

TITLE: The Ideal and Perceived Leadership Characteristics of Leaders as Identified by Employees and Leaders in Small and Medium Commercial Enterprises in Taipei, Taiwan

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OBJECTIVE: The purpose of this study was to identify leadership characteristics employees expect ideal leaders to have in small and medium Commercial enterprises (SME) in Taipei, Taiwan and to compare this with the perceptions of the leaders themselves.

METHODOLOGY: A random sample of SMEs in Taipei was generated, from which 255 leaders and 699 employees participated. These were considered “General SMEs” while Efficient SMEs” were from the largest corporations in Taipei and this group had 11 leaders and 59 employees. Respondents completed the Checklist of Admired Leaders (Kouzes & Posner, 2002) in both an actual and ideal format, selecting seven out of the 20 most admired characteristics. In the former sample the percentage of male leaders was 78 percent and male employees were 35 percent and in the latter group of the percentage of male Leaders was 73 percent and employees was 41 percent.

Cronbach’s alpha coefficients (internal reliability) for the actual leader characteristics from employees were .95 and .88 for leaders. Factor analysis revealed three factors (labeled interpersonal relationship, personal quality and professional quality) from employees’ perspective and five factors from the leaders’ perspective (interpersonal relationship, professional attitudes, personal ethics, creativity, and personal desire).

KEY FINDINGS: Most important ideal leader characteristics of General SME employees were Forward-looking (74%), Broad-minded (58%), Caring (54%), Fair-Minded (54%), Honest (50%), Intelligent (49%) and Inspiring (44%). These were also the top seven for Efficient SME employees with slightly different percentages: Forward-looking (78%), Honest (68%), Caring (63%), Fair-Minded (58%), Broad-minded (53%), Intelligent (52%) and Inspiring (44%). The only significant difference between these two groups was for honest.

Most ideal leader characteristics of General SME leaders was Forward-Looking (72%), Broad-minded (53%), Honest (50%), Determined (49%), Fair-Minded (44%), Ambitious (44%) and Caring (43%). For Efficient SME leaders the most important were Forward-Looking (91%), Honest (73%), Broad-minded (54%), Fair-Minded (54%), Competent (46%) and Caring, Dependable, Loyal and Mature (all with 36%). There were no significant differences between these two

groups on the list of characteristics.

Between employees and their leaders in General SMEs there were significant differences between Caring, Fair-Minded, Inspiring and Intelligent. Intelligent was the only difference between employees and their leaders in Efficient SMEs.

The only significant difference between SMEs' employees based on employee educational level was for Forward-Looking, with this increasing in importance as a function of educational level. No differences were found on the basis of "growth area of employees" and the only difference on the basis of religion was found on Broad-minded. Respondent age accounted for significant differences on Broad-minded, Honest and Inspiring. Fair-minded was the only characteristic significantly different by gender, with a higher percentage of females selecting this than males.

There were no significant differences between SMEs' leaders on the basis of educational level, growth area of leader, or religion. Age accounted for differences on Broad-minded, Fair-minded, and Inspiring.

All in all, there was considerable overlap between employees and their leaders in these characteristics for their ideal leader. This was not the case when thinking about their actual leaders. For instance, General and Efficient SME employees significantly differed on all 20 leader characteristics. However, no differences were found between General and Efficient leaders. Thirteen characteristics of actual leaders differed significantly between General employees and their leaders (ambitious, loyal, supportive, broad-minded, dependable, cooperative, imaginative, caring, honest, forward-looking, inspiring, competent and fair-minded) with employees rating these all lower than leaders. Efficient SME leaders rated four Characteristics (self-controlled, independent, intelligent, and courageous) all significantly lower than their employees.

The gender of General SME employees accounted for significant differences in mature, supportive, courageous, imaginative, caring, and determined. Educational levels accounted for differences in honest and fair-minded; the latter characteristic was the only one that differed on the basis of growth area. Religious background contributed to differences on supportive, imaginative, caring, forward-looking, Inspiring, competent, and fair-minded. General SME employee age accounted for significant differences on loyal and honest.

No significant differences were found in the actual leadership characteristics regarding gender for Efficient SME employees. Educational differences for this group were found on mature, loyal, supportive, broad-minded, courageous, imaginative, caring, determined, forward-looking, Inspiring, Competent and fair-minded. Neither growth area nor religion accounted for any significant differences, while age contributed to differences in the characteristics of intelligent and dependable.

The gender of General SME leaders contributed to significant differences on ambitious and caring. Education, religion nor age accounted for any

differences in this category.

The gender, religion or age of Efficient SME leaders did not account for any differences. Educational level explained three differences (independent, broad-minded, and caring) and growth area accounted for only one difference (competent).

Comparing responses to the most ideal leadership characteristics with those from the actual list revealed differences for General SME employees on broad-minded, caring, honest and inspiring but not on forward-looking, fair-minded, or intelligent. The only ideal versus actual leader characteristic difference for Efficient SME employees was on forward-looking (ideal > actual). The differences were all significant between actual leader characteristics as seen by General SME leaders and ideal leadership characteristics perceived by employees (ideal > actual). For Efficient SME leaders their actual leadership characteristics were significantly different from their employee's ideal characteristics on broad-minded and inspiring (ideal > actual).

The differences between General and Efficient SME employees on the actual leadership characteristics, as measured by the three extracted factors, were all significantly different (efficient > general). The same pattern was found on the five extracted factors on the actual leadership characteristics.

Some of the author's conclusions were:

- "Taiwanese culture has a preference for a leadership that emphasizes vision and relationship" (p. 188).
- "Efficient Employees selected honest and caring more frequent than did General Employees" (p. 193), but generally "employees had the same expectation for the Ideal Leadership Characteristics" (p. 193).
- "The leaders [from General and Efficient SMEs] had the same expectation for the seven most frequent selections of Ideal Leadership Characteristics" (pp. 193-94).
- "Employees from the Greater Taipei Area selected an Ideal Leader's Characteristics more broad than did other areas. Employees from isolated or deficient areas had more frequent selections of 'honest' and 'forward-looking'" (p. 196).
- "Efficient Leaders displayed the 20 Leadership Characteristics better than did General Leaders, and were perceived by their employees as being stronger leaders" (p. 202).
- "Efficient Leaders displayed these 20 Leadership Characteristics well in

their companies, so employees perceived their Actual Leadership Characteristics to be higher than the leaders stated themselves to display” (p. 205).

- “Female employees scored their leaders’ Characteristics lower than male employees did” (pp. 205-06).
- “No significant differences in Actual Leadership Characteristics based on the gender of Efficient Employees” (p. 209).
- “The Actual Leadership Characteristics perceived by employees were significant differences between General and Efficient SMEs. Efficient Leaders displayed Leadership Characteristics better than General Leaders in their companies, so the human relationship of Efficient SMEs was more positive than General SMEs” (p. 225).

NOTE: The dissertation contains a Chinese-language version of the Checklist of Admired Leaders (Kouzes & Posner, 2002).

