arbor, MI 48103

DISSERTATION TITLE

LEADERSHIP BEHAVIOR AND ORGANIZATIONAL OUTCOMES IN FARMER COOPERATIVES

AS MEASURED BY THE MULTIFACTOR LEADERSHIP QUESTIONNAIRE

BY

FRANK MAADA JABATI

SUPERVISORY COMMITTEE:


APPROVED

DATE


Signature


8/8/97

Leverne A. Barrett
Typed Name


Signature

5 August 1997

Ronald M. Case
Typed Name


Signature

8/5/97

Deanna B. Eversoll
Typed Name


Signature

8/5/97

Daniel W. Wheeler
Typed Name

Signature

Typed Name

Signature

Typed Name



GRADUATE COLLEGE
UNIVERSITY OF NEBRASKA

**LEADERSHIP BEHAVIORS AND ORGANIZATIONAL OUTCOMES
IN FARMER COOPERATIVES AS MEASURED BY THE
MULTIFACTOR LEADERSHIP QUESTIONNAIRE.**

Frank Maada Jabati, Ph.D.

University of Nebraska, 1997.

Advisor: Leverage Barrett

Agriculture and its related industries play important roles in the economy of Nebraska. In 1996, the agricultural industry accounted for approximately nine billion dollars to the state's economy and provided for half of the state's workforce.

The purposes of this study were to (1) identify the leadership behaviors of Nebraska farmer cooperative managers and (2) determine the relationship of farmer cooperative manager behaviors to organizational outcomes.

The Multifactor Leadership Questionnaire (self and rater) and a demographic survey developed by the researcher were mailed to a sample of 55 managers and 165 followers in Nebraska. A total of 34 managers and 102 followers (61.8%) returned usable questionnaires. All the respondents were males.

Major findings of the study are as follows:

1. None of the group subscale means of farmer cooperative managers in this study attained the optimum transformational leadership score of 3.00. Managers practiced constructive transformational leadership (contingent reward) and laissez-faire leadership to a greater extent than they thought.

2. There was a negative relationship between age and transformational and laissez faire leadership.

3. Income had a significantly positive relationship on transformational leadership.

4. Outcome measures were significantly related to transformational leadership. The more transformational a leader, the more positive outcomes attained.

5. Transactional leadership was positively related to the amount of extra effort and organizational effectiveness only when contingent reward was included in the mean but to a lesser degree.

6. Laissez faire leadership had a significantly negative relationship to satisfaction.

PREVIEW

DEDICATION

This dissertation is dedicated to my late uncle, Mohamed Jabati, for your insurmountable words of encouragement and assistance towards my education when I needed them most. Your inspirational motivation and confidence in me has always been the catalyst to propel me to newer adventures. I wish you were present to say, "Here comes my nephew, I knew he would make it." May the all mighty Allah grant you eternal peace.

To my grand father, Chief Ansumana Jabati (Siema), the touch you lit decades ago continues to illuminate the entire Jabati family. You were my paragon and will always remain my mentor. Your lessons about desire for higher aspirations, family commitment, self confidence, and dedication to excellence remain unrivaled and will continue to be my vision.

ACKNOWLEDGMENTS

I would like to express my deepest gratitude to Dr. Leverne Barrett for his guidance and support as my major advisor throughout my program. My Ph.D. program would not have become a reality without your support. I wish to thank Drs. Ronald Case, Deanna Eversoll and Daniel Wheeler for their comments and suggestions and for agreeing to serve as members of my supervisory committee.

Grateful acknowledgment is also expressed to Dr. Bill F. Brown for his initial suggestions in the earlier stages of this research and for the financial help.

My special thanks to Dr. Earl Russell and the entire ALEC department for the research assistantship and support without which the outcome of this program would have been doubtful. My time in the department has been rewarding, not only from a professional standpoint but also because of the cordial atmosphere in the department and the people.

Special thanks to Dr. Larry Andelt for helping me write up the program for my analysis. Your contribution was unmeasurable. My gratitude to Mr. Walt Patterson and the Nebraska Cooperative Council for making it possible to use their registered members as subjects for this study.

I must also thank my father Alhaji F. M. Jabati and mother Haja Marie Jabati for their inspiration and direction.

Finally, to my wife Ernestine and the children, this degree is as much yours as it is mine. Thanks for your support, understanding, and

love. Momo; you always provided me with added inspiration to complete this program on time and be with you.

F.M.J.

PREVIEW

TABLE OF CONTENTS

CHAPTER	PAGE
I. INTRODUCTION.....	1
Problem Statement.....	2
Purpose Statement.....	2
Research Questions.....	2
Objectives.....	3
Significance of the Study.....	4
Theoretical Perspective.....	4
Definition of Terms.....	7
Limitations.....	11
II. LITERATURE REVIEW.....	12
Introduction.....	12
Organizational Outcomes.....	12
Leadership Theories.....	17
Origins of the New Paradigm.....	17
Bass' Theory of Transformational and Transactional Leadership.....	21
Transformational Leadership.....	22
Transactional Leadership.....	26
Laissez-faire or Non-leadership.....	27
Organizational Outcome as Related to Bass' Transformational Model.....	28
III. METHODS AND PROCEDURES.....	30
Survey Design.....	30
Null Hypotheses.....	31
Summary of Procedures.....	33
Population.....	33
Sample.....	34
Data Collection.....	35
Instrumentation.....	36

	Variables in the Study.....	39
	Data Analysis.....	39
IV	FINDINGS AND PRESENTATION OF THE DATA.....	41
	Demographic Information Concerning Farmer	
	Cooperative Managers.....	42
	Results of Null Hypotheses.....	51
	Null Hypothesis 1.....	51
	Null Hypothesis 2.....	52
	Null Hypothesis 3.....	53
	Null Hypothesis 4.....	54
	Null Hypothesis 5.....	55
	Null Hypothesis 6.....	58
	Summary.....	60
V.	SUMMARY, CONCLUSIONS, IMPLICATIONS, AND RECOMMENDATIONS.....	61
	Background.....	61
	Purpose of the Study.....	61
	Null Hypotheses.....	61
	Data Collection.....	62
	Data Analysis.....	62
	Conclusions.....	64
	Discussion of Hypotheses.....	65
	Implications.....	68
	Recommendations.....	70
	REFERENCES.....	72
	APPENDIX A - Letter of Solicitation.....	83
	APPENDIX B - Follow-up Memoranda.....	85
	APPENDIX C - Cover Letter.....	90
	APPENDIX D - Demographic Survey and Questionnaire.....	92
	APPENDIX E - Questionnaire.....	95

LIST OF TABLES

TABLE		PAGE
1	Summary of Various Leadership Theories Used by Authors with Assumptions and Foci.....	18
2	Comparison of Follower Multifactor Leadership Questionnaire Mean Scores Between Sample 1 and Sample 2 for Leaders on Transformational, Transactional, and Laissez Faire Leadership Styles.....	42
3	Categorical Presentation of Demographic Information for Farmer Cooperative Managers.....	44
4	Comparison of Farmer Cooperative Manager Mean Scores as Measured by the MLQ for Self and Follower Ratings.....	47
5	Leader and Follower Rankings and Uses of MLQ Subscales in Farmer Cooperative Organizations.....	48
6	Leadership Categories of Nebraska Farmer Cooperative Managers Based on Bass and Avolio's (1990a) Guide for Interpreting the Multifactor Leadership Questionnaire Scores.....	49
7	Analysis of Variance of Leadership Styles by Outcome Measures.....	51
8	Comparison of Follower Means as Measured by the MLQ Between the Transformational and Transactional Subscales for the Amount of Extra Effort, Organizational Effectiveness, and Job Satisfaction.....	52
9	Comparison of Follower Means as Measured by the MLQ Between the Transformational and Contingent Reward Subscales for the Amount of Extra Effort, Organizational Effectiveness, and Job Satisfaction.....	53

TABLE		PAGE
10	Comparison of Follower Means as Measured by the MLQ Between the Transformational and Composite Mean Scores of Management by Exception (Active and Passive) for the Amount of Extra Effort, Organizational Effectiveness, and Job Satisfaction.....	54
11	Comparison of Follower Means as Measured by the MLQ Between the Transformational and Laissez Faire Mean Scores for the Amount of Extra Effort, Organizational Effectiveness, and Job Satisfaction.....	55
12	Relationship Between Leadership Subscale Mean Scores and Organizational Outcome Mean Scores.....	57
13	Correlation coefficients of demographics and outcome variables.....	61

PREVIEW

LIST OF FIGURES

FIGURE		PAGE
1	Systems Theory as It Relates to Organizational Effectiveness.....	5

PREVIEW

CHAPTER I

INTRODUCTION

Agriculture and its related industries play vital roles in the economy of Nebraska. The Nebraska Agricultural Statistics Service (1996) stated that agriculture in Nebraska is a nine billion dollar per year industry and employs approximately half of the states' workforce. Unquestionably, benefits derived from the agricultural industry are significantly important for the states' sustenance. Considering this, greater emphasis should be placed on promoting the continued viability of this industry for the benefit of the entire populace. Because cooperatives foster success of the agricultural industry, this study specifically focuses on the leadership behaviors of the people that lead them to ascertain how their leadership styles affect their organizational outcomes. Farm cooperatives like other organizations need strong leadership to guide them to accomplish desired goals. Buford and Bedein (1989) stated that a properly managed and supervised cooperative fostered progress and the satisfaction of human needs. An application of Bass' (1985) transformational model to study the leadership behaviors of Nebraska farmer cooperative managers will be a ground breaking study that may reveal relationship of leadership behaviors to organizational outcomes.

Problem Statement

This study concerned the lack of adequate knowledge by the cooperative council to specify leadership development needs. Thus, leadership development planning could lead to more effective leadership performance in participating cooperatives.

Purpose Statement

Specifically, this study attempted to identify the leadership behaviors of Nebraska farmer cooperative managers and to determine their relationship to organizational outcomes. Leadership behaviors in this context included transformational leadership behaviors (idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration), transactional leadership (contingent reward, management-by-exception which can be active or passive), and laissez-faire or non-leadership. Organizational outcomes included willingness of followers to expend extra effort, organizational effectiveness, and job satisfaction.

Research Questions

The following research questions were formulated to identify undefined factors of leadership behaviors of Nebraska's cooperative managers as they related to the outcomes of their farmer cooperatives.

Descriptive Questions

1. What are the selected demographic information/variables of Nebraska farmer cooperative managers?
2. What are the leadership behaviors of Nebraska farmer cooperative managers?

Multivariate Questions

3. What are the organizational effectiveness criteria as perceived by followers of farmer cooperative managers?
4. How do follower ratings on leadership behaviors compare to self-ratings of their managers?
5. What is the relationship between leadership style and organizational outcome?

Objectives

The specific objectives of the study were to:

1. Present selected demographic information about managers.
2. Identify leadership styles of Nebraska farmer cooperative managers.
3. Determine the perceptions of followers about the leadership behaviors of their managers.
4. Determine the relationship between leadership behaviors and organizational outcomes of Nebraska farmer cooperative managers.

Significance of the Study

Results of this study could be used as a means to properly identify training needs of farmer cooperative managers and assist in planning and delivering meaningful educational programs through the cooperative council. It will also add to the leadership literature from a farm cooperative perspective, since no prior study has been done with farmer cooperative managers using the transformational leadership theory. Moreover, findings from this study can be used to enlighten policy makers about the significance in shaping organizational outcomes, thus influencing their support in sponsoring leadership training programs. Finally, the design of the study can be replicated in studies involving farmer cooperatives in other areas to see if similar behavioral styles account for organizational outcomes.

Theoretical Perspective

Theoretically, the outcome of an organization can be reflected in its effectiveness and performance (Singh & Bhandarker, 1992). However, since performance reflects achievement of short-term outcomes while effectiveness reflects both short and long-term goals, it can be implied that effectiveness encompasses performance. Therefore, the theoretical perspective that was used in this study was the systems theory, specifically as it relates to organizational effectiveness since it is the greatest outcome determinant (see Figure 1)..

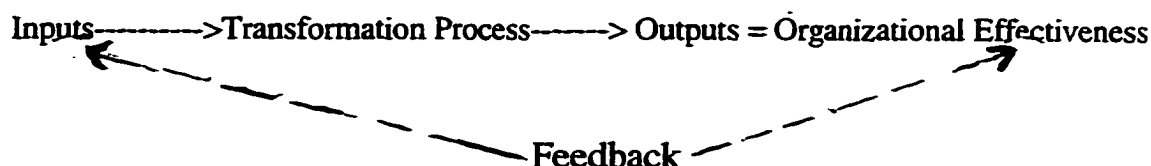


Figure 1. Systems Theory as It Relates to Organizational Effectiveness

Systems theory was developed by Bertalanaffy (1972), a biologist; therefore, the theory has its roots in the natural and physical sciences. First applied to organizational settings in the early 1900s (Luthans, 1981), the theory has since been applied to various organizational settings by scholars to understand and explain organizations and organizational effectiveness (Etzioni 1964; 1975; Katz & Kahn, 1966). The theory has also been applied to economics (Boulding, 1956). With regard to organizational effectiveness, the systems theory views an organization as a collection of interdependent, organized parts that work together in an environment to achieve the purpose of the whole (McClagan, 1989). The theory posits that organizations function with four systematic processes (Spray, 1976). These include the following:

1. Inputs from various resources, such as capital, human resources, technology, and raw materials
2. Transformation of resources through processes
3. Outputs transmitted to other systems
4. Feedback from internal and external sources

Koehler and Pankowski (1997) defined a system as “an arrangement of things related or connected to form a unified or organic whole” (p. 24). They further asserted that organizational leaders must refrain from thinking and acting functionally, a concept Rummier and Brache (1995) called the “silo effect.” Leaders must therefore adopt a systems perspective and think of the organization holistically. For some leaders, the pursuit of this silo phenomenon has been responsible for creating gaps between tasks and departments. As such, processes that facilitate efficiency and effectiveness components of organizational outcomes are stalled at these blank spaces. Cross-functionality between tasks and departments is a viable method of rectifying the problem. Because of this view, Koehler and Pankowski (1997) stated that “an effective leader can use the systems approach to predict and proactively cope with change” (p. 13). The implication of this approach is that leaders must not view organizations from a silo perspective but as an interconnected process whose outcome is contingent upon the functionality of all subsystems within the system. Jacobs (1988) supported this concept by stating that if human performance in an organization is expected to contribute to the accomplishment of organizational goals, a systems approach must be used for development and management.

Organizations in themselves consist of systems that have goals. However, it is the combined contribution of these systems to the organization that determines their effectiveness. Therefore, leaders in organizations must adopt a leadership style that not only caters to the achievement of organizational goals, but one that considers individual

systems and their interrelationships. Considering this notion, Cameron and Whetten (1983) stated that organizational effectiveness can and must be evaluated from the perspective of all the different subsystems that make up an organization. This is due to the fact that properly managed and coordinated sub-systems within an organization determine the direction of goal attainment in the organization. Moreover, when all the components within a system are present and adequately managed, one would expect to get exemplary performance. In effect, organizational outcome must be described and evaluated in terms of all attributes within the organization. Leaders need to monitor, properly lead, and direct all components in an organization to foster organization-environment interactions needed for goal attainment.

Definition of Terms

Nebraska farmer cooperatives. Enterprises that are normally incorporated, owned by members, and organized and operated by them to perform specified services (Jewett & Voorhies, 1963). In this study, references to farmer cooperatives include only those registered with the Nebraska Cooperative Council.

Farmer cooperative managers. Individuals designated as managers in the various farmer cooperatives involved in this study.

Followers. Employees of respective farmer cooperatives, sometimes referred to as subordinates, who rated their managers in this study.

Leadership. Leadership is (1) a process whereby leaders induce followers to act for certain goals that represent the values, motivations, wants, needs, aspirations, and expectations of followers. The genius of leadership lies in what leaders see and act on their own and their followers' values and motivations (Burns , 1978); and (2) an influence relationship between leaders and their collaborators who intend real change that reflects their mutual purposes (Rost, 1991). Bray (1995) elaborated on the elements of this definition by advancing:

1. It is a relationship based on influence.
2. The relationship is active involving leaders and collaborators influencing each other.
3. Leaders and their collaborators intend real change.
4. What leaders and their collaborators intend reflect their mutual purposes. (p. 17)

In leadership, therefore, change is a crucial element. It comes about through a noncoerciveness that influences relationships.

Leadership behavior. For the purpose of this study, leadership behavior / style will be used synonymously. It is the leadership style a leader adopts in delegating, participating, selling, and telling followers (Hollander, 1978), which in this study involves transformational, transactional, and laissez-faire leadership behaviors.

Leadership effectiveness. This is the degree of success with which a group does primary assigned tasks (Fiedler & Garcia, 1987).

Organizational outcomes. These are the organization's dependent variables that portrays the achievements of the organization. In this study, it is the willingness of followers to expend extra effort to attain

organizational goals, organizational effectiveness, and job satisfaction (Bass & Avolio, 1993b).

Systems theory. A theory that views organizations as a collection of interdependent, organized parts that work together in an environment to achieve the purpose of the whole (McClagan, 1989).

Transformational leadership (TR.L)- Leadership that attempts to (1) raise the needs of followers and promote dramatic changes of individuals, groups, and organizations (Avolio et al., 1988); and (2) inspire change and empower followers to achieve greater heights and to improve themselves and the organizational process. It is an enabling process causing followers to accept responsibility and accountability for themselves and the process to which they are assigned (Koehler & Pankowski, 1997).

Transactional leadership (TL)- A leadership style that attempts to motivate followers by exchanging rewards for services they render (Bass, 1985).

Laissez-faire or non-leadership(LF)- A leadership behavior in which the leader is virtually absent from the scene (Bass & Avolio, 1993a).

Multifactor Leadership Questionnaire (MLQ). An instrument developed by Bass & Avolio (1988a) to measure transformational, transactional, and laissez-faire leadership styles as they relate to organizational outcomes.

Transformational mean The composite average score for all the transformational leadership subscales. Included in this average are the following individual subscales: