A SITUATIONAL PERSPECTIVE OF THE
LEADERSHIP ROLE OF THE CHIEF ACCOUNTANT
IN INDUSTRY — MANAGERIAL DECISION-MAKING
WITHIN THE FINANCE FUNCTION

by

Eugene Francis McKenna

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The aim of the study was to contribute to the development of situational leadership theory by assessing the impact of what one considered to be significant situational or structural forces impinging on the leadership style of an influential occupational group – Chief Accountants – previously not subjected to such analysis. The choice of subjects was predominantly influenced by the author's exposure early in his working life to training in a professional accountant's office.

The method used incorporated the mail questionnaire and the interview. The respondents who completed the questionnaire numbered 212 and were almost equally distributed over small, medium and large sized companies. Intensive interviews were conducted with 32 respondents. Within the limitations of the research methodology the following constitute the major findings.

Contrary to a general impression which suggests that accountants are directive in orientation, the Chief Accountant places almost equal emphasis on both restrictive and permissive leadership styles. What is particularly interesting is that he modifies his style to suit prevailing situational or structural circumstances. He behaves differently in programmed and task decision situations than in non-programmed and personnel decision situations. Other situationally or structurally determined circumstances affecting leadership style are: job tenure; specialisation and specialism; calibre of subordinate staff; psychological closeness of the leader; employee-oriented behaviour; span of control; size of company and finance function; and hierarchical level. Type of decision and certain independent variables are also important as mediating variables.

A situational perspective of the leadership role of a key functional manager could prove useful in encouraging
others to conduct similar analyses in other functional areas, hopefully resulting in comparative analysis. Then significant strides forward could be made in the development of a global situational leadership theory.
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CHAPTER I

BACKGROUND TO THE RESEARCH

1.1 INTRODUCTION

This is a study concerned with the development of situational leadership theory in relation to the role and immediate work environment of the Chief Accountant or Financial Controller in industry. The author's interest in leadership springs from a research study for a master's degree when leadership styles were analysed in relation to a number of individual, managerial and organisational variables. The rationale for embarking on the present study can be gleaned from a concluding remark contained in the master's thesis: "... future research might begin by constructing a typology of typical decisions taken by managers within a work organisation. Each type of decision would then be related to the leadership continuum, and finally, within this framework the identification and measurement of situational variables could be pursued. It is felt that such an approach would enlarge and enhance our understanding of leadership styles in industry." (McKenna 1972).

Ever since the arrival on the scene of the contingency model of leadership (Fiedler 1967) the situational approach to leadership has assumed a new importance, though a very minor situational concern has been expressed by influential participative management theorists (Likert 1961; McGregor 1967). A perusal of the recent literature on leadership shows clearly the growing importance attached to the need to consider situational variables (e.g. Kavanagh 1972; Bass et al 1975; Vroom 1976). Proponents of the OHIO State School of leadership felt it necessary to postulate situational propositions, which they consider more closely reflect the concern of the school, in the face of criticism relegating 'Initiating Structure' and 'Consideration' - dimensions of leadership behaviour - to a position of historical importance (Kerr et al 1974). They concede, quite rightly, that we have not yet arrived at a point of theoretical adequacy in our quest for a leadership theory.
This viewpoint is reinforced by Yukl (1971), who maintains that leadership research has often failed to include intermediate and situational variables which one should consider in order to understand how a leader's actions can affect his subordinate's productivity.

It is both conceptually and physically impossible to define and study the numerous important variables which comprise the situational environment. It is consequently necessary to select environmental elements which are measurable and exert a significant effect on leadership style. The situational and structural variables chosen for the present study reflect the judgement of the author as to what constitutes important immediate environmental variables. They consist of typical decisions facing the Chief Accountant; the extent of specialisation and specialism within the finance function; the status, power and influence attached to the Chief Accountant's position; the qualities and skills deemed important and the extent to which they are possessed by his subordinate; the psychological distance between the Chief Accountant and his least preferred subordinate; the nature of his role within the organisation; his level within the organisational hierarchy; his span of control; the length of time spent in his present position; and the size of the finance function and the organisation. These would then be related to a measure of leadership style; the latter would also be related to dimensions of leadership behaviour. Some, but not all, of the situational or structural variables mentioned have been considered previously in connection with leadership (Heller 1971; Ritchie and Miles 1970; Blankenship and Miles 1968). This then seems to be a concrete and positive approach to leadership theory since it endeavours to incorporate the U.K. structural (Woodward 1965; Pugh et al 1969) tradition and the U.S.A. interpersonal (McGregor 1960; Likert 1961) tradition in a single framework. Evidence related to the leadership styles of accountants as an occupational group is rather scant and tends to emphasise style without any acknowledgement of the impact of situational or structural variables. McKenna (op cit) reports that accountants more than non-financial managers experienced a
restrictive leadership style. Heller (op cit), for example, suggests that finance and production managers are prone to a centralised style, which is less likely to be the case with personnel and general managers, and attributes this phenomenon to constraints on the degree of freedom suffered by the former group of managers. These constraints are not however made explicit, save reference to different leadership patterns in production and non-production departments (Fleishman et al 1955), and differentiation in style and productivity between foremen in assembly line production departments as opposed to other departments (Argyle et al 1958). Perhaps nearer the mark is Heller's reference to a directive style being complementary to highly structured tasks (Shaw and Blum 1966).

There is, therefore, good justification for undertaking a leadership study of a key manager in the finance function - the Chief Accountant - so as to assess in a more methodical and rigorous fashion 'constraints' on his degree of freedom.

1.2 ACCOUNTANTS AS A DISTINCTIVE OCCUPATIONAL GROUP

Initial interest in the social and technical dimensions of the Accountant's role in both a professional and industrial environment was activated and nurtured whilst the author was pursuing a programme of training in the offices of accountants in the early 1960's. Subsequently endowed with a little more wisdom and experience one felt compelled to penetrate the sober and sometimes dull exterior of the accountant and unearth some of the attributes or qualities often the subject of a satirical representation of his personality. This was facilitated by two research programmes which afforded me the opportunity to gain a deeper insight into the influences shaping the attitudes and work orientations of accountants.

As a professional group accountants are an influential body of people engaged in the collection, processing and interpretation of accounting and financial data, and offering a service to management both on an internal and external basis. It has become almost commonplace in recent times for educators and others interested in the academic maturation of the profession of
accountancy to level criticisms, in many cases justified, at the standards of education prior and post entry to professional training. Vatter (1963) recognises that accountancy has a right to claim professional status and asserts that with the growth of sophisticated techniques and the development of mature ways of looking at things, more exacting educational standards for entrants to the profession are required. A similar perspective is taken by Lowe (1964) who stresses that there are signs of accounting information systems being no longer self-sufficient. This is also a view shared by Trueblood (1963) with the added comment that accounting will become an integral part of a complex of disciplines or methodologies. The computer will relieve the accountant of the task of processing routine data, opening up the way for a new breed of people with analytical and scientific minds, less inclined to rely on hunches based on historical data with more emphasis given to quantification of variables and recognising the importance of a multidisciplinary approach (Lowe op cit). This has obvious importance in pointing the way to the development of exacting education standards, with a shift to teaching the individual to be adaptive, to be receptive to new ideas and at the same time have the mental faculties to sift through ideas and assess their relevance.

Over a decade ago in the U.S.A. Trueblood (op cit) advocated a better balance between business and liberal arts subjects on degree programmes with a bias in favour of accountancy and deprecated programmes emphasising descriptive material. In this country there is a growing recognition that, given the movement of the abler students from the Grammar and Comprehensive Schools to higher education, the professional educational process must acknowledge the particular needs, abilities and problems of the graduate. Perrin (1971) rightly states: "in recent years the leading spirits in the profession have recognised that the recruitment of graduates is essential to prevent the profession sliding backwards in terms of both the absolute and relative intelligence and abilities of its entrants, and also in terms of the profession's perceived status and authority in the world at large." He also maintains that the accountancy profession prided
itself in the fruits of 'craft training' which led to the mastery of relevant techniques together with the acquisition of the 'conventional wisdom' of the profession. The drawback in educational terms of this outlook is the absence of the opportunity "to learn to conceptualise, to search out and evaluate alternatives and perhaps above all to challenge convention with reasoned arguments." This type of observation appears to have a firm historical factual basis to it and is substantiated by an earlier experience of two chartered accountants who pursued a graduate programme of study in business administration at an American University. Extolling the challenges and benefits of the courses offered and favourably commenting on the calibre of staff they were exposed to, Hughes and Barclay (1967) went on to say: "To someone who received his main theoretical training by dull correspondence course at the sterile hands of a firm of accounting tutors, the difference is striking. The constant interaction of wits in discussion with fellow students, the clarification of ideas through the necessity of defending them before ones peers: all this makes the articled clerk's formal education emasculated by comparison." Perhaps it is fair to say that this view is not now fully representative of the quality of the educational process as a one year full-time foundation course with a tendency towards academic rigour is widespread and obligatory for those proposing to qualify as chartered accountants. Proposals put forward in the Solomon's report - Prospectus for a Profession - highlight an urgency and perhaps determination to raise standards in both spheres of education and training with the recommendation that non-graduates proposing to enter the profession should first pursue a full-time course of at least two years duration leading to a Diploma of Higher Education (Solomons and Berridge 1974). Apparently the latter proposal is considered by one of the accounting bodies as unsatisfactory on the grounds of the maintenance of standards; other proposals are also contentious for a number of practical reasons; for example, the proposal that students of all accountancy bodies should spend a mandatory period of time in both a practising office and in industry or commerce or the public service.
A typical accusation directed at the type of training received is that the training tends to promote conservative practice rather than an innovative mentality (Tricker 1967). There is little doubt that preoccupation with educational and training standards is generating serious attempts to upgrade standards of education and training. This momentum is welcome in a period of rapidly developing technology and its application in a number of areas including accounting. In due course, perhaps future events will in some way dilute the substance of a justifiable assertion by Perrin (op cit): "Indeed the profession has sometimes been accused of a distinctly anti-intellectual bias and at least a few of its members have seemed to glory in accepting the accusation as a compliment."

Various speculations centre on the question of whether certain personality types choose accountancy as a career or alternatively whether certain socialisation processes mould individuals of different personality patterns to produce certain identifiable behaviour characteristics of the accountant. Accountants as a group are likely to be practical, realistic, resolute, make decisions and take action on their own, responsible, direct a group on a practical and realistic no-nonsense basis, but are uncultured, sometimes phlegmatic, hard, cynical and smug (Barden 1970). One might venture to suggest that the process of training, of which more will be said later, requiring the accountant to place excessive attention to detail, patience, much concentration, a good memory and an ability to handle figures accurately, is anything but an experience designed to inspire and develop a humanistic perspective and a flexible mode of operation.

It is felt that entrants to well defined professional occupations, such as chartered accountancy and law, display some interest in or attachment to the idea of pursuing a professional career prior to entry. Super (1953) has argued that in choosing an occupation an individual is in effect choosing something which will realise his self-concept; this view has received support in a number of empirical studies.
Of particular relevance is the work of Lancashire and Cohen (1970) who conducted follow-up studies on groups of people who had earlier undergone vocational guidance at the NIIP. The selected sample—chartered accountants and solicitors—unlike a random sample, representing people who had followed a diverse range of occupations, had shown a stronger interest in the idea of an office professional career prior to their consultation and there was a slightly greater tendency for their father to have the same profession as that recommended to the son. This could be attributable to childhood and adolescent identification with an adult who acted as a role model for the prospective accountant (Super op cit). Alternatively, the accountant may have perceived his family and friends as having favourable attitudes towards the profession (Englander 1960). In an exploratory study conducted by the author it was found that the promise of job satisfaction was ranked as the most important determinant of career choice; this could be a function of early socialisation, and the answers to the open-ended questions firmly endorsed the influence of parents, family or friends (McKenna op cit).

The influence of socialisation processes during training in a professional office warrants examination, because these processes initiate and cultivate a professional perspective, total adherence to which can lead to dysfunctional consequences in certain areas of industrial accountancy. Hastings (1968) maintains that the professional socialisation process which the articled clerk in training is exposed to is likely to contribute to the development of an attachment to the following values: Caution; Exactitude; Anti-theoretical Pragmatism; Professional Exclusiveness; Quantification and Rationality. Though Hastings' study is specific to the value system of chartered accountants, it is reasonable to suppose that other professional accountants are similarly endowed with at least some of the values. After all, many generations of chartered accountants have contributed to the moulding and shaping of the work and social environment within the finance function in industry, either internally as executive accountants or externally through the advice offered supplementary to their role as auditors. The latter influence may be felt in the form of procedural determination or modification.
The professional attitudes will invariably have to be tempered to suit the demands of roles in industrial organisations (Scott 1966), or alternatively the professional accountant may experience conflict and strain (Millerson 1964). Attachment to the professional values by the chartered accountant was found to be affected in varying degrees by subsequent socialisation in organisations outside the professional office (Hastings op cit). But in any assessment of the extent to which the industrial work role affects professional values one would have to be cognizant of the degree of harmony or conflict between both the individual's conception and demands of his adopted role and the adjustment needed to fulfil the demands of the role.

Those engaged in financial accounting and internal audit work are expected to show a strong attachment to 'exactitude' and 'anti-theoretical pragmatism', though the extent to which the accountant is attached to this set of values is dependent upon the demands made on him to shift his attitudinal position on acquiring his first industrial experience. A firm challenge to the relevance of professional values at this stage could have the effect of significantly modifying them. Those engaged on all work activities are likely to have 'caution' firmly ingrained in their outlook, unless they are dependent upon non-accountants for promotion. A lesser attachment to 'professional exclusiveness' is likely to materialise if the organisation considers other professional accountants to be on par with chartered accountants, or where the chartered accountant has little contact with his Institute's affairs. 'Quantification' may be considered functional but 'exactitude' and 'anti-theoretical pragmatism' are on balance dysfunctional in the practice of industrial accountancy. However, there is a danger in overstating the functional nature of 'quantification'.

The substance of the above research evidence is reinforced by the observations of those who are or have been close to the practical scene. Because of his unpreparedness to grapple with situations exposed to risk and uncertainty the accountant in management tends to maintain the cautious attitudes he had at the lower levels when dealing with problems nearer the top of
the organisation (Tricker op cit). Exactitude is evident in
the willingness of the accountant to be precise about detail and
Wilson (1965) states that the accountant's mind tends towards
complete accuracy in contrast with the techniques of the statistician
which consider how an acceptable level of accuracy can be achieved.
Anti-theoretical pragmatism is symbolised in a convention-based
approach rather than a flexible analytical approach to problem-
solving. Elgin (1965) reports the comments of the then Assistant
Controller of the Ford Motor Company to the effect that a costing
variance analysis exercise calls for high analytical ability in
determining the true causes and the detection of ominous trends,
but that "often the pure accountant was too immersed in the
technicalities of his work and that young graduate economists are
often better at tracking down the real cause." By over-stressing
the desirability of quantification of data one may all too easily
ignore that which cannot be quantified. This does not appear to
silence voices calling for strict adherence to the quantification
process. For example, Lee (1968) in his exhortations to the
accountant to accept future challenges advises him to preserve his
objectivity and apply impartial numerical expressions to historical
and predictive data. In fact, this advice is unlikely to fall on
deaf ears as the accountant is more adept at quantifying than
verbalising.

It will be noted that more than a fair share of comment in the
discussion focuses on the chartered accountant rather than on the
other recognised professional accountants. This appears to be
inevitable as a preponderance of emphasis in the literature is
firmly balanced in favour of chartered accountants, probably due
to their historical and present status and the easily identifiable
and structured nature of the articled clerk's training. Finally,
one may deduce from the discussion so far that the accountant's
education and training could be instrumental in engendering a basic
conservatism in outlook with a leaning towards the practice of a
restrictive style of leadership. The latter sentiment is succinctly
expressed by Hastings (op cit) when commenting on the accountant's
attachment to the value of 'caution'. He states that the accountant
who supervises the processes involved in the operation of accounting
systems "shows a particular tendency to check the work of
subordinates and in particular to limit the discretion of subordinates who are not qualified accountants".

We are now beginning to appreciate more than ever before the behavioural assumptions underlying the conception and design of accounting systems and the human reactions they are likely to promote. These will be reflected in the appropriate sections of the text, but at this stage before examining the work activities of the Chief Accountant, a brief reflection on the concept of cost seems opportune. A Professor of Accounting - McRae (1971) - adopting a viewpoint of Likert argues that conventional accounting measures of performance ignore the value of the current psychological state of the human organisation, and that, for example, the damage perpetrated by the short-term profit go-getter is not reflected in the accounting records in circumstances where the quality of human resources are severely dented after his departure. Somewhat ideally Argyris (1964) maintains that a proper management accounting system ought to measure gold bricking, rate-setting, apathy and non-involvement, lack of openness, conformity, mutual distrust, extreme commitment and interdepartmental rivalries. Closely allied to these alleged shortcomings are that accounting systems do not adequately reflect the value of the human resource to the organisation in terms of the expenditure incurred on it, its opportunity cost and the benefits accruing from its deployment (Brummet et al 1968). An innovative suggestion, if not at present practicable, is one encouraging departments to bid against each other for the service of organisational personnel and in the process place values on the individual's worth; the accepted bid would then form the asset value base (Hekimian and Jones 1967). No doubt Likert (1967) would disagree fundamentally with this position on the grounds that certain key psychological variables - e.g. loyalty, mutual trust, co-operation - developed in working group relationships, on which the efficient operation of the enterprise rests, have not been considered. Either approach is a tentative move to clear the way for a more realistic assessment of the real value of human resources in organisations. Measurement of human resources still remains problematic (Rhode et al 1976), though Craft and Birnberg (1976) are of the belief that
Human Resource Accounting may prove useful internally rather than externally as a means of evaluating the effectiveness of personnel and managerial programmes.

1.3 WORK ACTIVITIES OF CHIEF ACCOUNTANTS

One immediately encounters a difficulty when attempting to identify and describe areas of work typically considered to constitute the job description of the Chief Accountant. The role of the Chief Accountant in different industrial environments may not always show the similarities one might expect to find because of a tendency nowadays in some companies to elevate the status of the traditional Chief Accountant by giving him authority for certain functions previously carried out by a person of the status of Financial Director. It would probably then be the practice to give the position the classification of Financial Controller. Weston (1954) in his analysis of the Finance Function states that no one title typified the role of executive with responsibilities for the finance function. The chief financial executive was frequently referred to as, for example, Controller, Treasurer, or a combination of the two, or Vice-President Finance. Dauten (1955) cites a paper analysing the duties of the major executive in the financial area. This is a global description and reads as follows: "In general most companies' concepts of the treasurer's job involve financial planning, cash management, banking relations, handling credit and collections and the custody of company assets. The controllership function encompasses accounting, control, auditing, tax management and financial interpretation. And where there is a vice-president of finance or a finance committee, they are usually responsible for financial planning, the establishment of financial policy, the assignment of functions to the financial staff and overall control."

Respondents in a survey of the duties of one hundred and fifty Chief Financial Officers employed in Canadian Corporations performed duties similar to the ones referred to above, but ranked cash management—relationship with financial institutions, investment policy, insurance and pension fund management and debt collection management— as the most important duty. (Levesque 1976). No doubt this preference highlights the importance of cash flow
in conditions of economic recession. However, many of the
respondents felt that many so-called minor duties might well
become major responsibilities in the future. Weston (op cit)
shares this view to some extent when he maintains that job
areas, often referred to as subsidiary activities, connected
with stimulating sales, salary administration and personnel
management activities in general, could be legitimately considered
to be within the province of the chief financial executive. It
hardly needs stating that the work area of the major financial
executive is not clearly defined.

The lack of clarity in definitions of the role of the major
financial executive, below the level of Finance Director, is
mentioned by implication by Tricker (op cit) in a British context
when he admits that this level of responsibility can be divided
between the Financial Controller and the Finance Manager. The
Financial Controller participates in corporate strategic planning,
engages in a continuous appraisal and interpretation of influences
external to the business, and co-ordinates market forecasts, sales
objectives and resource allocations into profit plans. As a member
of the top management he also participates in the setting of
objectives and development of policies; in the organisation of
planning and control systems; in establishing, administering and
developing procedures for resource and expense budgeting; in the
setting of operating standards and levels of performance; and
the appraisal of capital projects and subsequent control of
performance. He would also be actively involved in the final
interpretation of information for management purposes and with
the aid of management accounting control techniques he provides
assistance in the processes of organisational planning, control
and co-ordination. He assesses managerial performance using
budgetary performance standards, evaluates performance in key
results areas and relies on appropriate feedback from the control
mechanisms he manages. Acquisitions management is an area likely
to occupy a fair share of his time if the company is expanding by
merger strategy.

The functions of the Finance Manager, on the other hand,
are - often in conjunction with the Financial Controller - to
schedule and programme the monetary requirements of the company
as specified in its plans; to provide the company with finance by helping to raise capital and other forms of long-term finance, and arranging customers' credit facilities and collection of debts; to provide the necessary organisation for money-handling facilities - the receipt, custody, banking and payment of company monies; and finally, to recommend the investment fund policy to be pursued by the company. The role of the Chief Accountant is likely to incorporate aspects of both the role of the Financial Controller and Finance Manager in some companies.

In eighteen of the thirty-two companies visited by the author, in the course of the research study, the person in charge of the finance function at the operational level, traditionally classified as a Chief Accountant, performed duties which were a cross between the stereotype duties of both the Chief Accountant and Financial Controller. This was found to be the case to a greater extent in small companies, slightly less in larger companies and to a lesser extent in medium sized companies. The normal expectation is that the Chief Accountant assumes responsibility for the recording of historical happenings, preparation of periodic accounts and the performance of predictive and interpretive duties within guidelines set by a Financial Controller or Financial Director. On the other hand, the role of the Financial Controller, as commented on earlier, is very much concerned with planning and controlling the financial element of business operations and influencing company policy. A respondent from a medium sized company maintained that the roles of Chief Accountant and Financial Controller could be merged in a small company. Another respondent from a medium sized company, who acted the role of Financial Controller but bore the title of Financial Director, felt that Chief Accountants in large companies often perform the typical duties of a Financial Controller. In another situation, a Financial Director in a small company acted in the capacity of a Chief Accountant. It is then not surprising for some respondents to express views such as: "titles mean little: they are just internal labels; titles are often created for political reasons: a Financial Controller is brought in to compensate for an inefficient Chief Accountant."
The manner in which titles are distributed among the sample is shown in Table 7, Appendix 'B'. The title of Chief Accountant will be used frequently in the body of the text as a generic term to denote respondents.

Whatever his title, the person endowed with operational responsibility for day to day management of the Finance Function oversees the working of a number of accountancy sub-systems. Hastings op cit. identifies a number of industrial accountancy sub-systems as: wages calculation and payment; staff salary preparation; customer accounts and creditor settlement; expenditure records and control; departmental operations reporting; sales analysis; inventory recording and valuation; financial accounts preparation; product, job or process costing; pricing; long-range economic forecasting; internal credit; organisation and methods; systems and procedures; data-processing (ADP and punch cards); investment appraisal; short-term investing; fund raising; cashier work. Though this may appear to be an exhaustive list, certain basic functions (e.g. debtors control) may not form part of the structure of the finance function, as is the case with companies trading as retail establishments. Hastings believes one can find different types of accounting operators in the finance function and they can be classified as follows:-

- Data Analyst
- Systems Designers
- Accounting Systems Manager
- Auditor

Industrial accountants acting with the delegated authority of the Chief Accountant are likely to have the greatest degree of involvement in the roles of both Data Analyst and Accounting Systems Manager, though it is not unusual to find accountants playing the role of Internal Auditor, checking the operation of various systems to verify established rules and procedures. Design of accounting systems or modification is sometimes within the province of the Chief Accountant but not always.

The type of activity associated with data analysis consists of: inspecting and passing supplier's accounts for payment; preparing departmental budgets and operating statements;
calculating the effect of a variation in product mix on profitability; examining a capital expenditure proposal to see whether it yields a return on investment which would justify its approval; calculating the relative advantages of buying or leasing certain capital equipment; consolidating the financial accounts of subsidiary companies to produce the annual accounts; and preparing a tax computation. Management of accounting systems finds expression in, for example, the supervision of a cost office and controlling staff who are responsible for invoicing, keeping sales ledgers, analysis of sales and despatching invoices and statements of account.

Finally, as if to confuse matters one stage further, but fortunately from the point of view of the study, only in a few instances did one find the structure of the finance function varying quite dramatically from conventional practice by the fragmentation of accounting activities. This can be best expressed in diagramatical form – see Figure 1.3 – to depict the situation in one company.

Figure 1.3
Pharmaceutical and Cosmetics Company
Finance Function

Though the Chief Accountant may frequently act in an advisory capacity to other functional managers within an organisation his role within his own function is very much a managerial one.
Numerous attempts have been made to identify and describe managerial functions. The management theorists considered forecasting, planning, commanding and controlling as the main activities of managers. More recently managerial functions have been analysed in an explicit fashion embracing Planning; Co-ordination; Evaluation; Supervision; Representation; Negotiation. The two most important activities were found to be Supervision and Planning, in that order (Mahoney et al 1965).

The entreprenedial type - the manager - is actively involved in the setting of goals and shaping the structure of the organisation, whereas the administrator handles routine decisions (Litzinger 1963). Though according to another source most managers cannot be classified as entrepreneurs because they are not the source of all formal authority in present day organisations, something which rests only in the entrepreneur (Hartman 1959).

Identifying managerial functions in which managers or administrators are engaged in activities internal and external to the organisation captured the attention of Hemphill (1959) but rather discouragingly, or as one might expect from the discussion a short while ago, he claims that numerous jobs with the same title often show wide variation in requirements. In this country Horne and Lupton (1965) conducted an empirical investigation of the work activities of middle managers and conclude that every activity of a manager could be recorded by referring to four elements: formulating, organising, unifying and regulating. Formulating involves a definition of objectives on a short and long term basis with the added activity of specifying the human and technical resources necessary for their attainment. Organising is concerned with the development and maintenance of the means and conditions necessary for the implementation of plans and policies which arise from the explicit statement of objectives. Unifying activities embrace the numerous procedures and practices designed to facilitate co-ordination and harmonisation of diverse activities with the aim of bringing about smooth working, adaptation and efficient operation of the enterprise. Regulating is the activity connected with the arrangement and shaping of human and material resources. This was the activity which managers from all functional areas spent the greater proportion of their time.
But in fact managers engaged in finance and administration were ahead of the rest in devoting more time to regulating. The management process, as one might expect, consisted of considerable time devoted to talking and listening; so the adage of management getting things done through people was endorsed. By labelling the managerial activities described as task orientation we come close to defining the style of leadership 'Initiating Structure' (Fleishman and Harris 1962). So implicit in the managerial role is the exercise of leadership and the next chapter will be devoted to an analysis of leadership or decision-making behaviour. This constitutes the dependent variable and being the major variable in the research study it warrants examination from a number of angles.
Sometimes a distinction is drawn between supervision and leadership. The role of the supervisor, endowed with formal authority to direct and control the activities of his group, may be referred to as that of 'head' (Weissenberg 1971). Leadership is then said to differ from supervision in that the person who is a leader, unlike the supervisor who may not be a member of the actual group which he supervises, has received acceptance and membership in a specific social group. Most research concerned with managerial decision-making behaviour would have as an underlying assumption the equation of the formally appointed supervisor with that of leader. It would appear difficult to exercise the responsibilities of supervision in many organisations in our culture without some degree of group-centredness. However we define the leadership role the base of a leader's power lies in all the resources he can exploit in order to affect the behaviour of another. These resources according to Dahl (1957) include wealth, capability, prestige, skill, information, physical strength and personal rewards like recognition or affection. In addition the motivation to lead is enhanced by large rewards promised by accomplishing the group's task, reasonable expectancy that by working on the task it can be accomplished, a task which requires a high rate of group decisions, a situation which leads to acceptance by other members of the group for attempting to exercise leadership, the possession of superior knowledge or competence relevant to the accomplishment of the task, and finally, previously acquired status as the group's leader (Hemphill 1961). Obviously many organisational situations fail to satisfy all of these conditions.

2.1 TRAIT APPROACH TO LEADERSHIP

Early attempts to define leadership centred on the tendency to stress the possession of a constellation of desirable qualities by the leader. This amounted to imputing to the leader special
powers and perceptive abilities unlikely to be found in a person who was not born to be a leader (Bavelas 1960). The modern traitest approach is less ambitious in creating the supremo image, but it would seem that popular traits such as quickness of decision, the courage to take risks, coolness under stress, intuition and even luck could be valuable attributes to possess as a leader.

Stogdill (1948) drawing on an extensive review of the literature at the time, felt that the personal characteristics or qualities of the leader could be classified in accordance with the following criteria: capacity, achievement, responsibility, participation and status. A re-awakening of some interest in the traitest approach in the last couple of years appears to have been triggered-off by the presence of economic crisis or the prospect of an accelerating crisis situation. In popular journalism one has noted some reference of late to the absent qualities of leadership. In a prominent feature article – In quest of Leadership – which appeared in 'Time Magazine' (1974) we are told that most definitions of leadership emphasise honesty, candour and vision combined with sheer physical stamina and courage, but leaders with these qualities are in short supply. It is then concluded that social and communication media changes have removed the myth of leadership as if to suggest that perhaps the qualities of leadership were a rare phenomenon anyway. Younger (1974) writing in the capacity of Managing Director of Hay-M\$L, Management Consultants, echoes some nostalgic yearings for the characteristics found in the immediate post-war management leaders. These characteristics are said to be "integrity and moral courage, team spirit, loyalty and will-power; persuasiveness by example and by physical presence at the scene of action". He maintains that technocrats have proliferated with the noticeable absence of the capacity to inspire, to foster co-operation, to develop goodwill and secure the following of the men on the shop floor. It is the trade union officials - 'union leaders' - not the managers who appeal to "the admirable emotive qualities of loyalty, solidarity, sense of comradeship and common purpose and communicate in the language of their members". Younger is not far from the truth when he observes the neutralisation of the foreman's role as a result of the growth of functional specialisms and the increasing
sophistication of high speed information systems. This leaves a
gap at first-line supervision level and opens the way to
intervention by a new generation of managers—often highly
educated with many whose fathers may be members of a blue-collar
union—who are not fully conversant with the language, values and
folklore of the shop floor. It is now generally accepted that
leadership is not a question of passive and undynamic status in an
organisation or the mere possession of some combination of traits.
Rather it is a phenomenon in which a leader acquires status through
active involvement and participation in a task, normally in a group
situation, where the leader demonstrates his capacity for carrying
co-operative tasks through to completion. In order to successfully
achieve this objective it is likely for him to be intelligent, alert
to the needs and motives of others, and possess insight, initiative,
persistence, self-confidence and the ability to assume responsibility
(Stogdill op cit). In this way we recognise the importance of the
interaction between personality, task and group factors as influences
contributing to the determination of leadership styles. One tends
to be inclined to the view expressed by Yukl (op cit) that—

"there is a great deal of semantic
confusion regarding the conceptual and
operational definition of leadership.
Terms defining leadership behaviour have
proliferated over the years and the same
term is often used differently from one
study to the next."

Nevertheless this must not deter us from our endeavours to identify
the significant strands of thought permeating this area of study.

2.2 LEADERSHIP STYLE AND PERSONALITY

The first major study of leadership styles took place in a
non-industrial setting where aspects of group functioning under
different types of group atmosphere and different types of leadership
were investigated (Lippit and White 1939; 1943). Differentiation
in leadership style—autocratic, democratic, laissez faire—was
associated with different behavioural reactions among group members.
The groups appeared to react very favourably to the imposition of
democratic leadership practice. There appeared to be greater group
purpose, harmonious interaction, less aggression and hostility and
group unity in the democratic groups than in the autocratic groups. The reaction of group members to the laissez faire style was marked with a lower degree of efficiency, organisation and satisfaction.

More relevant are the observations of Lowin (1968) on leadership style, since they apply to the work organisational setting. He postulates the ideal autocratic and democratic leadership style. In the autocratic model there is a noticeable absence of credit for suggestions emanating from subordinates and lack of formal recognition of subordinates' efforts. A learning experience and frequent reinforcement is denied the subordinate because he has no feedback to rely on due to the lack of institutionalisation of his contribution to decision-making. Neither does the subordinate develop an insight into the factors which must be considered in choosing among alternatives in a decision situation. Should he make a contribution he probably gets no credit for it. The subordinate, as a result, has little motivation to contribute beyond what is minimally expected of him. Under an ideal democratic or participative system, participation by subordinates is more frequent and more constructive. Managers are more prepared to discuss relevant issues with subordinates and to respect their suggestions. When suggestions are received and evaluated the reaction is transmitted to the subordinate in the form of feedback. This contributes to a desirable level of motivation and promotes the quality of future suggestions. It also leads to greater involvement and contributes to high performance standards. This is a theme which will be taken up and expanded later, but first we shall analyse the influence of personality as an intervening variable in the determination of leadership style.

In any examination of the applicability of a particular style of leadership cognizance of factors residing in the personalities of both the superior and subordinate is welcome. Drawing on empirical observations or insightful perception one shall, in the first instance, examine personality from the stance of the subordinate.

It is suggested that the hostile individual does better under the autocratic leader; his latent hostility must be controlled so
as to confine his work to constructive ends. The aggressive co-operative type of individual will work better under democracy and laissez faire. His self-assertiveness will take constructive paths and he will head in the right direction when on his own. The individualist who is very familiar with his job is better off under laissez faire (Uris 1951). A participative style appears to be appropriate if the subordinate's need for independence is high (Tannenbaum and Schmidt 1958). If leadership practices result in a superior monopolising official communication with the attendant consequence of denying the subordinate pertinent information, this creates certain disadvantages. A cognitive structure of the work situation is denied the subordinate and this results in emotionalism, lack of direction and alienation. "Furthermore, the denial of information by concealing the relation between activities and the larger group objectives denies the satisfaction of knowing one is part of a larger, important, co-operative effort." (Thompson 1961). Likewise the subordinate could feel frustrated in situations where the superior can interfere with his freedom of action and the realisation of his ambitions. Any hostility released by the subordinate as a result is not compatible with acts of submission to the superior because of the likelihood of creating guilt. In psycho-analytical terms, a reaction formation sets in when hostilities are repressed and replaced by admiration. Autocratic leadership behaviour is also said to interfere adversely with spontaneity, creativity and attacks co-operativeness (Coch and French 1948).

According to Argyris (1973) authoritarianism appeals to the infancy dimensions of the subordinate's personality and promotes dependency and submissiveness. So if the subordinate is fixated at the infancy end of the personality continuum then perhaps he is more likely to appreciate autocratic behaviour. Tannenbaum (1962) cites evidence suggesting that one group of female clerks did not wish to avail of the opportunity to participate more in decisions affecting their work, instead they preferred to be submissive, dependent on others, obeying the rules and following the instructions. Apparently, any motivational benefit springing from subordinate participation is likely to be offset by anxiety (Hickson 1966). But surely this must depend on the proneness to
suffer from anxiety in the first instance. Wispe and Lloyd (1955) produce evidence suggesting that low productivity insurance salesmen were prone to suffer some anxiety, they indicated a desire for interpersonal interaction through the vertical hierarchical structure where decisions were made by the District Manager, and they preferred people in authority to act aloof but with a certain friendly disposition and not to be too intimate. The more successful, less threatened, salesmen preferred more permissive authority relations with an absence of communication barriers due to status, and the emphasis they gave to reporting through the chain of command was that much less evident. Those of a personality type which manifests itself as authoritarian or having a strong need for independence respond less favourably to the opportunity to participate in decisions (Vroom 1960). This is a view not shared by Tosi (1970) who was unable to replicate the results of Vroom's study, and the assertion that a strong need for independence is not compatible with a participative style is in direct opposition to the proposition of Tannenbaum and Schmidt (op cit). One might also take issue with Argyris (1973) on the question of the implied association between conformity and authoritarianism. In fact the generality of the relationship between conformity and authoritarianism has been challenged (Bass 1955) (Steiner and Johnson 1963).

The reaction of group members to different leadership styles in the White and Lippit experimental study is quite illuminating in terms of subordinate response. Autocracy was found to promote much hostility and aggression, and led to the harbouring of latent discontent. This was found not to be so in the democratic groups. But equally the autocratic leader by not disclosing at the outset the sequence of steps in the work process, having decided instead to reveal them in a piecemeal fashion, had the effect of reducing anxiety and promoting dependence because of the presence of a partial rather than global picture of the work cycle. Perhaps anxiety prone subordinates are those who have become accustomed to expressing behaviour closer to the infant end of the personality continuum (Argyris 1959) or have a history of low productivity (Wispe and Lloyd op cit).

We have so far discussed the relationship between the personality of the subordinate and leadership style. It is now
time to shed some light on the nature of personality of the superior in the context of leadership style. However, it is well to remember that often the individual who in one capacity acts as a subordinate in another acts the role of a superior. The right to exercise control — authority — has a number of psychological meanings. It relates to superiority, dominance, submission, guidance, help, criticism and reprimand. It also conjures up images of manliness and virility (Tannenbaum op cit). A superior whose feelings of insecurity in an uncertain situation does not allow him to release control over the decision-making process may be unable to involve subordinates to the extent required by participative leadership (Tannenbaum and Schmidt op cit). If he has a strong need for predictability and stability, he may consider the act of releasing control as something that reduces the predictability of the outcome. Frequently one hears mentioned the difficult supervisory role inherent in the role of the foreman (the man in the middle). He suffers from a lot of pressure further up the hierarchy and this may have the effect of creating dependent, subordinate and submissive individuals. According to Argyris (1959) the nature of their managerial role does not permit them to voice undue criticism or display apathy or indifference.

There appears to be some evidence to associate authoritarian behaviour with authoritarianism, and the latter with a lower level of intelligence (McGee 1955) but since this evidence is derived from a laboratory experiment one ought to exercise extreme caution in any extrapolation to the industrial scene. Sales (1966) seems to equate efficiency with high intelligence in a work situation but does so rather superficially. He indicates that the more intelligent supervisor is likely to diagnose production difficulties more quickly, takes remedial action more effectively and is more proficient at the exercise of skill related to day-to-day production problems. For these reasons the highly intelligent supervisor is believed to be the most efficient. Support for this viewpoint comes from French and Synder (1959) who found that airforce officers who exerted the greatest influence over subordinates' judgements were rated the highest on general intelligence by subordinates. Apparently an executive new to his job and feeling uncertain about situations confronting him is likely to seek
elaborate counsel, but the self-contained manager prefers to deliberate alone (Litchfield 1956) obviously involving his subordinates to a minimum extent in the decision-making process. One frequently comes round to asking why someone seeks the role of the manager or supervisor in the first instance and then subsequently adopts one style rather than another? This is a rather difficult question to answer and the answers that are available are speculative. For example, Thompson (1961) feels that people with great dominance and status needs evolve within the hierarchy, though some satisfy their dominance needs by identifying with their superiors; this in turn reinforces the superior's dominance and status drives. A superior may impose autocratic rule as an outlet for aggressions repressed because of his own exposure to autocratic rule as a subordinate (Fromm 1942). Still on the theme of the characteristics of the autocrat, McMurry (1958) goes to some length in distinguishing between the strong (benevolent) and weak autocrat. His greatest admiration is reserved for the strong or benevolent autocrat who he believes is aggressive, hard-driving, self-reliant, task-centred but apparently is in no way a tyrant or exploiter. As a contrast, the weak autocrat is the one that causes a bad image for autocracy. Though often intelligent, loyal, conscientious and technically well qualified, he places an overwhelming emphasis on security, tends to be dependent, fearful and anxious and compensates for his insecurities by assuming an arbitrary authoritarian exterior, often punctuated by a great emphasis on status and symbols. He tends to abide religiously by the rules and regulations and his lust for power is only matched by his tyrannical manner which acts as a mask for his inner doubts or uncertainties and eliminates the likelihood of him having to defend his position. He tends to be a strict disciplinarian with subordinates and obsequious to superiors. Perhaps Tannenbaum and Massarik (1950) had the weak autocrat in mind when they suggested that a leader may resort to discipline of a harsh nature in order to express a deep-seated hostility need. We appear now to enter the realm of unconscious motivations in leadership behaviour and this obviously poses acute problems from the standpoint of their identification and measurement, though Litzinger (op cit) - using the Gordon Survey of Interpersonal Values, Questionnaire - made a brave attempt. Selected personality
variables were found to differ when the roles of centralised and decentralised bank managers were examined. It could now be argued that the personality disposition of both the superior and subordinate is influential in determining the appropriateness of a particular style of leadership, just as situational variables, to be discussed later, are also likely to have an impact. It is for this reason that the research instrument accommodates measures of a semi-personality nature.

2.3 LEADERSHIP EFFECTIVENESS

It is commonplace to find all-round leadership effectiveness associated with a democratic or permissive leadership style. In this section it is proposed to examine the claims made by the proponents of democratic leadership. In doing so one will attempt to pinpoint instances where this style may be inappropriate and a more directive style appropriate.

Likert (1961) at the Institute for Social Research, University of Michigan, has identified differences in leadership styles that appear to influence managerial effectiveness. According to Likert the supervisors and managers who are credited with the highest productivity, lowest costs, least turnover and absence rates, and the highest level of employee motivation and satisfaction are employee-centred rather than job-centred. The employee-centred manager is perceived by his subordinates as supportive, friendly and helpful rather than hostile. "He is kind but firm, never threatening, genuinely interested in the well-being of subordinates and endeavours to treat people in a sensitive considerate way." He is also capable at such activities as planning and scheduling, training subordinates, supplying them with the necessary methods and materials and initiating work activity. Bowers and Seashore (1966) have done an excellent job in comparing and integrating a number of established schools of thought in leadership and come up with a scheme not far removed from that of Likert. The four concepts of leadership – support, interaction facilitation, goal emphasis and work facilitation – draw our attention to the leadership role as one designed to enhance one's self-esteem, fosters close mutually satisfying relationships, stimulating enthusiasm to meet
group goals with the emphasis on high performance, and finally, scheduling, planning, co-ordinating and providing the facilities and knowledge to enable subordinates to achieve their targets. These leadership roles need not necessarily be provided by a formally designated leader but by any member of the group. Bowers and Seashore conclude from an analysis of their field study that different aspects of performance are associated with different leadership characteristics.

The employee-centred manager, as defined by Likert, would appear to rank high on Consideration and Initiating Structure. It was a group of researchers at the OHIO State University who isolated and identified Initiating Structure and Consideration as basic dimensions of leadership behaviour. Before finally settling on these two dimensions Halpin and Winer (1957) devised the 'Leader Behaviour Description Questionnaire' (LBDQ) which incorporated Consideration, Initiating Structure, Production Emphasis and Sensitivity. A consideration orientation indicates friendship, mutual trust, respect and warmth. Initiating Structure is the type of behaviour that defines and organises organisational relationships or roles, establishes well-defined patterns of organisation, channels of communication and ways of getting jobs done. A production emphasis and sensitivity orientation are respectively concerned with pointing the finger at goals to motivate subordinates, and developing awareness to interrelationship and internal and external group pressures. In recent times a new scale, 'Tolerance of Member Freedom' was introduced, and this could be regarded as a measure of degree of participation.

The job-centred manager would appear to rank high on Initiating Structure and low on Consideration. Fleishman et al (1955) when examining the leadership scores and the behavioural outcome measures conclude that foremen who scored high in Initiating Structure and low in Consideration had more accidents, unexcused absences, formal grievances and turnover. However, Greenwood and McNamara (1969) claim that both Initiating Structure and Consideration are uncorrelated with various behavioural measures of supervisory performance, attitudes or abilities. Implied in Fleishman's (1953) comments on attitudinal and behavioural dimensions of Initiating Structure and Consideration are a recognition that these
two factors are mutually exclusive. Weissenberg and Kavanagh (1972) maintain that the orthogonality of the dimensions Initiating Structure and Consideration is to a large extent dependent on the type of leadership behaviour questionnaire used. The greatest independence is attributable to the Leadership Opinion Questionnaire. This means that one can be directive in managing subordinates towards achieving organisational goals and at the same time establishing highly supportive relations with them. When subordinates describe their leader's behaviour under the LBDQ they perceive Consideration and Initiating Structure as having lesser independence than that prevailing under the Leadership Opinion Questionnaire. In addition, Kavanagh (1972) maintains that task complexity and subordinate competence - situational variables - mediate the independence of Consideration and Initiating Structure, with subordinate competence being the more important. In a later publication Kavanagh (1975) concludes from his empirical data that the role of the leader does, and is expected to integrate the approaches of Initiating Structure and Consideration.

In Likert's advocacy of permissive leadership we witness the promulgation of a set of ideas which form the foundation base of the school of participative leadership. Bennis (1966) conceives this type of leadership largely in terms of a 'system of values' governing behaviour with a commitment to full and free communication, a reliance on consensus rather than on the more customary forms of coercion or compromise to tackle and manage conflict, and an atmosphere that permits and encourages emotional expression as well as being task-oriented. This would be supplemented by the suggestion that influence rests on technical competence and knowledge rather than the vagaries of personal whims or prerogatives of power, and is considered the ideal recipe for knowledge-oriented and scientific based industries (Slater and Bennis 1964). Argyris (1973) argues that as the individual moves from the infant end of a personality continuum, where he is basically dependent and submissive, with few and shallow abilities and a short time perspective, to the adult end, where he is endowed with relative independence, autonomy, self-control, many abilities and a few in depth, and a long-time perspective, then we have to design or re-design jobs to permit increased self-regulation, self-evaluation, self-adjustment and participation in the setting of
goals. By doing so it is alleged, we bring about a betterment of productivity and attitudes. McGregor (1960) views the position of man in organisations in a similar vein. He contends that, contrary to general misconceptions, man has within himself the capacity to exercise self-direction and self-control in the achievement of objectives to which he is committed. He is likely to assume responsibility rather than to shed it and if he is lazy, indolent or passive it is not due to inherent human weaknesses but attributable to previous organisational experience. There is also a recognition that the full potential of human resources is not realised in organisations. This is a theme very much in evidence in the 'Human Resources' model postulated by Miles (1965). Heavily influenced by the writings of theorists such as Likert, McGregor and Haire, he maintains that there exists in organisations reservoirs of untapped resources and that "these resources include not only physical skills and energy but also creative ability and the capacity for responsible, self-directed, self-controlled behaviour." The model has also something to say about the improvement of the quality of decisions and company performance through effective delegation, and that involvement in decisions applies to non-routine as well as to routine matters. Also, the opportunity for the exercise of self-direction and self-control should be a progressive thing in line with the growth in ability and experience of the individual. The dual-factor theory - motivator/hygiene - of Herzberg (1966) would accommodate this perspective when it expounds the view that it is the motivator factors, centring on the job itself, which bring about job satisfaction and increased commitment to the task in hand. On the other hand, hygiene factors if improved can alleviate job dissatisfaction. In the spirit of participative management the practical implementation of the dual-factor theory is a job enrichment scheme.

Sales (op cit) rationalises the relationship between high performance and democratic supervision by appealing to a basic tenet of experimental psychology. This states that high levels of performance will prevail in situations in which the reinforcement is large. So it follows that the more reinforcement an employee receives for production the higher the level of production.
He also invokes the view of the self-actualisation and ego-esteem school of thought - based on the work of Maslow (1954) - which maintains that democratic supervision provides the means for satisfying the higher level human needs. This is achieved by allowing subordinates freedom in determining the specific form and content of their work, and as a result implicating their personalities in the tasks they perform. This can be contrasted with the behaviour of the authoritarian supervisor who puts the subordinate in a situation where he carries things out at the will of the supervisor, at the same time reducing the opportunity to express certain important needs on the job; all this, of course, rests on the assumption that workers wish to satisfy higher level human needs. Because work is less satisfying under autocracy it is concluded that productivity would suffer.

The Survey Research Centre, University of Michigan, relying primarily on ratings by self, superior, subordinate or observer seems to extoll the virtues of general supervision, as we found earlier in connection with the work of Likert. Drawing on their studies of a variety of industrial situations - e.g. railway maintenance crews, insurance office staff, production lines in heavy industry - Katz and Kahn (1953) conclude that general supervision together with employee oriented attitudes in the supervisor were associated with the highest productivity. Though a note of caution should be added. Katz et al (1951) failed to replicate findings supporting participative management. In this country Argyle et al (opcit) undertook a replication of these investigations and found that foremen of high producing work groups tended to use general rather than close supervision and were relatively more employee-oriented in their behaviour than were foremen of less productive groups. An employee-orientation is present when a leader acknowledges the importance of the human relations aspects of his job, he has a healthy respect for human beings, takes an interest in them and accepts their individuality and personal needs. Argyle et al make the point that certain conditions had to be fulfilled before democratic supervision was effective. These were abandonment of piece rates and the existence of operator-controlled tasks. The beneficial aspects of a participative leadership style in terms of managerial
success is reported by Blake and Mouton (1964), and Bevelas and Strauss (1961) draw our attention to the problems created by management arbitrarily revoking, without consultation in face of opposition, the productivity bonuses female workers had come to expect as a result of being given the opportunity to determine their work rate by controlling their own conveyor belt.

Moving on to professional groups, Baumgartel (1957) found that participative patterns of behaviour, as opposed to directive or laissez faire patterns, were associated with higher task motivation and a greater sense of progress among scientists. Pelz and Andrews (1966) report that scientists were more effective when they were able to influence key decision makers. The scientists experienced a combination of both autonomy and moderate levels of co-ordination by their supervisors; having too much or too loose co-ordination was counterproductive. But it would seem that a moderate amount of autonomy, where the scientist experiences a certain amount of direction, is also necessary, in order to achieve an impressive publications output. Having too much or too little autonomy was associated with lower productivity (Cotgrove and Box 1970).

Other evidence blurs this picture somewhat by either being less clearcut or contradictory. Weschler et al (1952) studied the relationship between job satisfaction, level of morale and productivity to restrictive and permissive supervisory styles in two comparable divisions of a naval laboratory. When the subordinate scientific personnel rated themselves on the dimensions mentioned, job satisfaction, morale in general and productivity were higher in the permissive leadership groups. The picture changed in one significant respect when superiors, supported by specialists, did the rating. Although the highest level of job satisfaction and morale was still attributable to the permissive-oriented groups, productivity was considered to be higher in the restrictive-oriented group. The important thing to remember here is not necessarily the relationship between satisfaction and morale on the one side and productivity on the other, which in any case is not necessarily a positive correlation, but the superiority of autocracy on the basis of efficiency as seen through the eyes of superior and objective by-standers. The best researcher was found working under restrictive supervision. But age may somehow be an important variable likely to have influenced the result because
invariably those subjected to restrictive supervision were much younger, and perhaps more eager. In a study of scientists working in a Research Centre, Andrews and Farris (1967) felt the quality of supervision and a good human relations approach had not much of a relationship with innovation. It was also found that a lacking in job related, human relations and supervisory skills could be compensated by granting freedom to subordinates, consulting them, with the superior still taking some decisions on his own. This was found to promote positively the level of innovation.

An interesting view of leadership in a research environment has been put forward recently by Barnowe (1975) when he reported that leadership tended to assume greater overall importance when scientists were in some way disadvantaged, that is when they were unable to consult with colleagues in their field and when they had relatively less research experience. He concludes with a view of leadership which is essentially non-interventionist. The Research and Development Supervisor serves primarily in a helping role, providing assistance to subordinate scientists as needed, but he is not necessarily relied upon or considered influential when not needed.

A general level of support for democratic leadership emerges from the findings of survey investigations conducted in organisations. In the survey investigation one must be prepared to err on the side of caution when drawing causal inferences from the data. Therefore it would seem worthwhile to establish whether the above patterns or trends are sustained by the evidence derived from experimental studies conducted in organisations. Coch and French (op cit) conducted an experimental study at a plant of the Harwood Corporation. It was prompted by the presence of acute employee resistance to work methods and job changes which resulted in a high grievance and turnover rate, very low efficiency and restriction of output. The researchers decided to create an experimental and control group, the experimental group participating in the evaluation and redesign of their jobs. The latter group surpassed their previous performance, unlike the control group, but only after experiencing an unsatisfactory contribution for a transitional period. During this period 62% of employees whose jobs were modified suffered a chronic substandard performance or
left the job during the retraining stage. An encouraging note to these experiments was the impressive performance of control groups when exposed to the same conditions as experienced by the experimental groups. In a very ambitious and penetrating investigation Morse and Reimer (1956) created groups exposed to either democratic or autocratic styles of supervision by altering the styles used in an ongoing industrial setting. Four divisions within a company were subject to investigation. In two divisions a participative style was used, decision-making was deliberately pushed down the hierarchy, supervisors were trained to use supervisory methods of a democratic nature and there was an appreciable increase in their freedom of action. In the other two divisions greater hierarchical control was introduced by an increase in the closeness of supervision and there was a noticeable shift upwards in the level at which decisions were made. These conditions prevailed for a year and approximately 500 employees were involved. It was found that both programmes contributed to a significant increase in productivity, surprisingly with a slight advantage accruing to the authoritarian system. A similar result was reported by French et al (1960) when they replicated the earlier study of Coch and French. Both on productivity and attitudinal dimensions the results were discouraging for the participation group, though one should point out that members of the experimental (participative) group were faster learners. In trying to rationalise the failure of the experimental group, Lowin (op cit) maintains that the contributory factor responsible was management's failure to include central issues such as production level and rate-setting in the participative decision-making process; also it is alleged that only minor matters were discussed. Perhaps a better rationalisation would be in terms of cultural variation. The study conducted by French and his colleagues took place in a Norwegian factory. Similarly, a study by Whyte (1963) challenges the universal applicability of the U.S.A. participative management school by showing that in Peru it was the close supervisor who exercised definite pressure for production and was as a consequence the most highly regarded. Obviously the findings from the experimental studies quoted above are somewhat discouraging when it comes to the endorsement of participative leadership.
When we turn our attention to the findings from experimental studies outside work organisations we are still not convinced of the alleged superiority of participative leadership. Shaw (1955) created three communication networks to engage in problem-solving exercises and nominated the person who received the highest independence score in each network to behave in either an autocratic or democratic manner. He found that the subjects exposed to autocracy, rather than democracy, required less time to solve problems and made fewer errors regardless of the communication networks in which they were placed. In a similar experimental situation McCurdy and Eber (1953) reached an indecisive result. They exposed groups, engaged in a task which consisted of the proper setting of three switches, to autocratic and democratic conditions. In the autocratic climate one person was the absolute supervisor with power to order the others. In the democratic climate the instructions from the experimenters emphasised equalitarianism, stating that each person could offer suggestions and that nobody could issue orders to other members of the group. It was found that neither the autocratic or democratic style of supervision was superior on a productivity criterion. However, an unequivocal movement in the direction of democratic leadership can be discerned from a finding of Day and Hamblin (1964). They trained a female student to employ close and general supervisory styles and to lead groups of female students engaged in an assembly line task in a laboratory setting. The most effective productivity record was found among subjects who worked with the leader practising general supervision. The group method of decision-making, in which members are allowed to discuss their feelings, raise objections and request information on judgemental matters, appears to be very effective indeed (Lewin 1968). This can be explained in terms of 'owning' a decision in which one participated in determining coupled with the influence of group pressure, in some cases leading to a reduction in cognitive dissonance where a private view is at variance with a publicly stated one.

What is surprising, and contrary to one's expectations, is that the nature of the task does not appear to be an important consideration, generally speaking, in the laboratory experiments.
Because we find problem-solving exercises lending themselves to autocratic supervision or to both types of supervision. Routine tasks, which one might consider amenable to autocratic or restrictive leadership behaviour, are performed better under democratic practices. It is then not surprising for Lowin (op cit) to voice an opinion that participative decision-making models are simplistic ones in a laboratory setting because "they fail to reflect just those issues which form the very heart of the organisational phenomenon".

The findings of the survey investigations – rather than the experimental findings – come down firmly on the side of democracy and its benefits. Sales (op cit) offers an explanation to account for the failure of the experimental method to replicate the survey findings. Generally the brevity of the experimental session would rank as a serious explanation if it was not for the fact that the experiment lasted for a year in one situation. Perhaps the nature of the task is not given enough serious consideration. Sales maintains that the exercises in the experimental studies whereby the subject suggests possible solutions to simple problems is not enough to implicate the unique personalities of the subjects in their tasks, and he cites Morse and Reimer (op cit) who report that "both groups of clerks indicated that their jobs throughout the course of the experiment did not give them a very high degree of self-actualisation". Sales also feels that intervening variables – e.g. turnover, absenteeism – which mediate the relationship between leadership style and performance are crucial factors and should receive more of our attention. His solution as a starter would be to eliminate the influence of turnover and absenteeism from the relationship between leadership style and performance in the survey studies and create more opportunities in the experimental studies for self-actualisation. Then we would be favourably disposed to comparing the effectiveness of each style. Lowin (op cit) also stresses the point that we consider the influence of the mediating variables he considers important – personality, culture, work expectations and environment and leadership patterns set at the higher organisational levels. Influenced by Lowin, Ritchie and Miles (op cit) empirically established that the degree of trust and confidence the immediate superior had in his
subordinate and the frequency with which he consulted him were the important mediating variables between leadership style and satisfaction with immediate supervision. We have already considered personality as a mediating influence, and situational factors will receive more emphasis later. But first, a return to participative or democratic leadership. A point worthy of note is the extent to which it has influenced thought processes and prescription as a panacea for corporate ills in the area of management education and training but particularly, since we are concerned with the behaviour of accountants, in the area of behavioural accounting.

We are only too aware of the impact of varying applications of control techniques by those occupying leadership positions in organisations. The impact is felt in terms of individual satisfactions, frustration, tension, euphoria and self-actualisation. One such important control technique operated by accountants within organisations is budgetary control. The relationship the accountant has with the appropriate functional manager is not normally a vertical relationship but a lateral one. Nevertheless, it is maintained that conventional budgeting practice based on planning and control relies on pressure, coercion and close supervision (Gibson 1970). Commenting on the value of conventional cost control systems, such as budgetary control, designed to monitor employee performance where information on variances is passed up, across and down the organisational hierarchy, Argyris (1953) favours a movement towards self-control and self-discipline as a motivating force. The individual at the lowest level of the organisation is then given the opportunity to draw from the control system the information needed to evaluate his own performance and communicate upwards at his discretion matters requiring attention and action. For this to take root it would require a truly participative leadership climate in which mutual acceptance and trust between organisational participants exists as to the design and use of managerial control systems. Hofstede (1968) in his influential study of budgeting practice states the belief that supervisors or managers strive for the gratification of higher level human needs - self-esteem, esteem from others and self-actualisation - in the cycle of events leading to the
achievement of the budget. Also they are likely to seek challenge from the setting of budget standards. It is usual when using the budget as a motivational device to build on the lower psychological needs for these people, which may prove ineffective or possibly have a negative effect. Relating formal budget goals to the individual's aspiration level is considered important in terms of challenge or withdrawal, leading to feelings of success or failure (Stedry and Kay 1966; Child and Whiting 1954).

Implicit in a number of the above remarks is an acknowledgement that the system of control is based on an authoritarian model of human behaviour (Caplan 1971). Those who share this view are eager and ready to recommend participation as essential in the process of setting budget standards and find it easy to amass supporting evidence, for example: the more participation there is in the process of setting budgets, the greater the commitment of personal motivation towards the achievement of budgets (Coch and French op cit); a higher level of participation leads to a higher level of motivation (Hofstede op cit); employees participating in setting standards performed better than those who did not (Bass & Leavitt 1963); active participation in the budgetary control system aims to get the participants ego-involved not just task-involved (Wallace 1966). In addition Dunbar (1971) would argue that discussion regarding goals is not enough; it must be backed-up with goal getting. Lest the unsuspecting accountant is complacent he is admonished to be on his guard in case pseudo-participation and biasing creep into the pragmatism of participants. Argyris (1953) emphasises the pseudo-participative tactics of the controller who at one and the same time encourages an exchange of opinions and, believing that the line supervisors have not much to contribute anyway, is very keen to get their signatures endorsed on the new budget signifying their approval – just in case of comeback. On the other hand, budget biasing, which is probably easier to perpetrate in a participatory system, amounts to managers inflating costs or reducing revenue at the budget stage (Schiff and Lewin 1970). According to Lowe and Shaw (1968) managers felt it to be in their interest to agree lower rather than higher budget standards, striking a balance between present job security and increasing future income. They highlight the
subtlety of the individual manager, whose track record may be either impressive or wanting, in influencing forecasts to win short or long term approval or personal benefits.

Doubts have been cast on the substance of ideas emanating from the participative leadership school. Katz and Kahn (1966) commenting on the group discussion method refer to two assumptions underpinning it which are apparent but not always explicit and certainly not always met in practice. First, that the groups are peer groups, with each person being equal in terms of formal authority; in many reality situations however an authority or status figure is present at the discussions. Second, the participants come to the group representing their own beliefs about cause/effect and preferred outcomes, rather than as formal representatives of other groups. Bobbitt et al (1974) argue that we need a clearer understanding of what we mean by democratic group discussion. Target setting, for example, is considered highly influential (Locke 1968), and perhaps in the total effects attributable to interpersonal participation in reaching decisions a sizeable proportion is due to target setting. Social interaction, a natural concomitant of participation, may have the effects of impairing performance in problem solving exercises (Vroom et al 1969). Perhaps this is one reason why autocratic supervision was found effective in a laboratory experiment on problem solving mentioned earlier in the discussion. Is it necessary to consider commitment in addition to interaction when we speak of participation? It would appear that should the individual identify with a decision he helped to make, then he would become motivated to ensure successful adoption of that decision, if only to maintain a favourable self-concept. Increased commitment to carry out decisions is, however, not the same thing conceptually as increased task motivation. A subordinate could succumb to group pressure and commit himself to a decision which has the effect of restricting output or resisting change (Yukl op cit). Does it really matter if somebody does not participate in actuality but perceives that he does (March and Simon 1958)? Our pseudo-participative controller referred to by Argyris would no doubt consider perceived but unreal or deceptive participation to have beneficial psychological effects, just like real participation. But Heller (op cit) believes this discounts the perceptiveness of the highly
intelligent subordinate, so the psychological reaction to deceptive participation is unlikely to be the same as it is to real participation. Earlier it was considered that subordinate participation helps to reduce resistance to change (Coch and French op cit). The subordinate is given the chance to air his doubts and fears about the proposed change. If the change is to the subordinate's advantage all is well, but if the proposals are clearly detrimental to the subordinate, problems in eliciting support are an inevitable consequence. Leavitt (1965) doubts whether the 'total participation' condition was fulfilled in the Coch and French experiment. He feels that the objective of the discussions appears to have been to gain acceptance of a preconceived desired change and asks what would happen if the change being urged by management was not attractive to the groups. Therefore he concludes that the approach adopted amounted to manipulation. A similar accusation is levelled at participative management in the same context by Gomberg (1966). He feels that participative management at the Harwood Corporation amounted to involuntary manipulation. The way the groups subsequently embraced the union seemed to confirm this observation. Experimental secret groups developed, normally as a precaution against speeding-up activities by the organisation. Gomberg asks a number of pertinent questions: "Was this a cleverly contrived managerial device to break the solidarity of the group? Were the workers free to decline the management invitation to increase production? Was there real participation in defining mutual objectives, or did management define the objectives and then democratically manipulate the workers as a means to achieve them? Did the workers feel threatened by this kind of manipulative democracy?"

Challenging the legitimacy of the assertions made by the proponents of group decision-making that acceptance, consensus, stimulation and growth, improvement in communication and seriousness of work contribution have desirable consequences, McMurry (op cit) feels they suffer a number of shortcomings. For example, group decision-making could be very suitable only where groups are small, socially well-integrated and homogenous. It also fosters group dependency, breeds conformity, because one dare not oppose, and as a result discourages the able non-conformist. There could also be a reluctance to disagree on the side of the subordinate because
of status differentiations. It could also be argued that group decision-making does not lend itself to quick action, decisions may fall on the side of conservatism as opposed to innovation and where unanimity is required consensus may be an illusion and amount to some members suppressing their views or feelings. Commenting on the limitations in the use of group decision-making, Bobbitt et al (op cit) maintain that –

"...... all of the studies have primarily dealt with the employment of group decision-making under conditions of change. What happens under conditions of stability remains problematic at this point?"

Questioning the basic philosophy of the participative management or leadership school, Strauss (1968) believes there is a tendency to place an overwhelming emphasis on personal co-ordination and control to the detriment of impersonal control techniques. The neo-human relations school or participative management school is also accused of overlooking the important role played by bargaining and the use of power in interpersonal relationships. Democracy is conceived largely in non-structural terms by some writers and the emphasis on group harmony, expressing itself in individual/organisational goal congruity, is perhaps oversimplified because it is doubtful whether this exists in any organisation other than an organisation where normative power and moral compliance (e.g. church) exist. In an earlier publication Strauss (1963) maintains, contrary to the above impression, that engaging in consultation or joint decision-making (participative management) provides the opportunity for bargaining and agreement on a compromise proposal which the subordinate can support. It would appear that his 1968 comment reflects more accurately the thinking of the participative management school.

One can argue that the main theoretical base of the participative management school is the 'force for growth' theory of personality. This basically states that man contains within himself the urge to grow and he will express the highest qualities of thought, creativity, altruism, humanitarianism, of which he is capable, if given the opportunity to do so. This view, reflected
in the writings of neo-Freudians – Jung, Adler, Fromm, Rank – is perhaps best represented by Rogers (1951) and Maslow (1954). It is well to remember that this theory is but one of at least three main theories of personality. Lazarus (1971) makes the point that "the force-for-growth concept has been criticised as mystical and value laden, since it flirts so continuously with the evaluation of man in terms of normative judgements of high and low, advanced and primitive, good and bad." Maslow (1965) expresses a word of caution about the indiscriminate acceptance of his conclusions –

"After all, if we take the whole thing from McGregor's point of view of a contrast between a Theory X view of human nature, a good deal of the evidence upon which he bases his conclusions comes from my researches and my papers on motivations, self-actualisation et cetera. But I, of all people, should know just how shaky this foundation is as a final foundation. My work on motivations came from the clinic, from a study of neurotic people. The carry-over of this theory to the industrial situation has some support from industrial studies, but certainly I would like to see more studies of this kind before feeling finally convinced that this carry-over from the study of neurosis to the study of labour in factories is legitimate. The same thing is true of my studies of self-actualizing people – there is only this one study of mine available. There were many things wrong with the sampling, so many in fact that it must be considered to be, in the classical sense anyway, a bad or poor or inadequate experiment. I am willing to concede this – as a matter of fact, I am eager to concede it – because I'm a little worried about this stuff which I consider to be tentative being swallowed whole by all sorts of enthusiastic people, who really should be a little more tentative in the way that I am."

Whether or not we recognise the theoretical base as tentative, one has become accustomed to reading accounts of the successful implementation of participative management at the macro level. At one time it was exemplified in the experiences of the Yugoslav work councils, a vivid manifestation of the benefits of industrial democracy. It is interesting, therefore, to note the comments of Mulder (1971) on the reality surrounding the operation of these councils. For example, 90% of the talkers in the council were experts who had received higher education, the workers were
inadequately motivated, in evidence was the growth of a power elite and also the growth of a small circle of competent and responsible people. From an empirical study of self-management in Yugoslavia, Obradovic (1975) endorses this view but adds that the rank and file workers participate more actively when discussion shifts from technical issues to human relations problems at the individual and group level; to standard of living and social welfare issues; and to hiring and placement problems. Warner (1975) on reviewing some critical evidence of self-management in Yugoslavia feels the "problems of alienation in the workplace cannot be magically solved by simply installing workers' councils" but is himself inclined to the view that much less might be achieved in terms of industrial democracy "if an even weaker system of worker participation had been arrived at, or in future is set-up."

Having expressed the view that permissive supervision is likely to promote acceptance and quality of decisions and private commitment, Bass (1967) then draws our attention to the view that permissive supervision may be impossible, unwarranted and less likely to succeed or be difficult to introduce in many circumstances. It is to an examination of these circumstances that we now turn in order to justify the relevance of an alternative to the democratic style in specified situations.

Where group norms are not supportive of participation or there is a legitimate organisational structure for decision-making, group decision-making will most likely have limited effects (Bobbitt et al op cit). Democratic management could be functionally impaired by uniformity of policy and practices designed to ensure co-ordination, and by a history of bureaucratic traditions (McMurry op cit). With the growing importance of technological and economic constraints in the use of limited resources someone has to assume responsibility for the ultimate decision. Given the movement in large sized organisations towards decentralisation of functions, democratisation is not a logical development because control still resides at the centre or apex of the organisation (Gomberg op cit).

A directive style is more appropriate "when the subordinate group is large, when communications are poor, when superiors and subordinates are physically or socially distant from each other,
or when interaction potential is low among superior and subordinates" (Bass 1960). If the subordinate suffers a deficiency in knowledge or skill relevant to a particular decision, and the superior possesses the appropriate talents, a centralised style is justified (Yukl op cit). Participation is also likely to be negatively related to group performance when rapid decision-making is required. The prevailing leadership environment at the higher levels of organisation may encourage anything but the exercise of a permissive style by the superior (Tannenbaum and Massarik op cit). Also because of prevailing or past culture subordinates may expect and demand strong directive leadership from superiors. McMurry (op cit) believes that management tries to push decisions down the hierarchy but this is invariably resented from below. To support this point of view he presents an observation the embodiment of Theory X: "at least three quarters of those whom I have encountered in business have shown a pathetically small desire or capacity either for genuine self-improvement or for self-direction. They don't really want to improve themselves if this requires effort. They do not want responsibility. They simply want a safe, secure job and someone to tell them what to do."

In the discussion justifying an alternative to the democratic style in certain circumstances it was inevitable to consider the influence of situational factors. The next section will pursue a study of situational factors in greater depth.

2.4 SITUATIONAL FACTORS

According to Uris (op cit), in considering the applicability of a particular leadership style one has to consider the status attached to a job, the relevance of the subordinate's experience, his qualifications, training and intelligence. A stable group that works well together and has the skill and experience to take decisions would probably find a democratic style most suitable. An untrained and undisciplined group or a group operating in a novel situation may call for a more autocratic style. The motivational disposition of a group may also be of importance. Groups with a high level of motivation and the highest level of productivity were associated with a performance and human relations oriented leadership style. Groups with a low level of motivation
and the highest level of productivity were associated with a performance oriented supervision. The greatest level of group cohesion seemed to be promoted by performance oriented supervision at the cost of a lower degree of satisfaction and a greater degree of hostility levelled at the supervisor. The supervisor who emphasised the performance and human relations aspects of the job had the effect of promoting the highest degree of satisfaction and the weakest level of hostility (Mishmi and Seki 1971).

The importance of the decision to the subordinate could be a major determinant of preferences for participative leadership (Maier 1965). If therefore a decision is considered very important by the subordinate, he is likely to prefer to exert as much influence as possible. Where decisions are considered not to involve matters of importance, subordinates are unlikely to object to the imposition of a directive style, particularly a benevolent one. In circumstances where subordinates place trust in the leader to make a decision favourable to them, the less they will feel it necessary to participate in order to protect their interests.

Likewise the bureaucratic orientation of subordinates may dictate their preferences for leadership style. Kavanagh (1975) found that "persons higher in their preferences for an organisational climate characteristic of the classical bureaucratic model want an ideal supervisor higher in Initiating Structure and Production Emphasis behaviours but lower in Consideration and Tolerance of Freedom behaviours than those persons lower in bureaucratic orientation." Yukl (op cit) would stress, in addition, that the subordinate's preferences for Initiating Structure is partially dependent on his commitment to efficiency and goal achievement. Korten (1962) associates degree of goal structuring with different patterns of leadership. The trend towards high goal structure is encouraged by an increase in stress derived from internal motivational dispositions or external threats. Wispe and Lloyd (op cit) found a preference for a less structured or permissive situation to emerge in the absence of significant threats in the environment. However, the greater the threat perceived the more highly structured the preferred situation. Stress and lack of clarity as to the best plan of action to pursue in given circumstances can give rise to the replacement of one leader
by another who is more able to tackle the problems confronting the group. In the process he may acquire greater power than previously bestowed on the original leader (Hamblin 1958). It would also appear that in a low stress situation it is difficult for an authoritarian leadership to sustain itself. It is for this reason that an autocratic leader, in order to maintain power, emphasises threats from within and outside and strives towards high goal achievement so as to keep the group united. This is a ploy very evident at the macro level in the operation of totalitarian social systems. The power of the situation is further evidenced by variations in leadership patterns as a result of specific circumstances. For example, a crisis may call for immediate decisive action without any reference to the group. Outside a crisis situation different considerations are likely to prevail. A competent leader who has a record of success behind him may be able to resist group pressures to conform to their demands, (high idiosyncrasy credit), but if present non-conformity does not generate more group success the leader's idiosyncrasy credit will decline and he will then have to operate within more constraining limits set by the group (Hollander and Julian 1970). Mulder and Stemmerding (1963) maintain that when subordinates are committed to the attainment of group goals or survival of the group, and the task or environment favours a centralised style, then they are likely to expect the leader to make most of the decisions. A person may display qualities of leadership and prove effective in a situation requiring diagnosis and prediction but prove ineffective in situations where time for contemplation and rigorous assessment of alternatives is a very rare thing. A condition regulating effective leadership performance is the degree of influence a leader has at the higher echelons of the organisation (Pelz 1952). The standard of performance achieved by the subordinate could have a material bearing on the choice of style of leadership adopted by the superior. Lowin and Craig (1968) believe that the more the subordinate contributes to the eventual desired outcomes valued by the manager the more positive the manager's attitudes will be towards the subordinate. This will be reflected in the degree of freedom given to the subordinate and is contrary to the oft quoted causal relationship of leadership style determining productivity.
They conclude from the findings of an experimental study that the causal relationship of performance influencing style is often ignored but is as important as the opposite one of style influencing performance. A similar view was forwarded by Galbraith and Cummings (1967) who hypothesized that a leader can improve the performance of a subordinate by being highly considerate to him if task motivation is impressive. Considerate behaviour is then used as a reward and would be withheld from subordinates showing little motivation. Finally, Thompson (1961) doubts whether democratic practices have yet taken root because of the existence of a fundamental superior/subordinate conflict. This conflict is alleged to express itself as a result of the demands made on the subordinates - i.e. to be loyal, obedient and respect the superior's veto - and the subordinate's need for respect, and to be evaluated on the basis of merit. Obviously tension would be reduced when the subordinate gives way to the superior's demands.

Perhaps the most influential situational theory is that put forward by Fiedler (1967) in his Contingency Model of Leadership. It attempts to predict how style of leadership, leader-member relations, the position power vested in the leader and the structure of the task harmonize to determine the leader's ability to achieve productive output. The measure of the style of leadership is the esteem of the leader for his least preferred co-worker (LPC). The LPC is the person the leader has found most difficult to co-operate with. To arrive at an LPC score leaders were asked to rate both their most preferred co-worker (MPC) and their least preferred co-worker (LPC). Leaders who describe their MPC's and LPC's similarly are classified as "high LPC" leaders, whilst those who describe their LPC's much more negatively than their MPC's are classified as "low LPC" leaders. The co-worker evaluated in this way need not be someone the leader is actually working with at the time. According to Fiedler the LPC score is best interpreted as a dynamic trait which results in different behaviour as the situation changes. A leader with a high LPC rating would be psychologically close to his group members; with a low LPC rating he would be psychologically distant. The leader who describes his least preferred co-worker in a relatively favourable manner (high LPC) tends to be permissive and considerate in his
relationship with group members. He gains satisfaction and self-esteem from successful interpersonal relations. The leader who describes his least preferred co-worker in a relatively unfavourable manner (low LPC) tends to be autocratic, task-centred and less concerned with the human relations aspects of the job. He gains satisfaction and self-esteem from successful task performance. Therefore, the high and low LPC leaders seek to satisfy different needs in the group situation. Applying this interpretation of leadership style to that of the OHIO State School we might conclude that a high LPC leader seems to rank relatively high on Consideration and the low LPC leader relatively high on Initiating Structure. Though this conclusion may have intuitive appeal, Weissenberg and Gruenfeld (1966) challenge it. Drawing on evidence from a field study of civil service supervisors they assert that a low LPC was associated with an intermediate point between the extremes of Initiating Structure and Consideration. They also challenge the view that the LPC measure is a good predictor of leadership behavioural characteristics, a point that will be taken up later. The three major variables in the work situation which can impede or facilitate a leader's attempt to influence group members are, as stated above, leader-member relations, the structure of tasks and the position power of the leader. In the normal course of events the organisation provides support for the leader by structuring tasks with the help of procedures, rules and regulations. The degree of task structure can be measured by establishing the extent to which work decisions can be verified, the degree of clarity surrounding the stating of the work goal, the number of methods available for achieving the goal and the extent to which one can be specific about the solution to the work problem. The leader finds it easier to force compliance in a structured task situation than in an unstructured task situation. In the latter situation the leader may find it difficult to exercise influence because neither he nor group members can be dogmatic about what should be done; in fact, the leader will have to pay attention to inspiring and motivating his followers. Position power is the authority vested in the leader's position as distinct from any power arising from his skill and ability in handling matters arising within the group. It would include the rewards
and punishment at the leader's disposal; his authority to define the group's rules; and his appointment being immune from termination by the group. The most important of these three dimensions is leader-member relations. A liked and respected leader, or one working in a smoothly functioning group can do what would be difficult for a leader in different circumstances.

Position power is the least important of the three dimensions because a well-liked leader can get results without institutional power, and likewise he will not need the power if the task is clearly structured. Fiedler arrives at a continuum depicting the favourableness of the situation for the leader. Task-oriented leaders performed more effectively in situations which are either very favourable or very unfavourable for them. This was found to be so in basketball teams, surveying teams, military combat crews and in complex organisations when executive functions were examined. Relationship-oriented leaders perform better in situations which are intermediate in favourableness for them. Policy decision-making groups in complex organisations appeared to require a considerate, permissive, relationship oriented leadership where a good group climate existed.

Fiedler's theory tries to make situational leadership theory more convincing by isolating and identifying conditions under which different styles of leadership will be more or less effective. Group performance is therefore dependent upon the match between the leader's influence and power and his motivational disposition. Recognising Fiedler's work as an ambitious enterprise involving quite a few simplifications, Smith (1973) goes on to say -

"For example he assumes that the effectiveness of leaders is validly measured by the productivity of their subordinates, ignoring morale and other indicators. He assumes further that the leader's qualities need to be classified on only a single dimension. Finally he assumes that situations in which leaders operate can be classified in terms of their favourability to the leader."

Undoubtedly Fiedler's research methodology, along with most, suffers deficiencies. One recognises the selection of the situational dimensions as arbitrary, but his model has given a welcome emphasis to situational determinants of leadership effectiveness.
The findings of Fiedler and Likert—advocate of employee-centred leadership—could converge if one condition is met. That is if the immediate environmental factors in Likert's studies were intermediate in favourableness. However, we have no way of knowing that such a condition is met because Fiedler's situational measures were not used by Likert. Fiedler's model, often in partial form, has been subjected to empirical test with rather mixed results in different settings. In an experimental study in a laboratory setting Sample and Wilson (1965) examined certain aspects of the propositions put forward by Fiedler. They maintained that their investigation does not support Fiedler's notion that the unfavourable low LPC leader is generally socially distant and unfriendly. Both favourable and unfavourable styles of leadership—expressed in LPC terms—were used by superiors friendly to group members but at different times during the task. The unfavourable LPC leader quickly and firmly structures the group's procedures during the planning stage of an assignment and is then free later to play a less dominating and even jovial role. On the other hand, the favourable LPC leader holds a group discussion during the planning period when the work is not clearly organised. It is only with partial success that he attempts and achieves organisation of the work during the latter phases of task performance. This might be explained in terms of a lack of an adequate task orientation. However, it was found that the low LPC leaders displayed less positive socio-emotional behaviour during the early stages of an assignment when planning and organising was needed. The high LPC leader was more concerned with establishing warm interpersonal relationships with group members during the initial planning stage. But during the performance phase of the assignment high LPC leaders became more task-oriented and low LPC leaders more human relations-oriented. Graham (1968) in his study of life insurance agents endorses Fiedler's findings in one significant respect. Leaders with a high LPC score tend to be primarily human relations oriented whereas low LPC leaders tended to be more task-oriented. Though variability did arise, when for example a low LPC leader becomes more considerate in his approach on some occasions, Graham concurs with Sample and Wilson (op cit) in maintaining
that high LPC leaders were not more favourably evaluated than the low LPC leader. Any differentiation can be accounted for not on the basis of their primary orientations but instead on how well they carry out their particular leadership styles over a period of time. In an investigation conducted in three organisations Hunt (1967) chose co-acting groups. Unlike the groups chosen by Fiedler, co-operation between group members was required to perform the task and the leader's role consists of co-ordinating activities of members. The leader is also required to provide individual motivation and psychological support and encouragement. Since position power of the leaders in the organisations sampled was high, this variable was not considered in Hunt's study. The findings suggest that, to a large extent, variations in leadership effectiveness is attributable to the leader-member relations variable alone. This result is understandable given the nature of the leader's role in co-acting groups. It does appear imperative to foster successful leader-member relations within co-acting groups. An attack on a proposition of Fiedler that creativity is discouraged under task-oriented leadership comes from Andrews and Farris (op cit). They found from their study of scientists that creativity flourished in such circumstances. In highlighting some desirable behaviour of a leader, particularly trust and openness, Rubin and Goldman (1968) find it difficult to concede that this kind of climate can be established by a low LPC leader who remains psychologically distant from his group. They also criticise Fiedler for a lack of explicit concern for the needs of individual employees and give us their version of the effective leader as someone who is able to differentiate between subordinates in performance and cultivates open communication. As to task structure, Greenwood and McNamara (op cit) dismiss the idea that this variable has any effect on leadership effectiveness, though their population sample has serious limitations.

More recent evidence is also critical of Fiedler's model. Graen et al (1970) criticise the research strategy and the limited number of statistically significant results and from a review of relevant studies suggest that comparability is limited because different operational definitions of leader member relations and position power have been used in different studies.
Fiedler (1971) throws doubt on the substance of this allegation. Graen et al (1971) return with experimental evidence to discredit the LPC and conclude that there was no relationship between the leader's LPC score and the perception of group members of leader behaviour. The person they designated leader was chosen at random and completed the LPC form. At the conclusion of the experiment group members completed a questionnaire describing the behaviour of the leader. The force of this finding is however tempered by the fact that the researchers relied on undergraduate students as subjects and used a non-standard measure of leader behaviour. Fiedler (1971b) is quick to point out that the Graen experiments were unable to differentiate sufficiently between the situations constructed in the laboratory, and considers the work as a result an invalid test of his theory. However, the relationship between the LPC score and leader behaviour challenged by Graen et al and defended by Fiedler was explored by Stinson and Tracy (1974). Using more realistic subjects - 21 general foremen from a metal processing factory - and a standard measure of leader behaviour - Leader Behaviour Description Questionnaire - they found, as did Graen, that leadership style (LPC) did not correspond to leadership behaviour as observed by subordinates.

A suggestion that there is a similarity between the scales used to measure LPC and leader member relations, having the effect of considerably contaminating these measures by a measurement effect, comes from McMahon (1972). But perhaps the greatest weakness of the LPC is "that it implies that a given leader has a fixed, invariant style of leadership which he uses in all situations" (Smith op cit). The LPC scores for college students were found to have fluctuated over an eight week period, and though the LPC scores for industrial supervisors also fluctuated they were more stable than in the former case (Stinson and Tracy op cit).

One discerns an inconsistency in Fielder's position since he has modified his view of the relationship between the LPC score and leadership behaviour. He now contends that high and low LPC's might vary their behaviour in different types of circumstances (Fiedler 1972a). The high LPC leader finding himself in an unfavourable situation, where leader member relations
are poor, position power is weak and the outcome uncertain, will behave in a manner to establish good relationships in order to prove to himself that he wishes to relate to others. In a favourable situation the high LPC leader will be motivated to seek secondary goals - i.e. luxuries such as recognition from superiors and admiration - and these goals are realised by "playing the role of the responsible, efficient and even officious leader; that is by actually or seemingly attending to the task." This is a rather interesting point because the behaviour of the high LPC leader in a favourable situation manifests itself as distinctly oriented towards his superior and expressing a concern for the task. On the other hand, the low LPC leader in an unfavourable situation will devote his energies to achieving the primary goal of task performance or accomplishment. But in a favourable situation he will seek pleasant work relations. His behaviour will then seem friendly and considerate toward co-workers. Therefore Fiedler concedes that leadership style or motivation as measured by the LPC and leadership behaviour are not directly related. Also a call for new methods for assessing situational favourableness originates from a group, one of whom is Fiedler (Mitchell et al 1970). The Contingency Model is obviously ready for a major overhaul but is showing remarkable resilience.

In comparatively recent times Kerr et al (op cit), representing the views of the OHIO State School of Leadership, set about developing some situational propositions of leader effectiveness based on the leader behaviour dimensions 'Consideration' and 'Initiating Structure' and acknowledge their indebtedness to House (1971) whose work on path goal theory has influenced the development of their ideas. In all, twelve propositions are put forward. The situational propositions, with supporting evidence, are specifically related to the OHIO State Leader Behaviour Dimensions to disprove the notion that the OHIO State School is not concerned with situational variables. Wofford (1971) has also something to say about the impact of situational factors. Using a scheme of leadership which incorporates the salient features of both the OHIO State School and the Survey Research Centre, Michigan, he found different characteristics more effective in one situation rather than another. Factors such as task flexibility, group size, managerial aspirations, degree of centralisation of operations called for a
particular leadership approach and the dimensions effective for production are not the most effective for morale. The impact of structural factors will be examined later. One thing seems certain from the discussion and that is a study of leadership is not meaningful without a recognition of the importance of situational factors.

2.5 A LEADERSHIP CONTINUUM

The tendency in the literature, with minor exceptions, has been to emphasise the polar ends of the leadership style spectrum, leadership being viewed either as task or autocratic on the one hand or permissive or democratic on the other. Heller (op cit) argues that power/influence concepts are of more relevance rather than vague participation when looking at decision processes. However, these are rather elusive concepts. Teulings (1971) neatly defines power and influence, and also authority -

"Power is the capacity to overcome resistance, to introduce changes in the face of opposition. The exercise of power is also visible to those subjected to it.

Influence on the other hand is by definition not visible to the subjects; the subjects may find their alternatives suddenly restricted but are unable to trace the origin of this limitation. Hence the exercise of influence is not faced by opposition. If there is a choice men of position in society prefer the use of influence over power.

Authority is legitimate power, that is power with a socially fixed price for compliance. Because the exercise of power faces opposition the compliance of those subjected to it requires a certain price. Power is converted into authority by fixing this price for a longer time period in terms of scarce commodities (pay is the most common example). Authority is therefore a more stable form of power."

This definition of Power/Authority and Influence does seem to refer to processes moving down vertically or laterally in the organisational hierarchy and in leadership terms could be classified as directive. Another way of looking at the power relationship is to observe the extent to which influence is exerted upwards by those lower in the hierarchy. Mechanic (1962) suggests that the
most effective way for lower participants to achieve power is to obtain, maintain and control access to persons, information, and instrumentalities. To the extent that this can be accomplished, lower participants make high ranking participants dependent upon them. Thus dependence together with the manipulation of the dependency relationship is the key to the power of lower participants. We often tend to underestimate the amount of influence subordinates exert in decisions made by superiors. Drawing on the observations of Barnard and Simon, Walter (1966) makes the point that, though policies may be officially announced by superiors, they are often initiated and elaborated by employees many levels beneath them in the organisation chart. Heller (op cit) views the leadership process in organisations as the sharing of influence to varying degrees between the superior and subordinates. A continuum of leadership would then include own decision by superior; own decision with explanation by superior; superior consulting subordinate; joint decision making; and delegation. The distinctive aspect of this model is the introduction of delegation as the position of maximum subordinate influence, though the area of choice is usually well specified and constrains behaviour. Heller maintains that delegation is excluded from discussions of participation because participation is invariably associated with group-centred outlook — interaction, voting, consultation and consensus — but he believes there is no reason why it cannot satisfy self-actualisation needs (the justification for participation) as participation is alleged to do. There is, of course, the danger that it may be used punitively when only unpleasant responsibilities are delegated.

Using a leadership continuum appears to mitigate a problem identified by Kerr et al (op cit) as common to both the OHIO State and Fiedler studies, that of what befalls predictions when the leader's scores are medium rather than high or low. The idea of describing decision-making behaviour along a continuum of subordinate influence is certainly not new, but is a departure from the well explored two dimensional approach discussed earlier. With the leadership continuum, however, one could still arrive at centralised and decentralised dimensions by aggregating the directive and the permissive oriented positions separately.
A number of authorities have presented individual classifications of a leadership continuum. Strauss (1963) draws a distinction between decisions made by managers on their own, by managers and subordinates jointly, and instances where the manager permits his subordinate to make his own decision. March and Simon (op cit) also acknowledge a continuum of supervisory styles as does Likert (1967) when he puts forward his four systems of leadership, showing a marked preference for system 4 - the participative style.

In addition Likert (1961) mentions a twelve-point scale for describing the amount of subordinate participation that occurs when organisational change is introduced. Blake and Mouton (1961) proposed a power spectrum which is a system for evaluating the amount of contribution a superior and subordinate makes to decisions.

A leadership continuum is proposed by Tannenbaum and Schmidt (op cit). Similarly Bass (1967) differentiated leadership patterns according to four types. Blankenship and Miles (op cit) have also created a five category measure of subordinate influence in superiors' decisions. The model of leadership style considered most suitable as an operational definition of managerial decision-making behaviour in the research study is the power/influence continuum adopted by Heller. This model could be equated with the Decision-Centralisation (DC) concept cited by Yukl (op cit) which is also concerned with the behaviour of the leader, and with a number of diverse methods of decision-making. Some may argue that Initiating Structure is similar to the directive end and Consideration is similar to the permissive end of the Decision-Centralisation Model, but Yukl maintains there are good theoretical arguments for treating DC as a separate dimension of leader behaviour. For example, though the Consideration dimension incorporates several participative decision-making items it must be acknowledged that the desire for participation is not always present, it being dictated by personality and situational factors. Task oriented behaviour is implicit in Initiating Structure, but this is not tantamount to denying the subordinate the chance to use his influence in the decisions of his superior. Almost certainly there is some form of relationship, more likely an indirect one, between Consideration and DC and the latter with Tolerance of Member Freedom, but Yukl (op cit) considers it more practical to define Consideration
as simply the degree to which a leader's behaviour expresses a positive rather than an indifferent or negative attitude toward subordinates. In the author's research instrument the above conceptual distinction is apparent. Decision-making behaviour, however, does not exist in a vacuum but has to bear some relationship to the type of decision considered and structural features of organisation likely to impinge on it. If this is so, then a close examination of these factors is both desirable and appropriate. It is to this question that we now turn in Chapter 3.
CHAPTER 3

IMPACT OF DECISION PROCESSES,
AND STRUCTURAL DETERMINANTS

It is now patently clear that leadership is something which is subject to a number of influences. Two major influences, to be discussed in this chapter, are the decision-making process and selected structural characteristics of organisation. The decision-making process sets the scene for the behaviour involved in it, and decision-making behaviour takes place within an organisational framework.

3.1 DECISION PROCESSES

A brief moment's reflection on the claims made on behalf of parapsychology might dazzle one into a blind acceptance of precognitive powers as phenomena related to decision-making ability. Ever since Uri Geller's spectacular feats in precognition, telepathy and psychokinesis (Taylor 1975), apparently it has stirred up interest in ways in which telepathy and precognition may be of help to the executive. No wonder then that in recent times a report on research carried out in the U.S.A. appeared in The Financial Times with the heading 'Why hunch may help the right decision' (Irvine 1974). According to Irvine most top flight executives say they rely ultimately on their judgement or intuition. However, this is understandable since specialised decision-making techniques are not yet so advanced or sophisticated as to rule out the intervention of intuitive judgement or inspired guesswork. In fact, one can never deny the influence of intuitive judgement, what is more important is the reduction of the area conventionally reserved for intuitive judgement by the development and better use of decision analysis techniques.

Litchfield (op cit) has put forward a proposition viewing decision-making as either rational, deliberative, discretionary, purposive or irrational, obligatory and random. In the former instance we proceed through somewhat of an idealised cycle.
We begin by clarifying and describing the issue in question. A situational analysis then takes place with reference to a variety of intelligence data. For the Accountant this obviously means a perusal of a variety of cost and revenue data in addition to extrapolations. A specification of alternative courses of action follows, and where the likely consequences of each alternative are known they are explicitly stated. Where they are unknown, estimates are required and could take the form of alternatives. Methods available in business to tackle these quantities are, for example, economic forecasting, market projections and linear programming.

The next step is to review the issues involved in the decision in the light of what is known about the existing situation with reference to the alternative courses of action which are now available. This is the stage when values are assessed, probabilities appraised and strategy is devised in conditions of imperfect knowledge. The deliberative process now approaches rationality as risk is calculated, normally in mathematical terms, and values are explicitly stated. A final choice is then made which will be influenced by several considerations resting on the rationality, mental faculties and discretionary power of the decision-maker. Obviously few decisions in organisations are arrived at by means of this full sequence of actions. This can be attributable to a number of constraining influences. We are all prone to irrationality at one time or another and invariably we do not have enough time to methodically subject each decision to such rigorous analysis. By implication Caplan (op. cit.) recognises the accountant's subscription to the idealised cycle view of decision-making when he states that accountants are deluding themselves if they consider the activity of gathering, processing, and interpreting data as an objective exercise, neither can they achieve the degree of certainty and neutrality often attributed to them. Whatever course of action is decided it must be executed and subsequently verified as to its correctness. At the execution stage a decision has to be communicated, the superior taking the appropriate action or delegating to others the authority to act. He also has to provide for possible adjustment to and modification of the original decision in the light of changing circumstances (Martin 1959). It is sometimes wrongly assumed that the conditions
anticipated in the making of a decision will prevail, particularly when the time factor involved is long. We have only to consider the proposition of Merton (1936) as to the unanticipated consequences of purposive sociological action to realise that the interplay of forces and circumstances in a given situation is so complex as to render prediction of them quite beyond reach; this is apart from the handicap of incomplete knowledge, error and bias of interest which is likely to intervene.

When decisions are interpreted in the form of specific programmes they become guidelines to future action. We can then draw a distinction between programmed and non-programmed decisions. According to Simon (1965), a programmed decision is in essence repetitive and routine with a definite procedure — e.g. pricing ordinary customers' orders. On the other hand, a non-programmed decision could be considered novel, unstructured and consequential. This type of decision cannot be dealt with in a clear-cut manner, one finds difficulty in locating a precedent for it and the problem tends to be elusive or complex. Simon maintains that non-programmed decision-making can be improved by orderly thinking; generalised operating procedures could, perhaps, be constructed, and the quality of both types of decision can be enhanced by the introduction of skilled participants to the organisation together with appropriate training and planned experience. There is also a danger that programmed activity will drive out that which is non-programmed, but the presence of staff activities in organisations ensures the survival of activities devoted to non-programmed thought.

Having observed a business decision Cyert et al (1956) make a number of relevant points. First, alternatives are not usually given but must be sought. An important part of the process is therefore the search for alternatives and once a satisfactory solution is discovered, even though the field of possibilities is not exhausted, the search is discontinued. This is something that is neglected by the classical theory of rational choice. Second, consequences alleged to flow from each alternative are seldom given. It follows that a search for consequences is another important aspect of decision-making. Third, a comparison of alternatives cannot be confined to analysis using a financial or quantitative criterion only because of consequences of an intangible
nature which make comparison and evaluation difficult. Finally, in reality the problem itself may not be given and an important activity is searching for significant problems to tackle. Dufty and Taylor (1962), unlike Cyert et al's observation of the active phases of the decision process, studied the implementation stage of a non-programmed decision. The decision was connected with the transfer of personnel from one location of an organisation to another. Though the Chief Executive specified the outcome - the transfer of a specified number of staff - it was the Personnel Superintendent who had to connect the means to the end. He was given wide discretionary powers to use both his standard programmes and to develop new programmes or modify old ones through the processes of problem-solving and learning. His first line of action was to initiate problem-solving activity by calling a conference of individuals qualified to contribute to the solution of the problem. From this conference resulted, where feasible, the preparation of programmes of activity. As the implementation processes neared the completion stage lack of optimisation of the operations was evident. Standards as to the calibre of staff, previously considered of vital importance, were relaxed because of a reluctance to move on the part of some staff. This had the effect of creating organisational slack, which was condoned by the men and union officials alike. The unanticipated consequences acted to the disadvantage of the company by creating a situation whereby organisational slack obtained at the old site and manpower at the new site fell below expectations in terms of quality.

Cyert et al (1967) feel that because information on the consequences of particular courses of action in business organisations is frequently hard to obtain and is likely to be unreliable, conscious and unconscious bias in expectations is introduced, and if perception is not aimed at realising hopes then new developments in reality are rationalised to fit in with expectations. As a result, they believe "that research on selective perception and recall is of substantial importance to an empirical theory of business decision-making."

Programmed and non-programmed decisions also find expression in different terms by Drucker (1954). These are strategic decisions, involving risk, and tactical decisions, which are of
a routine problem-solving nature. According to Drucker, strategic decisions involve the future, cover many aspects of business which are simultaneously affected, involve substantial sums of money or great unknown factors and are almost always taken by top management. Tactical decisions, on the other hand, are frequently taken every day within organisations. A tactical decision is taken by an Accountant when he allocates a sum to a particular account.

Hickson (op cit) maintains that the growth of programmed decisions leads to superiors paying too much attention to this type of decision to the neglect of non-programmed decisions, and he associates programmed decisions with a lack of power and non-programmed decisions with the acquisition of power. Using the dimension 'task structure', a variable not too dissimilar to the programmed decision, Fiedler (1972) tends to share the view of Hickson. He believes -

"tasks or assignments that are highly structured, explicit or programmed give the leader more influence than tasks that are vague, nebulous and unstructured. It is easier to be a leader when the task is described step by step in a manual of standard operating procedures."

With specific reference to the predicament of subordinates, Dill (1958) differs in his perspective from that of Hickson and Fiedler and argues that the autonomy of subordinates reaches a peak when making routine choices in the decision process but declines sharply on novel decisions. In the routine decision situation the manner in which decisions are made is governed in a detailed fashion by established precedent, explicit rules and regulations and standard operating procedures, which almost certainly obviate the necessity for overt supervision. This is a rather interesting point because the routine decision situation of the type just described could give rise in some circumstances to delegative behaviour on the part of the superior. Dill goes on to emphasise that important decisions of an infrequent nature that culminate in committing scarce resources, generating risk and uncertainty, are the type of decisions that deny the subordinate the autonomy he enjoys in making recurrent decisions. In fact Walter (op cit) comes closer to Hickson's premise - that more power is associated with non-programmed decisions - when, relying
on data from empirical observation, he stipulates that subordinate influence is very pronounced in non-programmed decision situations. It is perhaps to be expected for a superior to take advantage where possible of a subordinate's technical competence, previous specialised training and detailed information about the immediate decision environment. If nothing else, a superior is prone to rely on the knowledge of a subordinate in order to save himself a lot of time and effort. In such circumstances the superior is doing little more than endorsing the subordinate's field interpretations or decisions. As to what happens to subordinate influence in a programmed situation, a prior hypothesis by Walter that power would be centralised, creating more superior influence and less subordinate influence, fared very poorly. Observations had shown that on some occasions the subordinate brought to the notice of the superior a situation requiring action and then proceeded to tackle the problem, having first received the superior's authorisation to do so. In another situation one might find the superior bringing to the notice of the subordinate a problem requiring attention with a directive to see to it. In other circumstances a subordinate's recommendations, requesting attention be given to a particular problem or issue, would be allowed to lapse because resources are scarce and consequently an emphasis is placed on priorities.

This led to a revision of the latter hypothesis which then took the form of, "that the influence of superiors in programmed decision-making lies chiefly in their ability to specify priorities among the alternative actions supported by their subordinates and clients." This is a departure from Dill's total autonomy and Hickson's opposite presumption that subordinate power or influence is absent. However, Heller (op cit) confirms Hickson's viewpoint in this respect. In seeking an explanation for the incidence of centralised decision styles in the areas of production and finance he postulates that tasks in these areas lend themselves to programmed decisions and as a consequence this leads to a centralisation of power. The refined hypothesis of Walter - superior/subordinate influence in programmed decision situations - is shared by the author. Equally subordinate influence in non-programmed situations, in line with the position of both Hickson and Walter, is something which appeals to one's impression of reality.
The distinction made between programmed and non-programmed decisions, in terms of subordinate influence, has received minor attention, though typical business decisions in relation to a continuum of decision-making behaviour have been considered by Blankenship and Miles (op cit) and Heller (op cit). In the former instance, programmed decisions only were examined and in the latter case no such distinction was made, instead the focus was on the nature of the decision and the level of organisation at which the decision was made. For example, one set of decisions were sub-divided into task-related and maintenance (personnel) decisions, the other set were categorised according to whether they affected the direct subordinate or the subordinate once removed from the superior. Heller and Yukl (1969) found that first and second line supervisors were likely to share more power with subordinates when task decisions, rather than maintenance decisions, were under consideration. Senior managers were more likely to allow greater subordinate influence in decisions affecting indirect rather than direct subordinates. It is now clear that decision-making behaviour is influenced by some features of the decision process. There are also structural features of organisation which are likely to produce a similar effect and it is to an examination of these factors that we now turn.

3.2 STRUCTURAL DETERMINANTS

A natural starting point for any discussion of the structural features of organisation is an acknowledgement of the contribution of Max Weber. Ever since his ideal type of bureaucracy came on the scene it has become a continuous source of fascination and theoretical controversy. Bureaucracy of the ideal type, according to Weber (1946), is managed by experts who are expected to subscribe to a highly impersonal rational perspective with the demands of positions requiring job holders to perform their duties as efficiently as possible. Rationality in decision-making and obedience in the performance of duties are the keystones of the entire system. It appears emotion is something to be excluded from the bureaucratic process, though the administrator who exercises charismatic authority becomes emotionally important to his followers and must establish a right to lead. On the other hand, under the ideal type of bureaucracy the rational-legal administrator receives
legitimate power from the system by virtue of his technical competence. Somewhat naively it is assumed that individual motivation is maintained by the processes of conformity, leading to acceptance of the demands of the organisation, and status-seeking, the urge to advance by acquiring and exercising technical competence.

Modification to this conceptual scheme has been suggested by a number of authorities. Some maintain that a number of dysfunctional consequences flow from it. Merton (1949) feels that the emphasis on reliability, efficiency and expertise has its limitations, and that bureaucracy engenders strong feelings because of the pressure to conform. This is further aggravated by mounting pressure, having its roots in individual expectation, that the organisation requires reliability, consistency, commitment and loyalty from the individual. Often in the process of enforcing compliance a high degree of emphasis is placed on discipline. The danger here lies in an over-emphasis on discipline, with the strong emotions attached to it, leading to a transference of sentiments away from the aims of the organisation to its detailed working, eventually resulting in the displacement of goals. As a result we expect to see the emergence of formalism and ritual as a consequence of a preoccupation with specified procedural matters. Excesses in this respect leads to diminishing awareness of organisational objectives and the development of 'red tape'. All this is apart from 'trained incapacity' whereby previous training and past skills elicit inappropriate responses to changed conditions.

The above interpretation opens the way for a systems perspective which Gouldner (1959) considers to operate side by side with the bureaucratic model. The distinctive features of the natural systems approach - also represented by Parsons (1956) and Selznick (1948) - is that the organisation as a system has survival and maintenance needs with an ability to respond in a spontaneous fashion to a changing environment, striving at all times to maintain a dynamic equilibrium. This is so irrespective of the fact that each part of the organisation has its own goals and needs and that organisational goals are but another set of goals. By way of contrast, an action perspective (Silverman 1968) departs from a systems emphasis by maintaining that it is the individual's interpretation of the event that really matters.
In more recent times the preoccupation with rationality and formality appears to have suffered relegation in favour of a comparative analysis of formal structures. Blau and Scott (1963) constructed a typology based on the criterion of 'who benefits'. The prime beneficiaries, according to this scheme, are members or ordinary participants, owners or managers, clients and members of society at large; the respective organisations are mutual-benefit associations, business concerns, service organisations and commonweal organisations. Etzioni (1961) in his comparative analysis of complex organisations treats compliance as the central theme. This is the power relationship which exists between those who exercise power and those subjected to it. Compliance is congruent when power is coercive and involvement is alienative (prison), when power is remunerative and involvement is calculative (work organisation) and, finally, when power is normative and involvement is moral (religious organisation). These approaches have raised the question of power and involvement as central differences between organisations at a general level of analysis. They can be contrasted with the more localised and detailed approach of Pugh et al (1968) who rely on operational definitions of bureaucracy, with applicability across organisations irrespective of their activity or form of ownership, to create organisational profiles. The five primary variables or dimensions of organisation structure they used in their comparative study were specialisation (number of specialised activities and roles), standardisation of procedures and roles, formalisation (the extent to which things are written down), centralisation, and configuration or shape of the organisation. An interesting finding emerged from this study in the form of a statement that bureaucracy is not a unitary concept, as conveyed by the Weberian model, but organisations may display different degrees of bureaucracy over a number of dimensions and that organisations may still be bureaucratic with a noticeable lack of centralisation. This was deduced from the non-significant correlation between centralisation and the variables overall standardisation, formalisation and shape of staff organisation.

The province of organisational analysis has also been the concern of various management theorists. An influential proponent of this school of thought is Urwick (1935). He and his
contemporaries advocate principles of organisation not far removed from classical bureaucracy. Classical bureaucracy was then superseded by the classical theory of organisation, at the operational level, in which the following principles were enshrined. A vertical hierarchical structure embracing roles, optimally arranged, is required. Equal in importance is the precise definition of duties, responsibilities and the authority vested in a position. No ambiguity should surround the meaning attached to authority and channels must exist for effective delegation to take place, always remembering that authority and the related responsibility are co-equal. The chain of command, which facilitates communication and control, necessitates adherence to the principle of one man reporting to one superior. The principle of co-ordination ensures that individual or sectional effort is directed towards the achievement of common goals. On the question of the size of the span of control, it is asserted that it should be strictly limited, not to exceed five or six in situations where subordinates' tasks are inter-dependent. Finally, the functional authority (advisory) of the specialist is contrasted with the formal authority (executive) of the line manager. This is no doubt a very rational perspective and does not take seriously the needs of the individual and the constraints operating in different organisations.

It was perhaps for this reason that Woodward (1965) embarked on a programme of research examining the characteristics of a number of organisations in Essex. The main theme of her findings is the influence of technology or production systems in shaping organisational characteristics, though the importance of the history of the firm and the background of those who built it up is not discounted. She attributes a variation in structural features, such as span of control and number of levels within the hierarchy, to the production system (unit, batch, process) used by the organisation. The production system or technology is likewise held responsible for the extent of decentralisation or delegation, the form communication assumes, the quality of industrial relations and the strain experienced by individuals, the adoption of the staff-line concept and the friction or harmony generated, and the nature of the control systems used. In a later publication she tentatively suggests that management control systems have an influence on
structure and behaviour (Woodward 1970). The main conclusion of the Essex study is that the classical theory has high relevance to the operation of successful large batch and mass production firms, but firms outside this range depend on organic systems of organisation for their success.

Burns and Stalker (1961) maintain in addition that it is the instability of technology and the low level of market predictability that dictate an organic organisation structure. They, like Woodward, found that a mechanistic structure serves an organisation well if the conditions are appropriate; in this case the prevailing conditions need to be stable. An interesting variation on the theme of organic and mechanistic structures comes from Lansley et al (1974) who extend it to form a four-fold typology of organisation, recognising different combinations of integration and control mechanisms. Different types of successful and unsuccessful organisations fit into the quadrant which expresses their unique organisational features.

A theme very much in evidence in the work of Woodward and Burns and Stalker is the impact of the relevant environment on both structure and managerial behaviour. Without question the relevant environment has a significant impact on decision-making processes in business organisations. The disturbed reactive and turbulent field environments identified by Emery and Trist (1965) are two of the four ideal types of organisational environments, and are also the two impinging on the decision-making process. As yet we do not know to what extent these 'type abstractions' exist in reality; what activates a movement from one position to another is still uncertain. The full implication of each environment type for the organisation is also uncertain. The importance of the organisational environment is also emphasised by Lawrence and Lorsch (1967). They show us how the environment influences differentiation of sub-systems and cognitive sets of sub-system members. Since unity of effort is required to achieve organisational goals, diverse activities must be integrated. It hardly needs stating that future research will have to grapple with the distant organisational environment in a more sophisticated manner, than has hitherto been the case, when analysing interpersonal behaviour.
According to the results of a Canadian survey mentioned in an earlier chapter (Levesque op cit), Chief Financial Officers are feeling a cold draught from certain regions of the relevant environment. Their main concern was the growing involvement of governments at all levels of the private enterprise system and the incidence of inflation and corporate tax changes. The author of the report concludes with the suggestion that in the future Chief Financial Officers will have to take economic trends into account when they design and recommend appropriate financing decisions; this is apart from advice they may receive from outside specialists. The importance of the relevant environment is also stressed by respondents in the present study. One respondent remarked that "modern industry is very complex and interference from government through its agencies makes the role of the Financial Controller/Chief Accountant much more difficult. Price control, for example, has shifted pricing decisions from the Marketing Department to Accountants. Developing financial acumen in business structures to deal with government policies is another."

It appears that the debate as to which is the critical environmenta variable dictating variations in organisation structure still continues. Pugh et al (1969) discount the importance given to technology as an influential factor determining the structure of an organisation and consider size and dependence - the relationship the organisation has with any owning group, with suppliers, customers, etc., - as factors truly influencing structural features of organisation. It is size rather than technology - though technology will be related to structural variables close to the shop floor - which bears the strongest relationship to such dependent variables as specialisation, standardisation, formalisation and centralisation. In fact Woodward (1965) attached no great importance to size as a critical variable but, with due respect, her sample did not include many large sized organisations. Lansley et al (op cit) also stress the importance of size, particularly in the printing industry, by suggesting that there is a clear tendency for larger organisations to have a steeper than average hierarchical structure, above average communication loads for individual managers and superiors, a high percentage of communications outside the chain of command and less mutual agreement about communication contacts both laterally and
vertically. Small organisations were found to have flatter organisational hierarchies and more mutual agreement about communication contacts both laterally and vertically. Underlining the importance of size of organisation as a structural determinant Child (1973), using data from three different empirical studies, argues that it is size – rather than technology, magnitude of information flow, size of owning group, etc., – which appears to be the important predictor of role specialisation, functional specialisation and number of specialist staff. All these factors contribute to organisational complexity. It is this complexity that contributes to the creation of indirect and impersonal managerial controls and promotes delegation to qualified employees. They in turn are instrumental in setting up more standard operating procedures and records to facilitate control and consistency of performance, a preoccupation their professionalism encourages them to promote. Aiming his discourse at a different audience to that exposed to his 1973 interpretation, Child (1972) suggests that questions of performance could give rise to organisational decision-makers taking decisions through which they influence organisational design. This view detracts from the general proposition that environmental variables exert the most influence on choice of organisational design. The question of strategic choice is then examined in which choice of organisation structure is to a large extent dependent upon decisions emanating from the dominant coalition within the organisation. But to complicate matters somewhat we are told that "when incorporating strategic choice in a theory of organisation, one is recognising the operation of an essentially political process in which constraints and opportunities are functions of the power exercised by decision-makers in the light of ideological values." Hall (1968) offers his explanation to account for structural variation. He postulates that there appears to be differences in bureaucratic structures adopted by professionals inside and outside a professional office and concludes: "that the nature of occupational groups in an organisation affects the organisational structure." A shadow of doubt is therefore cast on the existence of any stable relationship between the contextual variables and structural variation examined earlier.
Already the dysfunctional school has identified the weaknesses of classical bureaucracy in terms of its human repercussions. Therefore it seems appropriate to examine, in the first instance, features of bureaucracy that affect attitudes and behaviour generally and then proceed to suggest that bureaucracy is also likely to influence patterns of decision-making behaviour that lie within its boundaries.

Argyris (1959) believes that structure is one of the key variables - the others are restrictive leadership and management controls - which promotes dependence and is anathema to the 'mature' individual; though he ascertains from empirical evidence that certain personality types, those who had not proceeded beyond the infant end of the personality continuum, were congruent with formal structure. This is also a theme running through a more recent publication (Argyris 1973) with the emphatic acknowledgement that bureaucracy generates alienation. Support for this latter proposition comes from Aiken and Hage (1966) who report that organisations conforming more to the formal bureaucratic arrangements are more likely to have a greater incidence of alienation, with the conspicuous presence of greater dissatisfaction in those organisations in which jobs were fragmented and rigidly structured. The power of bureaucratic structures, in terms of the demands imposed on role occupants, has been generally recognised. Merton et al (1957) state that individuals not initially suited to the demands of a bureaucratic position progressively undergo modifications to personality. But equally one could validly assert the view that it is both the demands of role and personality which bring about individual adaptation in the organisation (Levinson 1959). One type of structure may be more amenable to one type of personality than another. Tannenbaum and Allport (1956) related personality types to 'autonomous' and 'hierarchical' structures of organisation and found that where structure was compatible with personality subjects were more satisfied, liked the structure better and were keen to remain in it. There is, however, one minor qualification to this finding. Although the hierarchical structure suited those who were that way inclined, on average the 'autonomous' structure produced more satisfaction than the 'hierarchical' one. Thompson (1961) believes that
bureaucratic structures tend to pose constraints on group effectiveness by interfering with the development of cohesiveness and encouraging competition rather than co-operation.

Having explored briefly a global impact of bureaucracy, we shall now select certain characteristics of organisation structure and relate them individually to attitudes and behaviour. One such characteristic is level within the hierarchy. In a way it is not surprising to find differentiations in attitudes and behaviour associated with status differentials since differentiations are so prevalent in society at large. Porter (1961) examined the relative importance attached to thirteen different personality traits at two levels of management. The higher level managers considered aggression, dominance, independence and originality more important for managerial success, with a lesser degree of importance conferred on conformity, co-operation, flexibility and sociability. The first group of traits show a strong emphasis on personal and individual capabilities, while the second group contain traits which show a capability for adapting to the feelings and behaviour of others. As the findings of this study were considered to be suggestive only, Porter and Henry (1964a) felt it necessary to pose two problems for further investigation. These were concerned with whether the perception of personality qualities needed for job success changes from lower to higher levels of management, and whether the protestant ethic based inner-directed traits - forceful, imaginative, independent, self-confident, decisive - rather than the other-directed traits - co-operative, adaptable, cautious, agreeable, tactful - are regarded more important for success at progressively higher levels of management. The results of the study show that the inner-directed cluster of traits were regarded more important the higher the level of management; the reverse was true for the cluster of other-directed traits. Though we may conclude from this result that an 'organisation man' is more likely to be found at the bottom rather than at the top of the organisation, an important qualification is required. That is, the trait caution - other-directed - was regarded as slightly more important at the higher than at the lower level, but the trait self-confidence - inner-directed - varied little between levels.
Relying on the self-perceptions of top and middle managers, Porter and Ghiselli (1957) report different qualities endorsed by the two groups. Members of top management are more likely to see themselves as active, self-reliant, and generally willing to take action on the basis of their own faith in themselves and in their abilities rather than simply being influenced by objective evidence. They appear confident in the job and in social interaction, display certain cultural refinements and feel it necessary to ingratiate themselves. Members of middle management, by way of contrast, are more likely to see themselves as careful planners, prone to thoughtful actions and well controlled behaviour, inclined seldom to take rash decisions, tend to consider proposed actions from many angles with a reluctance to take hasty or unfounded decisions, tend to conform to the rules of the system and are unwilling to take risks in times of uncertainty. They are also unlikely to display the same brand of confidence as displayed by top managers; they do not wish to be controversial, neither do they exhibit self-centred behaviour and they describe themselves as stable and dependable individuals who try to avoid making mistakes. Given the authenticity of these profiles, it would be interesting to try and establish whether the individuals concerned possessed these orientations to begin with or whether the nature of the job and the level of organisation were the true catalyst forces in the cultivation of these orientations.

Level within organisation is also a variable which appears to influence the degree of job satisfaction experienced. Rosen (1961) analysed the conditions of work in a single plant and attributed a higher level of satisfaction to top and middle managers, almost in equal proportions, than to first-line supervisors. Porter (1962) considered hierarchical level in relation to the extent to which subjects had gratified psychological needs. Using a measure of satisfaction which looked at differences between obtained and expected fulfillment, he found that for the esteem, autonomy and self-actualisation needs satisfaction increased relatively more at the higher level management positions; the security and social needs were roughly equally satisfied across all organisational levels. Pellegrin and Coates (1957) lend support to this finding when they state that top level executives emphasised intrinsic features of
the job, but off-the-job rewards were given more emphasis by first-line supervisors. In a cross-cultural survey of management attitudes in fourteen countries, Haire et al (1963) associated greater degrees of satisfaction with higher, rather than lower, levels of management. One critical variable absent from all these studies is the difference in formal education which Porter and Lawler (1965) believe should be identified. However, the studies reviewed serve to impress upon us the importance of hierarchical level as a determinant of attitudes and behaviour.

Another important factor is size, which has already been considered in the context of structural variation in response to an environmental variable. It can be viewed from two angles: size of department and size of company. Frequently one hears claims extolling the benefits of small size in terms of absenteeism, staff turnover, accident rates and productivity. According to Worthy (1950), in the smaller organisation there are fewer people, fewer levels in the hierarchy and less minute sub-division of labour. Employees find it easier to adapt and work is more meaningful because of being able to overview the scene. "The organisation operates primarily through the face to face relationships of its members and only secondarily through impersonal institutionalised relationships." This view of Worthy is based on impressions gained from observations of organisational functioning. Before analysing data from an empirical study in which size of organisation featured prominently as a variable, Talacchi (1960) postulates a theoretical proposition governing size of organisation and its impact on morale. As one might expect, large size leads to increases in division of labour and the development of status differentiation which leads to a falling-off in employee satisfaction. Division of labour narrows jobs and areas of functional responsibility. A deprivation of non-material rewards - pride in workmanship, recognition, responsibility and so on - ensue, with the almost inevitable result of a deterioration in efficiency and morale. Large size also affects interpersonal relations. More interaction between people and departments in the execution of a single task develops, bringing in its wake an increase in complexity which generates conflicting technical interests among departments and a reduction in their informal interaction and communication. This increases the potential for personal and group
conflict, leading to a lower level of satisfaction. Size is also held responsible for promoting a hierarchy of formal status relationships which has little connection with the various networks of informal group relationships. It creates an attitude of mind in which the organisation and its goals are regarded as impersonal entities. There is a greater likelihood of communication becoming distorted and a climate of social distance between the upper and lower strata is established. The way people feel and react, as a result, is not very likely to reduce internal organisational friction. Therefore the growth in status differentiation promotes interpersonal conflict with undesirable behavioural consequences. Talacchi maintains that in the small organisation this type of thing does not happen because of the likelihood of overlapping formal and informal status, due in part to the fact that authority relationships are seen and accepted in terms of natural requirements to achieve organisational goals.

Perhaps the bureaucratising effect of size is something one could leave unchallenged, but the dysfunctional aspects of large sized bureaucracy appear to be over-exaggerated and the beneficial aspects of the smaller organisation are uncritically accepted by Talacchi. However, he found that as an organisation increases in size, particularly a manufacturing organisation, the general level of satisfaction decreases, and as administrative units grow in size the level of satisfaction with interaction episodes, both laterally and vertically, decrease as does the level of satisfaction derived from non-material rewards. From a behavioural, rather than an attitudinal, perspective the influence of size is in no way clearcut and definitive. Grusky (1961) produces an empirical association between rapid turnover in top management positions and increasing organisational size. But Gordon and Becker (1964), having reanalysed the data used by Grusky, were unable to establish any reasonable relationship between size and the rate of managerial succession.

Apparently size of organisation is an important consideration when managers endorse certain personality characteristics (Porter 1963a). He found that managers from larger companies were slightly more likely to describe their jobs in terms of challenging, interesting and competitive, thereby placing the greatest emphasis
on inner-directed as opposed to other-directed traits. In another context Porter (1963b) found hierarchical level as a factor which modified the relationship between size and motivation. For example, the manager from the small organisation, occupying a lower or lower-middle position, is more likely to be more satisfied. A high level of satisfaction is likewise experienced by an upper-middle manager or vice-president in the larger company. Porter and Lawler (op cit) feel that the available evidence is more convincing in pointing to a better relationship between sub-unit, rather than total, size and relevant variables. So it appears that size of department is the more influential variable, with hierarchical level generally mediating the importance of size.

An organisational relationship which has attracted a fair amount of comment and analysis is that of line/staff. The role of the line manager has been conventionally viewed as that of a generalist concerned with the primary activities of the organisation. The efforts of the staff specialist are directed at supplementing the contribution of the line manager by providing specialised assistance. Dalton (1950) believes that the assumptions governing line/staff relationships ought to be highlighted so as to establish whether they are realistic. These assumptions suggest that the staff specialist is quite content to function without formal authority, though it could be argued he wields informal authority since he stands to influence line policy, and that the staff specialist's suggestions as to the improvement of processes and techniques to control more efficiently production and people would be eagerly embraced by line managers and applied by them. But we know that conflict situations do arise and interfere with the harmonious functioning of this ideal relationship. It is therefore interesting to note the impressions gained from an observational study conducted by Dalton in three related plants. Recognising that it is extremely difficult to withdraw or isolate staff/line conflict from general conflict, he ventures to suggest that three conditions were basic to staff/line struggles: conspicuous and individualistic behaviour among staff specialists; complications due to staff people having to justify their existence and getting acceptance for their contributions, and as a consequence, the realisation that to secure a higher level staff position they
were dependent upon the approval of line personnel. It was found that line managers disliked receiving what amounted to instructions from younger men, and staff specialists were conscious of this. Staff specialists who were relatively inexperienced were somewhat disconcerted when their ideas were treated lightly or frivolously. Though often possessing impressive academic backgrounds it appeared they suffered a deficiency in social skills and compensated for this disadvantage by endeavouring to create informal relationships with powerful line managers. There was also a noticeable tendency on the part of staff specialists to enhance their hierarchical structure in order to create greater opportunity for upward mobility. Differentiation on the basis of class and formal education manifested itself in the way staff specialists displayed an air of superiority in image, dress and speech, which invited anything but complimentary remarks from line managers. Line managers who were suspicious of the intentions of staff specialists, because of their eagerness to introduce new techniques, considered their actions as something designed to usurp their own authority. As a result a power conflict inevitably ensued. Without antagonising his colleagues the staff specialist had somehow to reach a tacit agreement with line managers so as to foster a workable relationship. Otherwise there is the danger of line personnel seeking to jeopardise proposals with which they disagree. It is perhaps understandable why line managers should resist innovative proposals because, in Dalton's view, line managers may look stupid because they themselves were unable to make suggestions for improvements; the changes in methods may break-up cliques and existing informal relationships and dent their authority, and changes in techniques may expose forbidden practices and departmental inefficiency. Dalton is not alone in highlighting the difficult relationship between line and staff; there are other authoritative studies which report staff/line conflict and ill-feeling (e.g. Woodward 1965).

In seeking an explanation for the alleged disharmony and friction we shall turn to an examination of personality differences between line and staff personnel. Thompson (1961) expects to find some form of natural selection as responsible for bringing into line hierarchies people with great dominance and status needs, whereas people whose dominance needs are satisfied by mastery over materials,
rather than people, will probably become specialists of some kind. This observation appears to be at variance with that of Dalton (op cit) who observed staff specialists as ambitious, restless, individualistic and keen to make the right impression with the expectation of receiving individual recognition. In fact the drive for personal distinction tended to corrode group cohesiveness and cause intra-staff tensions. When managerial respondents were asked to express preferences for both inner and other-directed personality traits in terms of their importance for job success, it was found that staff specialists placed relatively more emphasis on the other-directed traits and less emphasis on the inner-directed traits than did line managers. Managers holding down combined line/staff jobs occupied an intermediate position between the other two groups (Porter and Henry 1964b). These managers place less importance on inner-directed traits than do line managers, but consider them more important than do staff. For other-directed traits they place more reliance on them than line managers, but less reliance than staff. As is customary when interpreting data with the aid of typologies, certain traits showed reverse trends. The differentiation between line and staff personnel in the form of need gratification is reported by Porter (1963c) where higher level needs were given the greatest emphasis by line managers. From a study conducted in one company Davis (1953) considered staff specialists to be better informed than line managers because of their greater freedom and mobility within the organisation. In the light of the evidence introduced above it is no wonder that friction and conflict arise between the two groups.

As organisations become more complex in our society it is increasingly hard to identify the functions of a particular organisational unit as productive or non-productive or as line or staff (Logan 1966). Teulings (1971a) is of the opinion that the implementation of the staff/line concept is no more than 'front-stage' behaviour in the service of actual 'back-stage' behaviour, covering up basic authority and power conflicts. The staff/line principle deludes the line manager that he only has the right to exercise power. Teulings offers an explanation of the staff/line relationship in terms of coalition theory, adopting five different models. From an empirical study in a British context he found that effective staff managers tend to form
alliances of the counsellor type with line managers, where the staff department head develops a personal contact with the higher line manager and the staff subordinate with the middle and lower line managers. The staff role in such a coalition is not always as 'consultative' and 'therapeutic' as a 'human relations school' interpretation might suggest. To be effective the staff man has to be somewhat independent, able to manipulate situations informally and generally machiavellian in approach (Teulings 1971b), a view not much at variance with that of Dalton (op cit). Fisch (1961) also questions what he calls the wisdom of slavish adherence to the staff/line concept and sets about proposing an alternative organisational scheme, believing that staff/line has been at the root of many of our post-war organisational problems. He considers it a useful concept when a company's product lines are simple and subject to infrequent changes over time. But with diversification of product lines and growth in complexity of operations staff specialisms proliferate. Some of these specialisms (e.g. research and development and finance) are so vital to organisational success that it is perhaps unwise to treat them as staff functions. Fisch has some flattering remarks in store for Accountants. "I am sure you can find in your company many instances where, if the controller had more authority to initiate action to remedy inefficiency in both manufacturing and sales, substantial savings could be achieved faster than under the pure line/staff system where the controller may only function as an advisor." The alternative system he proposes is the functional-teamwork concept which advocates the breakdown of artificial barriers between activities and functions, regrouping allied functions with the emphasis on organic structures. This scheme has a lot to commend itself and could go a long way towards removing some of the friction and conflict that beset staff/line relations.

It appears Accountants adopt a directive stance when acting a staff role in the area of budgeting. Argyris (1953) feels that the way in which Accountants operate budgetary control systems is punitive rather than supportive and that budget staff view their role as essentially one of criticism. They also view their role as one of policing, reporting deviations from target to top management and view the budget as a device to pressurise and
challenge line employees. As one might expect, line supervisors did not respond in a favourable fashion to these attitudes and behaviour. They tended to view the budgeting system as a mechanism reporting results without commenting on the reasons for the results, that targets were set at an unrealistically high level with a tendency to go on increasing them, and that the Accountant's approach was generally inflexible. Line supervisors felt that these problems could be overcome if the Accountant recognised that budgetary standards have no firm factual basis; they are merely calculated statements of opinion, and that matters could be improved if the Accountant was prepared to see the other man's point of view. Argyris mentions the remarkable degree of aggression levelled at the budget department, a not altogether surprising phenomenon given their perceived policing role, and also given the situation that success for the budget supervisor means failure for the factory supervisor. Wallace (1966) commenting on some aspects of Argyris's study suggests that budgeting practice not only generates a department-centred mentality with parochial views prevailing which act to the detriment of organisational based goals, but also that the planning and control aspect of budgeting is sometimes over-emphasised and tends to remove the opportunity for the exercise of personal initiative. A number of dysfunctional consequences - defensive behaviour, anxiety, tension and manipulative tactics designed to produce a favourable variance - were associated with the imposition of rigid budgets, but apparently a profit conscious approach to budgeting where supervisors are technically efficient and psychologically close to their subordinates produces a different effect (Hopwood 1973). Another recent study highlights the reaction of middle managers to a budgetary control system. Unlike senior managers who tended to view it as an instrument to provide better control for middle management, middle managers felt it was a policing mechanism based on inaccurate information (Beresford, Dew and Gee 1973).

The criticism of the Accountant's staff role is not confined to budgeting practice. It is alleged that accounting as a service falls short in adequately assessing the information needs of management. This deficiency is exemplified in an observation by Tricker (op cit). "The provision of information for management
through the management accounting system tends to be haphazard. In many concerns such systems study that there has been, has concentrated on the paperwork systems without becoming involved with the people and the use made of the data." Robson (1965) takes on a similar perspective when he maintains that many accountants do not see themselves as part of an alliance with managers in the processing and dissemination of information. Rather they are preoccupied with techniques without paying sufficient attention to management's information needs. Still on the same theme, Lee (op. cit) suggests that the accountant operating in the area of management information should broaden his horizon. Elgin (op. cit) also admonishes the accountant to consider the genuine needs of management for information and quotes the example of one British company – Boots Limited – who took some positive moves by officially stressing the inter-dependent roles of management accountants and managers.

This theme of general criticism still seems to have at least some relevance in the light of more recent observations. Firnberg (1973) relates the deteriorating position of a Financial Director whose position was gradually undermined as a result of the appointment of a Planning Director who introduced a comprehensive information system which seemed to become the main source of information for all significant decisions. The role of the Finance Director appeared to be relegated to that of "keeper of the purse". Although traditionally the accountant belongs to a discipline frequently laying claim to presenting the whole picture of what happens in the organisation, Firnberg expresses grave doubts as to the authenticity of this claim in reality in terms of both reflecting the events happening and the speed with which the happenings are being reported. Support for this position comes from Young (1973) who maintains there has been a failure on the part of accountants to furnish the right sort of information. This failure is attributable to two main causes: first, the accountant's lack of understanding of the decision-making process and lack of sensitivity to the needs of the participants in these processes; and second, that the traditional role of the accountant in providing information more to describe or highlight a particular manager's responsibility does not adequately equip him to directly assist managers in decision-making. His solution to counteract this unsatisfactory
state of affairs, now used in his company, takes the form of a 'decision analysis' technique whereby a series of interviews with the managers concerned are arranged - with the blessing of the Chief Executive - resulting in a pattern of decision-making devised to highlight information requirements of assistance in decision-making. Recent empirical evidence throws further light on the inadequacy of certain information provided by accountants to help managers. Beresford Dew and Gee (op cit), investigating the use of accounting control data by middle managers, showed that a significant amount of information prepared for control purposes was not properly used due to the following reasons: it was not totally relevant, it was too detailed or not detailed enough and it arrived too late. It is therefore not surprising to find classical staff/line friction, of the type discussed earlier, developing between the Accountant and the Manager he serves. Woodward (1965) accounted for the ill-feeling between accountants and line managers in the sphere of production administration by asserting that management accountants were reluctant to accept the role of management accounting as a servicing or supporting function.

Span of control has been considered traditionally an important structural variable. Its size featured prominently in the thinking of the classical theorists (e.g. Urwick op cit) who viewed it as having an optimum size. Later, empiricists (Woodward 1965; Pugh et al 1969; Child 1973) considered it a function of contextual variables - size and technology - and attributed its different magnitudes to changes in these variables. Dale (1952) has shown how progression from medium to large sized organisation results in an increase in the number of subordinates reporting to one superior. Entwisle and Walton (1961), drawing on a study of spans of control in both college and small company organisations, maintain that there were small positive correlations between size of organisation and span of control, and in any case the span of control does not dramatically increase with increasing size.

It is worthwhile exploring the main reasons why the classical school show such a strong attachment to the almost constant narrow span of control. First, there is the question of span of attention. This view subscribes to the contention that a person
is psychologically incapable of attending to more than seven items at the one time. Therefore the span of attention dictates the size of the span of control. But one can argue that the conditions prevailing in the psychological laboratory in which optimum spans of attention are measured do differ, often quite substantially, from ongoing organisational conditions. It is highly unlikely for an executive to have to attend to his subordinates simultaneously. But one must concede that "the span of attention is probably a contributing factor toward limiting the span of control, but it seems unlikely that it is the only factor" (Entwisle and Walton op cit). Second, with a larger span of control there are more possibilities for the formation of sub-groups and each sub-group produces its own unique social interaction with the superior. There is also greater opportunities for the formation of cliques with self-advancement as their primary aim. Entwisle and Walton, having invoked evidence from studies of small groups, believe that continuing external pressures are required to bind groups larger than five into cohesive spans of control. Also it is maintained that larger groups require a longer time to reach consensus with less opportunity for members to participate, and as a result members experience less satisfaction from interactions. Third, the possibility of a multiplicity of relationships inevitably acts as a constraint on the size of the span of control. However, a positive disadvantage of the narrow span of control can be expressed as close supervision and a stifling of initiative.

Worthy (op cit) equates wide spans of control with company success, posing a direct challenge to the position of the classical school. With a wide span of control, he believes close supervision becomes impossible and devolution of authority and responsibility becomes possible, though he stresses that this requires a fair measure of self-confidence and personal capacity on the part of subordinates. His recipe for success is a flat, less complex structure, with a maximum of administrative decentralisation; it is only then that one can expect an improvement in attitudes, more effective supervision, and a climate in which people are keen to assume responsibility and use their initiative. Fisch (1963) substitutes span of management for span of control and considers it in relation to different hierarchical levels of organisation.
At the general manager level, with the exception of this level in medium to small companies and the management of sub-units in very large corporations, very wide spans of management are the rule rather than the exception. Middle managers on the other hand, tend to supervise subordinates with well structured jobs, and in any assessment of the optimum size of the span of management at this level one has to be cognizant of the functional and geographical diversity of company operations; the quality of company planning and control; the freedom to delegate; the amount of information at the disposal of the decision-maker; the adequacy of the remuneration system and the qualities and characteristics of superiors and subordinates. Obviously this poses difficulties when trying to arrive at a figure for the span of management because of the complexity of the constraints, but the figure of fifty is suggested by Fisch and is based on his own personal observations. A much wider span of control is recommended for the supervisory level. A recognition of size and product diversification as influential agents determining the width of the span of control is very much in evidence, with the important proviso that one should always remember that companies organise themselves in diverse ways depending on the type of business, its history, location, facilities, personalities and so on. It appears that a departure from the optimum number is now well overdue, and size, hierarchical level and technology deserve our attention as mediating influences.

3.4 STRUCTURE AND LEADERSHIP

What remains to be examined is how the structural variables mentioned above, together with any relevant organisational phenomena not acknowledged so far, are likely to influence leadership or managerial decision-making behaviour. The relationship between leadership and structure is widely acknowledged. This will be explored, to begin with, at a global level of analysis, to be followed by specific reference to the impact of selected structural variables.

In his analysis of the contribution of the neo-human relations school, Strauss (1968) maintains that there is a tendency to consider their assertions as having universal applicability irrespective of prevailing situational and structural variables. He cites a case
in point, that of Likert's system four style of leadership "which calls for high individual identification with the organisation as a whole and a great deal of interaction between groups." This be believes is appropriate only in certain areas of work, especially where technology is complex, change is rapid and novel problems are frequently encountered for which there are no simple answers. Janowitz (1959) maintains that with the development of new weapons military authority has shifted from an emphasis on explicit instructions to manipulation with an air of paternalism appended to it. He sees a similar trend in non-military organisations. The existence of 'structural looseness', according to Thompson (1965), implies the dispersion of power in organisations with ramifications for problem-solving. Argyris (1964) makes the suggestion that it might not be a bad thing if we were to accommodate structure to the type of decision faced. In a similar vein, Whyte (1948) considers the prospect of organisational flexibility ruling during the discussion stage of decisions, but greater structuring to be introduced at the implementation stage. The influence of structure on leadership style is forcefully put by Worthy (op cit) who contends -

"that the over–complex, over–functionalised organisation structure is likely to require the driver type of leader; the over–use of pressure as a tool of supervision is thus related primarily to the character of the structure and only secondarily to the character of the individual at the head of it."

Already in our discussion of Fiedler's contingency model of leadership we have noticed the prominence given to the favourableness of position power and job structuring as important variables determining the effectiveness of leadership style. Likewise, Wofford (op cit) found different situational factors eliciting different leadership responses.

In a specific reference to functional specialisation Heller and Yukl (op cit) reported that production and finance managers tended to use centralised leadership styles whereas non-specialised general managers and personnel managers tended to behave in a more permissive way. Purchase and sales managers were found to occupy a position between two extremes. In accounting for the differences in leadership style the authors are inclined to the view that the
nature of the task is instrumental in bringing about the above result, but the answer may also lie in an analysis of the degrees of freedom in the different functions. One would expect to find a lesser degree of freedom in the finance and production departments because of the incidence of more programmed decisions. In the personnel and general management fields, on the other hand, there is likely to be relatively more unprogrammed jobs. Leadership style was also found to be influenced by job tenure, but here again hierarchical level was a mediating force. Heller and Yukl feel that the longer the time spent by first and second-line supervisors in their job, the greater is the tendency to experience a shift from a permissive to a directive leadership style. In contrast, senior managers tended to use more 'delegation' as their stay in the job increases. The differences in leadership style is considered to be a function of the different perceptions of the qualities and skills in the subordinate; it appears that more power-sharing is associated with less perceived differences in skill between superior and subordinate levels in the organisation. This amounts to a question of confidence in the subordinate. It is not altogether clear why the more experienced supervisor is less willing to share his decisions with his subordinate.

An interesting theoretical question is posed by Hage and Aiken (1967) when they ask whether centralisation of power is associated with high formalisation and low complexity. The measure devised to gauge centralisation or distribution of power was aimed at establishing the amount of influence exerted by subordinates in decisions concerned with resource allocation and policy determination on the one hand, and the extent to which hierarchical authority was relied on for normal work decisions on the other. Formalisation embraced the use of rules, their description and whether they were adhered to. It would appear that formalisation is firmly established in the finance function. Complexity refers to the amount of occupational specialisation, amount of professional training and involvement in the activities of professional bodies. In circumstances where centralisation of power exists there is every likelihood of adhering to the practice of codifying past decisions to form organisational rules so as to avoid overloading the centralised decision-making unit. Decentralisation of power
would then be associated with a lower degree of job codification. Earlier in this chapter reference was made to attempts at devising operational definitions of bureaucracy using dimensions not too dissimilar to those mentioned above (Pugh et al 1968). In a study of social welfare and health agencies Hage and Aiken found that the relationship between formalisation and centralisation did not stand up to empirical test, though the extent to which rules were enforced and expected to be observed bore a weak or minor relationship to participation in decision-making. Therefore to counteract the lack of commitment arising from a low level of participation in decisions affecting organisational objectives, rule observation is something to be considered.

When we move to a consideration of occupational specialities a clearer picture emerges. There is evidence to suggest that as the number of occupational specialities increases inevitably there is a movement towards decentralisation (Thompson 1961). In the study conducted by Hage and Aiken (op cit) they report the greater the level of professional activity the greater are the demands for participation. This can be explained with reference to the unique predicament of the professional in the organisation. He normally demands more power and autonomy, and as he becomes more competent and expert decision-makers consult him and share decision-making with him. Participation in decision-making, rather than reliance on hierarchy of authority, is the 'centralisation' dimension offering the greatest association with the structural properties under discussion. It was found also that wide participation in decision-making appears to go hand in hand with lesser resort to job descriptions, less close supervision, more specialisation and better trained and committed professionals. The main message emanating from this somewhat prolonged deliberation is that decentralisation is associated with a reliance on skills and expertise and the exercise of self-control; centralisation is associated with a reliance on rules and close supervision - mechanisms of control which are unsuitable when organisational participants are professionally trained. Chandler (1966) lends some support to the above findings. He reports that large corporations in the U.S.A. were more likely to become decentralised after becoming involved in the manufacture of vastly diversified
products as if to suggest that product diversity leads to an increase in occupational specialists, eventually resulting in decentralisation of decision making. This was more likely to happen when managers were more professional, suggesting that professionalism may hasten the process of decentralisation. In a study conducted in the U.K., already referred to, delegation and decentralisation were most prominent in industries which had a high concentration of skilled personnel (Woodward 1965).

A finding at variance with those mentioned above - again in a British context - whilst acknowledging that the more structured of two small-sized organisations had an organisational climate where people are more concerned with rules and regulations, administrative efficiency and conventionality in dress, manner, etc., states that participation on the part of group members is slightly lower in the less bureaucratic organisation in spite of the greater autonomy (Payne et al 1971). In defence of the position of Hage and Aiken it should be stressed that the work environment they studied was likely to be conducive to the particular needs of a professional group. The conclusion of Payne et al is not substantiated by the findings of a recent study (Bass et al op cit). They associate a tight structure with a directive style, and a participative style with a non-bureaucratic organisational environment.

The remainder of this chapter will be devoted to a further examination of the impact of the structural variables which were the subject of comment earlier, but this time they will be specifically related to decision-making behaviour. Level within the organisation is one of the variables which affects leadership status (Stogdill and Shartle 1948). Drawing on evidence which they classify as expert opinion, training practices and empirical data Nealey and Fielder (1968) advance the view that different levels of organisation place somewhat different demands on leaders. The higher the position in the organisation the more one felt it necessary to offer work groups more initiating structure and less consideration (Fleishman op cit). The independence of both consideration and initiating structure is mediated by level within the organisation (Weissenberg and Kavanagh op cit). In a different context, Martin (op cit) related hierarchical level
to decision situations in terms of time, continuity, duration and tempo. At the lower level the foreman, for example, operates in the immediate present with only a slight extension into the past and future. The time from the inception to the conclusion of the decision is relatively short, but at the higher level it is likely to be considerably greater. The verification of the correctness of a decision is almost immediate at the lower level, whilst at the higher level wide intervals of time can separate the various components of the decision situation, resulting in discontinuity. The duration is longer as one moves upwards from the lower to the higher levels; at the higher level the decision enquiry stage alone could last for over a year as opposed to a day or a week at the lower level. Also the frequency of decision situations is greater at the lower level but there is a greater opportunity to exercise flexibility in choice of time to take action at the higher level. Obviously immediacy of action is paramount at the lower level; a broken pipe or defect in product quality requires immediate attention. Variations in decision-making behaviour were found to occur at different hierarchical levels by Blankenship and Miles (op cit) who report that freedom of action believed to be enjoyed by a manager is associated with his position in the hierarchy. Those occupying positions at the upper echelons of the organisation enjoy considerable autonomy in the sense that their superiors did not initiate action for them, nor did they consult their superiors. But "they relied heavily on subordinates to bring problems to their attention and to offer ideas and recommendations." Managers lower in the hierarchy relied less on suggestions and ideas emanating from subordinates and were more inclined to accept guidance from above. This result is supported by Heller and Yukl (op cit) who indicate that the higher the leader is in the hierarchy of authority, the less centralised is his decision-making.

As the size of social groupings increases so does the size of the leader's authority, his personal power and the amount of delegation permitted in the decision-making process (Michels 1949). More specifically, as the size of organisational groups increases direction of group activities which is leader-centred is associated with members expressing attitudes of greater tolerance for this type of leadership (Hemphill 1950). Wofford (op cit)
found the manager whose style is oriented towards personal security and group maintenance to be the most effective in the large complex organisation. A different type of leadership - group achievement and order - was most effective for the smaller groups. Blankenship and Miles (op cit) also comment on the influence of size but make the point that any relationship between size and decision-making behaviour is modified by hierarchical level. Those occupying positions at the bottom of the hierarchy enjoy greater freedom in small sized organisations. Managers exercising considerable influence on their superiors and endowed with the ultimate right of choice in the making of a decision were more likely to be found in the upper levels of the hierarchy. Differences were not so marked between large and medium sized firms.

The relationship between line/staff organisation and decision-making behaviour is not at all clear. Heller and Yukl (op cit) found it difficult to classify senior managers as either line or staff but eventually were able to choose twenty six managers (line) who implemented and controlled policy and sixteen managers (staff) who advised and made recommendations on policy. They report that there is a small likelihood of line managers being authoritarian or less permissive than staff managers.

Reliance on subordinates - a facet of managerial decision-making behaviour - was the dimension related to the span of control (Blankenship and Miles op cit). A greater number of managers, with thirteen or more subordinates reporting to them, said they frequently depended on their subordinates for ideas and the initiation of decisions. With a narrower span of control - four or less - managers were less dependent on subordinates, but yet again the influence of hierarchical level was felt. Regardless of the size of the span of control, upper rather than middle or lower level managers are likely to depend more on their subordinates. Areas where subordinate influence could be felt - consultation and joint decision-making - were almost dispensed with the larger the span of control (Heller and Yukl op cit). From their investigation - which reverses the trend depicted above - they found a tendency on the part of senior managers and second-line
supervisors to centralise their decisions when the span of control was large. However, the senior managers resorted to delegation as their alternative style in such circumstances.
CHAPTER 4

RESEARCH DESIGN

Before undertaking the field work required by the research project alternative approaches to the collection of data were given consideration. The anthropological approach, resulting in qualitative description, and action research, whereby the researcher can act as a catalyst to initiate change and observe its consequences, are valuable techniques at the disposal of the researcher. The natural experiment in a field setting also offers a lot of potentiality and is most useful if the researcher gains access to an organisation to investigate social phenomena before and after a major change in an organisational process is executed.

Because of the author's full-time commitment to teaching it was felt that the final choice of instrument would rest on either the mail questionnaire or the interview and discussion. Each approach has its own advantages and limitations, as we shall see later, and any one approach could be supplemented by the other. In choosing the mail questionnaire as the main research instrument one was partially influenced by the trend in empirical psychology towards quantitative analysis. It is of course possible to use a questionnaire as an interview schedule, but such an approach would of necessity be costly in terms of reaching the number of respondents who might participate in the research study. To reinforce the questionnaire as a research tool it was always my intention to use a flexible structured interview with a sample of respondents.

4.1 RESEARCH METHODS

Though suffering a deficiency as an efficient instrument to study social processes, the questionnaire is particularly suitable for studies of attitudes, values, beliefs and perceptions of informants. As a method it offers great efficiency in gathering data and by lending itself to quantification opens the way to statistical analysis and data processing. The use of the questionnaire for a simple inquiry among people of a certain educational standard - a professional group - and concerned with a subject of particular
interest to them is considered valid (Moser and Kalton 1971).
Without specifying the complexity of the inquiry, Cartwright and Ward (1968) would endorse this suggestion when they maintain that "postal questionnaires offer an efficient method of collecting information. They are cheap and relatively quick and can be widely scattered geographically. In approaching professional groups there are no problems of illiteracy or inarticulateness to set against these advantages." There are other advantages attributable to the postal questionnaire, among them being that the greater proportion of returns will be returned in a few weeks; problems associated with interview errors which affect the reliability and validity of survey results are avoided; the likelihood of respondents making critical remarks and uttering less socially acceptable responses is that much greater than in the interview situation; and finally the accuracy of responses is greater if questions require the respondent to consult documents or reflect on matters for a while (Moser and Kalton op cit).

There are, however, drawbacks surrounding the questionnaire as a research tool. It would appear that all too frequently questions are not sufficiently simple and straightforward to be understood with the help of printed instructions and definitions. The danger of ambiguity, vagueness and inappropriate use of technical expressions creeping in is always present. Speak (1967) has much to say about the deficiency of question wording on questionnaires. Her main concern is that not enough thought and care is given to the wording of questions and that we are too ready to accept that interpretations of words and phrases depend upon their context. But research evidence suggests that certain words and phrases may have a unique interpretation in their own right - something that could be quite independent of context. It is also her contention that in order to check distortion we must try to avoid the use of emotionally charged questions and those affecting the prestige of respondents, just as we should avoid phrases or words which elicit varying frames of reference among respondents. Machlup (1946) feels that we must be on our guard against the danger of artificial responses, misinterpretation or failure to comprehend meaning of questions. The questionnaire may not be completed with due care; there is no check-up on the validity of the responses,
bias is likely to enter and the end result may be but an abstraction of real life situations.

Other criticisms levelled at the questionnaire are that it is an unsuitable technique where spontaneous answers, without any reference to a colleague, are required and where the respondent can see all the questions before answering any of them, particularly where a subsequent question gives a clue as to what is required previously. In addition one cannot always be sure that the right person receives the questionnaire (Moser and Kalton op cit). Commenting on the disadvantages of closed questions so frequently found on a questionnaire, Oppenheim (1972) makes the point that we tend to lose the respondent's own thoughts on the matter in question, albeit it is only fair to add that the open-ended question can somewhat counteract this flaw. Also we introduce bias by forcing the respondent to choose among alternatives not of his own making, and consequently the prospect of irritation arises because the choice of answers do not coincide with his own.

The activity of self-description or self-reporting which occurs through the medium of the questionnaire has been the subject of much comment. Though recognising some of its limitations in the form of distortion and ambiguity, Blankenship and Miles (op cit) believe it facilitates the undertaking of a study and enables the researcher to contact a large number of organisations. Mahoney et al (op cit) commenting on measures of performance used in their studies suggest that "the reliability and validity of self-reported performance patterns equal that of other commonly accepted measures" and justify their use. However, Burns (1954) having compared behavioural profiles of managers on self-recorded forms with a subsequent verbal description of behaviour on similar dimensions found a number of disparities. Apparently the managers concerned were astounded by the incongruities. Relying exclusively on a respondent's appraisal of his own behaviour is to accept perceptual errors, particularly in a situation where perceived status clashes with what appears in reality. Hopwood (op cit) and Heller (op cit) report perceptual gaps when a superior and subordinate were asked to express a view on social phenomena common to both. Even outside a situation of this nature significant discrepancies between reported and actual behaviour are likely to arise (Whyte 1963).
Evidence also exists pointing out a discrepancy between reported feelings on the questionnaire and what people really felt (Cummings et al 1958). Poor response rates are often cited as the preserve of the postal questionnaire. This is a point which will be discussed later in the context of the survey response. One must, as a result, offer qualified acceptance to the questionnaire. But equally alternative methods, such as the interview, possess flaws.

Follow-up interviews are a means of overcoming some of the disadvantages of the questionnaire but the interview is not immune from criticism. It is much less structured than the questionnaire, but since research requires the securing of comparable data from a number of respondents it would be almost pointless if the interview was to be non-directive, as found in psycho-therapy. The research interview requires the interviewer to maintain some control, but the pivot of success is flexibility. One advantage of the interview is the intervention of the interviewer when questions appear ambiguous. Nevertheless, an interviewee may give a false reply because he misunderstands the question or consciously or unconsciously he distorts the answer for reasons connected with prestige, or he gives the answer expected of him (Moser and Kalton op cit). Likewise the interviewer may unintentionally offer an insight into his opinions or expectations by his tone of voice, the way in which he reads the questions, or simply by his appearance, dress or accent (Oppenheim op cit). Problems common to both the interview and questionnaire are: the absence of motivation on the part of the respondent to co-operate; questions are considered irrelevant or inappropriate by the respondent and access to the requisite information is difficult. Whether the questionnaire stands on its own as a tool, or is combined with the interview, Heller (op cit) considers the use of both techniques together or the questionnaire on its own to be less than satisfactory. To him the real alternative is Group Feedback Analysis (GFA) because it incorporates some aspects of the two major approaches to the study of human behaviour, the idiographic and nomothetic.

This is a technique which, to begin with, requires a group to be seated around a table. Then members of the group are presented with standardised instructions and a definition of the research objectives by tape recorder. Reinforcement of the research
objectives appear on the short questionnaire they receive. Some verbal reinforcement can also come from the researcher. A simple statistical analysis is performed and some time later the results are fed back to the group for interpretation. This stimulates group discussion with a movement, as the process continues, from the unstructured to the structured and quantifiable. Heller, in general, seems to be satisfied with the questionnaire he used in management research when he states, "the evaluations of the group discussions do not contradict the conclusions from the statistical results, rather they provide a second dimension and enable us to see some of the findings in a rough perspective." But in the case of a particular result he expresses reservations about the efficacy of the questionnaire when he states, "this statistical result is not congruent with the strongly expressed views of the feedback discussion, and it seems likely that the discrepancy points to a difficulty in using questionnaires for complex, subtle and emotionally charged concepts."

Systematic observation in organisations is put forward by one writer as a procedure of greater value than reliance on retrospective questionnaires and interviews (Walter op cit). But equally one could argue that observers can also misinterpret reality since our perceptions can be influenced and distorted by values, motivation, prior expectations, social norms and so on (Hyman 1964). Also the observer who is interested in events in the past will have to rely on records or the memory of the respondent, both of which may not be entirely dependable. Lowin (op cit) attacks both self-reporting and observation as procedures "vulnerable to observer halo or rationalisation and need to be replaced by objective measures or experimental methods." He quite rightly advocates the adoption of longitudinal studies and the use of control groups which are not unduly influenced. This is admirable as an ideal proposition, but the problem of access to organisations to conduct such studies is by no means an easy one.

4.2 THE RESEARCH QUESTIONNAIRE

With full cognizance of the observations in the preceding discussion the author set about the preparation of a questionnaire suitable for collecting the required data. Particular attention
was given to the layout of the questionnaire, to the clarity of instructions and to the adequacy of questions in terms of being simple, acceptably technical and free from ambiguity. From the initial reaction to a pilot questionnaire this objective was not wholly realised.

4.2.1 FIRST PRE-TEST

Ten subjects were chosen in an arbitrary fashion to participate in the pilot scheme. They all occupied senior positions in the field of industrial accountancy, invariably occupying positions of the rank of Chief Accountant or Financial Controller. Eight expressed a willingness to participate in the study by completing the questionnaire they received with an accompanying letter soliciting their co-operation. Subsequently, after receiving the completed questionnaire, a personal interview was arranged with four respondents. Around the same time consultations took place with a few academic and senior accountants in industry when the contents of the questionnaire were discussed. These meetings I believe had the effect of subjecting the contents of the questionnaire to quite an intensive and penetrating analysis, producing a crystallisation of scattered ideas to a far greater extent than did discussions with two senior industrial accountants prior to the pilot scheme. The instrument was tested in order to establish the clarity of the instructions and questions, its validity in the light of the research objective, its reliability as far as one could tell, and finally the ease with which the requisite information could be recalled. What immediately came across was that the questionnaire was too long and likely to discourage the most eager and enthusiastic respondent. In addition, it was felt necessary to modify its layout and contents as a result of a perusal of the completed questionnaires and the interview results.

The number of decision types in question 2 of the questionnaire - see Appendix 'A' - was reduced from 23 to 14 and it was felt that the decision types finally chosen more accurately reflected those normally taken by, or within the province of, the Financial Controller or Chief Accountant. Also in question 2 the columns dealing with the frequency with which a decision is taken in the course of a year and the approximate time interval between the commencement and conclusion of the decision-making process were
deleted. This was because the completion of these columns posed a problem for respondents by taxing their abilities to accurately recall the number of times a particular decision was taken and the length of time between the initiation and completion of the decision-making cycle. The distribution of scores from the pilot run, as one would expect, seemed rather skewed. A less severe rationalisation of question 3 dealing with the extent of specialisation within the finance function was also undertaken. Job areas of a unique but not widespread nature were deleted to allow a portrayal of a more representative view. This had the effect of reducing the job areas from 19 to 13. In question 4 the section concerned with the 'importance' of certain qualities or skills was removed because in the circumstances it was considered both confusing and redundant, leaving the respondent to grapple with the extent to which the qualities or skills are desirable in, or actually possessed by, subordinates in the final survey. Perceived characteristics of the respondent's superior in question 6, originally designed to reflect certain leadership patterns of behaviour at the highest level of the organisation, was considered to be too crude a measure and as a consequence was removed. Absent from the pilot questionnaire were questions referring to the size of the company and size of the finance function. It was felt that size was too important a variable to be omitted and was, as a result, incorporated in the final version of the questionnaire. There were other instances of very minor adjustments to the layout and content of the questionnaire.

4.2.2 SECOND PRE-TEST

Whilst attending a one-week programme on Behavioural Accounting at Brunel University in June 1975, the author distributed the modified questionnaire to nine participants whose profile closely resembled that of the respondents in the pilot survey. Seven of the participants completed it. As a result of the analysis of the completed forms a very minor modification to content was executed in the form of an improvement to the wording in a few instances. The layout of the questionnaire was much improved in the final version.

Before the preparation of the final questionnaire a number of factors were considered with a view to creating a favourable response
rate. To begin with, the length of the questionnaire is likely to be a critical factor. Stanton (1939) reports that a double postcard containing a single question which could be answered with a tick received a 21.9% increase over a three page questionnaire. A similar result is reported by Brown (1965). The difference in effort required of the respondent in both cases is quite staggering. However, when the nature of the project dictates a somewhat complex questionnaire which is also lengthy - e.g. 14 pages - of the kind used in the present research study, then we must expect a relatively low response rate. This view is to some extent implicit in a comment made by Cartwright and Ward (op cit) -

"Meanwhile many researchers will have to face the dilemma and choose between a low response rate with more information and a high one with less data about the individuals who respond."

Sponsorship of the survey is another factor to consider. The author unsuccessfully approached both the Institute of Chartered Accountants and the Institute of Cost and Management Accountants with a view to funding the project, in effect sponsoring it. It has been suggested that sponsorship of surveys by government is instrumental in achieving a high response rate. This is discounted by Scott (1961) when he maintains that the use of three different letterheads (Central Office of Information; London School of Economics; British Market Research Bureau) produced no significant variation in response. Kamuk and Berenson (1975) are of the opinion that there is little experimental evidence on the effects of sponsorship, but maintain that when government sponsorship is compared with the pooled results of the two non-governmental sponsors, referred to above, a significant advantage for government sponsorship is revealed. Birmingham Polytechnic provided support for the survey conducted by the author, and one is convinced that the appearance of the Polytechnic's name and address on the covering letter was beneficial in authenticating the study, which in turn could be reflected in a favourable response. The same is likely to be true of an association with any charitable or non-profit making institution. The introductory instructions and the first question on the questionnaire were printed on the back of the covering letter. Scott (op cit) found a significant difference in favour of printing the questionnaire
on the back of the covering letter instead of enclosing it on a separate sheet of paper. Using both sides of a separate sheet of paper was followed throughout the questionnaire, a measure also endorsed by Scott. The covering letter started by acknowledging that not enough was known about an influential body of people, senior accountants, in industry and continued with a general statement of the purpose of the survey; finally, emphasising the confidentiality of information provided, anonymity of company, that a copy of the synopsis of the findings would be sent on request and that the respondent by his co-operation would be helping the researcher in this worthwhile venture or endeavour. The author felt it essential to emphasise the points mentioned, but in some respects Linsky (1965) holds an opposing view. He concludes that inserting a piece to convince the respondent that the research is worthwhile, and making an appeal to help the researcher had no effect on the final response rate.

Anonymity of the respondent, by name and work telephone number, was not envisaged simply because one required a means to contact him, if necessary, subsequent to the completion of the questionnaire. On the face of it anonymity of the company was more fictional than real if the respondent provided his name and company telephone number, and if the identification number on the questionnaire remained intact. Anonymity of respondent may ensure a high level of voluntary response, and may minimise invalid responses when response is mandatory. The benefits of anonymity have, however, been challenged. Brayfield and Crockett (1955) feel that anonymity as such does have little or no bearing on the willingness to respond, albeit respondents may of course be reluctant to provide certain information about their department or company. Rosen (1960) likewise maintains that anonymity per se has little or no effect, and concludes that the identification of respondents in attitude questionnaire surveys in circumstances less than threatening is unlikely to result in serious statistical or practical distortion. However, one must concede that the incidence of social desirability responses is likely to be minimised by respecting the anonymity of the respondent (Cannel and Fowler 1963). Therefore, in the research study this is unlikely to be an important factor.
Since the identity of the Financial Controller or Chief Accountant was unknown one had to ensure that either of them would receive the questionnaire by specifically stating on the covering letter that it was for either of their attention. This in effect determined the form of salutation - 'Dear Sir'. Apparently a personal salutation has no significant advantage over an impersonal one (Kimball 1961). Nevertheless in order to give the communication a somewhat personalised flavour the date and signature were handwritten. Though this may not produce the desired effect. Kawash and Aleamoni (1971) tested the effect of a hand-written signature on the covering letter against a facsimile signature and found an insignificant difference. Using designatory letters to denote qualifications and official job title of the author was considered relevant. Roeher (1963) obtained a significantly larger response by using a title after the signature on the covering letter.

The questionnaire was produced on an offset litho process; white paper was used and the questionnaire was precoded where this was feasible. It seems there is no difference between printed and stencilled questionnaires in terms of response rates (Scott op cit). Though Plog (1963) is of the belief that an individually typed letter accompanying the questionnaire, explaining the nature of the research study and couched in such terms as to secure the co-operation of someone hostile to mail surveys can have a tremendous impact in promoting a high response rate. Apparently it does not really matter if the questionnaire is printed on green rather than white paper (Gullahorn and Gullahorn 1963). Perhaps the same applies to any other colour. It appears that no disadvantage is suffered by using precoded questionnaires (Linsky 1975). Finally the only tangible reward offered the respondent for his efforts was the promise of a synopsis of the findings of the survey.

4.2.3 CONTENTS OF QUESTIONNAIRE

The final questionnaire, containing thirteen questions, shall now be analysed.

Question 1 Biographical detail, including the experience variables - Age and Time Spent in Job.

Question 2 Decision-making Behaviour in relation to different types of Decisions.
This question focuses on the dependent variable - the major variable - and requires of the respondent the identification of his decision-making approach when confronted with different types of decisions. The fourteen decisions, applicable to the role of the Chief Accountant, can be classified as either programmed or non-programmed; programmed or non-programmed decisions could also be classified as task and personnel decisions, the latter consisting of non-programmed decisions. Decisions are arranged by category in section 4.5, Methods of Analysis. Arriving at the final selection of decisions for incorporation into this question was a lengthy process. Numerous conversations took place with senior industrial accountants and academic accountants before, during and subsequent to the pilot survey on the representativeness of the decisions. One also solicited observations on the degree to which some informants considered each decision as either structured or non-structured. The manner in which the later analysis reflects the decision categorisation process is the author's responsibility. The measure of leadership or decision style is that used by Heller (op cit) who successfully tested it for reliability and validity. Test - retest reliability of this measure with an interval of seven weeks was .82 (n = 32, p<.01). The measure is illustrated in Figure 4.2.3 as the decision style continuum.

Figure 4.2.3
Decision Style Continuum
(Heller's Influence/Power Continuum)

<table>
<thead>
<tr>
<th>Style A</th>
<th>Style B</th>
<th>Style C</th>
<th>Style D</th>
<th>Style E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own decision without explanation</td>
<td>Own decision with explanation</td>
<td>Prior consultation</td>
<td>Joint decision-making</td>
<td>Delegation</td>
</tr>
</tbody>
</table>

It shows the extent to which a superior shares influence with subordinates and is very much in the tradition of a power spectrum or leadership continuum. Each point on the continuum is said to be as effective as any other, and each respondent who has the authority to make a particular decision or make a recommendation that will lead to one is asked to indicate the approach to decision-making he normally adopts. Though encouraged to opt for
one approach entirely in connection with a decision, if more than
one approach was applicable then 100% was to be distributed across
the relevant approaches according to the weight given to each
approach. There were a number of instances where the 100% was
split. If a decision was not relevant to the work role of a
respondent, he was expected to place 'not applicable' opposite the
appropriate item. For example, this would apply in the case of
decisions connected with debtors if the respondent worked in a
retail food establishment. Another example would be where the
respondent does not assume responsibility for all finance function
activities due to split financial responsibilities. Likewise a
respondent would be unable to respond to a decision item related
to costing where such an activity, though anticipated, nevertheless
does not exist in his company.

Question 3  Specialisation and Specialism

This question sets out to measure the extent to which job areas
within the finance function are established and the level of
expertise possessed by those responsible for operating or managing
each individual area. Key activities or specialised functions
within the finance function are well documented (Weston op cit;
Henning and Moseley 1970). Thirteen job areas were finally
selected to reflect the main operational centres. A high rating
on this dimension would denote a high level of specialisation.
The specialism factor was a rather crude one, relying on the degree
of qualification of a section head or sub-system head. Fully
qualified and senior unqualified could be considered by some to
run closely parallel to each other. There could also be a slight
danger of semantic error being introduced. Fully qualified to one
respondent could mean professionally qualified, and to another it
could have a different connotation; for example, highly qualified
in the area in question irrespective of professional qualification.
This is precisely what was intended and by all accounts was
interpreted as such. Where an activity is performed by subordinates
of equal rank, the respondent was asked to choose the individual
with whom he had most contact, otherwise unnecessary confusion would
arise. If one or more job areas are not relevant, the respondent
was directed to place 'not applicable' opposite the appropriate item.
This answer would be forthcoming in conditions exactly the same as
those stated in question 2.
Question 4(i) Perceived Qualities or Skills in Subordinate

Respondents are presented with fifteen personality related characteristics and skills and asked to specify the extent to which these are desirable in and actually possessed by a subordinate. Where the respondent has more than one direct subordinate he is asked to focus his attention on the subordinate he meets most frequently. A small difference between the aggregate score for desired and actual qualities or skills denotes a higher regard for the subordinate, and conversely with a large difference. A number of qualities or skill items used in previous management research programmes were adopted. For example, seven items can be found in Heller and Porter (1966), four in Porter and Henry (1964a), and one in Miles (1964). The remaining three were derived empirically from observations at the pilot survey stage.

Question 4(ii) The respondent is given the opportunity to add any further qualities or skills he considers important.

Question 5 Power, Status and Influence

This question was designed with the express purpose of gauging in rather general terms whether or not the respondent's position is endowed with an impressive degree of authority, status and influence at both superior and subordinate levels. A 'Yes' or 'No' answer to each of the five or six items is required. Power vested in the leadership position is one of Fiedler's key situational variables. A biased response to this question cannot be ruled out entirely due to its connection with status and influence.

Question 6 Leadership Behavioural Characteristics

Already we have conceptually distinguished leadership behaviour expressed in terms of the OHIO State Leadership School from Leadership Style manifest in Heller's power/influence continuum. The four operational definitions of leadership behaviour chosen and presented in this question, though condensed, coincide with major themes running through the literature (Bowers and Seashore op cit), particularly Initiating Structure or Task Orientation on one hand and Consideration or Employee Orientation on the other.
In question 6, items (i) and (ii) fit the latter and (iii) (iv) fit the former. The respondent is asked to indicate the extent to which he considers these characteristics a manifestation of his own leadership style.

Question 7  Space was provided for comments on any other characteristics, not listed in question 6, which the respondent feels ought to be emphasised.

Question 8  Psychological Closeness of the Leader

The measure available to the respondent in this question is almost identical to the LPC measure used by Fiedler. The only variation is that the least preferred co-worker of the leader in Fiedler's research need not be a person working with the leader at the present time. In question 8 the respondent is asked to give his immediate first reaction to sixteen pairs of words opposite in meaning and describe the subordinate whom he prefers the least by placing a mark in one of the eight spaces on each bi-polar line. This type of scaling procedure is known as the semantic differential technique and was developed by Osgood et al (1957). Fiedler uses this measure to gauge the motivational disposition or style of the leader. Its use in the present study is confined to acting as an indicator of the psychological closeness of the leader to his subordinates.

Question 9  Hierarchical Level in the Organisation

This question aims at establishing the level within the hierarchical structure occupied by the respondent. Because of the enormous variability of positions, seemingly similar across organisations, one recognises the difficulties inherent in a comparison of levels. In order to help the respondent locate his particular level the following guideline was offered. Top managers of a company or division are designated 'Level 1'. Managers one step removed from them on the organisation chart are considered to be at 'Level 2'; those two steps away constitute 'Level 3', and so on. Though four levels are given it is unlikely that many of the respondents would be categorised by Level 3 or 4.
Question 10 Span of Control

The respondent is asked to indicate the number of subordinates he is responsible for supervising directly, by choosing a number opposite the appropriate range.

Question 11 Size of Finance Function

This question asks the respondent to indicate the size of the finance function, expressed in terms of number of employees, by choosing a number opposite the appropriate range.

Question 12 Size of Company

This question asks the respondent to indicate the size of the company, expressed in terms of number of employees, by choosing a number opposite the appropriate range.

Question 13 Nature of Role within the Company

This question is akin to a question specifically concerned with the outline ingredients of the classical notion of staff/line relationships. It endeavours to establish the nature of the authority relationship between the Chief Accountant and the managers he serves or for whom he provides essential financial information. The respondent is asked to indicate (a) whether his role as representative, or acting for the representative, of the Finance Function is purely advisory, or (b) whether his role capsulates direct authority to implement recommendations of an accounting and finance nature in functional areas such as production and marketing, and finally (c) whether he is unable to identify his role in accordance with the above definitions.

The absence of a measure of the efficiency of the finance function on the questionnaire is conspicuous. It would appear somewhat unrealistic to invite a respondent to express a view pertaining to the efficiency of the department he manages. It is commonplace in studies of leadership in the U.S.A. to introduce a productivity criterion and relate it to leadership style. But it is very difficult to evaluate productivity for a service function. Evaluation criteria in the form of standards are difficult to define, performance is difficult to measure and a
comparison of performance with standards is difficult to make. When giving consideration to this question some tentative measurement criteria, open to elaboration and refinement in the future, came to mind.

(i) Cost of the finance function as a proportion of total turnover.

(ii) Time-lag between the publication of the statutory accounts and the end of the financial year.

(iii) Speed with which monthly comparative figures are available and the adequacy of the detail.

(iv) Cash Flow: the adequacy of cash - with or without debtors - in relation to creditors. A Liquidity Ratio \( \frac{\text{cash} + \text{debtors}}{\text{creditors}} \) could be used. A very fine ratio, 1.1 or 1.2, may be symptomatic of good management; alternatively in some circumstances it may be construed as a danger signal.

(v) If it is the company's policy to take advantage of discounts receivable and if the liquidity position facilitates it, the speed with which creditors are paid. Equal in importance is the effectiveness of the function in securing receipts from debtors.

All the above factors would then be considered in the context of the number of staff employed and the extent of mechanisation. One should point out that the absence of an efficiency criteria does not detract from the importance and validity of the present research study. When we understand to a greater extent the impact of situational and structural factors on leadership style or managerial decision-making behaviour, then our attention can be diverted to a consideration of concrete efficiency criteria.

4.3 THE SAMPLE

Considerable difficulty was experienced at the first attempt to choose a sample of companies representative of a cross section of industry and commerce, excluding banking, insurance and related financial services companies. A good example of an index of companies, often referred to by researchers, is the Times 1000 Index. This lists the top 1000 companies trading in the U.K. Unfortunately, from the author's point of view, some of these listed companies are either holding or parent companies, proving unsuitable for the purpose of the research. It was important
to choose operating companies because it is in these companies that one normally finds a fully developed finance function, unlike the customary situation in the parent company, particularly the large company, where the major preoccupation appears to be consolidation accounts work and the monitoring of financial operations. Another type of company which was considered unsuitable for the purposes of the research was that which employed 100 employees or less, because of the real likelihood of it having an underdeveloped or practically non-existent formal finance function. Woodward (1965) deleted from her sample 93 companies employing 100 employees or less because she felt these companies had few hierarchical levels and few organisational problems. Added to this were bank, insurance and finance companies because their accounting procedures differ from those of an industrial and other commercial type. Eventually one managed to secure a relatively recent copy of The Guide to Key Industrial Enterprises (Dun and Bradstreet) which contains a cross section of industrial and commercial enterprises. Putting to one side the very small company, the very large group or parent company and the financial services companies, one was left with approximately 7,000 companies of varying sizes, located in the U.K., to choose from. The intention was to select roughly 1,000 companies evenly distributed as to size, and because of this condition a systematic random selection was not possible in the circumstances. Instead an arbitrary selection within the constraints specified was the only feasible course of action. The manual extraction of 989 companies from the Dun and Bradstreet Guide, on average one company per page, was both a burdensome and time-consuming task. The name, address and telephone number, if available, of each company was noted, and companies were classified by type of industry and size. The size classification was decided on after consultation with two senior executives in industry, finally taking the following classification: <500; 500-2000; >2000 employees. One feels confident in suggesting that the sampling frame is very representative of British industrial and commercial companies, bar financial institutions.

The next step was to consider the despatch of the 989 questionnaires. Each questionnaire bore a serial number to facilitate the identification of respondents, and obviate the
likelihood of sending a reminder letter to a respondent. One was aware that in the eyes of some respondents this could amount to an infringement of the notion of company anonymity. A company on the sample list was given an identification number which was cross-referenced to the number on the questionnaire and the outgoing addressed envelope. It was then a matter of matching the appropriate questionnaire and envelope. Enclosed with the questionnaire was a self-addressed envelope which was unstamped. It would be preferable to enclose a stamped addressed envelope but the cost of doing so was a discouraging factor. A compromise was reached in the line of action taken. Ferris (1951), however, provides convincing evidence for using a stamped return envelope to increase the response rate. The outgoing envelope bore the addressee's title 'Financial Controller' or 'Chief Accountant'; this title order was reversed if the company concerned had less than 500 employees since it is unlikely to use the title 'Financial Controller'. So that the envelope would appear less stereotyped than correspondence of this kind normally reaching a company, it was decided to opt for handwriting when addressing the envelope. In addition the word 'personal' was prominently displayed on the top left hand corner of the envelope. It was felt that first-class postage would be preferable to second-class in creating a sense of urgency and a better impression. Also the threat of a rail strike, likely to disrupt the postal service, lingered on the horizon. However, the evidence on the superiority of first-class mail is inconclusive. Watson (1965) found a small advantage accruing to first-class over second-class mail but Kernan (1971) found no advantage either way. Finally no deadline date for questionnaires to be returned was specified as it was felt unrealistic to do so at a time of the year when holidays are taken. It has been suggested that the setting of a deadline date for completion and return of a questionnaire encourages an early reply (Kanuk and Berenson op cit).

The first batch of questionnaires, numbering roughly 500, were despatched on the 19th June 1975 and the remainder on the 30th June 1975. One felt it might have some beneficial effect, in terms of response, if subjects received the questionnaire early rather than later in the week; though according to Scott (op cit), it makes no difference what day of the week the questionnaire reaches
the prospective respondent. The response rate to the first mailing was as follows:

Table 4.3.1
Response to Despatch of 989 Questionnaires

<table>
<thead>
<tr>
<th>Acceptances</th>
<th>Refusals</th>
<th>Returned 'Gone Away'</th>
<th>Returned Co.Liquidated</th>
<th>No Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>144</td>
<td>28</td>
<td>25</td>
<td>4</td>
<td>788</td>
</tr>
</tbody>
</table>

Roughly a month later, on the 18th and 30th July 1975, a reminder letter (Appendix 'E') bearing a pre-printed date and signature, together with a copy of the questionnaire undated also bearing a pre-printed signature, were forwarded to non-respondents. This time no self-addressed envelope was used, the addressee's name and address was typewritten and second-class postage was used. It was felt that the original copy of the questionnaire would have been mislaid in many cases by this time, so it was decided to attach another copy of the questionnaire to the reminder letter in order to encourage the respondent to reply. A reasonable response followed the despatch of the reminder letter. This is illustrated in Table 4.3.2.

Table 4.3.2
Response to Despatch of 788 Questionnaires and a reminder letter

<table>
<thead>
<tr>
<th>Acceptances</th>
<th>Refusals</th>
<th>Returned 'Gone Away'</th>
<th>Returned Co.Liquidated</th>
<th>No Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>64</td>
<td>37</td>
<td>4</td>
<td>1</td>
<td>682</td>
</tr>
</tbody>
</table>

It would be difficult to differentiate late replies to the original request to complete the questionnaire from replies activated by the reminder letter. What is interesting, however, is that the bulk of acceptances in Table 4.3.2 appears on the original copy of the questionnaire. Obviously in most cases, contrary to one's expectations, the original copy of the questionnaire was not mislaid by interested subjects. Non-respondents who replied giving their
reasons for not participating in the study offered some initial appreciation of the problem of non-response. The following remarks reflect the main reasons given and appear in the original and in paraphrased form:

'We would like to help academics bridge the gap between theory and practice but the half-psychological questionnaire does not ask sensible questions.'

"In view of the nature of some of the questions I am afraid that I felt unable to complete it."

'We are inundated with a multitude of forms from government departments and trade associations, and since your questionnaire requires an appreciable amount of time to complete, I am afraid we cannot waste company time in this way.'

'We are very busy at the moment with year-end accounts and feel at this time we are unable to participate.'

'Current volume of work aggravated by holidays.'

'We are unable to assist you due to a substantial cut-back in staff because of the current economic climate'.

'I don't wish to participate.'

'I am not prepared to provide the information requested.'

'The centralisation of the accounting function in the group to which my company belongs rules out me completing the questionnaire.'

'My job would not fit the pattern of your questionnaire.'

'At the time we received your questionnaire we also received two others, and although we are sympathetic to your aims we find we are unable to complete it.'

'I take exception to having to disclose my identity.'

It was not my intention to remind non-respondents, for the second time, to complete the questionnaire as one felt such an effort would produce a marginal benefit in terms of extra responses. But one recognises it is conceivable that the issue of more than one reminder letter is a powerful means to promote an increase in
response (Kemsley 1962), but as we have already noted there are a number of other determining factors as well. To gain some insight into the reasons why people did not bother to respond it was decided to contact a random selection of non-respondents, numbering thirty five, by telephone. This presented some difficulties when endeavouring to locate the person who ought to have received the questionnaire. One resorted to asking the telephonist could I speak to the Chief Accountant or Financial Controller. In some instances I was unable to establish contact with the appropriate person. The non-respondents I contacted offered a number of reasons for not responding, ranging from having insufficient time available to complete the questionnaire because of normal work pressures and mandatory form filling, to lack of interest and pleading not having received the questionnaire. In some instances a Financial Director received the questionnaire and, perhaps recognising that it was not totally relevant to his job area, retained it instead of passing it on to the appropriate subordinate to complete. By seeking an explanation for non-response on the telephone one could easily have forced the non-respondent into a situation whereby he offers a plausible rationalisation for his failure to co-operate. This rationalisation may be at variance with his true intentions.

Non-respondents were contacted in early September 1975 and during the course of the conversation I availed of the opportunity to remind them that it was still not too late to complete the questionnaire. About ten respondents requested a further copy of the questionnaire. Shortly afterwards thirteen completed questionnaires were received. The final response, expressed by company size, is shown in Table 4.3.3.

Table 4.3.3
Number of Respondents classified by Company Size

\[ n = 955 \]

<table>
<thead>
<tr>
<th>SIZE OF COMPANY</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Small</td>
<td>64</td>
<td>38.9</td>
<td>71</td>
</tr>
<tr>
<td>Medium</td>
<td>86</td>
<td>38.9</td>
<td>71</td>
</tr>
<tr>
<td>Large</td>
<td>71</td>
<td>32.1</td>
<td>71</td>
</tr>
<tr>
<td>Total</td>
<td>221</td>
<td>221</td>
<td>221</td>
</tr>
</tbody>
</table>


On comparing the stratification in Table 4.3.3, with that which constitutes the original sample, illustrated in Table 4.3.4, no great divergence is evident.

Table 4.3.4
Sample of Companies classified by Company Size
\[ n = 989 \]

<table>
<thead>
<tr>
<th>SIZE OF COMPANY</th>
<th>Small</th>
<th>Medium</th>
<th>Large</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>336(34)</td>
<td>322(32.6)</td>
<td>331(33.4)</td>
<td>989</td>
</tr>
</tbody>
</table>

After deducting the number of questionnaires (34) representing those returned as 'Gone Away' and 'Company Liquidated' from the total sample number, a response rate of 23% was achieved. Having discarded nine incomplete questionnaires, the final distribution of responses appears as depicted in Table 4.3.5.

Table 4.3.5
Final distribution of Responses by Company Size
\[ n = 955 \]

<table>
<thead>
<tr>
<th>SIZE OF COMPANY</th>
<th>Small</th>
<th>Medium</th>
<th>Large</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>59</td>
<td>86</td>
<td>67</td>
<td>212(22)</td>
</tr>
</tbody>
</table>

The questionnaire, as earlier stated, was designed with a view to it being completed by a respondent who possessed operational responsibility for a reasonably developed finance function. Those who were unable to complete the questionnaire to an acceptable standard, but tried to do so, did not normally satisfy this requirement. For example a respondent – a Financial Controller of a large group of companies – recognised the limitation of his position in this respect when he maintained that each operating company within the group had its own qualified Financial Controller or Financial Director which precluded his involvement in the sort
of decisions, of an operating nature, envisaged by the questionnaire. At the other end of the scale three Financial Accountants obviously had very restricted authority attached to their positions, so much so that the questionnaires were grossly incomplete. Another respondent, a Managing Director and Financial Controller, submitted only two pages of the questionnaire with a note to the effect that the company was a small private one, and "I do not think my answers to your questions would be very representative." A number of unanswered questions was a prominent feature of a questionnaire coming also from a respondent in a small company. The fragmentation of the finance function, a concomitant of which was the allocation of responsibility between two accounting managers, led the respondent to submit an incomplete questionnaire. These then were the type of questionnaire not processed.

Poor response rates are often cited as the preserve of the postal questionnaire.

"Response rates reported for mail surveys have been very much lower than those for interview surveys...... Mail surveys with a response of as low as 10% are not unknown while rates of over 90% have been reported on a number of occasions" (Nöser and Kalton op cit).

Gray (1957) contends that with specialised populations it seems possible to obtain an 80% response rate without the issue of a reminder letter. He attributed the good result, however, to the simplicity of the questionnaire. As far as one can see, a good result in the context of a relatively complex, lengthy questionnaire is possible given the presence of favourable influencing factors. Hopwood (op cit) reports that each questionnaire in his study conducted in one company was accompanied by a letter from the General Manager confirming that the study had been approved by the senior managers of the company. In addition two reminder letters with accompanying copies of the questionnaire were sent to non-respondents. A response rate of over 87% was obtained. A similar response rate was achieved by Bass et al (op cit). They attributed the high return rate to the fact "that respondents were informed that the data would be summarised for each individual manager so that he would be fed back a 'profile' of the situation in which he and his subordinates worked." A group of forty two
managers, attending a short course at the Ashridge Management College in 1971, were addressed by the author with a view to seeking their co-operation by participating in a research study. Having spent ten minutes explaining the purpose of the study and its value, stressing the anonymity of the respondent and the confidential nature of the inquiry, a fairly long, cognitively taxing questionnaire was distributed to each person present with the specific request that it should be completed while I waited. On average it took thirty minutes to complete the questionnaire. The response rate was very impressive at 98%. There is no doubt that one confronted a receptive audience, coupled with the fact that the Course Director had approved the survey as a legitimate educational pursuit. A similar questionnaire was distributed in the same year to a group of accountants attending a short course at Cambridge University. This time I instructed the Course Director to distribute the questionnaires, which he received from me, to the course participants, which he did towards the end of the course. He spent little time introducing the questionnaire to the audience, and suggested that those interested could collect a copy of the questionnaire as they left the lecture room. After the despatch of one reminder letter to non-respondents, the response rate was 46%.

These generally favourable response rates can be contrasted with the rate of 23% obtained in the present survey. But one must be fully aware of the favourable conditions prevailing in the above circumstances which, in my opinion, facilitated an impressive response rate. However, when one compares the response rate of 23% with that of 22% achieved by Santocki (1975) who conducted an I.C.M.A. sponsored research study, using the postal questionnaire, into various aspects of the management audit, one begins to appreciate some of the difficulties in securing a high response to a technical questionnaire from a remote sample population, widely dispersed geographically, but representative of the population as a whole.

The problem faced with a low response rate is that non-respondents may differ in some material respect from respondents, so that any judgements based on the views of respondents are biased. From a brief conversation with thirty five non-respondents, undoubtedly a small proportion of the non-response population,
the author failed, from a superficial assessment of them, to subscribe to the view that they were a unique or special breed of Chief Accountant or Financial Controller. Already reasons have been put forward for refusing to respond and outright non-response. When thirteen of the thirty-five non-respondents returned the completed questionnaire subsequent to the telephone conversation, their profile and distribution of responses on the questionnaire showed a similarity to the pattern of the initial respondents. In connection with bias due to non-response, Ferber (1948) maintains that it does not follow that questions on the questionnaire will be similarly affected. In fact some questions may be totally unaffected.

McDonagh and Rosenblum (1965) maintain that the mail questionnaire may reveal representative responses in spite of a partial return from a sample of the selected population, and that researchers should have greater confidence in the questionnaire method as an initial tool of research. They conclude from the results of a study that there were no significant differences between the responses on a mailed questionnaire and those given by interviewed respondents who had not answered the questionnaire. Identical questions were asked of both groups. There is a contention that respondents and non-respondents can be differentiated on the basis of socio-economic and personality characteristics, but the evidence available to support it is not very convincing. Wallace (1954) reported that respondents and non-respondents were virtually the same on a number of socio-economic characteristics. Ognibene (1970) found respondents to be high on gregariousness and leadership traits, but Vincent's (1964) typical respondent did not fit this profile; instead he showed a tendency towards conformity and co-operation. Finally, the representative nature of the sample can be gleaned from the sample characteristics set out in Appendix 'B'.

4.4 THE RESEARCH INTERVIEW

The questionnaire was primarily designed as an instrument to collect data lending itself to quantifiable analysis. There were of course open-ended questions to offer the respondent the
opportunity to expand, add to or qualify a given observation. However, it was felt necessary to conduct follow-up interviews with a sample of respondents in order to allow qualitative judgements or comments to be made on issues covered by the questionnaire. The sample list was compiled from respondents whose companies were located in the South East of England, particularly the Greater London Area, and the West Midlands. Respondents chosen for interview were selected from the list in a random fashion. Only three respondents refused to participate and this was justified on the grounds of pressure of work. In all thirty two respondents participated and their distribution over company size is shown in Table 4.4.

Table 4.4
Number of Respondents Interviewed, by Company Size

<table>
<thead>
<tr>
<th>SIZE OF COMPANY</th>
<th>n = 32</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small</td>
<td>10 (31.2)</td>
</tr>
<tr>
<td>Medium</td>
<td>10 (31.3)</td>
</tr>
<tr>
<td>Large</td>
<td>12 (37.5)</td>
</tr>
<tr>
<td>Total</td>
<td>32 (15)*</td>
</tr>
</tbody>
</table>

Sub-sample - interview sample - characteristics appear in Appendix 'B' where they are contrasted with total sample characteristics.

The number of respondents interviewed as a percentage of the total number of respondents is 15%. The interview programme started in September 1975 and was concluded by the end of February 1976.

In order to facilitate the smooth operation of the interview and collect a wide range of pertinent data an interview schedule was prepared and used. This had the effect of structuring the interview but it offered also a lot of flexibility. The questions on the Interview Schedule (see Appendix 'F') covered most of the points raised by the questionnaire and acted as a catalyst by promoting a very useful empirical enlargement of responses on the
questionnaire. At the outset of the interview the author stressed the strict confidentiality of the inquiry, which was educational in nature, and the anonymity of respondents and that if one's curiosity led to asking delicate or sensitive questions the motives of the researcher were purely educational. One tried to explain to interviewees how their company came to be chosen as part of a sample of companies in the first place and the reasons for the follow-up interview.

At the time of arranging the interview a large number of the selected respondents expressed the view that the most time they could devote to the interview was thirty minutes, preferably less. In actuality the time allocated to the interview was considerably greater. Everybody interviewed was co-operative and helpful and the interviews varied in length from $1\frac{1}{2}$ to 2 hours, averaging $1\frac{3}{4}$ hours. One felt that as the interview progressed it assumed a therapeutic value for many interviewees. A number of interviewees also welcomed the opportunity to give serious consideration or reflection to aspects of their jobs normally taken for granted but present at the level of dim awareness. Wax (1952) would view this situation as a form of exchange in which the researcher and informant consciously or unconsciously give each other what they both desire or need. She quite rightly states that most informants will resent manipulative and patronising behaviour on the part of the researcher. It is important to listen attentively with respect to suggestions or advice; and the rewards received by the informant are many, ranging from relief from a boring work episode to allowing a bitter informant to obtain relief from divulging his frustrations.

4.5 METHODS OF ANALYSIS

Hypothesised and other relationships in the data were subjected to statistical analysis. A computer programme was specifically compiled in order to examine simple correlative associations. Later a statistical computer package - SPSS - was extensively used. The statistical tests used were :-

- Tests of Hypothesis - comparison of proportions using the Normal Statistic Test
- Pearson's Product Moment Correlation Coefficient
- Kendall's Tau Rank Order Correlation Coefficient
Coefficient of Multiple Correlation
Partial Correlation
Chi-Square ($X^2$)

The relationships examined with the aid of these tests are discussed below. In addition, in order to obtain an overview of patterns of questions, on a tabular and cross-tabular basis, percentage or index tables were produced. All statistical work was carried out on the computer.

Each question on the questionnaire (see Appendix 'A') will be examined with a view to identifying the statistical treatment it received. The variables which were subjected to statistical test will be examined first. The decision-making behaviour variable in question 2 (hereafter referred to as decision style) is the major dependent variable and has a relationship with all other variables on the questionnaire. The latter comprise the independent variables.

Decision Style in relation to different types of decisions (Question 2)

Programmed decisions are identified by the numbers 3, 6, 10, 12, 14; non-programmed decisions are comprised of the remaining numbers - 1, 2, 4, 5, 7, 8, 9, 11, 13. Task decisions are identified by the numbers 1, 3, 4, 5, 6, 7, 9, 10, 11, 12, 14; personnel decisions are comprised of the remaining numbers - 2, 8, 13. This probably reflects reality, with a preponderance of emphasis given to task decisions. For each decision style the mean of the stated percentages was extracted over all applicable decisions. An identical calculation was made when all applicable decisions were sub-divided into the categories enumerated above. A comparison of the percentage time usage of the decision style for the different categories of decision was made. For each decision style the number of respondents actually using a given style more for non-programmed than programmed decisions was calculated. This was achieved by comparing the mean percentage time allocated to a decision for non-programmed decisions with the mean percentage time allocated to a decision for programmed decisions. The proportion of all respondents using a decision style more for non-programmed than
for programmed decisions was then compared with 0.5 using the normal test statistic. An identical calculation was made when comparing the usage of the various decision styles for task as opposed to personnel decisions.

Decision Style in relation to the independent variables

The experience variables - time spent in job and age - (Question 1) were related individually and combined to decision style using the Pearsonian Product Moment Correlation, Kendall's Tau Rank Order Correlation and the Coefficient of Multiple Correlation. The individual relationships were then mediated by level in the organisational hierarchy (Question 9) and size of both finance function and company (Questions 11, 12) using the Partial Correlation Coefficient.

The variable Specialisation - extent to which a job area is established - (Question 3) was derived from a Likert five-point scale by summating the ratings for the thirteen areas. It was then related to decision style by category of decision using the Pearsonian Product Moment Correlation and Kendall's Tau Rank Correlation. Specialisation and Specialism - degree of qualification of person operating or managing a job area - (Question 3) were together related to decision style using the Coefficient of Multiple Correlation. Specialism was also related, on an individual basis, with decision style using the Pearsonian r and Kendall's Tau. The scale used to arrive at a score for the variable Specialism was identical to that used for Specialisation.

Perceptions of desirable and actual qualities or skills (Question 4) were recorded on ordinal type scales. Integers ranging from 1 to 7, denoting minimum and maximum scores respectively at the extreme points, were assigned to the scales to indicate relative positions. The difference between the actual and desirable score for each of the fifteen types of quality or skill was calculated and the differences were aggregated. The aggregate difference was then related to decision style over all decisions and by category of decision using the Pearsonian r and Kendall's Tau. The individual types of quality or skill
discrepancy were also related to decision style using the Pearsonian r. The mediating effect of level within the organisational hierarchy (Question 9) was measured by using the Partial Correlation.

The Status, Power and Influence variable (Question 5) was obtained by aggregating the affirmative responses in columns 57 to 62. This variable was related to decision style, using the Pearsonian r and Kendall's Tau, over all decisions and by programmed decisions only.

The managerial behaviour characteristics variable (Question 6) was sub-divided into two categories - Employee Orientation (i) (ii) and Task Orientation (iii) (iv). It was obtained from a five-point Likert scale by summatiting the ratings for the four characteristics, and was related to decision style using the Pearsonian r and Kendall's Tau. Using identical tests the ratings for the dimensions Employee Orientation and Task Orientation were summed and each dimension was related to decision style. Combined with L.P.S. - opinion of least preferred subordinate - (Question 8) both dimensions were related to decision style using the Coefficient of Multiple Correlation.

The Semantic Differential scale (Question 8) was adopted in order to measure the attitude of the superior towards his least preferred subordinate (L.P.S). It was used by Fiedler in a similar capacity and can be viewed, like a Likert scale, as a summated rating scale. The total attitude scale is derived from sixteen bi-polar rating scales, each being an eight point scale, with 8 representing the most favourable response. A respondent's total score is the measure of his attitude. To counteract a biasing effect the position of the poles was varied between scales. The L.P.S. variable was related to decision style over all decisions using the Pearsonian r and Kendall's Tau. When relating L.P.S. and Employee Orientation and L.P.S. and Task Orientation to decision style the Coefficient of Multiple Correlation was used. Ignoring decision style, L.P.S. was related to both Employee Orientation and Task Orientation individually using the Pearsonian r and Kendall's Tau.
The Level variable (Question 9) was related to decision style using the Pearsonian r and Kendall's Tau. The mediating effects of size of company and size of finance function (Questions 12, 11) individually and collectively on the relationship between decision style and hierarchical level were measured using the Partial Correlation. The same statistic was used to establish the mediating effects of level in the following relationships: the individual relationship between age and decision style and time spent in job (job experience) and decision style; age and job experience together in relation to decision style; the relationship between the aggregate quality or skill discrepancy and decision style; the relationship between span of control and decision style. In addition hierarchical level was combined with size of company to mediate the relationship between span of control and decision style.

The number of subordinates reporting directly (span of control) variable - Question 10 - was related to decision style over all decisions and by category of decision using the Pearsonian r and Kendall's Tau. The relationship between decision style and span of control was then mediated by hierarchical level (Question 9) and by both size of finance function (Question 11) and size of company (Question 12) individually, and by hierarchical level and size of company together using the Partial Correlation.

The Size of Finance Function variable (Question 11) was related to decision style using the Pearsonian r and Kendall's Tau. It is used as a mediating variable in the relationship between hierarchical level (Question 9) and decision style. It was also merged with size of company (Question 12) to mediate the latter relationship. To measure its mediating effect the Partial Correlation was used. Similarly this variable mediated the relationship between job experience and age (Question 1) and decision style, and the relationship between span of control (Question 10) and decision style.

The Size of Company variable (Question 12) was related to decision style using the Pearsonian r and Kendall's Tau. It acted as a mediating variable in the relationship between hierarchical
level (Question 9) and decision style, fusing with size of finance function (Question 11) to mediate the latter relationship. The Partial Correlation was used to measure its mediating effects. It also mediated the relationship between span of control (Question 10) and decision style and together with hierarchical level (Question 9) mediated this relationship. The relationship between age and job experience (Question 1) and decision style individually was also mediated by size of company. Nearly all relationships between the dependent and other independent variables were classified by size of company in an endeavour to assess the influence of company size.

The role of the Chief Accountant variable (Question 13) was related to decision style using the Chi-square test ($\chi^2$).

Index and Percentage tables were compiled in order to highlight the pattern of data distribution on a tabular and cross-tabular basis. In three instances graphs were prepared from the Percentage tables.

Percentage Cross-Tabular Tables
- Size of Company related to Job Experience
- Size of Company related to Hierarchical Level
- Size of Company related to Span of Control

Graphs
- Decision Style Profile by Company Size
- Size of Company related to Size of Finance Function

Percentage Tabular Tables
- Functional Role of Chief Accountant
- Status, Power and Influence

Graph
- Decision Style over all Decisions

Index Tabular Tables
- Specialisation and Specialism
- Employee and Task Orientation

Table of Differences
- Discrepancy between desirable and actual qualities or skills related to size of company
Comment on the Statistical Tests

Confronted relatively frequently with a skewed distribution of data and the use of ordinal scales the logical course of action would appear to be the choice of non-parametric tests. Siegel (1956) has championed these tests in psychological research when conditions surrounding the use of parametric tests are not fully satisfied. Constrained by the confines of the statistical package used - the SPSS - all multivariate analysis had to be conducted through the medium of parametric tests which are underpinned by the assumptions of normality of distribution and interval scaling. This being so, in order to achieve uniformity of testing methods a parametric bivariate correlation coefficient - Pearson's Product Moment - was considered an appropriate test to use. However, as a precautionary measure Kendall's Tau Rank Correlation Coefficient was used in nearly all the cases where the Pearsonian r was considered relevant as an exercise in verification. No substantial differentiations are discernible when we compare the results of both tests (see Appendix 'D'). Though Spearman's Rank Order Correlation Coefficient is generally considered preferable to Kendall's Tau, the incidence of a number of ties in the data makes the latter the more suitable.

Parametric tests are frequently used in psychological research in circumstances when the conditions attached to them are not fully met. In highlighting the limitations of his research method, Heller (op cit) goes on to say: "It is known that rating scales such as those used in nearly all research on participation, including the present one, do not meet all the assumptions of the Pearsonian r". A widely held view explaining the attachment to the parametric test (even when its conditions are not satisfied) is that it is better at detecting significant differences between two sets of scores, making use of all information in the data, whereas the equivalent non-parametric test simply takes into account the rank order of the scores. Miller (1975) states that "statisticians have recently examined what happens to the accuracy of certain parametric tests (i.e. the t-tests) when the basic assumptions of normality and homogeneity of variance are systematically violated. Happily these studies show that the results
of the t-tests are not seriously distorted even when quite marked
departures from the basic assumptions are introduced. There
appears to be no reason to suspect the robustness of other
parametric tests unless there are glaring departures from normality
and homogeneity. This is unlikely to be the case with the present
research data.

Though the dependent variable, depicting the time spent on
each decision style, may satisfy the interval level measurement
criteria, since it possesses the characteristics of a ratio scale,
the same cannot be said of the independent variables measured on
a Likert scale. Since the Likert scale does not offer a zero
point for subjects who feel neutral about an item, it facilitates
statistical analysis at the cost of reducing validity by forcing
some subjects to express a view they do not hold. It is argued
that the Likert scale is not tantamount to an interval scale because
of its ordinal status and therefore no conclusions can be drawn
about the meaning of distances between scale positions (Moser and
Kalton op cit). Nevertheless, many psychological variables are
measured on scales which cannot be classified as interval scales
of measurement. However, under certain circumstances a seemingly
ordinal attitude scale may satisfy the requirements of interval
scaling. Stone and James (1965) offer as a major finding the
view that "education students perceive the prestige of teacher
specialities reliably enough so that their judgements can be
measured on an interval scale."

It is evident that when interpreting the significance of a
correlative association between variables there are no imputations
of cause and effect. A 5% level of significance will be used
(i.e. one-tailed test) when a hypothesis postulates a direction
in the differences between two variables. The size of the
sample for any statistical table will depend on the completeness
of the information on the questionnaires.
CHAPTER 5

HYPOTHESES

The hypotheses were formulated subsequent to an exhaustive review of the relevant literature, and reinforced by empirical observations obtained during the pilot stage of the research study. The dependent variable—decision style—is featured in every hypothesis along with the relevant independent variable(s). One should emphasise that the hypotheses centred on the mediating effects of size and level are somewhat speculative.

Hypothesis I  The Chief Accountant displays a tendency to manage in a directive fashion.

Hypothesis II  Programmed decision situations lend themselves to both directive and delegative styles of decision-making behaviour.

Hypothesis III  Non-programmed decision situations lend themselves to consultative or participative styles of decision-making behaviour.

Hypothesis IV  Task decision situations are more likely to be associated with a directive and a delegative style of decision-making behaviour.

Hypothesis V  Personnel decision situations are more likely to be associated with a consultative or a participative style of decision-making behaviour.

Hypothesis VI  The more experienced—age and time spent in job—the Chief Accountant the greater the likelihood of he using a moderately directive style of decision-making behaviour.
Hypothesis VII  A high level of specialisation is likely to be associated with a directive style of decision-making behaviour.

Hypothesis VIII  A high level of specialism is likely to lead to the use of a less centralised style of decision-making behaviour.

Hypothesis IX  When the Chief Accountant perceives a smaller discrepancy between actual and desirable skills or qualities in the subordinate he is more likely to use a directive decision style. The opposite is true when he perceives a larger discrepancy.

Hypothesis X  Chief Accountants enjoy a high level of organisational status, power, and influence and this is likely to be so irrespective of the style of decision-making behaviour.

Hypothesis XI  Employee oriented behaviour, rather than task oriented behaviour, is associated with decision style.

Hypothesis XII  A directive style is likely to be associated with a low L.P.S. and a permissive style with a high L.P.S.

Hypothesis XIII  When the span of control of the Chief Accountant is wider a directive decision style is more likely to be used, whereas a permissive decision style is more applicable when the span of control is narrower.

Hypothesis XIV  The Chief Accountant whose functional role embraces the use of direct authority to implement his recommendations is likely to have a penchant for a directive decision style.

Hypothesis XV  The larger the size of the company and finance function the greater is the likelihood of a permissive oriented decision style prevailing.
Hypothesis XVI  Size of company and finance function mediates the relationship between decision style and the experience variables.

Hypothesis XVII  Size of company and finance function mediates the relationship between decision style and span of control.

Hypothesis XVIII  Size of company and finance function individually and combined mediate the relationship between decision style and hierarchical level.

Hypothesis XIX  Overall the Chief Accountant's decision style is likely to be influenced by the size of the company.

Hypothesis XX  The higher the organisational level the greater is the likelihood of the Chief Accountant exercising a permissive oriented style.

Hypothesis XXI  Hierarchical level mediates the relationship between decision style and the experience variables.

Hypothesis XXII  Hierarchical level mediates the relationship between skill discrepancy and decision style.

Hypothesis XXIII  Hierarchical level mediates the relationship between decision style and company size.

Hypothesis XXIV  Hierarchical level mediates the relationship between decision style and span of control. It produces a similar effect when combined with company size.
CHAPTER 6

RESULTS

Having specified the Hypotheses in Chapter 5, the stage has now been reached where data and observations derived from the questionnaires and interviews are subjected to analysis, and inferences are drawn from the trends and patterns that develop. In the next chapter, under the heading of Discussion, the empirical evidence will be discussed further with specific reference to the Hypotheses and the relevant literature.

Before examining the impact of category of decision on decision style, the distribution of the Chief Accountant's decision style over all types of decisions ought to be acknowledged. The decision style profile is shown in Figure 6.

Figure 6
Decision Style Profile of Chief Accountants

% time a Style is used

Decision Styles

Source: Q. 2 in Questionnaire
We find that almost equal emphasis is given to restrictive and permissive decision styles with a marginal advantage in favour of a directive style whose closest rival is a consultative style. Styles D and E—joint decision-making and delegation—appear to be used sparingly.

6.1 DECISION-MAKING BEHAVIOUR (DECISION STYLE) IN RELATION TO DIFFERENT TYPES OF DECISIONS

The main consideration to bear in mind is whether the type of decision faced by the Chief Accountant has any bearing on his decision style. The manner in which decision styles are used more for non-programmed and task decisions than for programmed and personnel decisions is depicted in Table 6.1.

Table 6.1

A comparison of the percentage time usage of Decision Styles for the different categories of decision *

<table>
<thead>
<tr>
<th>Decision Type Comparison</th>
<th>Decision Style</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Programmed - Programmed</td>
<td>-3.39 *</td>
<td>-0.07</td>
<td>6.40 *</td>
<td>7.43 *</td>
<td>-5.01 *</td>
<td></td>
</tr>
<tr>
<td>Task - Personnel</td>
<td>6.78 *</td>
<td>8.04</td>
<td>-4.12 *</td>
<td>-4.43 *</td>
<td>5.76 *</td>
<td></td>
</tr>
</tbody>
</table>

\[4 = p < .001\]  
Source: Q 2 in Questionnaire

* Normal Statistic Test

The finding in the upper part of the table suggests quite emphatically that decision styles C and D—prior consultation and joint decision making—are used more frequently for non-programmed than programmed decisions. Alternatively, it can be expressed in a slightly different form. Decision styles A, B and E—own decision without detailed explanation, own decision with detailed explanation and delegation—are used more frequently for programmed decisions than for non-programmed decisions. Though the statistic for B was not significant, nevertheless the pattern of positive and negative values was maintained.
The finding in the lower part of the table suggests equally emphatically that decision styles C and D are used more frequently for personnel than for task decisions and that decision styles A, B and E are more frequently used for task as opposed to personnel decisions.

In the relationship between programmed decision situations and decision styles A, B, E the strongest statistical association is reserved for the delegative style 'E', and the weakest association (non-significant) for the semi directive style 'B'. This then might suggest that the two most appropriate styles for programmed decisions are delegation and own decision without explanation. We shall now turn to the field observational data to see to what extent it endorses the statistical prediction.

'For programmed decisions delegation is prevalent. There is extensive delegation with a cut off point beyond which variances have to be reported by the subordinate.'

In the larger company control data (e.g. sales and profit analysis) and the audit function tend to be relied on as monitoring devices in addition to placing trust in the subordinate. One respondent in a large company said:

"Because of the size of the company extensive delegation is applied. I rely on my fortnightly meetings with subordinates to keep me informed. In addition there is the internal audit to keep me in touch with any irregularities and defects in the content of records and systems. And of course there are the impersonal control techniques - budgets and profit statements to keep me in the picture."

In the smaller company there appeared to be more direction emanating from the Chief Accountant. Generally, the calibre of his subordinates was relatively lower and the size of operations lent itself to a higher degree of informality. Every effort was made however to delegate when the circumstances justified it. The following remarks are attributable to Chief Accountants in the smaller company.

'Subordinates operate under guidelines, subject
to periodic checks - browsing through the control data and a reliance on informal contacts.'

'In a programmed decision situation you would delegate where possible, but exceptional matters - e.g. when to take a discount on a payment to a supplier in certain circumstances - would require my attention. In other situations you would take action on your own if, for example, the accounts did not look right. But you must always rely on your subordinates, your success depends on them.'

'Delegate with clear terms of reference. Where a formal control device does not exist, then control is likely to be exercised surreptitiously. It is essential to be informed, particularly when you have to face the external Auditors, so periodic checks are essential, though the number bears a relationship to the calibre of staff. The need for periodic checks is also important in another sense because sometimes subordinates fail to understand instructions.'

Irrespective of size certain similarities were discernible in the comments made by respondents. Confidence in subordinate's ability is an important determinant of decision style, particularly of delegation in this context. Conversely, matters of an exceptional nature arising from a programmed decision situation - e.g. where payment to a foreign supplier in his currency exceeds £50,000, though individual sums in excess of this figure on aggregation are exempt, - were likely to call forth a directive style. In practically all situations where authority to take programmed decisions was delegated the use of monitoring devices, be they personal or impersonal, were considered justifiable. Cross-functional contacts and hearsay also had their uses as sources of information. In addition subordinates were encouraged to bring to the notice of the Chief Accountant matters of a unique kind both within and outside their level of competence. They were also allowed to conduct a dialogue on a cross-functional basis, e.g. discussions with marketing personnel on matters connected with credit control, provided in the event of a disagreement or anything
of significance arising from such contacts the Chief Accountant was fully aware of developments. The Chief Accountant would also be likely to interfere more in so called sensitive areas - e.g. debtors - with a moderating influence in case an over-enthusiastic credit controller pressurises unduly a valued customer.

Though some form of checking book entries was an organisational reality universally, checking reached almost obsessional proportions in two construction companies. Both companies evolved from humble beginnings and their overall management still resided in the entrepreneurs responsible for their development. In a sense the Chief Accountants concerned were perpetuating a practice initiated by the owner manager in the early formative days and still actively pursued. One respondent said he was perfectly satisfied with the competency of his immediate subordinate and tended to delegate but felt it necessary to retain control by a random selection of entries in the books of account, so as to verify their accuracy. Another checked the cash book once a month and performed a periodic check of the Plant Register. In other situations pressure of time tended to elicit a directive response from the Chief Accountant.

Non-Programmed decisions elicit different decision styles. The decision styles C and D - consultation and joint decision-making - are significantly associated with non-programmed decisions in Table 6.1. The observational data certainly confirms this finding. Various forms of consultative and joint decision-making behaviour were, for example, attributable to situations in which a major overhaul or modification to an accounting system was contemplated. Often in addition to the vertical contact with the subordinate the Chief Accountant would involve interested parties, from other functional areas, likely to be affected by any changes. This was exemplified in a number of comments made by respondents.

'In a decision connected with the re-design of the accounting system consultation took place between the computer man, my deputy and myself. My deputy, who favoured the retention of the manual system, exerted great influence in the final decision.'
'The involvement of subordinates was conspicuous throughout the discussions related to the centralisation of accounting.'

'With reference to the centralisation of the accounting function subordinates were asked to examine their areas; time targets were set and a programme of action, decided jointly, was initiated. Subordinates exercised a fair degree of influence, e.g. in the matter of staff redundancies.'

'I was presented with the idea of developing a computerisation programme. Having considered the problem and broken it down into manageable parts, a steering committee was formed and my deputy along with a systems analyst were seconded full-time to conduct a feasibility study. A number of managers from other departments were involved in the deliberations at the committee meetings, but unfortunately this gave strong members the chance to influence events. Only my deputy was involved in the discussions before the report to the board was finally produced.'

'Because of a need for a new accounting system due to a significant increase in capital expenditure I conveyed to my subordinate what I thought it might look like. He listened, went away, thought about it, sorting out any snags as necessary. Hopefully he will come back to me having clarified the situation and then we shall discuss the scheme together.'

Numerous instances could be quoted of subordinate involvement in non-programmed decisions other than those relating to a modification of accounting systems. At the same time one can identify situations in which the Chief Accountant is reluctant to involve a subordinate, or if he does he appears not to treat the subordinate's contribution as such all that seriously when arriving
at a decision. The confidential nature of a decision and whether
the subordinate can make a worthwhile contribution appear to be
important constraining influences. Here are some comments which
reflect certain reservations.

'As far as modification to procedures is concerned
subordinates can exercise tremendous influence;
for example, they make suggestions, we engage in
joint facts analysis exercises, and it is not
difficult to reach agreement with them or endorse
their views. However, there are times when I make
the modification proposals and present them to
subordinates as decisions, giving reasons for the
line of action suggested.'

'Because of the secretive nature of disposals and
acquisitions, the subordinate's role is merely that
of collector of relevant information.'

'Faced with a complex situation - profit projection -
I seek information from a number of quarters, e.g.
production and sales. I would also seek the
suggestions of subordinates in certain circumstances
but at the same time I would refer to the documenta-
tion they prepare in the normal course of events.'

'I discuss matters connected with the finalisation
of cost statements when the person in charge is
competent.'

'In many complex or uncertain situations I tend to
make decisions on my own because of the limitations
of subordinates. Subordinates usually have realistic
expectations of the quantity and quality of their
contributions and are aware of their limitations.'

'A subordinate's influence in a decision to change
the accounting system is only felt, if having
consulted him his contribution appeals to sound
principles of logic.'
'If the problem concerned is within the orbit of the subordinate's experience, by all means involve him in the decision. Otherwise, the inclination is to tackle it oneself. Where decisions are based on information of a secretive or confidential nature, this rules out the involvement of the subordinate.'

'In a problem or special situation the subordinate may be involved in the decision process as the provider and interpreter, exercising a strong influence on the final decision. But this is subject to the competence of the subordinate.'

'Circumstances in which I decide on my own are those in which I feel my knowledge or skill is superior to that of my colleagues or subordinates.'

There appeared to be a greater tendency for respondents in the smaller organisation to express a reluctance to involve subordinates in non-programmed decisions apparently due to their lack of an acceptable level of competence. Generally speaking the subordinate of the Chief Accountant in the larger organisation is more able, perhaps because of better job prospects and remuneration. Some Chief Accountants felt participation by subordinates in a problem decision area was beneficial in circumstances where their influence was negligible.

'I involve the subordinate in a problem situation so as to give him the opportunity to assimilate it and I would suggest certain courses of action for his consideration, but from the beginning I knew what the answer would be. It's an educational experience for the subordinate.'

'Where I am very knowledgeable about something (e.g. setting guidelines for the investigation of variances) I initiate action with predetermined notions about the likely outcome, and though I have made up my mind I involve my subordinate out of courtesy.'
A number of other factors received a minor emphasis as phenomena likely to influence the adoption of a permissive decision style.

'Consensus decision-making is a striking feature of this organisation.'

'I would like to be able to engage in the style I like (lots of consultation) but the company environment seems to discourage it.'

'Group guidelines forced a decision on subordinates which they felt to be unsuitable for the company.'

'It's likely one is more friendly and considerate towards subordinates when their contribution to a decision is valued.'

'Avoid the danger of being manipulated by having decisions imposed on you. To guard against this, it is necessary to build up confidences.'

A similar statistical pattern presents itself when types of decisions are dissected into personnel and task decisions. All the personnel decisions have already been classified under the label of non-programmed decisions. On the other hand, five of the eleven task decisions are programmed decisions. The evidence in Table 6.1 suggests that decision styles A, B and E are significantly associated with task decisions, and C and D are significantly associated with personnel decisions. This is not a surprising result if we lend credence to the observational data as to the appropriate style to use for personnel decisions when the subjects concerned are indirect subordinates.

'In connection with personnel decisions related to indirect subordinates I enter into discussion with my immediate subordinate before taking the final decision.'

'Joint decision-making is a normal occurrence when it comes to the upgrading of indirect subordinates.'
There appears to be an expectation on the part of the Chief Accountant that his subordinate would initiate the consultation.

'I like to receive early notice of significant personnel decisions, which is required in a medium sized company. I like to play the devil's advocate, e.g. in contemplated dismissals, when I try to extract from my immediate subordinate the consequences of dismissing an indirect subordinate.'

'With personnel decisions I would like to know what is being done and why.'

'As to staff decisions, I feel I must be consulted by my subordinates.'

Of course there will be times when consultation and joint decision-making will be forfeited in favour of a more directive style, and if consultation is used it is not altogether genuine.

'The promotion of an indirect subordinate is a decision I am likely to take on my own. There is an able accountant working in the Management Accountant's section and he could benefit from broadening his experience and assuming new responsibilities. I know the Management Accountant is likely to resist such a move because he does not want to lose his services. My mind is made up and any 'consultation' I use in such circumstances amounts to no more than a diplomatic ploy.'

Finally, the impact of programmed decisions in the relationship between task decisions and decision style is likely to be critical.

6.2 DECISION STYLE IN RELATION TO EXPERIENCE VARIABLES (TIME SPENT IN JOB AND AGE)

The relationship between decision-making behaviour (decision style) and both age and job experience individually and combined is shown in Table 6.2.
Table 6.2
Correlation between Decision Style and Experience Variables

<table>
<thead>
<tr>
<th>Decision Style</th>
<th>Experience Variables</th>
<th>n=212</th>
<th>n=209</th>
<th>n=209</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Job Experience</td>
<td>Age</td>
</tr>
<tr>
<td>A</td>
<td>.15 *</td>
<td>.07</td>
<td>.15</td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>-.07</td>
<td>-.10</td>
<td>.10</td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>-.12 *</td>
<td>-.04</td>
<td>.12</td>
<td></td>
</tr>
<tr>
<td>D</td>
<td>-.01</td>
<td>.04</td>
<td>.09</td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>-.01</td>
<td>.02</td>
<td>.03</td>
<td></td>
</tr>
</tbody>
</table>

1 = p < .05          2 = p < .025  
Source: Q 1, 2 in Questionnaire

Table 6.2 illustrates a significant statistical association between decision styles A and C and job experience. This suggests that the more time spent in the job the more directive the Chief Accountant becomes, whereas when he is relatively new to the job he is essentially consultative in his approach; though in the small company there is a likelihood of a shift from consultation to joint decision-making materialising (see Table 1, Appendix 'C'). Age does not seem to be an important factor in this respect. No significant statistical relationship emerges when the experience variables are combined and related to decision style. In an attempt to rationalise the two significant relationships between job experience and decision style we shall refer to the observational data.

Respondents showed a certain unease when trying to recall and articulate style differentiation due to job tenure. A number of those interviewed had spent a relatively short period of time in their present job, though obviously they were able to draw on experience of similar jobs which preceded the present one to help them distinguish between behavioural dispositions on assuming a new job and subsequently on having behind them the benefit of a
reasonable amount of job experience. Resorting to
delegation as a style with growing job tenure was something
which received some emphasis in the interviews with respondents
but is not borne out by the statistical evidence. However, we
must acknowledge that delegation in many circumstances within
the finance function does not carry with it the autonomy often
alleged to encompass it. The issue of guidance and monitoring
of events can be quite prevalent in conditions of delegated
authority. The consultative nature of decision-making behaviour
when job experience is shallow was forcefully endorsed by the
observational data.

'Newness to the job promotes a consultative style.
As one acquires knowledge of the critical operations
in the department and absorbs the expertise of
subordinates, one could easily become less consultative
and take more decisions on ones own.'

'It took some time to get to grips with the job and
during the first six months I tended to consult peers
and subordinates quite a bit. I was many times
disposed to condemning a particular practice or
procedure but always felt it necessary to consult
the appropriate person to discover the reasons behind
it. You are likely to take more decisions on your
own as familiarity with both subordinates and the
technical nature of the work grows.'

'While maturing in the job you listen a lot but I
must admit you feel vulnerable in situations where
knowledge or information is lacking. At the early
stages you go through the phase of getting to know
your subordinates better, and they you, and it is
critical to gain their respect. In developing good­
will with subordinates you take longer to explain
things.'

'You are inclined to consult subordinates more in the
early days in a job as a means to remove uncertainty
and introduce a clearer perspective of the situation.
With the passing of time however you are more likely to take decisions on your own.'

'At the beginning I was rather anxious in the job, faced with the difficulty of learning the company's practices and procedures as well as having to size-up my subordinates. Having now spent ten years in my present job I feel that maturity, greater knowledge of the requirements of the job and the right people as subordinates give me greater scope to delegate. Increasing time spent in the job also gives you the opportunity to recruit 'your type' of subordinate and train those you inherited.'

'On taking over a new job you would almost as a matter of course consult, up and down, if only as a means to spread the blame if need be.'

Respondents who experienced procedural deficiencies in the past felt that improvements in systems would relieve them of a detailed preoccupation with day-to-day administrative matters, and foster delegative behaviour.

'At one time panic situations were frequent due to grave defects in various procedures. Now procedures have been tightened and perfected to the extent that so much of the processing of the work load is a matter of routine and can be safely delegated.'

With such a highly proceduralised environment and a young team of subordinates, this respondent has tried to sustain interest and motivation of staff by initiating group discussions and target setting, where the meeting of targets is viewed competitively across companies within the group. Also in an endeavour to create an 'exciting' environment, his office walls carry different diagramatical representations of performance.

Assimilating the style of the boss was considered by some respondents to be the end result of the passing of time in the job.

'The chief influence is the boss's style. If he likes to work in a directing way then you should do likewise.'
The main influence on one's own style over time is the management style of one's superior.

6.3 RELATIONSHIP BETWEEN DECISION STYLE AND EXTENT TO WHICH JOB AREAS ARE ESTABLISHED (SPECIALISATION) AND DEGREE OF QUALIFICATION (SPECIALISM)

The impact of both specialisation and specialism individually and combined on decision style is depicted in Table 6.3.

Table 6.3
Correlation between Decision Style and Specialisation and Specialism

<table>
<thead>
<tr>
<th>Decision Style</th>
<th>Specialisation</th>
<th>Specialism</th>
<th>Specialisation and Specialism</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>.15&lt;sup&gt;2&lt;/sup&gt;</td>
<td>.04</td>
<td>.17&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>B</td>
<td>-.02</td>
<td>-.10</td>
<td>.11</td>
</tr>
<tr>
<td>C</td>
<td>-.11&lt;sup&gt;1&lt;/sup&gt;</td>
<td>.06</td>
<td>.20&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
<tr>
<td>D</td>
<td>-.03</td>
<td>.01</td>
<td>.04</td>
</tr>
<tr>
<td>E</td>
<td>-.07</td>
<td>-.04</td>
<td>.07</td>
</tr>
</tbody>
</table>

<sup>1</sup> = p < .05  
<sup>2</sup> = p ≤ .025  
Source: Q 2, 3 in Questionnaire

Before commenting on the results in Table 6.3 one should emphasise the fact that specialisation was found to be fairly high and specialism comparatively low in the finance function (see Index of Specialisation and Specialism Table 5, Appendix 'C'). Table 6.3 illustrates significant statistical relationships between decision styles 'A' and 'C' and specialisation, suggesting that in conditions of high specialisation a directive style may prevail; whilst a consultative style may be more relevant in circumstances where specialisation is relatively lower. No statistically significant relationship emerges when decision style is related to specialism. However, when this relationship is expressed by size of company - see Table 1, Appendix 'C' - a very significant statistical association exists between the directive style 'A' and specialism for the small company, implying that the
Chief Accountant resorts to this style when those in charge of the many job areas are well qualified. A very plausible explanation to account for this result is that in many instances the Chief Accountant himself takes over responsibility for and direction of a number of these areas in the small company. In the medium sized company high specialism invites consultation (see Table 1, Appendix 'C'). When the variables Specialisation and Specialism are combined and related to decision style the pattern of the relationship subsisting between style and specialisation is repeated; conveying to us the impression that the Chief Accountant may consider it necessary to be directive in his approach when jobs are highly structured and specialised and managed or operated by well qualified personnel. By way of contrast, the Chief Accountant may feel a greater need to involve himself, through consultation, when he is confronted with a lesser degree of specialisation and where the person in charge is not so highly qualified. The authenticity of this proposition can now be examined with reference to the observational data.

There appeared to be a general belief that once areas of work activity are well specified and prescribed, constant interference is necessary and justified, be it as a result of what was said at progress meetings, hearsay, perusal of formal control data; or in the absence of the latter, matters coming to light as a result of frequent informal contact. Interference was not confined to areas of activity where the Chief Accountant suffered a lack of adequate knowledge of operations or technicalities, but it extended to situations where he was very conversant with the technical nature of the activity.

'Even in highly specialised areas, keep your eyes open and do dip checks.'

'You've got to know what's going on. Credit Control is a great responsibility for one man; pick his brains and spend at least two hours a week with him. Constant liaison is a wise course of action.'

'I must be convinced of the justification for the action suggested by subordinates on major issues.'
'Because of the size of the company I possess comprehensive knowledge of all accounting activities. In selected areas, e.g. credit control, I am fully aware of what's going on but still I sit down with the person in charge of it to discuss problems and offer guidance monthly.'

'The budget officer is given strict guidelines to adhere to in the preparation of the budget. I will critically review the end result. I make it my business to be familiar with the main stream of each activity I am responsible for, even where the detail of an activity is not fully comprehended.

'You tend to formalise things, e.g. meetings and reports, when you are not too sure of the core of an area you are responsible for.'

'Computer programming is an activity in which I plead a certain ignorance, and difficulties in understanding arise even at progress meetings. As a form of self-protection I enlarge the responsibilities of the Computer Manager into areas with which he is not totally familiar. You must not give him the chance to act in a cocky manner.'

There are times when the subordinate with specialised skills 'takes exception to the fact that he has to submit a summary of his price commission submission' to the Chief Accountant. The respondent to which this remark is ascribed disapproves of his own boss's 'style of remote supervision or complete delegation without checks.' He maintains 'people don't mind providing information on their performance because it shows their boss the progress they are making so he can, where necessary, compliment them on their performance.'

The interdependence of job areas was in itself a good reason to maintain control.

'Activities within organisations are interdependent, so deadlines must be met and pressure
applied, if necessary, because falling behind would disrupt the sequence of events.'

The benevolent nature of the organisational environment may sustain the expectation that procedural change can be legitimately initiated and implemented by the person in the position of authority.

'The old budgeting system had well defined rules, and all variances were brought to my notice. The budgeting system is now creative and flexible. When it was first introduced it encouraged a lot of contacts, exchange of views and positive participation. Because of the attitudes of most people to the atmosphere created by benevolent management in the company, they are a pretty docile lot. They neither resist change, nor are they inclined to use initiative. They expect any changes to come from my position.'

Probably because of a lesser degree of specialisation and a lower level of specialism a less clear picture of the organisational situation is visible. This forces the Chief Accountant to consult his section head to establish his depth of understanding of a particular issue, more so because procedures are not efficient at registering and analysing developments. Some of the comments made by respondents who experienced such conditions are as follows:

'From recent experience I can recall a section head who performed adequately but lacked foresight in the identification of problems. In these circumstances it is necessary to spend more time finding out what is going on and then offer leadership.'

'One is inclined, so to speak, to hold their hands a lot more, at all times trying to encourage them with a considerate form of supervision which amounts to guidance. One tries to strike a balance between involvement and non-involvement.'

'In conjunction with the subordinate in charge we review and try to improve the procedures.'
It appears from the evidence presented in Table 6.3.1 below that the weight of a high degree of specialisation could be instrumental in forcing the Chief Accountant to use a directive style in non-programmed decision situations. This can be gleaned from the statistically significant relationship under style 'A'.

Table 6.3.1
Correlation between Decision Style, with regard to decision type, and Specialisation

<table>
<thead>
<tr>
<th>Type of Decision</th>
<th>Specialisation</th>
<th>Decision Style</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A</td>
<td>B</td>
</tr>
<tr>
<td>Non-programmed</td>
<td>.15&lt;sup&gt;a&lt;/sup&gt;</td>
<td>-.11</td>
</tr>
<tr>
<td>Programmed</td>
<td>.05</td>
<td>.02</td>
</tr>
</tbody>
</table>

1 = p < .05
2 = p < .025

Source: Q 2, 3 in Questionnaire

One might conclude from this result that a high level of specialisation may elicit attempts to structure decision processes, with the Chief Accountant resorting to a directive style. Without the mediating effect of specialisation we could expect a consultative and joint decision making style to be more applicable to non-programmed decision situations. This is shown clearly in Table 6.1.

6.4 RELATIONSHIP BETWEEN DECISION STYLE AND PERCEIVED QUALITIES OR SKILLS POSSESSED BY SUBORDINATE

A pertinent question to ask is whether the size or magnitude of the discrepancy between desirable and actual qualities or skills appertaining to the subordinate, as perceived by the Chief Accountant, bears any relationship to decision style? It should be noted that the greater the discrepancy over the selected items on the questionnaire the less favourable the impression of the subordinate's qualities or skills. The converse is true of a smaller discrepancy. Table 6.4 shows the relationship between
decision style, over all types of decisions and by category of decision, and the aggregate skill discrepancy score.

### Table 6.4

Correlation between Decision Style, analysed by decision type and aggregate decisions, and perceived Qualities or Skills in subordinate

<table>
<thead>
<tr>
<th>Decision Type</th>
<th>Perceived Skill Discrepancy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A</td>
</tr>
<tr>
<td>Programmed</td>
<td>-.03</td>
</tr>
<tr>
<td>Non-Programmed</td>
<td>.11'</td>
</tr>
<tr>
<td>Personnel</td>
<td>.13'</td>
</tr>
<tr>
<td>Task</td>
<td>.01</td>
</tr>
<tr>
<td>Aggregate</td>
<td>.05</td>
</tr>
</tbody>
</table>

1 = p < .05  
2 = p < .025  
3 = p < .01

Source: Q 2, 4 in Questionnaire

Where the Chief Accountant perceives a large difference between what he considers desirable and what his subordinates actually possess in terms of qualities or skills related to job performance he is inclined to use a semi-directive style 'B'. On the other hand, where he perceives a small difference he is likely to involve his subordinates by sharing influence with them through the medium of joint decision-making. This finding, shown in the bottom row of Table 6.4, appeals to commonsense by suggesting that one is more likely to involve a subordinate in the decision-making process if he has the requisite qualities or skills likely to permit him to make a valid and effective contribution. Turning to the category of decision one row removed from the bottom of the table, we find that the statistical associations for task decisions is almost identical to that for aggregate decisions. However, when the relationship is viewed from the position of other categories of decision differentiations do emerge but the underlying pattern of
influence sharing remains unperturbed. For example, in the context of programmed decisions a large skill discrepancy will again call forth a semi-directive style 'D'. But where the discrepancy is small, delegation is the style considered most appropriate. This is understandable given the nature of this type of decision. Where a skill deficiency is experienced it seems logical for the superior to take the decision and provide the subordinate with some form of learning experience by explaining to him the reasons for the course of action taken. In the event of the subordinate possessing the requisite skill, there is no reason why the subordinate should not execute the requirements of a programmed decision on his own. As we have seen earlier in the discussion, he is in any case likely to operate within an elaborate framework of performance monitoring. The emphasis changes when the scene of action shifts to a non-programmed venue. Where the superior has a low estimation of the subordinate in an ill-structured decision situation he opts for a directive style probably in the belief that it is the more practicable because the subordinate may be out of his depth in the event of the superior trying to explain to him the intricacies of the decision. Should the superior hold the subordinate in high esteem then circumstances change. He is now prepared to share non-programmed decision-making with the subordinate by engaging in joint decision-making - style 'D' - no doubt convinced that the subordinate has a positive contribution to make to the final outcome. The statistical pattern applicable to non-programmed decisions and perceived skill discrepancy practically repeats itself when we glance at the result for personnel type decisions in Table 6.4. It is well to bear in mind that all the personnel decisions listed in the research instrument are classified also as non-programmed, though the majority of non-programmed decisions are task rather than personnel decisions. The presumption that the Chief Accountant faced with a delicate personnel issue, in circumstances where he has a low opinion of his subordinate's skills, will take decisions affecting indirect subordinates on his own has a lot of intuitive appeal. Conversely, the Chief Accountant who holds his subordinate in high esteem is likely to endeavour to create a relationship in which the subordinate has a significant part to play in reaching a final decision.
So far we have viewed the perceived qualities or skills in the subordinate variable as an aggregate score, sub-divided by type of decision and decision style. We shall now relate each individual skill item to decision styles in order to establish the items which have the greatest effect on the decision style of the Chief Accountant. A matrix of correlation of perceived skill discrepancy over the individual items by decision style appears in Table 6.4.1.

Table 6.4.1
Correlation between individual Skill Discrepancy and Decision Style

<table>
<thead>
<tr>
<th>Type of Quality or Skill</th>
<th>Decision Style</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A</td>
</tr>
<tr>
<td>1. Rapid Decision Ability</td>
<td>.09</td>
</tr>
<tr>
<td>2. Verbal Ability</td>
<td>-.06</td>
</tr>
<tr>
<td>3. Technical Ability</td>
<td>.19</td>
</tr>
<tr>
<td>4. Forcefulness</td>
<td>.00</td>
</tr>
<tr>
<td>5. Perseverence</td>
<td>.06</td>
</tr>
<tr>
<td>6. Sensitive</td>
<td>-.03</td>
</tr>
<tr>
<td>7. Intelligent</td>
<td>.01</td>
</tr>
<tr>
<td>8. Imaginative</td>
<td>-.02</td>
</tr>
<tr>
<td>9. Responsible</td>
<td>.06</td>
</tr>
<tr>
<td>10. Self-confident</td>
<td>-.04</td>
</tr>
<tr>
<td>11. Calm under pressure</td>
<td>.07</td>
</tr>
<tr>
<td>12. Tactful</td>
<td>.13</td>
</tr>
<tr>
<td>13. Considerate of the views of others</td>
<td>.02</td>
</tr>
<tr>
<td>14. Willingness to pass on information</td>
<td>-.04</td>
</tr>
<tr>
<td>15. Ready to accept new ideas</td>
<td>.05</td>
</tr>
</tbody>
</table>

1 = p < .05
2 = p < .025
3 = p < .01
4 = p < .001

Source: Q 2, 4 in Questionnaire

In accordance with the earlier aggregate finding the pattern of signs in Table 6.4.1 suggests that positive values are more likely
to be associated with restrictive styles and negative values with permissive styles. Out of 75 correlations only 11 are statistically significant. The strongest statistical association (−.24) is reserved for the relationship between technical ability and decision style 'D'. This tells us that when the Chief Accountant perceives a small discrepancy between what is desirable and what the subordinate possesses of this attribute (knowledge, skill and current information related to industrial accountancy) he is likely to enter into joint decision-making with him. Conversely, if the discrepancy is large, a directive style 'A' is employed. Other skills which can be singled out for comment are self-confidence; calmness under pressure; tactful; willingness to pass on information; acceptance of new ideas. Where the subordinate is seen as lacking in self-confidence the superior adopts a semi-directive style 'B', but where the subordinate suffers no deficiency in this respect and possesses enough self-confidence he is likely to be considered a partner in the decision-making process. Being endowed with an acceptable level of calmness under pressure of work is certainly to the subordinate's advantage if he wishes to be involved in joint decision-making with his superior, because of the relationship between style 'D' and this attribute. Should the subordinate be lacking in adroitness in his dealings with others, particularly when the issue is a sensitive one, it would appear the superior is unlikely to hesitate in using a directive style. But where the subordinate is capable of being tactful in a delicate situation to the satisfaction of his boss he is allowed to share influence with him in the decision-making process. The less the willingness to pass on information to others on the part of the subordinate, the greater the likelihood of he being subjected to a semi-directive style 'B'. Finally, the Chief Accountant shows a willingness to engage both in joint decision-making and delegation where he is assured of the subordinate's readiness to accept new ideas.

We shall now focus attention on the material derived from 4(ii) on the questionnaire, which afforded the respondent the opportunity to present qualities or skills additional to those listed, and to the observational data derived from the interviews.
Technical ability - manifest predominantly as professional skill, coupled with knowledge of the relevant problem or issue under review - was overwhelmingly endorsed as the skill in the subordinate most valued when considering his true involvement in the decision-making process. This item along with five other items already listed in Table 6.4.1 are excluded from Figure 6.4, which only depicts additional qualities or skills influencing subordinate involvement in the decision-making process. They are listed in order of importance, 1 being the most important.

**Figure 6.4**

**Additional Qualities or Skills**

1. Able to communicate clearly in writing
2. Able to liaise effectively with non-financial personnel
3. Able to think analytically and logically
4. Able to motivate staff
5. Commitment
   - Loyalty
   - Pleasant Personality
6. Balanced Judgement
   - Able to Delegate
   - Honest and Trustworthy
7. Able to meet deadlines
8. Commercial Insight
   - Ambitious
9. Respects Confidentiality
   - Able to Control Staff
   - Sense of Humour
   - Objectivity
10. Initiative
    - Persuasiveness
    - Determination
    - Punctuality
11. Numerically Exact
    - Reliable

In many organisational settings the existing distribution of responsibility among subordinates is obviously a key factor in determining the choice of subordinate to perform a particular task. It would appear, however, that the degree of involvement of the subordinate in the decisions of his boss must be strongly influenced by his suitability as perceived by the boss.
DECISION STYLE IN RELATION TO STATUS, POWER, AND INFLUENCE

One might expect to find the role of the Chief Accountant to be endowed with high position power, authority and status because of the importance attached to financial control, particularly in times of economic difficulties. If he is reasonably competent there is no reason why his influence is not felt in the higher echelons of the organisation. Equally, because of his training and career progression he should possess a high degree of technical influence with his subordinates. These presumptions are substantiated by the data in Table 2, Appendix 'C', where a high score for this variable is established. When Status, Power and Influence is correlated with decision style no significant statistical association emerges between the two. This is demonstrated in Table 6.5.

Table 6.5
Correlation between Decision Style and Status, Power and Influence

<table>
<thead>
<tr>
<th>Decision Style</th>
<th>Status, Power, Influence</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>.02</td>
</tr>
<tr>
<td>B</td>
<td>.04</td>
</tr>
<tr>
<td>C</td>
<td>-.04</td>
</tr>
<tr>
<td>D</td>
<td>.02</td>
</tr>
<tr>
<td>E</td>
<td>-.08</td>
</tr>
</tbody>
</table>

Source: Q 2, 5 in Questionnaire

Though an important variable it is difficult to fathom how it affects decision style directly. Generally respondents scored high on this dimension. They tend to view vertical respect as emanating from it when it is of sufficient magnitude. A falling off in respect is attributable to lower doses of it. In either case a number of behavioural ramifications are said to flow from it, some directly filtering through to leadership behaviour, but
all affecting the general personality disposition of the Chief Accountant. The following comments extracted from the observational data emphasise this point.

1. High Incidence of Respect

'It has the effect of making life easy and relaxed, encourages openness and allows one to intercede on behalf of subordinates rather than trying to protect oneself.'

'It enables you to be more definite in comments or views about situations as well as about figures, generally feeling more self-assured.'

'It would promote self-confidence which would show itself in a keenness to assign jobs to subordinates. A person would feel freer to act and feel less threatened.'

'It allows you to be creative and outspoken and permits you to experiment and take risks.'

'It provides the atmosphere in which you explain to subordinates the reasons for doing things, keeping them informed of developments and the consequences of not pursuing a particular line of inquiry. This encourages subordinates to bring problems to you, and shows them that you care about their difficulties.'

2. Low Incidence of Respect

'Without it you are inclined to be ratty, blowing your top and keeping things close to your chest.'

'We have a manager in the organisation whose influence has deserted him and his respect is at a low ebb. He is really twisted inside desperately trying to woo popularity. As a result his style is nondescript and in exercising it he loses the respect of all concerned.'

'Particularly in relation to the boss, one could become more protective, less open, a tendency to double check, feeling inhibited and trying to cover-up. In relation to subordinates there could be a tendency towards a dictatorial approach, directing people to do jobs rather than asking them to contribute.'
There was a general view that influence and the concomitant respect were a function of the technical and social skills of the job occupant. Where they were lacking every effort should be made to redeem the situation, if, of course, the person is aware of the deficiency. Where position power is weak this predicament may be eased or reversed. As one respondent remarked, 'I involved myself in a significant area - corporate planning - where once I had no influence at all. Now they consult me on matters connected with it.'

6.6 DECISION STYLE IN RELATION TO MANAGERIAL BEHAVIOUR CHARACTERISTICS

One recognises that a measure of leadership behavioural characteristics should ideally be more comprehensive, in terms of the quantity of items, than that used in the questionnaire. Nevertheless, one is confident that question 6 does emphasise, albeit in a condensed fashion, the salient features of the leadership behavioural dimensions - employee and task orientations. These characteristics are possessed by respondents overall to a fair degree (see Table 3, Appendix' C'). In Table 6.6 these dimensions are related individually and together to decision style.

Table 6.6

Correlation between Decision Style and Managerial Behaviour Characteristics

<table>
<thead>
<tr>
<th>Decision Style</th>
<th>i and ii Employee Orientation</th>
<th>iii and iv Task Orientation</th>
<th>i, ii</th>
<th>iii, iv</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>-.10</td>
<td>-.01</td>
<td>-.07</td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>.08</td>
<td>.04</td>
<td>.07</td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>-.06</td>
<td>-.03</td>
<td>-.06</td>
<td></td>
</tr>
<tr>
<td>D</td>
<td>.06</td>
<td>-.01</td>
<td>.03</td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>.12</td>
<td>.05</td>
<td>.09</td>
<td></td>
</tr>
</tbody>
</table>

1 = p < .05

Source: Questionnaire
The relationship between the combined characteristics and task orientation and decision style fares poorly. However, the statistically significant relationship between decision style 'E' and employee orientation tends to suggest a linkage between a permissive style and employee centred behaviour. It appears to be necessary to distinguish between delegation as a style contributing to high subordinate autonomy with the minimum level of performance monitoring, and a delegative style offering some autonomy but with the subordinate primarily operating within well prescribed procedural boundaries and subject to a fair amount of control. When asked how they would behave in relation to a subordinate, deserving their confidence, at the inception of a delegated assignment which was not procedurally circumscribed, respondents invariably remarked on the necessity to be considerate in behaviour in such circumstances. Where confidence is lacking, one respondent was convinced that his behaviour was likely to become somewhat formal, punctuated with social unease or distance, always operating in the knowledge that one day in the future one may have to reprimand him for something.' This may offer an explanation for the statistically significant result. The next best statistical association (−.10) between decision style 'A' and employee orientation is also an interesting result, though it fractionally falls short of significance. It assumes a position of statistical significance on the Kendall Tau non-parametric test (see Table 6, Appendix 'D'). This might offer some form of endorsement of the oft quoted association between a directive style and less considerate managerial behaviour. By way of contrast task oriented behaviour, manifest in a preoccupation with achieving impressive performance standards and ensuring that expertise and resources are mobilised to attain work targets, is not the preserve of any one style. Question 7 asked the respondents to specify any other managerial characteristics not listed in question 6 which they felt ought to be emphasised. This elicited a number of responses, the majority emphasising the characteristics contained in the previous question in a different or more explicit form. The greater number of remarks hovered on the employee centred aspect of the leadership role concerned with individual development and fostering group harmony and integration. Typical comments were as follows:
"I believe everybody desires to be good in his or her eyes at the job they are doing. Our management by objectives scheme requires staff to do their own appraisal at the end of the year and submit it to their superior for comment."

"I am responsible for encouraging my subordinates to develop ideas and carry them through on their own initiative. I allow them to work without close constant supervision and to expose them to outside influences, i.e. other companies and technical courses."

"I believe I am responsible for the broadening and development of my subordinates and in influencing them to similar action vis a vis their staff."

"I believe I am responsible to a fair degree in encouraging my subordinates to work as a team rather than as individuals."

"I believe I should be responsible for ensuring that all staff are tolerant and work together on a proper working relationship basis."

One respondent mentioned a less acceptable behavioural view of management as the "art of being a good 'nag' - of demanding, expecting, and getting a certain standard or objective." Another felt that different accounting functions demanded different managerial qualities. "Routine accounting functions require administrative, technical, innovative and men management abilities. Commercial activities need different abilities, viz. commercial flair, imagination, persuasiveness and the power to influence (hopefully for the good!)." The projection of charismatic leadership qualities, enhancing the status of the finance function, removing obstacles likely to induce frustration, and relieving subordinates of some of their work load in times of pressure were qualities which received minor emphasis.
DECISION STYLE IN RELATION TO OPINION OF LEAST PREFERRED SUBORDINATE (L.P.S.), AND THE LATTER IN RELATION TO MANAGERIAL BEHAVIOUR CHARACTERISTICS

The L.P.S. measure touched a raw nerve in some respondents - "I cannot see that it can be of significant interest to you"; "I do not psycho-analyse my subordinates. We work as a team and objectives appear to be satisfactorily achieved." If this reaction was widespread it may cast doubts on the authenticity of the profile. It was therefore very reassuring when, in one instance during the interview stage, I played back the profile of the least preferred subordinate to the respondent and he was remarkably impressed by its accurate reflection of what he considered to be key aspects of the personality of the subordinate in question. The relationship between decision style and L.P.S., and decision style and (a) L.P.S. and Employee Orientation (b) L.P.S. and Task Orientation appears in Table 6.7.

Table 6.7
Correlation between Decision Style and L.P.S., the latter combined with both Employee Orientation and Task Orientation and correlated with Decision Style

<table>
<thead>
<tr>
<th>Decision Style</th>
<th>L.P.S.</th>
<th>L.P.S. and Employee Orientation</th>
<th>L.P.S. and Task Orientation</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>-.12</td>
<td>.15</td>
<td>.12</td>
</tr>
<tr>
<td>B</td>
<td>-.01</td>
<td>.08</td>
<td>.04</td>
</tr>
<tr>
<td>C</td>
<td>.06</td>
<td>.09</td>
<td>.08</td>
</tr>
<tr>
<td>D</td>
<td>.03</td>
<td>.07</td>
<td>.04</td>
</tr>
<tr>
<td>E</td>
<td>.13 ²</td>
<td>.17 ¹</td>
<td>.14</td>
</tr>
</tbody>
</table>

1 = p < .05
2 = p < .025

Source: Q 2, 6, 8 in Questionnaire

It is particularly apparent from a scanning of Table 6.7 that the high L.P.S. Chief Accountant, who we claim establishes a friendly and warm relationship with his subordinates, resorts to a delegative style. Conversely, the Chief Accountant with a
lower L.P.S. score becomes directive in his approach. When L.P.S. is combined with employee orientation and related to decision style a significant statistical association emerges between style 'E' and this combined variable, reinforcing the earlier result of a high L.P.S. leader embracing or clasping a delegative style. The association with style 'A' is marginally short of significance. So we might expect the employee-centred leader who happens to be warm and friendly to choose the permissive style 'E'. As is demonstrated in the right hand column of Table 6.7 the strength of the relationship between L.P.S. and Decision Style can not compensate for the lack of a significant association between decision style and task orientation in Table 6.6 when the independent variables are combined and related to decision style. As a result, no significant relationship is found. Though this may be so when L.P.S. and Task Orientation are integrated and related to decision style, something quite different arises when L.P.S. is related to managerial behaviour characteristics without the intervention of decision style. This relationship is depicted in Table 6.7.1.

Table 6.7.1

Correlation between L.P.S. and Managerial Behaviour Characteristics

<table>
<thead>
<tr>
<th>Opinion of Least Preferred Subordinate</th>
<th>Managerial Behaviour Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Task Orientation</td>
</tr>
<tr>
<td>L.P.S.</td>
<td>.19 *</td>
</tr>
</tbody>
</table>

3 = p < .01  
Source: Q 6, 8 in Questionnaire

The significant statistical relationship between L.P.S. and Task Orientation may appear on the face of it to be a rather surprising result, particularly in the light of a non-significant relationship between L.P.S. and Employee Orientation. A feasible explanation to account for it at this point may be that the leader who enjoys a warm and friendly relationship with his subordinates feels it now necessary to place priority on the task related ingredients of his role.
The pattern of relationships between the span of control and decision style over all decisions and by category of decision is shown in Table 6.8.

Table 6.8

Correlation between Decision Style, with regard to decision type, and Span of Control

<table>
<thead>
<tr>
<th>Decision Style</th>
<th>Aggregate Programmed</th>
<th>Non-Programmed</th>
<th>Personnel</th>
<th>Task</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>.16</td>
<td>.04</td>
<td>.21</td>
<td>.35</td>
</tr>
<tr>
<td>B</td>
<td>-.04</td>
<td>-.06</td>
<td>-.01</td>
<td>-.03</td>
</tr>
<tr>
<td>C</td>
<td>-.08</td>
<td>-.01</td>
<td>-.09</td>
<td>-.11</td>
</tr>
<tr>
<td>D</td>
<td>-.11</td>
<td>.05</td>
<td>-.14</td>
<td>-.17</td>
</tr>
<tr>
<td>E</td>
<td>-.02</td>
<td>-.01</td>
<td>-.01</td>
<td>-.05</td>
</tr>
</tbody>
</table>

1 = p < .05  
2 = p < .025  
3 = p < .01  
4 = p < .001

In the second column from the left under the heading 'Aggregate' are listed the statistical associations between decision style and span of control over all decisions. We may conclude that, as a result of the statistically significant associations between decision styles 'A' and 'D' and span of control, the Chief Accountant is less likely to use a permissive style, instead preferring a directive style, when a large number of subordinates report to him directly. On the other hand, he is more likely to resort to a permissive style where a small number are directly responsible to him. When we explore the other significant trends highlighted in Table 6.8 we begin to realise that the best predictors of the relationships just specified can be located in the non-programmed and personnel categories of decision. We find also that when
confronted with personnel decisions the Chief Accountant adopts a consultative style in addition to joint decision-making as an approach when his span of control is narrow. No significant statistical relationships emerge between decision style and span of control when programmed and task decisions are considered. The above finding would appear to suggest that in decision situations of an ill-structured or personnel nature, where one might expect to find a high level of interaction between the superior and subordinates, a permissive style—deeply consultative or participative—would be too cumbersome, and a directive style would be more appropriate when the number of direct subordinates is large. In these decision situations, however, a permissive style would be suitable when the span of control is narrow. As to the non-significant relationship between decision style over programmed decisions and span of control, one could subscribe to the view that the superior's span of attention is not heavily taxed, irrespective of the size of the span of control, (within reasonable limits), in decision situations which are procedurally well prescribed. One is forced to rely on conjecture to explain the non-significant relationship between decision style over task decisions and span of control. Perhaps the instrumentality of programmed decisions, which along with non-programmed decisions are responsible for the creation of this category of decision, was most strongly felt.

The observational data lends support to the central theme manifest in the statistical results. The general consensus appeared to be that a small span of control—in the region of 2 to 4—offered the superior the opportunity to become more involved in his subordinates' work problems, more aware of developments conducive to a problem-centred approach, more able to concentrate on matters of policy freed from numerous co-ordinating functions and generally able to act in a more informal fashion. There was a feeling however that the danger of interfering too much in the subordinate's work province was omnipresent. The above emphasis was reversed when respondents commented on the consequences of a large span of control (e.g. 6). There was a general belief that the wide span of control was instrumental in encouraging remoteness, detachment, less time spent with
subordinates, formalised access to the superior and structuring of contacts, and generally provided a sympathetic climate for the exercise of a directive style. Swimming against the tide, two respondents expressed a marked preference for a flat organisational structure. One of them equated good working relationships with a large span of control, maintaining "that nobody is then the teacher's pet." Others rightly pointed out that both the calibre of subordinate and task similarity were influential determinants of the optimum size in given circumstances. One might also add that supervisory capability is equally a determining influence.

6.9 DECISION STYLE IN RELATION TO THE FUNCTIONAL ROLE OF THE CHIEF ACCOUNTANT

Respondents had to choose from three role categories (executive, advisory and neither) on a nominal scale in the questionnaire.* Establishing exactly the true nature of their authority in cross functional contacts which results in action or inaction is evidently fraught with difficulty for respondents. This may be reflected in the distribution of their perceptions in Table 6.9.

Table 6.9

Perceptions of Functional Role Occupancy

<table>
<thead>
<tr>
<th>Functional Role</th>
<th>Percentage Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Advisory</td>
<td>30.7</td>
</tr>
<tr>
<td>(b) Executive</td>
<td>42.9</td>
</tr>
<tr>
<td>(c) Neither (a) or (b)</td>
<td>26.4</td>
</tr>
</tbody>
</table>

Source: Q13 in Questionnaire

Though 42% of respondents see themselves as possessing direct authority to implement recommendations of an accounting and finance nature in other functions (e.g. Production, Marketing), the majority

* The data lends itself to Chi-Square test after creating categories based on the time spent on a decision style - < 19.9%; 20 - 49.9%; > 50 - and relating them to each functional role.
consider themselves to act in a purely advisory role, or are unable to perceive their role definitively as either advisory or executive. This tends to conform to the weight of observational data indicating that pragmatism in the presence of formidable constraints is the only sensible course of action. We shall delve into these observations shortly, but first an examination of the relationship between decision style and functional role is called for. It is illustrated in Table 6.9.1.

Table 6.9.1

<table>
<thead>
<tr>
<th>Relationship between Decision Style and Functional Role</th>
<th>( n = 212 )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decision Style</td>
<td>Chi-Square Observed Values</td>
</tr>
<tr>
<td>A</td>
<td>2.83</td>
</tr>
<tr>
<td>B</td>
<td>2.88</td>
</tr>
<tr>
<td>C</td>
<td>1.63</td>
</tr>
<tr>
<td>D</td>
<td>1.36</td>
</tr>
<tr>
<td>E</td>
<td>4.41</td>
</tr>
</tbody>
</table>

Source: Q 2, 13 in Questionnaire

.05 tail of \( \chi^2 = 9.49 \). As the observed values are less than 9.49 we cannot claim a significant relationship.

There is no reason to suspect a differentiation in the decision-making behavioural patterns exhibited by the Chief Accountant due to the nature of the functional role he performs. The functional role, embracing cross functional contacts, is politically a delicate one in the eyes of a number of respondents.

It would appear that the Chief Accountant most frequently resorts to formal recommendations on financial matters in his dealings with non-financial managers but he is always prepared to institute persuasive powers when considered necessary.
'I have probably a 90% success rate in getting my recommendations accepted, but I still have to make a conscious effort to sell my ideas.'

'The status of the Finance Function is high in this company but nevertheless I have to rely on political processes to get things accepted. It's not infrequent for me to take managers in other departments to lunch and explain to them the desirability of accepting a certain line of action.'

'Advice is challenged as a normal occurrence. You have to use persuasion because figures alone cannot do the talking, e.g. price increase. Managers are anything but weak and humble as far as financial matters are concerned - they challenge you and question you and it's up to you to prove your position.'

'I recommended that stock be reduced by £100,000 in three months time. I explained to the production manager the beneficial effect this would have on the cash flow position. No progress on this issue was reached within a reasonable length of time, so I was forced to repeat the recommendation. It was at this stage that a meaningful exchange of views happened where we explored the reasons behind the production manager's objections, e.g. the consequences in redundancies due to a cut-back in production; the impairment of service to marketing. This proved very useful indeed.'

Persuasive skills may prove ineffective in the face of hardened resistance by non-financial managers to courses of action suggested by the Chief Accountant. Often in such circumstances the referral of the matter or issue in question upwards, inviting the intervention of a higher authority, usually a financial director or managing director, was not uncommon. Even the likely threat of intervention may be sufficient in certain circumstances.
'I had no difficulty in getting the Production Manager to call a halt to the production of tinned sausage rolls. The shadow of my boss, the Financial Director, in the background had something to do with it.'

'In 20 to 30% of the time my recommendations are not enthusiastically received. I would then refer the problem to the Managing Director who, if convinced by the soundness of my arguments, would exercise his influence.'

The bulk of solid resistance was likely to come from marketing or sales personnel.

'Sales and Marketing people show a reluctance to accept financial discipline. A good example is the over-optimism with which they put forward proposals for a large capital investment project (selling outlets). We had to deter them. We have a finance oriented parent company who would endorse recommendations which are financially sound.'

'The Sales Manager did not take kindly to the suggestion that cash should accompany an order where a customer resides overseas. This was brought about by cash flow considerations. He felt this was a harsh imposition and would adversely affect volume of sales, so he was not prepared to go along with it. The only alternative open to me then was to place my recommendation in the hands of my boss, the Financial Director. He won't find it easy either and it will become a real bargaining session.'

There can be no denying that this relationship, akin to the classical staff-line relationship, is studded with innumerable behavioural intricacies. In addition to the observations cited above, further variations in the strength of the Chief Accountant's influence were found to be relevant, though occupying a position of lesser importance. They do tend to indicate the pragmatism brought
to bear on issues by the Chief Accountant in his liaisons with non-financial managers in other functions. From bargaining sessions acceptable compromises surface. Some felt that real influence rested on the quality of the reports or memoranda produced, and in turn were dependent on the quantity and substance of one's 'homework'. An abortive attempt at getting a recommendation accepted could produce benefits by giving rise to the revision and improvement of the original recommendation. In another situation flexibility of approach was heightened by the sudden realisation that the original recommendation lacked cognizance of key commercial considerations. However, when the respondent feels especially knowledgeable in the area in which he is giving advice, e.g. price commission work, he would take a firm stand on his interpretation of the 'grey areas', allegedly 'with the company's interest at heart'. The respondent's influence can be considerably enhanced where he has a 'special' relationship with the general manager. Finally, his authority to act and secure the implementation of his recommendations is more likely to be influential in issues connected with accounting procedures rather than strategic questions affecting other functional areas.

6.10 DECISION STYLE IN RELATION TO SIZE

Size constitutes two variables in the research instrument, that is size of company and size of finance function. As illustrated in Figure 6.10, size of finance function moves in sympathy with size of company.
Figure 6.10

Number of Employees in the different Finance Function sizes by Company Size

<table>
<thead>
<tr>
<th>Size of Finance Function</th>
<th>&lt; 15</th>
<th>16-31</th>
<th>32-60</th>
<th>60 &gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small</td>
<td>4.6</td>
<td>6.0</td>
<td>13.6</td>
<td>17.9</td>
</tr>
<tr>
<td>Medium</td>
<td>6.0</td>
<td>25.6</td>
<td>32.2</td>
<td>18.6</td>
</tr>
<tr>
<td>Large</td>
<td>54.2</td>
<td>51.2</td>
<td>70.1</td>
<td></td>
</tr>
</tbody>
</table>

% of Employees by Co. Size

Key: n=59 Small, n=86 Medium, n=67 Large

Source: Q. 11, 12 in Questionnaire
When decision style is related to both the size of the company and finance function the statistical pattern that emerges appears in Table 6.10.

Table 6.10

<p>| Decision Style | Size          |</p>
<table>
<thead>
<tr>
<th></th>
<th>Company</th>
<th>Finance Function</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>-.13(^2)</td>
<td>-.15(^2)</td>
</tr>
<tr>
<td>B</td>
<td>-.10(^)</td>
<td>-.05()</td>
</tr>
<tr>
<td>C</td>
<td>.08()</td>
<td>.06()</td>
</tr>
<tr>
<td>D</td>
<td>.12()</td>
<td>.12()</td>
</tr>
<tr>
<td>E</td>
<td>.17(^3)</td>
<td>.15(^2)</td>
</tr>
</tbody>
</table>

1 = \(p < .05\)
2 = \(p < .025\)
3 = \(p < .01\)

Source: Q 2, 11, 12 in Questionnaire

The overall pattern conveys in each case that restrictive styles tend to be associated with the smaller company, and permissive styles tend to be associated with the larger company. More specifically, the statistically significant results suggest that the Chief Accountant in the smaller company and finance function tends to use the restrictive style 'A' whilst his counterpart in the larger company and finance function adopts a different perspective by subscribing more to the use of permissive styles 'D' and 'E'. The strongest statistical association subsists between a delegative style and size of company. When discussing the impact of size on decision style most of the respondents considered it more meaningful to attribute the major determining influence to size of company rather than size of finance function. Apparently it is inevitable for an accounting manager to be more preoccupied with detail and to direct operations with a generally lower calibre subordinate staff in the smaller company.
On the other hand, the larger company had the distinction of possessing more easily identifiable standardised accounting activities invariably controlled by higher calibre section heads. This appeared to have the effect of fostering close working relationships between section heads and the Chief Accountant where delegative behaviour was also evident. Representative comments extracted from the observational data are as follows:

'In the small company you are immersed in detailed technicalities, worrying about the pennies and very pedantic. In the large company, though he may be out of touch with many aspects of general company policy, the Chief Accountant has the benefit of more specialised sections where delegation is possible. As a result he is generally distant from the areas of operation.'

'In the smaller organisation one would take more decisions on one's own, primarily because of the calibre of subordinates, and one would also be very much involved in the day-to-day decision-making. The larger organisation offers a greater challenge to qualified people; as a result one has a different breed of subordinate, and this must influence your management style.'

'You don't have the protection of the 'middle management belt' in the small company so you are likely to be more directing in your style and use less consultation than you would do in the large company where the implementation of decisions is a longer process due to technical complexity.'

Respondents tended to distinguish between an increase in size organically induced and that brought about by acquisition strategy. In the former case it would require a very large increase in company size to activate a variation in management style. In the latter case structural variation could be a natural consequence, arising fairly quickly, with the effect of modifying management style.
'Wait until the new divisional manager (subordinate) proves himself before granting him autonomy.'

'Though a certain degree of independence would be granted to the head of the finance function in the new subsidiary company, formal systems of control to measure performance would be set up.'

'An iron fist and velvet glove approach is necessary in one's dealings with the Financial Director of a newly acquired small subsidiary company. I have let it be known quite firmly what is expected in terms of reporting, and one will continue to take a close interest as long as is necessary to assess acceptable standards of efficiency. So far I am appalled by his pathetic attempt at preparing a budget. His working papers numbered only a few sheets. This man must be re-educated.'

A result forcefully reinforced by the observational data is that subordinate involvement and delegative behaviour on the part of the superior occur to a marked extent in the large company. In order to illuminate a possible reason for such a phenomenon reference to an analysis of perceived skill discrepancy by company size is called for. This appears in Table 6.10.1.
Table 6.10.1

Discrepancy between Desirable and Actual Qualities or Skills related to Company Size

n=212

<table>
<thead>
<tr>
<th>Type of Quality or Skill</th>
<th>Discrepancy Index</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Size of Company</td>
</tr>
<tr>
<td></td>
<td>Small</td>
</tr>
<tr>
<td>1. Rapid Decision Ability</td>
<td>40</td>
</tr>
<tr>
<td>2. Verbal Ability</td>
<td>95</td>
</tr>
<tr>
<td>3. Technical Ability</td>
<td>81</td>
</tr>
<tr>
<td>4. Forcefulness</td>
<td>60</td>
</tr>
<tr>
<td>5. Perseverence</td>
<td>54</td>
</tr>
<tr>
<td>6. Sensitive</td>
<td>50</td>
</tr>
<tr>
<td>7. Intelligent</td>
<td>34</td>
</tr>
<tr>
<td>8. Imaginative</td>
<td>78</td>
</tr>
<tr>
<td>9. Responsible</td>
<td>64</td>
</tr>
<tr>
<td>10. Self-confident</td>
<td>63</td>
</tr>
<tr>
<td>11. Calm under pressure</td>
<td>62</td>
</tr>
<tr>
<td>12. Tactful</td>
<td>80</td>
</tr>
<tr>
<td>13. Considerate of other's views</td>
<td>48</td>
</tr>
<tr>
<td>14. Willingness to pass on information</td>
<td>44</td>
</tr>
<tr>
<td>15. Ready to accept new ideas</td>
<td>65</td>
</tr>
</tbody>
</table>

Source: Q 4(i), 12 in Questionnaire

Note:

The Kruskal-Wallis One-Way Analysis of Variance statistic was calculated with a view to testing the \( H_0 \) that the mean index scores for the three company sizes were equal. The value obtained for this statistic was 15.14. The Chi-Square value at \( p < .001 \), 2 df, is 13.82. Since 15.14 is greater than 13.82 we can reject the \( H_0 \) and conclude there is a difference between index scores for the different company sizes. From this result and the inspection of Table 6.10.1, we find it easy to accept that the index scores for the large company are smaller overall. The differentiation is very pronounced in the types marked with an asterisk. A low index number denotes a favourable impression of the subordinate.
The Chief Accountant in the large company tends to view his subordinate more favourably, over all items listed, than his counterpart in the medium or small company. Our attention is drawn to those items marked with an asterisk in Table 6.10.1 because they appear to emphasise the skills perhaps most responsible for the favourable impression. This finding is likely to support the view, expressed earlier, that the large company offers an environment conducive to the needs of relatively high calibre staff and manages to attract this type of staff. As a consequence, subordinate involvement in decisions through joint decision-making or delegation is therefore not surprising.

Size of company is then an influential variable, having an appreciable impact on decision style. However, when the other independent variables, with the exception of Age and Functional Role, were related to decision style using size classification in the analysis only a few results of interest were noted. Two of them have already been commented on in the discussion on job tenure and specialism. The remaining variable will be discussed in the next section under the heading of level. Therefore the mediating effects of size are present but somewhat limited (see Table 1, Appendix 'C'). Further analysis was conducted, removing the influence of size from the bivariate correlative relationships between the independent and dependent variables specified below. The partialling out of both size of company and finance function in the relationship between decision style and experience variables is shown in Table 6.10.2.

### Table 6.10.2

<table>
<thead>
<tr>
<th>Decision Style</th>
<th>Experience Variables</th>
<th>Size of Finance Function Partialled out</th>
<th>Size of Company Partialled out</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n=209</td>
<td>n=212</td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>Age</td>
<td>.07</td>
<td>.08</td>
</tr>
<tr>
<td></td>
<td>Job Experience</td>
<td>.15&lt;sup&gt;2&lt;/sup&gt;</td>
<td>.15&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
<tr>
<td>B</td>
<td>Age</td>
<td>-.10</td>
<td>-.10</td>
</tr>
<tr>
<td></td>
<td>Job Experience</td>
<td>-.07</td>
<td>-.07</td>
</tr>
<tr>
<td>C</td>
<td>Age</td>
<td>-.04</td>
<td>-.04</td>
</tr>
<tr>
<td></td>
<td>Job Experience</td>
<td>-.12&lt;sup&gt;1&lt;/sup&gt;</td>
<td>-.11&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>D</td>
<td>Age</td>
<td>.04</td>
<td>.03</td>
</tr>
<tr>
<td></td>
<td>Job Experience</td>
<td>-.01</td>
<td>-.01</td>
</tr>
<tr>
<td>E</td>
<td>Age</td>
<td>.02</td>
<td>.02</td>
</tr>
<tr>
<td></td>
<td>Job Experience</td>
<td>-.01</td>
<td>-.01</td>
</tr>
</tbody>
</table>

<sup>1 = p < .05</sup>  
<sup>2 = p < .025</sup>  
Source: Q 2, 1, 11, 12 in Questionnaire
Due to the similarity of the correlations following the removal of size it is particularly apparent that the influence of size on the above relationship is minimal. The very slight tendency for respondents in large companies to stay in the job for a shorter time, which can be gleaned from Table 6.10.3, does not appear to have much influence on the result.

Table 6.10.3
Relationship between Company Size and length of time in present position

<table>
<thead>
<tr>
<th>Size of Company</th>
<th>n=212</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt; 1</td>
</tr>
<tr>
<td>Small</td>
<td>20.3</td>
</tr>
<tr>
<td>Medium</td>
<td>14.0</td>
</tr>
<tr>
<td>Large</td>
<td>15.6</td>
</tr>
</tbody>
</table>

Source: Q 1, 12 in Questionnaire

Conducting an identical operation, size of company and finance function was partialled out of the relationship between decision style and span of control. This appears in Table 6.10.4.

Table 6.10.4
Influence of Size on the relationship between Decision Style and Span of Control

<table>
<thead>
<tr>
<th>Decision Style</th>
<th>Size of Finance Function Partialled Out</th>
<th>Size of Company Partialled Out</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Span of Control</td>
<td>Span of Control</td>
</tr>
<tr>
<td>A</td>
<td>.16 $^3$</td>
<td>.16 $^3$</td>
</tr>
<tr>
<td>B</td>
<td>-.04</td>
<td>-.04</td>
</tr>
<tr>
<td>C</td>
<td>-.08</td>
<td>-.08</td>
</tr>
<tr>
<td>D</td>
<td>-.11 $^1$</td>
<td>-.11 $^1$</td>
</tr>
<tr>
<td>E</td>
<td>-.02</td>
<td>-.02</td>
</tr>
</tbody>
</table>

$^1 = p < .05$
$^3 = p < .01$

Source: Q 2, 10, 11, 12 in Questionnaire
The identical set of results achieved after using the Partial Correlation test tends to suggest that size has little or no impact on the relationship between decision style and span of control. As one respondent remarked, 'no more than a given number will report to you whatever the company size.' One might also add that the size of the company, or for that matter the finance function, is unlikely to upset the conception of a manageable span of control in relation to the requirements of a particular decision. We shall return to size in its association with hierarchical level in the next section, but first it may be worthwhile to depict graphically by size category the decision style, over all decisions, of the Chief Accountant. This can be seen in Figure 6.10.1.

Figure 6.10.1
Profile of Chief Accountant's Decision Style by Size of Company

% of Time Decision Style is used

Decision Styles

Key: 
- Small
- Medium
- Large

Source: Q. 2, 12 in Questionnaire
On an overall basis this result suggests that Chief Accountants tend to vary their style between different company sizes, as has been already disclosed in Table 6.10. Styles which are restrictive and consultative are the more popular, leaving joint decision-making and delegation as the styles lacking in popularity. Unlike the small company, where the directive style is very pronounced, the consultative style receives the greatest emphasis in the medium sized company and almost ties with a directive style in the large sized company.

6.11 DECISION STYLE IN RELATION TO LEVEL WITHIN THE ORGANISATIONAL HIERARCHY, AND THE INFLUENCE OF SIZE

The relationship between decision style and organisational level is shown in Table 6.11. In order to establish the importance of size as a determinant of this relationship it was decided to partial out both size of finance function and company separately and together. From a perusal of Table 6.11 we find that size cannot be considered an influential agent, as the statistical magnitude and pattern which emerge shows an infinitesimal difference.

Table 6.11
Correlation between Decision Style and Organisational Level together with the removal of the influence of size

<table>
<thead>
<tr>
<th>Decision Style</th>
<th>(a) Size of Finance Function Partialled Out</th>
<th>(b) Size of Company Partialled Out</th>
<th>(a) and (b) Partialled Out</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level</td>
<td>Level</td>
<td>Level</td>
<td>Level</td>
</tr>
<tr>
<td>A</td>
<td>-.12'</td>
<td>-.12'</td>
<td>-.11'</td>
</tr>
<tr>
<td>B</td>
<td>.05</td>
<td>.05</td>
<td>.06</td>
</tr>
<tr>
<td>C</td>
<td>.01</td>
<td>.01</td>
<td>.00</td>
</tr>
<tr>
<td>D</td>
<td>.10</td>
<td>.11</td>
<td>.09</td>
</tr>
<tr>
<td>E</td>
<td>.03</td>
<td>.03</td>
<td>.02</td>
</tr>
<tr>
<td>n=212</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*1 = p < .05 Source: Q 2, 9, 11, 12 in Questionnaire
The main conclusion to be drawn from the data in Table 6.11 is that there is a likelihood of a directive style prevailing at the lower organisational level. When we turn to the arrangement of the data by size of company in Table 1, Appendix 'O', a fuller picture of the relationship between decision style and level comes into focus. On reading it we discover that in the small firm at the lower level the Chief Accountant is likely to be directive and at the higher level semi-directive in style. By way of contrast, in the medium and large sized company at the higher level the Chief Accountant is more likely to use delegation and joint decision-making styles respectively. In reality the true comparison is between levels 1 and 2. This is shown clearly in Table 6.11.1.

Table 6.11.1

<table>
<thead>
<tr>
<th>Company Size</th>
<th>Hierarchical Level (n=124)</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small (n=59)</td>
<td></td>
<td>66.1</td>
<td>28.8</td>
<td>3.4</td>
<td>1.7</td>
</tr>
<tr>
<td>Medium (n=86)</td>
<td></td>
<td>59.3</td>
<td>36.0</td>
<td>4.7</td>
<td>0.0</td>
</tr>
<tr>
<td>Large (n=67)</td>
<td></td>
<td>50.7</td>
<td>46.3</td>
<td>3.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Aggregate (n=212)</td>
<td></td>
<td>58.5</td>
<td>37.3</td>
<td>3.8</td>
<td>0.5</td>
</tr>
</tbody>
</table>

Source: Q 9, 12 in Questionnaire

Though the greater proportion of respondents in each size category perceive themselves as occupying a position at level 1, it appears a larger number of Chief Accountants in small companies operate at this level.

The question we wish to pose now is to what extent, if at all, does level in the organisation mediate relationships specified below. To begin with, it is proposed to partial out 'level' in the relationship between decision style and the experience variables. This is illustrated in Table 6.11.2.
Table 6.11.2

Influence of Hierarchical Level on the individual relationships between Decision Style and Age and Job Experience

<table>
<thead>
<tr>
<th>Decision Style</th>
<th>n=209 Age</th>
<th>Job Experience</th>
<th>Level Partialled Out n=212 Age</th>
<th>Job Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>.07</td>
<td>.15</td>
<td>.06</td>
<td>.14</td>
</tr>
<tr>
<td>B</td>
<td>-.10</td>
<td>-.07</td>
<td>-.10</td>
<td>-.06</td>
</tr>
<tr>
<td>C</td>
<td>-.04</td>
<td>-.12</td>
<td>-.04</td>
<td>-.12</td>
</tr>
<tr>
<td>D</td>
<td>.04</td>
<td>-.01</td>
<td>.05</td>
<td>-.01</td>
</tr>
<tr>
<td>E</td>
<td>.02</td>
<td>-.01</td>
<td>.02</td>
<td>-.01</td>
</tr>
</tbody>
</table>

1 = p < .05  
2 = p < .025

Source: Q 1, 2, 9 in Questionnaire

It is clear that the position occupied in the organisational hierarchy does not appear to assume any importance so far as the relationship between decision style and the experience variables is concerned. The same appears to be true when the relationship between decision style and perceived skill discrepancy is considered. The elimination of level leaves the original statistical pattern almost intact in Table 6.11.3.

Table 6.11.3

Influence of Hierarchical Level on the relationship between Decision Style and the Discrepancy between Actual and Desirable Qualities or Skills

<table>
<thead>
<tr>
<th>Decision Style</th>
<th>n=212 Skill Discrepancy</th>
<th>Level Partialled Out</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>.05</td>
<td>.05</td>
</tr>
<tr>
<td>B</td>
<td>.12 ^1</td>
<td>.12 ^1</td>
</tr>
<tr>
<td>C</td>
<td>-.00</td>
<td>-.00</td>
</tr>
<tr>
<td>D</td>
<td>-.18 ^3</td>
<td>-.17 ^3</td>
</tr>
<tr>
<td>E</td>
<td>-.07</td>
<td>-.07</td>
</tr>
</tbody>
</table>

1 = p < .05  
3 = p < .01

Source: Q 2, 4, 9 in Questionnaire
Next the effects of level, and level and size of company combined, on the relationship between decision style and span of control were examined. Yet again no appreciable transformation of the data, of any real significance, can be observed in Table 6.11.4.

Table 6.11.4
Influence of Hierarchical Level and Company Size on the relationship between Decision Style and Span of Control

<table>
<thead>
<tr>
<th>Decision Style</th>
<th>Level Partialled Out</th>
<th>Level and Company Size Partialled Out</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Span of Control</td>
<td>Span of Control</td>
</tr>
<tr>
<td>A</td>
<td>.16</td>
<td>.17</td>
</tr>
<tr>
<td>B</td>
<td>-.04</td>
<td>-.04</td>
</tr>
<tr>
<td>C</td>
<td>-.08</td>
<td>-.08</td>
</tr>
<tr>
<td>D</td>
<td>-.11</td>
<td>-.12</td>
</tr>
<tr>
<td>E</td>
<td>-.02</td>
<td>-.02</td>
</tr>
</tbody>
</table>

1 = p ≤ .05
2 = p < .025
3 = p < .01
Source: Q, 2, 9, 12

Finally, the removal of hierarchical level from the relationship between decision style and company size produced consequences similar to those recorded above. The identical statistical pattern remaining after partialling out hierarchical level is visible in Table 6.11.5.

Table 6.11.5
Influence of Hierarchical Level on the relationship between Decision Style and Company Size

<table>
<thead>
<tr>
<th>Decision Style</th>
<th>Level Partialled Out</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Company Size</td>
</tr>
<tr>
<td>A</td>
<td>-.13</td>
</tr>
<tr>
<td>B</td>
<td>-.10</td>
</tr>
<tr>
<td>C</td>
<td>.08</td>
</tr>
<tr>
<td>D</td>
<td>.12</td>
</tr>
<tr>
<td>E</td>
<td>.17</td>
</tr>
</tbody>
</table>

1 = p ≤ .05
2 = p < .025
3 = p < .01
Source: Q, 2, 9, 12 in Questionnaire
The absence of a mediating role for hierarchical level may be attributable, in part at least, to the fact that the overwhelming majority of respondents occupied positions on two high organisational levels - 1 and 2 - which are perhaps closely related. The situation might be quite different if, for example, first-line supervision were accommodated in the analysis.
CHAPTER 7

DISCUSSION

The hypotheses have been formulated and are specified in Chapter 5. They will now be subjected to empirical test by invoking the relevant data derived from the research study. In addition ancillary data, frequently extending a perspective on a particular issue, will be acknowledged. The relationship between the individual findings and the pertinent literature will also be explored.

7.1 THE DECISION STYLE OF THE CHIEF ACCOUNTANT

In an earlier study the author concluded that financial and management accountants, unlike non-financial managers, experienced more of a restrictive leadership style (McKenna op cit). It is highly likely that many of those exercising the restrictive style were of the rank of Chief Accountant. Hastings (op cit) conducted an exhaustive study of the chartered accountant in industry, and when discussing the accountant's attachment to the value 'caution' he maintained that the accountant who supervises the processes involved in the operation of accounting systems "shows a particular tendency to check the work of subordinates and in particular to limit the discretion of subordinates who are not qualified accountants."

Commenting on the ingredients of the accountant's personality profile, Barden (op cit) had this to say: "accountants as a group are likely to be practical, realistic, resolute and are inclined to make decisions and take action on their own." We shall now introduce the first hypothesis which is rather general in nature.

Hypothesis I The Chief Accountant displays a tendency to manage in a directive fashion.

If we examine Figure 6 (p.128) where the Chief Accountant's decision style profile is depicted we find that the directive style is narrowly endorsed as the most frequently used style, but
we must also recognise that a consultative style assumes almost equal prominence. In fact the overall picture in Figure 6 projects the view that restrictive and permissive styles receive equal endorsement. Therefore we have to admit that Hypothesis I is only partially true and needs revision before it can be accepted. As we shall see later the decision style profile is influenced by the size of the company. The type of decision is also influential in the determination of style.

7.2 DECISION STYLE IN RELATION TO DIFFERENT TYPES OF DECISIONS

The hypotheses dealing with programmed and non-programmed decisions will be examined first. They appear in the following form:

Hypothesis II Programmed decision situations lend themselves to both directive and delegative styles of decision-making behaviour.

Hypothesis III Non-programmed decision situations lend themselves to consultative or participative styles of decision-making behaviour.

We can confidently accept both hypotheses as the relevant findings, illustrated in Table 6.1 (p.129), suggest that directive and delegative decision styles are commonly used for programmed decisions, but consultation and joint decision-making are evidently considered more appropriate when the Chief Accountant is confronted by non-programmed decisions. We have already reported the tremendous emphasis placed on the Chief Accountant's need to be aware of happenings in programmed decision situations. Elaborate systems of control and periodic personal checks were not uncommon. These mechanisms of control could be fostered by the process of professionalisation, and by cultural forces in the organisation supporting a restrictive approach. Participation in these circumstances is likely to be dysfunctional, failing to promote the proper motivational disposition (Leavitt 1962). In the smaller company a directive style was more pronounced, allegedly because of the relatively low calibre of staff, but it assumed a
flavour of informality. Whatever the size of the company, delegation as a style does not appear to bestow the high level of autonomy generally believed to be enjoyed by the subordinate. The omnipresence of performance monitoring devices and the referral of exceptional items for the attention of his boss tends to undermine autonomy and promote a state of subordinate dependency. This may explain why this style is a natural ally of a directive style in programmed decision conditions. In different conditions, and perhaps in other functions, delegation may revert to its more conventional form and recover the lost autonomy. Even in the finance function delegated authority connected with very simple tasks, and consequently straightforward decisions, would obviously confer on the subordinate a high degree of autonomy. This type of decision was not accommodated in the research instrument.

The scene changes considerably when we examine the impact of non-programmed decisions. Here we find the Chief Accountant is prepared to permit a high level of subordinate influence in his decisions, periodically inviting lateral influence from other functional personnel as well. As Strauss (1968) points out, a participative style is only suitable where novel problems are frequently encountered for which there are no simple answers. However, we have seen how constraining influences may disturb this balance of influence. These are manifest in a variety of ways: in the secretive nature of the work; the superior believes he is vested with greater knowledge relevant to the decision; the calibre of subordinates is suspected; the company environment militates against it; and the superior uses participation where he recognises the subordinate's influence is minimal but believes the exercise is worthwhile as a developmental experience for the subordinate.

There is a dearth of empirical evidence relating to the above relationships in the literature and much comment appears at a general level of analysis. For example, Hickson (op cit) maintains that subordinate influence is negligible in programmed decisions but is marked in non-programmed decisions. Fiedler (1972) tends to share this view when commenting on the influence of the leader. He maintains that tasks which are explicit or programmed give the leader more influence than he acquires in nebulous or
unstructured tasks. These observations are generally in line with the main theme running through the findings. However, Dill (op cit) takes an opposite view to that of Hickson and Fiedler, but by implication acknowledges that programmed decisions could lead to the superior adopting a delegative style. This view adds credibility to the finding that delegation as a decision style is appropriate in programmed decision situations. Relying on data from empirical observation, Walter (op cit) is convinced that subordinate influence is very pronounced in non-programmed decisions, because he believes a superior would, where possible, use the specialised skill and knowledge of the immediate decision environment possessed by the subordinate. He arrived at a less clear-cut position when he subjected to empirical test the hypothesis that superior influence would be greatest in programmed decision situations, a conclusion which challenges the views of Hickson and Fiedler. What Walter did find bears a close resemblance to the result obtained by the author, whereby a directive and delegative decision style prevailed in programmed decision situations. In the case of delegation, the referral of exceptional items for the attention of the superior came through strongly in Walter's observations. When the centralisation hypothesis fared very poorly, he concluded that sometimes subordinates brought to the notice of the superior an issue requiring action and then proceeded to tackle the problem, having first received the superior's authorisation to do so. Conversely, the superior brings to the notice of the subordinate a problem requiring attention with a directive to deal with the matter. In other circumstances a recommendation emanating from the subordinate suggesting a particular course of action may not be heeded because of the emphasis placed by the superior on priorities regarding the use of resources at that particular time.

We shall now examine the hypothesised relationships between task and personnel decisions and decision style.

Hypothesis IV Task decision situations are more likely to be associated with a directive and delegative style of decision-making behaviour.
Hypothesis V  Personnel decision situations are more likely to be associated with a consultative or participative style of decision-making behaviour.

Faced with the data in Table 6.1 (p.129) and the supporting evidence we can safely accept hypotheses IV and V. The weight of programmed decisions must be felt in the task decision category, but it is interesting to observe that, whereas programmed decisions invited a directive and a delegative style, task decisions, in addition, called forth a semi directive style – incidentally this produced the strongest statistical relationship. No doubt the influence of non-programmed task decisions was felt here in counterbalancing the effects of programmed activity. As one would expect personnel decisions, being non-programmed and affecting indirect subordinates, generated much interaction and discussion with direct subordinates, often culminating in joint decision-making. Heller and Yukl (op cit) contend that at the lower levels of management superiors are likely to share more power with subordinates when task decisions, rather than maintenance (personnel) decisions, are under consideration. But a finding of theirs, more relevant to the present study, is that senior managers were more likely to allow greater subordinate influence in decisions affecting indirect rather than direct subordinates. We can only assume that this view is also applicable to decision situations of a personnel nature impinging on the work life of the indirect subordinate.

7.3. DECISION STYLE IN RELATION TO EXPERIENCE VARIABLES

Litchfield (op cit) maintains that an executive new to his job and feeling uncertain about situations confronting him is likely to seek elaborate counsel, but the self-contained manager prefers to deliberate alone, with the implication that he involves his subordinates to a minimum extent in the decision-making process. Perhaps self-containment in this sense is a function of time spent in the job. This seems an appropriate moment to introduce hypothesis VI.
A glance at Table 6.2 (p.138 ) immediately conveys to us that the hypothesis in its present form must be rejected because of the absence of a significant statistical association between decision style and the experience variables - age and job experience combined. On a closer examination of Table 6.2 we find, in accordance with Litchfield's assertion, that job experience is the independent variable that really matters. The finding suggests that the Chief Accountant is more likely to be directive with the passing of time in the job, whilst when he occupies the job for a relatively short time he tends to be consultative. Apparently in the small company there is a greater likelihood of he using joint decision-making as a style when new to the job (see Table1, Appendix 'C' ).

The supporting evidence tends to support the view that when one is a relatively recent job occupant there is a tendency to engage in consultation with subordinates. This might arise because one wished to discover the rationale behind various conventions and practices in the department, to remove uncertainty and allay anxiety, and gain the respect of the subordinate. As one absorbs the meaning and relevance of techniques and develops awareness of critical operations, which is a function of increasing time spent in the job, a movement to a directive style is not inconceivable. As a result of increasing job familiarity, some Chief Accountants manage to secure an improvement in procedures which has the effect of facilitating delegation. Perhaps this is what Heller and Yukl (op cit) had in mind when they forwarded the view that senior managers tended to use more delegation as their stay in the job increased. Closer to the main finding discussed above, the same authors feel that the longer the time spent by first and second line supervisors in their job, the greater the tendency to experience a shift from a permissive to a directive leadership style. The amended hypothesis should now read as follows: the Chief Accountant new to the job is more likely to be consultative in his approach, but with increased time spent in the
7.4 DECISION STYLE IN RELATION TO SPECIALISATION AND SPECIALISM

We have already noted that specialised accounting sub-systems are well established in the finance function. It does not follow that each sub-system is managed or controlled by a section head who is well qualified in his narrow specialism (see Table 5, Appendix 'C'). The two hypotheses connected with both specialisation and specialism in their individual relationships with decision style will now be introduced.

Hypothesis VII A high level of specialisation is likely to be associated with a directive style of decision-making behaviour.

Hypothesis VIII A high level of specialism is likely to lead to the use of a less centralised style of decision-making behaviour.

On reading Table 6.3 (p.141) we soon become aware of the relationship between specialisation and decision style. We find a directive style associated with a high level of specialisation, and a consultative style associated with a low level of specialisation. In circumstances of high specialisation the prevalence of formalisation is conspicuous. It does appear that the Chief Accountant is active, receiving signals from his monitoring devices and other sources of information. He experiences a burning need to establish what is going on, he wants to know the justification for particular courses of action and frequently he offers guidance. His interfering mode of operation applies irrespective of whether he is knowledgeable or ignorant of operations within his realm of interest. He feels particularly threatened by a section head whose expertise he has not fully grasped or understood. He is likely to justify a directive style on the grounds that the inter-dependent nature of specialist activities in his department dictates a firm co-ordinating role for him, or that subordinate expectations demand such a style in any case. Turning to the hypothesised relationship, there appears
to be no reason why we should not accept Hypothesis VII.

It is not difficult to amass support for this finding. Worthy (op cit) postulates that the "over-complex, over-functionalised organisation structure" requires a directive leadership approach. Shaw and Blum (op cit) associate a directive style with highly structured tasks in conditions of peak efficiency. Likewise Fiedler (1967) found an empirical association between a directive style and high task structure when other situational variables were also high. Korten (op cit) associates a directive style with high job structuring brought about by stressful conditions. According to Bass et al (op cit) a tight organisational structure is a natural concomitant of a directive style, whilst a non-bureaucratic organisational environment bears a relationship to a participative leadership style. This is a view not too dissimilar to that of Hage and Aiken (op cit). A dissentient view is that participation is slightly lower in the less bureaucratic small organisation (Payne et al op cit).

Reverting to Table 6.3 (p. 141) we discover that no statistically significant relationship subsists between decision style and specialism. Therefore we are forced to reject Hypothesis VIII, though we might accept it if it applied to medium sized companies only. Viewing this variable in isolation, we recognise that the level of qualification of the section head is not very high (see Table 5, Appendix 'C'). If it was, we might expect to find a relationship between specialism and a consultative style. Somewhat unexpectedly this materialises in the case of the Chief Accountant in the medium sized company only. But we come across a reverse situation when attention is focussed on the small company. Here the Chief Accountant often assumes responsibility for and direction of a number of sections, so it is not surprising to find a relationship between a directive style and high specialism (see Table 1, Appendix 'C'). When Hage and Aiken (op cit) were commenting on the unique predicament of the professional in the organisation they probably had not our typical section head in mind because they were of the opinion that he demands autonomy, and when competent he is consulted by decision-makers.
When specialism is merged with specialisation and related to decision style the previous relationship subsisting between decision style and specialisation reappears. It is meaningful therefore to speak of a directive style in conditions of high specialisation and specialism on the one hand, and a consultative style in conditions of low specialisation and specialism on the other. Already we have dealt with an explanation of the former; in the latter case a plausible explanation to account for the result is that the Chief Accountant needs to be very much involved, through exhaustive consultation, in a situation symbolised by low quality section supervision and a low level of formalisation. Finally, the mediating effect of specialisation on the relationship between decision style and non-programmed decisions should be acknowledged. The end result appears to be an attempt to structure ill-structured decision situations when high specialisation prevails by the use of a directive style.

7.5 DECISION STYLE IN RELATION TO PERCEIVED QUALITIES OR SKILLS IN SUBORDINATE

In an empirical study of senior managers in twelve large companies in the U.S.A. Heller (op cit) found large differentials of skill associated with autocratic leadership styles and small differentials associated with more power sharing. This result was obtained after asking respondents whether their jobs required more or less of selected skills than their subordinates' jobs. In the present study the respondent was asked to perceive actual and desirable qualities or skills in his subordinate. Therefore there is a difference in approach between the two studies. Now is an opportune moment to introduce hypothesis IX.

Hypothesis IX When the Chief Accountant perceives a smaller discrepancy between actual and desirable skills or qualities in the subordinate he is more likely to use a directive decision style. The opposite is true when he perceives a larger discrepancy.

When we examine the statistical pattern in Table 6.4 (p. 146) we find that a large skill discrepancy invites the introduction of a semi-directive style. A small discrepancy produces a different
effect by invoking a joint decision-making approach. Though the
direction of this pattern is maintained when types of decisions
are considered, nevertheless differentiations do arise. In
conditions of high skill discrepancy in ill-structured decision
situations the Chief Accountant assumes a more intense directive
posture. Where he perceives a small skill discrepancy in
programmed decision situations he is encouraged to seriously
contemplate, and put into effect, delegation as a style. The
total picture presented above appears to bear a similarity to that
portrayed by Heller. Hypothesis IX can now be accepted in its
present form.

When individual qualities or skills were related to decision
style, certain items—set out below—occupied a key role in
influencing the choice of decision style.

- Technical Ability (knowledge, skill and
current information related to industrial
accountancy)
- Possession of self-confidence without
being too arrogant
- Ability to react calmly to pressure of
work
- Tactful in a delicate situation
- Willingness to pass on information to
others

To these we could add:

- Knowledge of the problem in hand
- Communicating clearly in writing
- Effective cross-functional liaison

The remaining qualities or skills considered important are listed
in Figure 6.4 (p. 156). The skills referred to appear to be of
critical significance in an industrial accountancy environment,
and therefore one could argue it is meaningful to suggest that the
Chief Accountant reflects or dwells on the adequacy of subordinates'
characteristics prior to their involvement in the decision process.
The crucial importance attached to subordinate skills or qualities
as determinants of decision style has been already recognised and
the evidence available appears to be sympathetic to that derived
from the present study. Yukl (op cit) believes that where the
subordinate suffers a deficiency in knowledge or skill relevant
to a particular decision, and the superior possesses the appropriate talents, a centralised style is justified. A stable group that has the skill and experience to take decisions would probably find a democratic style most suitable (Uris op cit). Trust and confidence in the subordinate was one of the key mediating variables in the relationship between leadership style and satisfaction noted by Ritchie and Miles (op cit).

7.6 DECISION STYLE IN RELATION TO STATUS, POWER AND INFLUENCE

Some of the ingredients of this variable are evident in other studies. Fiedler (1967) considers position power as one of the three important situational variables in his contingency model. Pelz (op cit) views influence with the boss as a critical variable in the leadership situation. For the purposes of the present study a hybrid variable was formulated and related to decision style. We shall now acknowledge the relevant hypothesis.

Hypothesis X Chief Accountants enjoy a high level of organisational status, power and influence and this is likely to be so irrespective of the style of decision-making behaviour adopted.

Faced with the data in Table 2, Appendix 'C', there is no doubt that the Chief Accountant enjoys a high level of organisational power and influence. However, no direct relationship between this variable and decision style emerges in Table 6.5 (p. 151). The observational data points to a tenuous relationship between the dependent and independent variable but only after recognising the interventionist role of 'respect'. A high level of respect is likely to surface where institutional forces bestow on the leader the power to act and influence events, though the manner in which this is achieved will mirror the true nature of the respect gained. In these conditions apparently the Chief Accountant feels relaxed, open, and confident in his disposition with the strong likelihood of he projecting a permissive oriented style. The converse situation of low respect could breed symptoms manifest in withdrawal, inhibition, suspicion and
irascibility, and lead to a restrictive oriented style. With a certain degree of caution we may proceed to accept hypothesis X.

7.7 DECISION STYLE IN RELATION TO MANAGERIAL BEHAVIOUR CHARACTERISTICS

The managerial behaviour characteristics - employee orientation and task orientation - bear a close resemblance to the leadership behaviour dimensions - initiating structure and consideration - of the OHIO State School. Some would argue that initiating structure is complementary to the directive end of the decision style continuum, and consideration to the permissive end. This would preclude the possibility of being considerate in approach whilst being concerned about accomplishing an exacting work target and ensuring the means and necessary motivation to bring it about. One is therefore inclined to the view expressed by Yukl (op cit) that though task oriented behaviour is implicit in initiating structure, this is not tantamount to denying the subordinate the chance to use his influence in the decisions of his superior.

So one can be directive in managing subordinates towards achieving organisational goals and at the same time establishing highly supportive relations with them (Weissenberg and Kavanagh op cit). From an analysis of his empirical data, Kavanagh (1975) concludes that the role of the leader does, and is expected to, integrate the approaches of initiating structure and consideration. A perusal of Table 3, Appendix 'C', shows that almost equal emphasis is given by Chief Accountants to both task and employee oriented aspects of their decision-making behaviour; this completely substantiates the view of Kavanagh. Yukl is also of the opinion that there is some relationship between consideration and a measure of decision centralisation. We shall now direct our attention to an examination of hypothesis XI.

Hypothesis XI Employee-oriented behaviour, rather than task oriented behaviour, is associated with decision style.

On reading the data set out in Table 6.6 (p. 153) we soon find the only statistically significant relationship pertaining to
the association between delegation and employee orientation. The next best relationship, though marginally short of significance on a parametric test, and significant on a non-parametric test, (see Table 6, Appendix 'D') lies between a directive style and employee orientation. Can we then assume that the leader who delegates, granting his subordinate a fair degree of autonomy, professes genuine concern at the individual and group level for the human relations aspects of the job? This appears to be what the data is suggesting, and this view is somewhat reinforced when the other weaker relationship tells us that when the Chief Accountant is directive in style he is less considerate in his dealings with subordinates. When respondents were given the opportunity to express their own views on desirable managerial behaviour characteristics overwhelming emphasis was placed on those attributes which could be classified as employee-oriented in character. They stressed the importance of encouraging self-evaluation and direction; promoting autonomy and innovation; encouraging self-development and giving impetus to group integration and harmony. Due to the high level of standardisation and formalisation in the finance function, perhaps there was a lesser need to stress task-oriented behaviour. It should be borne in mind that relatively weak non-significant statistical associations were found to exist between decision style and task-oriented behaviour. Hypothesis XI may now be accepted.

7.8 DECISION STYLE IN RELATION TO L.P.S., AND L.P.S. AND MANAGERIAL CHARACTERISTICS TOGETHER

We have used the L.P.S. as a measure of the Chief Accountant's opinion of his least preferred subordinate, and unlike Fiedler's L.P.C. it is not intended to denote the style or motivational disposition of the leader. As an instrument it is practically similar to that used by Fiedler and the score derived from its use may be more akin to his group atmosphere score than to the L.P.C. score. However, it has been suggested that there is a similarity between the scales used to measure L.P.C. and the group-centred dimension of leader member relations (McMahon op cit). We shall now introduce hypothesis XII.
Hypothesis XII A directive style is likely to be associated with a low L.P.S. and a permissive style with a high L.P.S.

An examination of Table 6.7 (p. 156) results in the view that the high L.P.S. leader, who can be described as warm, friendly and open, is more likely to engage in permissive behaviour of a delegative nature. His counterpart who receives a low L.P.S. rating, and is antithetical in behavioural disposition, is more likely to resort to the use of a directive style. The statistical pattern seems convincing because of the association that exists between negative values and directive styles and positive values and permissive styles. We can now accept hypothesis XII.

The existence of a significant relationship between perceived skill discrepancy — a semi-personality variable — which we have already encountered, together with the relationship between L.P.S. and decision style recognised above, lends credence to the postulation that personality based factors are influential in the leadership situation. The relationship which surfaced after relating decision style to L.P.S. is far more conclusive than that achieved when task and employee oriented behaviour were related to decision style. The interactive nature of employee and task oriented behaviour could have been instrumental in preventing a more definitive relationship emerging, though employee orientation did have a satisfactory relationship with decision style.

Merging L.P.S. and employee orientation and relating the combined variable to decision style (see Table 6.7 p.156) we achieve a result which totally endorses the individual relationships the independent variables have already secured with decision style. This suggests persuasively that the human relations oriented leader relies impressively on a permissive-delegative-style. Though marginally falling short of significance, the negative relationship between the combined variable and decision style is inclined to suggest that a directive style is associated with a lesser concern for the human relations aspects of the job.

Throughout the foregoing discussion high and low L.P.S. have automatically been considered synonymous with a permissive
and restrictive orientated leadership style respectively. This is a view not totally subscribed to in the literature. Weissenberg and Gruenfeld (op cit) challenge the view that the L.P.C. is a good predictor of leadership behavioural characteristics and allege that a low L.P.C. can be placed in an intermediate position between the extreme ends of initiating structure and consideration. Sample and Wilson (op cit) cannot lend support to the notion that the low L.P.C. leader is generally socially distant and unfriendly. They found that the low L.P.C. leader became more human relations oriented during the performance phase of an assignment. The high L.P.C. leader also reversed his orientation during the performance stage. More recent evidence vehemently attacks the validity of the L.P.C. as a predictor of leadership behaviour (Graen et al 1971; Stinson and Tracy op cit). We now know that Fiedler (1972) himself is prepared to concede that the L.P.C. is not a fixed, invariate style. Both high and low L.P.C. leaders may vary their behaviour in different circumstances. Fiedler quotes the example of the high L.P.C. leader who, finding himself in a favourable situation, may become more preoccupied with the task and plays "the role of the responsible, efficient and even officious leader." This appears to be precisely the behavioural pattern of high L.P.S. respondents, as far as one can tell from the data which appears in Table 6.7.1 (p. 157). Though there is a striking similarity between the L.P.C. and L.P.S., it seems worthwhile repeating that the L.P.S. was used as a measure designed to establish the degree of psychological closeness between the Chief Accountant and his subordinates, and not as a measure of leadership style.

7.9 DECISION STYLE IN RELATION TO SPAN OF CONTROL

Span of Control is a structural variable which has captured the attention of classical theorists, who were primarily concerned with its optimum size (Urwick op cit), and present day empiricists (Woodward 1965; Child 1973) whose concern extends to how contextual variables - technology and size - affect it. Here the concern is more localised; in effect we are concerned with its impact on the leadership process. This relationship is hypothesised in hypothesis XIII.
Hypothesis XIII  When the span of control of the Chief Accountant is wider a directive decision style is more likely to be used, whereas a permissive decision style is more applicable when the span of control is narrower.

When we turn to Table 6.8 (p. 158) we immediately discern that a large span of control is likely to invite a directive style, whilst a small span of control attracts a permissive style in the form of joint decision-making. This seems eminently credible should we accept the validity of pertinent viewpoints expressed by three contributors. Hemphill (1950) could be referring to the size of the span of control when he makes the point that as the size of organisational groups increases, direction of group activities which is leader-centred is associated with members expressing attitudes of greater tolerance for this type of leadership. The other contributors maintain that larger groups require a longer time to reach consensus with less opportunity for members to participate, and as a result members experience less satisfaction from interactions (Entwistle and Walton op cit). Heller and Yukl (op cit) provide empirical endorsement of the above finding when they allege that subordinate-centred styles of leadership - consultation and participation - were almost dispensed with by senior managers when the span of control tended to be large. They also concluded that delegation was an acceptable alternative style in these circumstances. Running against this stream of opinion is an empirical observation emanating from Blankenship and Miles (op cit). They contend that the greater number of managers, with thirteen or more subordinates reporting to them, maintained that they frequently depended on their subordinates for ideas and initiation of decisions. With a narrower span of control managers were less dependent on subordinates. These relationships were, however, mediated by organisational level.

Going back to the question of a large span of control, it is extremely difficult to envisage a situation whereby a manager, having at least thirteen subordinates reporting to him directly, can engage in meaningful consultation or participation with each individual subordinate. Of course he could meet them as a group
and exchange views on that basis, but if many of them are engaged in dissimilar tasks this would present real difficulties in trying to establish fruitful discussions. These meetings would then be almost tantamount to personalised reporting systems and would inevitably be reinforced by more impersonal methods of control.

A further glance at Table 6.8 (p. 158) could suddenly make one realise that the intervention of type of decision in the analysis produces a very interesting result. One discovers that the best prediction of the relationship between decision style and span of control materialises when non-programmed decisions, including personnel decisions, are considered. The force of this finding is felt in the suggestion that when a task decision situation is ill-structured, or the decision is a personnel one, the Chief Accountant is likely to indulge in a permissive style — joint decision-making or consultation — but only if the span of control is narrow. Where the span of control is wide and the problems confronted are ill-defined, he takes a different view of the question of subordinate involvement. Now he appears to become more directive in his approach, probably realising that power-sharing would be fraught with difficulty because of the numerous interactions, based on consultation or participation, that would be required. Apparently programmed decision situations which are normally well prescribed in a procedural sense are unlikely to tax the leader's span of attention, to the same extent as in non-programmed decision situations, when the span of control is relatively wide — (as is evident in the area of production management when certain forms of standardisation are prevalent). This conclusion sounds plausible in the light of a lack of a significant relationship between decision style and span of control in the context of programmed decisions. A similar line of reasoning could be applicable to task decisions on the understanding that programmed decision situations make their presence felt in this decision category.

There is reason to believe that the wide span of control can be instrumental in engendering a remote, detached style with less time available for subordinate consultation, and a high incidence of formalisation of access to the superior. However, two minority
points of view aligned themselves with the assertions that a large span of control is therapeutic by nurturing good working relationships with subordinates, and that the calibre of subordinate could be a critical factor in determining the manageability of a wide span of control. Worthy (op cit) would go along with these sentiments when he suggests that the wide span of control makes close supervision impossible and devolution of authority and responsibility possible, subject to a fair measure of self-confidence and personal capacity on the part of subordinates. Other constraining influences could hinge on task similarity and supervisory competence.

The reaction to the narrow span of control appears to be quite different. The narrow span of control is likely to foster an informality of approach, greater subordinate involvement in problem-centred activity and the release of the superior from a somewhat arduous co-ordinating role, allowing him to concentrate more on matters of policy. Entwisle and Walton (op cit) recognise that a positive disadvantage of the narrow span of control is the likelihood of close supervision and the stifling of initiative. It was therefore interesting to find Chief Accountants emphasise the need to be aware of this danger. We can only hope that awareness of the problem of unnecessary interference is the first concrete step in action directed at preventing it. Finally, we can accept hypothesis XIII. Though hypothesis XIII may be generally true we must add forcefully that the type of decision encountered mediates the relationship between decision style and span of control.

7.10 DECISION STYLE IN RELATION TO THE FUNCTIONAL ROLE OF THE CHIEF ACCOUNTANT

The tendency is to identify the finance function as a staff specialism, although Fisch (1961) is of the opinion that an area of specialisation such as finance is so vitally important to organisational success that it is unwise to treat it as a staff function. If he had his way he would bestow on the financial controller more authority than he has at present to initiate changes to remedy deficiencies in other functions. So he is not too happy
about the advisory role of someone of the status of a Chief Accountant. The distinction between staff and line managers is not as marked as one might expect. An extreme position is taken by Logan (op cit) who maintains it is an obsolete concept. Heller (op cit) recognises the distinction but concedes that confusion surrounds its meaning. In his research he found some managers keen to accept the label 'line' because it meant more authority to them; in another instance seniority rather than function was associated with 'line'. In the midst of the confusion many managers choose a combination of both. Thompson (1961) and Porter and Henry (1964b) also recognise the distinction and ascribe different personality characteristics to line and staff personnel.

In the research instrument the staff/line distinction in the classical sense is not intended. Being aware of the staff status of finance, one anticipated that some Chief Accountants would act solely in an advisory capacity, whilst others would possess direct authority to implement their recommendations. Others still would find it difficult to be categorical about their role. The person exercising executive authority would probably occupy a position nearest to that of line rather than staff. In Table 6.9 (p.160) we see the role embracing direct authority receiving the greatest single percentage weight of 42%, but the majority of Chief Accountants perform either an advisory role or are unable to classify their role in accordance with the descriptions of role given. Influenced by Heller's speculation that line rather than staff managers would be more directive in approach, the following hypothesis was formulated.

Hypothesis XIV The Chief Accountant whose functional role embraces the use of direct authority to implement his recommendations is likely to have a penchant for a directive decision style.

When we examine Table 6.9.1 (p.161) we discern no statistically significant relationship between decision style and functional role, so therefore we are unable to accept hypothesis XIV.

Dalton (op cit) speaks of the delicacy of the staff line relationship whereby the staff specialist has got to reach a
tacit agreement with line managers so as to foster a workable relationship, otherwise there is the danger of line personnel seeking to jeopardise proposals with which they disagree. If we lend credence to a significant body of opinion critical of the accountant's staff role we would almost automatically accept that he adopts an autocratic exterior and fails abysmally to establish the workable relationship which Dalton speaks of. The role of accountants in budgeting comes under strong attack. The way they operate budgetary control systems is punitive rather than supportive (Argyris 1953). Dysfunctional behavioural consequences are the direct result of the imposition of rigid budgets (Hopwood op cit). It is a policing mechanism based on inaccurate information (Beresford Dew and Gee op cit). According to Fletcher (1972), managers complained about the accountants' obstructive tactics and the way they divulged information to superiors about budget performance. However, the accountants did not get it all their own way, for the managers played games with them when purchases they wanted to make were being justified.

Outside the narrow sphere of budgeting the accountant has also come under fire. He is alleged to assess inadequately the needs of management for information (Tricker op cit; Robson op cit); he is also accused of not furnishing the right sort of information, nor of presenting it in a form which aids rapid comprehension (Young op cit; Beresford Dew and Gee op cit). Though struggles or friction are inherent in the staff/line relationship (Dalton op cit), a specific reference to ill-feeling between accountants and managers comes from Woodward (1965).

Since success and failure of company operations are normally presented in financial terms, and the accountant through his analysis and presentations highlights areas of economic weakness, it is not surprising that on occasions he brings upon himself the wrath of other functional managers. Perhaps he overplays his policing role, engaging sometimes in selective perception by not recognising factors not easily lending themselves to quantification, or ignoring factors having future value or relevance.

It is so easy to indulge in platitudes about ideal staff/line relationships, free of friction, where the line manager recognises
the advice of the staff man as both valid and genuine and experiences little difficulty in accepting it. It is conceivable that Teuling's (1971b) interpretation of the role of the effective staff man is nearer the truth. He maintains he has to be somewhat independent, able to manipulate situations informally and generally machiavellian in approach. Bearing in mind the feelings harboured by those who find fault with both his attitudes and the quality of his advisory services, how does the Chief Accountant perceive his own role? Where his formal recommendations are resisted he is likely to exercise persuasion, and failing that he is likely to activate political processes with the aim of securing some advantage. There are situations when his advice is ignored. The novelty of this event is likely to prompt him to search for the rationale behind such obstinacy, perhaps culminating in a compromise set of proposals or a clearer understanding of the contentious issue. He does not find it difficult to accept bargaining as a necessity on some occasions and considers it a legitimate pursuit at his level in the organisation. In the face of hardened resistance he is likely to invite a higher authority to intervene and mediate or, if necessary, own the problem. In this context he considers the main culprits to be marketing or sales managers whose lack of good financial sense is conspicuous.

Turning to the minority view, we find the Chief Accountant considers himself a pragmatic creature, who believes his bargaining strength can be enhanced by exacting homework. He is prepared to concede that failing to have a recommendation accepted at the first attempt is not disastrous. Because key commercial considerations could come to light, which he did not consider initially, thereby improving the quality and acceptability of the second submission. Where he is very knowledgeable on a particular issue he is less likely to give away ground or retreat in instances conventionally accepted as 'grey areas'. Should he possess a special relationship with, for example, the Chief Executive, this helps him enormously as far as getting recommendations accepted. His influence is more widely felt in accounting procedural, rather than policy, matters. The above profile is compatible with Teuling's interpretation. Whether the quality of his advice is
suspect, or his manner authoritarian, remains uncertain. A concluding remark based on observations from an empirical study conducted by Henning and Noseley (opcit), and compatible with a lot of what has been said about the functional role of the Chief Accountant, seems to be in order.

"The profile of the controller is that of an executive with substantial authority in some functions and more limited authority in others; with varying degrees of authority in different decisions within a function, many times as making unilateral decisions and often sharing in the making of decisions; perceiving himself as having more authority than he is seen to have by his superior and peers. He occupies a role with great opportunity, yet is both ill-defined and fraught with potential conflict."

7.11 DECISION STYLE IN RELATION TO SIZE

Size of company seems to be a key variable determining or influencing a variety of structural properties of organisation as well as behavioural patterns. Both Pugh et al (1969) and Child (1973) see it as a critical contextual factor influencing structural design. Worthy (op cit) draws a distinction between large and small organisations in terms of job stimulation and interpersonal contact, and comes down firmly on the side of the small organisation where the incidence of minute specialisation and the use of impersonal control mechanisms is that much less; and the prospect of higher job satisfaction that much greater. Tallachi (op cit) pursues a not too dissimilar theme by attributing to the large organisation a well established division of labour and status differentials - unlikely to be found in the small organisation - and suggests that the ensuing impersonality is likely to promote job dissatisfaction. He expects to find more informality and greater job satisfaction in the small organisation. This looks almost too idyllic, more so because later one hopes to establish that subordinates experience more direction and less autonomy in the small organisation. Dale (op cit) believes that as we progress from the medium to the large company the span of control increases. Entwistle and Walton (op cit) feel that increasing size has no great impact on the size of the span of
control. The author concurs with the latter view. When increasing size of span of control was related to increasing company size no material variation was detected. This relationship is shown in Table 4, Appendix 'C'.

A few attempts have been made to relate leadership style to size (Blankenship and Miles op cit; Wofford op cit). The manager whose style is oriented towards personal security and group maintenance is likely to be most effective in the large complex organisation (Wofford op cit). The bulk of opinion focusses on a discussion of the impact of size of organisation, but what influence does size of department have in this respect? Porter and Lawler (op cit) believe that the evidence on the relationship between size of sub-unit and the relevant variables is more convincing than that which is said to materialise when company size is substituted for sub-unit size. However, in the present study size of company appears to be the stronger predictive variable. But this must not detract from the realisation that sub-unit size, in this case size of finance function, is an influential variable. Hypothesis XV shall now be introduced.

Hypothesis XV

The larger the size of the company and finance function the greater is the likelihood of a permissive oriented decision style prevailing.

On reviewing the data in Table 6.10 (p.166) one can conclude that the likelihood of a directive style making its presence felt in the smaller company is greater, whilst the reverse situation tends to apply in the larger company where permissive styles — joint decision-making and delegation — are more likely to reign. The same is true of the relationship between size of finance function and decision style. Hypothesis XV can therefore be accepted.

A feature of the large company appears to be the well developed accounting sub-systems which certainly create a favourable environment for delegation to be practised. Also the prospect of finding better qualified staff eager to accept challenge, and more willing and able to assume responsibility, is not unique.
Further the decision processes are more complex and lengthy and this is likely to force the Chief Accountant to rely on subordinates to a greater extent. In a sense all this could have the effect of facilitating and actually encouraging the Chief Accountant to share decisions with subordinates and feel confident in delegating responsibilities. His job as a consequence may be more meaningful. Porter (1963a) found that managers in large companies had jobs which are more interesting, competitive and challenging. A very interesting finding manifests itself in Table 6.10.1 (p.169). Without hardly any qualification the message is clear. The Chief Accountant in the large company has a very favourable impression of the calibre of his subordinate; to use a permissive style therefore seems to be a natural consequence.

Size of company also influences the decision style profile of the Chief Accountant. This is highlighted in Figure 6.10.1 (p.172) where the directive and consultative styles vie for the greatest popularity, and the popularity of joint decision-making and delegation is conspicuous by its absence. The use of a directive style is very pronounced in the smaller company. The greatest emphasis is given to a consultative style in the medium sized company. As established elsewhere, this is the only situation where a high level of specialism is related to a permissive style (i.e. consultation) and confirms hypothesis VIII. In the large company the directive and consultative style tie for the distinction of the most widely used style. We can now proceed cautiously to accept hypothesis XIX.

Hypothesis XIX Overall the Chief Accountant's decision style is likely to be influenced by the size of the company.

Though company size does not permeate a number of the relationships the independent variables have with decision style to any marked degree, it does have a selective impact as a mediating variable. In a global sense its mediation influence, and that of finance function size, is negligible in the relationships between decision style and (i) experience variables, (ii) span of control (see Tables 6.10.2; 6.10.4, p.170/171).
Therefore we cannot accept hypotheses XVI and XVII presented below.

**Hypothesis XVI**  
Size of company and finance function mediates the relationship between decision style and the experience variables.

**Hypothesis XVII**  
Size of company and finance function mediates the relationship between decision style and span of control.

Its localised effect is felt in the following instances. As a result of increasing job tenure in the small company a shift from a consultative style to joint decision-making is experienced. A high level of specialism, mostly attributable to the intervention and influence of the Chief Accountant, is compatible with a directive style in the small company. The influence of high specialism in the medium sized company has been noted above. Also its mediating effect is noticed in the relationship between decision style and hierarchical level. This will be discussed in the next section. Finally, there is reason to believe that we should distinguish between organic growth in size of the company, which is internally generated, and that due to acquisition strategy. Apparently the latter is more likely to bring about a variation in decision style.

**7.12 DECISION STYLE IN RELATION TO LEVEL WITHIN THE ORGANISATIONAL HIERARCHY, RECOGNISING THE INFLUENCE OF SIZE**

Acknowledgement of hierarchical level as an independent variable of some importance scarcely escapes our notice. In distinguishing between different levels on the basis of personality characteristics Porter and Henry (1964a) arrive at a general conclusion which says that the 'organisation man' is more likely to inhabit the lower rather than the higher stratum of the hierarchy. Likewise Porter and Ghiselli (op cit) differentiate between top and middle managers on the basis of identifiable personality traits. Apparently greater higher-need gratification is a feature of management positions at the higher organisational level (Porter 1962). Subordinate managers were found to suffer perceptual displacement...
towards a higher degree of influence in their superiors' decisions (Heller op cit). Martin (op cit) maintains that decision complexity is a function of hierarchical level. Weissenberg and Kavanagh (op cit) believe that level within the organisation mediates the independence of both Consideration and Initiating Structure.

Having established the influential nature of hierarchical level, we shall now turn to the hypothesised relationship between level within the organisation and decision style.

Hypothesis XX The higher the organisational level the greater is the likelihood of the Chief Accountant exercising a permissive oriented style.

The data set out in the second column from the left hand side of Table 6.11 (p.173) indicates that at the lower hierarchical level the likelihood of a restrictive style is prevalent. The positive association between level and joint decision-making, though marginally short of significance, reinforces the significant result by reversing the above trend when the Chief Accountant occupies a higher level position. We may now cautiously accept hypothesis XX. Empirical endorsement of the above finding is available. Blankenship and Miles (op cit) report that higher level managers were more likely to involve their subordinates in decisions, whilst those lower in the hierarchy felt a lesser need to rely on subordinates. Heller and Yukl (op cit) associate a less centralised decision style with a higher level within the organisation.

A very interesting result is discernible when the localised impact of company size is examined in Table 1, Appendix 'C'. Here we find that a high level within the small organisation brings in its wake a semi-directive style. As we move vertically downwards the style becomes directive. So it can be maintained that the lower level attracts the more directive style, but in any case both positions are associated with restrictive styles. This pattern changes when we consider the medium and large sized company. Permissive styles - delegation and joint decision-making respectively - are associated with a higher level organisational position in these companies.
Hypothesis XVIII was formulated following consideration of Fisch's (1963) speculative assertion that the relationship between level and span of control was mediated by company size. It was felt that size might produce a similar effect in the relationship between level and decision style.

**Hypothesis XVIII**

Size of company and finance function individually and combined mediate the relationship between decision style and hierarchical level.

On a re-examination of Table 6.11 (p. 173) we see that partialling out size of company and finance function on an individual and collective basis of the relationship between decision style and hierarchical level produces no concrete effect. Therefore we cannot accept hypothesis XVIII.

Our attention shall now be directed to the mediating effects of level itself. Porter (1963b) found hierarchical level as a factor which modified the relationship between size and motivation. Of particular relevance to the present study is the view of Blankenship and Miles (op. cit) who contend that the relationship between size and decision-making behaviour is modified by hierarchical level. This appears to be an opportune moment to introduce hypothesis XXIII.

**Hypothesis XXIII**

Hierarchical level mediates the relationship between decision style and company size.

The immediate reaction on reading Table 6.11.5 (p. 176) is that hierarchical level produces no mediating effect whatsoever. Therefore one feels unable to accept hypothesis XXIII. None of the following hypotheses can be accepted due to the lack of any evidence to suggest that hierarchical level has a mediating role. In hypothesis XXIV blending hierarchical level and company to create an independent mediating variable met with a fate already encountered above.

**Hypothesis XXI**

Hierarchical level mediates the relationship between decision style and the experience variables.
Hypothesis XXII Hierarchical level mediates the relationship between skill discrepancy and decision style.

Hypothesis XXIV Hierarchical level mediates the relationship between decision style and span of control. It produces a similar effect when combined with company size.

How can we relationalise the failure of hierarchical level as a mediating influence? In the first instance we could argue that there is rather limited evidence available pointing in this direction. Secondly, the evidence that is available is not overwhelmingly convincing; it often appears to be inserted as an afterthought. Finally, the comparison of levels within the organisation in the present research study is confined to virtually two senior levels, so the comparative analysis of levels is not as meaningful as it might be with an additional level of supervision included.
CHAPTER 8

CONCLUSION

Managerial leadership or decision-making behaviour is a well charted and explored area. In chapter 2 a commentary and analysis of significant strands of opinion and research evidence were undertaken in order to illuminate the striking complexity of this area of study. At different stages in its development we have witnessed different perspectives on the subject. A personality trait approach gave way to a preoccupation with leadership style, with the inevitable normative prescription as to what constitutes the best or optimum style. In recent years the relevance of style as an explanatory concept still remains but there is a growing body of opinion which suggests that it is only meaningful to discuss style in the context of situational variables. The present study was designed with a view to making a contribution to the development of situational leadership theory.

8.1 JUSTIFICATION FOR A SITUATIONAL PERSPECTIVE

In recent times democratic leadership or participative management has captured the imagination and interest particularly of educators and those responsible for management training. In the related area of job re-design, job enrichment has been enthusiastically received. Both share a common theoretical foundation discernible in the proposition that man strives to self-actualise. The views of proponents of this school of thought are well known to students of management or managerial psychology: Herzberg's dual-factor theory, McGregor's theory Y, Argyris's mature individual and Likert's leadership system 4. All bear witness to the superiority of a leadership style or motivational system which appeals to the higher level human needs. These theoretical propositions advocate the implication of the total personality in the task and are without doubt immensely humane with widespread appeal. Their foundation - the force for growth theory of
personality - appears rather shaky and has been the subject of a well-articulated attack. Nevertheless impressive claims are made on behalf of participative management pointing to its superiority on the basis of morale and productivity. Though heavily endorsed by the findings of survey investigations, the superiority of participative leadership is by no means conclusive; in fact it is seriously challenged by evidence emanating from experimental studies. Speculations derived from the personality-based evidence tend to suggest a restrictive style is responsible for promoting disadvantageous conditions for the subordinate, but equally there is the recognition that in certain circumstances it may be compatible with the personality disposition of the superior.

A number of participative management experiments or studies have been criticised for their lack of consideration of crucial factors which ought to be recognised. Also there is a belief that the participative process produces some dysfunctional consequences - e.g. it promotes anxiety; the frequent interaction may impede problem-solving activity. Finally, the universality of the findings related to participative management is seriously undermined when the impact of cultural variation is recognised. It is then understandable why researchers have turned to an examination of situational and structural forces in the immediate environment of the decision process in order to seek a better explanation of leadership phenomena. Developments in situational leadership theory are gathering momentum in North America but there are few signs of any activity in this direction in Britain. It is true to say that situational theory is still very much at the embryonic stage offering tremendous scope for further exploration. It is hoped that during its development personality-based factors will be kept firmly in focus.

8.2 THE PRESENT STUDY

A distinctive feature of the research study conducted by the author is the selection of an occupational group - accountants - whose leadership style and situational environment has been subjected to close and careful analysis for the first time. In addition the dissection of decisions into programmed and
non-programmed categories, and then related to leadership style, has not been operationalised hitherto. Apart from personnel decisions, the decision types are specifically finance in orientation, so the leadership pattern that emerges is far more meaningful and authentic than that derived from a set of decisions common to a number of functional areas. The same applies to the measures of specialisation and specialism, but particularly to specialisation. The specialisation dimension incorporates typical accounting sub-systems. The specialism dimension is somewhat crude but along with specialisation is capable of further development. Decision type is also open to further development and refinement. Regrettably there appears to be a tendency in this type of study to select and examine situational factors allegedly common to a variety of occupational groups, whilst those factors appropriate to a particular group are ignored or receive cursory attention. This might be attributable to the manner in which the sample is composed; in many instances it cuts across different functional groupings. However, one must acknowledge that the leadership process itself is often differentiated by occupational group to highlight the different leadership style profiles.

A welcome departure in the gauging of leadership style is the adoption of a continuum of subordinate influence in the leadership process. This seems preferable to the emphasis on a bi-polar measure with the accent on extreme positions - autocratic/democratic. A useful leadership continuum has been put forward by Tannenbaum and Schmidt (op cit), but the power/influence continuum postulated by Heller (op cit) had particular appeal to the author because of its acknowledgement of delegation as a legitimate component of the leadership process. One now recognises that delegation cannot be considered unequivocal. For the sake of clarity it can be viewed as containing two interpretations. On the one hand, it extends to the recipient of delegated authority a tremendous amount of autonomy and as a consequence has a distinct permissive leadership connotation to it. On the other hand, authority is delegated but is done so within rather rigid procedural boundaries or guidelines where inbuilt control mechanisms are alert, transmitting to the superior a
variety of data on significant organisational happenings or events. In this sense delegation cannot be regarded as the custodian of real autonomy. It is almost tantamount to a direction to operate within specified procedural guidelines, subject to the referral of major items of interest to the superior for his assessment, comment or decision. The above distinction surfaces visibly from the research evidence and it comes as no surprise to find delegation sharing a leadership platform with restrictive styles in the context of programmed decisions.

Another interesting feature of the power/influence continuum measure is that respondents are informed prior to completing it that no one style has preference or superiority over another. However in the research study we must be prepared to accept the likelihood of the presence of a cultural counter-force vitiating the strength of this instruction by suggesting that it is acceptable, and even desirable, to consult or involve subordinates in the decision-making process. Perceptual distortion is a real likelihood in this instance, perhaps reinforced by personal aspiration pointing in the direction of participative management. We must also admit that in some circumstances a manager embraces a participative style as a conscious act with all the outward manifestations of real participation, but in essence it is not legitimate since he has already reached an irreversible decision prior to subordinate involvement.

A further point worthy of note, which has not been acknowledged in previous research, is the influential mediating role of decision type - particularly the programmed/non-programmed dichotomy - in the relationships between decision style and two important independent variables - span of control and perceived skill discrepancy. The relevance of personality-based factors must not be allowed to go unnoticed. The L.P.S. measure focusses attention on the psychological distance between the superior and his subordinates and has direct relevance to the personality disposition of the superior. By way of contrast, the measure designed to arrive at the perceived skill discrepancy score concentrated on the qualities and skills possessed by the subordinates. In both cases significant relationships between decision style and the two independent variables were found.
Therefore in any future development of situational leadership theory it is realistic and worthwhile to emphasise personality related factors residing in both the superior and subordinate.

Measures such as the L.P.S. appear to have greater substance and relevance when it comes to depicting the behavioural disposition - autocratic/democratic - of the leader. It is difficult to concede, as is often suggested, that task-oriented behaviour is synonymous with a restrictive style. After all Likert's employee-centred supervisor paid a fair amount of attention to planning and scheduling. But it appears employee-oriented behaviour is compatible with a permissive style. It seems there is nothing to prevent the leader, who is psychologically close to his subordinates, from concentrating his talents and abilities on task-related matters. This was found to be the case in the present study.

On reading the relevant literature one gets the impression that the accountant as a functional manager is directive in his leadership style. Evidence derived from the present study does not altogether support this view. When the Chief Accountant is presented with a representative set of decisions he places almost equal emphasis on restrictive and permissive styles. A direct comparison of the single most widely used directive and permissive style reveals a minute advantage accruing to the directive style.

There can be no denying the important role played by what are essentially structural features of organisation. Size assumes a position of particular importance in its direct relationship with the dependent variable, and it retains its position of relevance, but to a minor extent, as a mediating variable. There is a dearth of evidence indicating a direct relationship between size and leadership style. The mediating role of size in the relationship between decision style and a situational variable appears not to have been previously recognised. Hierarchical level is likewise a determinant of leadership style but one would place greater confidence in this result if more levels were examined. In effect the comparison was between level 1 and 2, because a tiny proportion of respondents occupied positions lower than level 2. It has to be acknowledged that the incidence of
programmed activity with its constraining influence is that much greater at the lower levels. At the higher level it would appear these constraints on the manager's freedom are less prevalent in a procedural sense, but perhaps this is offset by the constricting influence of political and social forces.

Span of control also enjoys a direct significant relationship with leadership style. Proponents of participative management would undoubtedly find it convenient to ignore its importance. But it must be recognised that a wide span of control normally precludes the possibility of true participation of subordinates in superiors' decisions. Finally, a resurrection of interest in the staff role of a key operator is perhaps overdue. Finance as a discipline has acquired a position of strategic importance for the economic welfare of the organisation, particularly in present circumstances. It could be argued that the traditional concept of staff/line is due for an explosion, if it has not already happened. We have seen how fluid and flexible it has become from the viewpoint of the functional role of the Chief Accountant.

8.3 SUMMARY OF FINDINGS

With a recognition of the limitations of the research method used the time has arrived to summarise the main findings of the study.

1. The Chief Accountant, in a universal sense, places equal emphasis on restrictive and permissive decision styles and cannot be regarded as having a significant leaning towards the adoption of a directive style. Though a directive style - 'A' - is fractionally the more popular, it is followed closely by a consultative style. The least popular styles are joint decision-making and delegation.

2. The Chief Accountant resorts to the use of both directive and delegative decision styles when confronted with programmed decision situations. He modifies his style when faced with non-programmed decisions. Here he considers the use of consultative and joint decision-making styles more appropriate. Delegation in the above sense is likely to be constrained as a style by procedural considerations and subject to a fair measure of personal or impersonal control.
3. Task decision situations, which are likely to be influenced by programmed decisions, invite both a directive and a delegative style. Personnel decision situations, possessing non-programmed decision ingredients, align themselves with consultative and joint decision-making styles.

4. When relatively new to the job the Chief Accountant is likely to adopt a consultative decision style, but with the passing of time he is prone to gravitate towards a directive style. In the smaller company when relatively recent in the job he embraces a participative style which embodies joint decision-making.

5. In conditions of a high level of specialisation a directive style prevails. The opposite is true with a low level of specialisation where a consultative style is used. Though specialism does not have a significant individual relationship with decision style, however, a selective relationship emerges when the localised effect of size is considered. By combining specialisation and specialism and relating them to decision style we find a directive style is appropriate in conditions of high specialisation and specialism, whilst a consultative style applies in conditions of low specialisation and specialism. Specialisation produces a mediating effect in the relationship between decision style and non-programmed decisions.

6. A large discrepancy between perceived actual and desirable qualities or skills in the subordinate of the Chief Accountant invites the introduction of a semi-directive decision style. A small discrepancy produces a different effect by opening the way for the introduction of a joint decision-making style. However, the extent to which a decision is programmed has a bearing on the style used. The Chief Accountant assumes more of a directive posture in non-programmed decision situations when he perceives a large skill discrepancy. He is encouraged to use delegation as a style when he perceives a small skill discrepancy in programmed decision situations.
7. The Chief Accountant enjoys a high degree of status, power and influence. No significant relationship materialises between this variable and decision style. As a result of the intervention of 'vertical respect', a tenuous relationship with decision style may ensue.

8. A permissive style – delegation – is linked to employee-oriented behaviour; conversely a restrictive style reflects a lower degree of concern for employee-oriented behaviour.

9. The Chief Accountant who appears to have a warm, friendly and open relationship with his subordinates – high L.P.S. – firmly embraces a permissive decision style of a delegative nature. Those found lacking in this disposition – low L.P.S. – are likely to use a directive style. The high L.P.S. leader, not unduly worried about the quality of human relations, may feel a need to emphasise the task related components of his job.

10. A wide span of control, where the number of immediate subordinates is large, calls for the application of a directive decision style. A permissive style, manifest in joint decision-making, is compatible with a narrow span of control. The best prediction of the relationship between decision style and span of control arises when non-programmed, including personnel, decisions are considered.

11. No significant relationship subsists between decision style and the functional role of the Chief Accountant. His functional role appears to be ill-defined and devoid of the therapeutic human relations approach which is often alleged to beset the staff man's role. Instead reliance is placed on a mixture of behavioural tactics – directives, persuasion, bargaining – frequently culminating in compromise.

12. In the larger company permissive decision styles – joint decision-making and delegation – are more likely to be found. The reverse is the case in the smaller company with the emphasis on a directive style. An identical pattern emerges in the relationship between size of finance function and
decision style. When the decision style profile of the Chief Accountant is viewed from the angle of company size the following relationships can be seen. The use of a directive style is very pronounced in the small company and the use of a consultative style in the medium and large sized company is very noticeable. In the larger company the Chief Accountant views the calibre of his subordinates very favourably indeed and it seems natural as a consequence for him to use a permissive decision style. In general, size of company has a selective mediating effect.

13. A restrictive decision style is likely to reign in the lower echelons of the organisation but a permissive style is evident at the higher levels. However, in the small company this pattern is not maintained because a directive style prevails at the upper and lower levels, but with greater intensity at the lower level.

8.4. PRACTICAL IMPLICATIONS

The evidence derived from the research certainly poses a serious challenge to the view that a particular leadership style is suitable irrespective of the prevailing organisational circumstances. What is suggested is that managers must develop awareness of the need to introduce flexibility into their management style so that they are able to adapt to differing situational and structural demands within their organisation. For example, a participative style may be suitable when faced with non-programmed decisions but unsuitable in the context of programmed decisions. Equally if the manager establishes that his subordinates suffer a significant deficiency in skill relevant to the problem in hand, the only sensible course of action open to him in the immediate situation may be to adopt a directive style. Of course this could signal a need for training. In the domain of organisational design widening the span of control of a manager at a time when the organisation is committed to the adoption and implementation of a participative management scheme would not appear to be a wise course of action. Likewise stepping-up standardisation and formalisation of work activities
(i.e. specialisation) may not be conducive to the successful operation of a participative management scheme. Experiences at the Volvo works in Sweden bear out this point by the implied recognition of an inherent incompatibility between acute specialisation and a commitment to job enrichment.

In the arena of management training we must recognise that an undue emphasis on the interpersonal behaviour aspect of the leader's role may not produce the anticipated desirable effects. Therefore we have to consider alternative strategies. Perhaps organisational engineering should become a more important input component to management training programmes. Due to time constraints this would leave less time available for the coverage of the interpersonal aspects of the programme such as process consultation and sensitivity training. In the field of management education perhaps we should become more adventurous and be prepared to cross disciplinary boundaries where we feel justified in doing so. Efforts along these lines are actively pursued at the present time, but the sub-discipline of organisational behaviour — primarily a combined sociological and psychological approach to the study of behaviour in organisations — is still at the formative stages of development. In the light of the impact of the immediate organisational environment on leadership processes in the present study perhaps its development ought to be accelerated. Finally, in a climate characterised by a growing awareness among professional accountancy bodies of the need to consider the educational value and relevance of studying the behavioural aspects of accounting, a situational perspective of the leadership role of a key financial executive could be considered a valuable contribution.

8.5 FUTURE RESEARCH

As a first priority it seems worthwhile to continue with the development of the decision categorisation process and the measure of specialisation. In order to make a better assessment of the importance of hierarchical level as a structural variable at least three levels ought to be chosen for analysis. An interesting development would be the continuation of the line of
enquiry pursued in the present study in other occupational areas where situational features - e.g. decision type, specialisation - are peculiar to the areas surveyed, and subsequently to carry out comparative analysis. I believe it is paramount to establish localised determinants of leadership behaviour before searching for globalised ones. Delegation as a concept needs to be operationalised in a more sophisticated and rigorous fashion in order to differentiate between real autonomy and situations where autonomy is more apparent than real. Efforts should be directed at devising measures to assess the impact of the relevant environment on the decision-making process. One cannot deny its importance but so far its measurement has presented insurmountable difficulties. Finally, an equally intractable problem, we should seriously consider tackling the question of devising a performance measure for a service function, such as finance. Only then can we speak of leadership effectiveness in an economic sense for managers in service functions.
APPENDICES
Dear Sir,

Senior Accountants in industry and commerce are an influential body of people primarily engaged in the interpretation of accounting and financial data, and offering a valuable service to all levels of management. It is generally acknowledged that not enough is known about the various aspects of their jobs.

The aim of this project, which is part of a research programme for a PhD. at the Department of Psychology, University of Surrey, is to gather information about the management style of the Financial Controller or Chief Accountant in relation to a number of other important considerations.

The information you provide will be treated in the strictest confidence and will no doubt be of value in increasing our knowledge of this important area of investigation. You are not required to disclose the name of your company, and a copy of the synopsis of the findings will be sent to you on request.

Thank you for your assistance.

Yours faithfully,

Eugene F. McKenna, M.Sc, DIA, ACIS,
Senior Lecturer
You are asked to give a carefully considered answer to each question on the Questionnaire.

There are four main types of questions viz:

First, standard biographical questions.

Second, questions requiring you to RING the number opposite the answer which reflects your view.

Third, a question requiring you to give an answer in the form of a percentage number.

Finally, a question requiring you to place an X against the appropriate answer.

(A couple of questions offer you the opportunity to introduce additional observations.)

Please send the completed questionnaire to:

Eugene F. McKenna, Esq.,
Senior Lecturer in Organisational Behaviour,
Department of Business Studies and Finance,
Birmingham Polytechnic,
Aston Street,
Birmingham. B4 7HA

1. BIOGRAPHICAL QUESTIONS

i. Name .......................................................... Telephone No. (office) ....................... 

ii. Year of Birth ................................................ 

iii. What age did you leave school ............................

iv. Did you proceed to full-time further education ? ........

   If yes, what type of full-time further education did you receive ? .................................

   ..............................................................

v. List degrees and other qualifications held (use designatory letters where appropriate).

   ..............................................................

   ..............................................................
vi. In what industry do you work?
(Examples of industrial classification: Chemical and Allied; Engineering and Electrical Goods; Textiles; Publishing.)

vii. Area of work
(Example: Finance)

viii. Job Title (brief description of job)

ix. Length of time in present position (no. of years)

RING the number opposite the appropriate range.

<table>
<thead>
<tr>
<th>COL. 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1</td>
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<tr>
<td>1 - 3</td>
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<tr>
<td>4 - 6</td>
</tr>
<tr>
<td>over 6</td>
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</tbody>
</table>

2. THIS QUESTION SETS OUT DIFFERENT APPROACHES TO DECISION-MAKING (A, B, C, D, E), LISTED BELOW, AND VARIOUS TYPES OF DECISIONS FOUND IN THE FINANCE AREA. FIRST, YOU ARE ASKED TO EXAMINE CAREFULLY THE DIFFERENT APPROACHES TO DECISION-MAKING, EACH OF WHICH CAN BE EQUALLY EFFECTIVE.

SECOND, IF YOU HAVE THE AUTHORITY IN YOUR PRESENT POSITION TO MAKE THE FINAL DECISION, OR AT LEAST TO MAKE A FORMAL RECOMMENDATION THAT WILL USUALLY BE ACCEPTED, THEN FOR EACH RELEVANT DECISION, LISTED OVERLEAF, INDICATE THE DECISION-MAKING APPROACH (FROM A, B, C, D, E) YOU NORMALLY ADOPT. IF ONE OR MORE OF THE DECISIONS ARE NOT RELEVANT, PLACE 'NOT APPLICABLE' OPPOSITE THE APPROPRIATE ITEM.

(WERE YOU TO CHOOSE MORE THAN ONE OF THE APPROACHES FOR A PARTICULAR DECISION, THEN SPLIT 100% BETWEEN THEM. IT IS MORE THAN LIKELY YOU WILL PUT 100% NEXT TO ONE APPROACH FROM A, B, C, D, E.)

A. Own Decision without detailed explanation.

These are decisions made by you without previous discussion or consultation with subordinates and no special meeting or memorandum is used to explain the decision. (This method includes decisions made after consulting with managers at the same level or with superiors.)

B. Own Decision with detailed explanation.

The same as above, but afterwards you explain the problem and the reasons for your choice in a memo or in a special meeting.
C. **Prior Consultation with subordinate.**

Before the decision is taken, you explain the problem to your subordinate and ask for his advice and help. You then make the decision by yourself. Your final choice may, or may not, reflect your subordinate's influence.

D. **Joint Decision-Making with subordinate.**

You and your subordinate(s) together analyse the problem and come to a decision. The subordinate(s) usually has as much influence over the final choice as you. Where there are more than two in the discussion, the decision of the majority is accepted more often than not.

E. **Delegation of decision to subordinate.**

You ask your subordinate to make the decisions regarding a particular subject. You may or may not request him to report his decisions to you. You seldom veto his decisions.

---

**Type of Decision**

<table>
<thead>
<tr>
<th>Decision-making Approach</th>
<th>A %</th>
<th>B %</th>
<th>C %</th>
<th>D %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own Decision without detailed explanation</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Own Decision with detailed explanation</td>
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<tr>
<td>Prior Consultation</td>
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<tr>
<td>Joint Decision-making</td>
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<td></td>
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<tr>
<td>Delegation</td>
<td></td>
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</table>

1) The decision to examine a historical accounting procedure with a view to a major modification.

2) The decision to promote members of staff in your department who are not your direct subordinates.
3) The decision to recommend taking legal action on arrears in a customer's account where the amount involved is large and long overdue.

4) The decision to fix the level of cash surplus to be budgeted for in the draft cash budget (to cover unforeseen contingencies).

5) The decision to establish guidelines to be used in deciding whether variances, arising from comparing actual with planned performance, are worth investigating.

6) The decision to examine the 'age' of debtors.

7) The decision to set up or review a standard or marginal costing system which could result in a far better breakdown of product costs.

8) The decision to encourage the resignation or transfer of a member of your staff who does not report to you directly.

9) The decision to re-categorise the costs of products so as to show more clearly the profit margin being made on each type of product.

10) The decision to suggest the best alternative source of funds for the financing of a project which has already been agreed.
11) The decision to define the expected life of a new fixed asset for depreciation purposes.

12) The decision to revise a department's budget forecast as a result of information received during the year.

13) The decision to increase or decrease the number of employees in your department.

14) The decision to set aside provisions against bad debts.

3. Departments within organisations can differ in the manner in which work activities are specialised and controlled by individuals or section heads with different levels of expertise.

For each job area listed overleaf, please indicate the extent to which it is established in your department, and the type of staff responsible for managing or operating it. Where an activity is performed by accounting staff of equal rank, choose the individual with whom you have most contact.

Ring the appropriate number opposite each item which most closely describes your view. If one or more of these job areas are not relevant, place 'not applicable' opposite the appropriate item.
<table>
<thead>
<tr>
<th>Job Area</th>
<th>Extent to which Job Area is Established</th>
<th>Operated or Managed by Someone who is:</th>
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<tbody>
<tr>
<td></td>
<td>Very Well</td>
<td>Fairly Well</td>
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<tr>
<td>Credit Control (1)</td>
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<td>4</td>
</tr>
<tr>
<td>Debtor's Ledger &amp; Control (2)</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Sales Analysis (3)</td>
<td>5</td>
<td>4</td>
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<tr>
<td>Monitoring the Cash Flow (4)</td>
<td>5</td>
<td>4</td>
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<tr>
<td>Creditor's Ledger &amp; Control (5)</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Capital Expenditure Proposals (6)</td>
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<td>4</td>
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<tr>
<td>Allocation of Expenditure into 'Capital' and 'Revenue' items (7)</td>
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<td>4</td>
</tr>
<tr>
<td>Short-range Budget Planning and Profit Forecasting (8)</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Long-range Budget Planning and Profit Forecasting (9)</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Preparation of Final Accounts (10)</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Job Area</td>
<td>Extent to which Job Area is Established</td>
<td>Operated or Managed by Someone who is:</td>
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<td></td>
<td>Card</td>
<td>Fully Qualified</td>
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<td></td>
<td>Col</td>
<td>Senior</td>
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<td></td>
<td></td>
<td>Unqualified</td>
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<tr>
<td></td>
<td></td>
<td>Partly Qualified</td>
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<tr>
<td></td>
<td></td>
<td>Junior</td>
</tr>
<tr>
<td>Standard or Marginal Costing</td>
<td>(11)</td>
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<td></td>
<td>5</td>
<td>4</td>
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<td>Periodic Management Reports</td>
<td>(12)</td>
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<td>2</td>
<td>1</td>
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<td></td>
<td>(25)</td>
<td></td>
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<tr>
<td>Product or Job or Process Costing</td>
<td>(13)</td>
<td></td>
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<td></td>
<td>5</td>
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<td>1</td>
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<td></td>
<td>(26)</td>
<td></td>
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</tbody>
</table>

4. (i) MANY SENIOR MANAGERS WOULD LIKE TO WORK WITH SUBORDINATES WHO POSSESS A COMBINATION OF QUALITIES AND SKILLS WHICH THEY BELIEVE ENHANCES THE SUBORDINATES' ABILITY TO DO A JOB WELL.

YOU ARE ASKED TO CONSIDER CAREFULLY THE QUALITIES OR SKILLS, LISTED OVERLEAF, IN RELATION TO QUESTIONS (a) AND (b) POSED BELOW. IF YOU HAVE MORE THAN ONE DIRECT SUBORDINATE, FOCUS YOUR ATTENTION ON THE SUBORDINATE WITH WHOM YOU MOST FREQUENTLY COME IN CONTACT.

THE QUESTIONS REPRESENTED BY (a) AND (b) READ AS FOLLOWS:

(a) HOW MUCH OF THIS QUALITY OR SKILL WOULD YOU CONSIDER DESIRABLE IN A PERSON OCCUYYING YOUR SUBORDINATE'S POSITION? (=DESIRABLE)

MIN 1 2 3 4 5 6 7 MAX

(b) HOW MUCH OF THIS QUALITY OR SKILL DOES YOUR SUBORDINATE HAVE? (=ACTUAL)

MIN 1 2 3 4 5 6 7 MAX

(Low numbers represent low or minimum amounts and high numbers high or maximum amounts)

PLEASE RING THE NUMBER WHICH MOST CLOSELY DESCRIBES YOUR VIEW.
<table>
<thead>
<tr>
<th>Type of Quality or Skill</th>
<th>DESIRABLE</th>
<th></th>
<th>ACTUAL</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ability to make rapid decisions</td>
<td>(27)</td>
<td>1 2 3 4 5 6 7</td>
<td>(42)</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Verbal ability (to speak fluently to staff at all levels)</td>
<td>(28)</td>
<td>1 2 3 4 5 6 7</td>
<td>(43)</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Technical ability (knowledge, skill and current information related to industrial accountancy)</td>
<td>(29)</td>
<td>1 2 3 4 5 6 7</td>
<td>(44)</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Forceful in putting forward ideas and plans for action</td>
<td>(30)</td>
<td>1 2 3 4 5 6 7</td>
<td>(45)</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Perseverence in the face of adversity</td>
<td>(31)</td>
<td>1 2 3 4 5 6 7</td>
<td>(46)</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Sensitive to people's needs</td>
<td>(32)</td>
<td>1 2 3 4 5 6 7</td>
<td>(47)</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>High level of intelligence</td>
<td>(33)</td>
<td>1 2 3 4 5 6 7</td>
<td>(48)</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Imaginative in approach to a work problem</td>
<td>(34)</td>
<td>1 2 3 4 5 6 7</td>
<td>(49)</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Ability to readily accept responsibility for the consequences of actions or decisions</td>
<td>(35)</td>
<td>1 2 3 4 5 6 7</td>
<td>(50)</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Possession of self-confidence without being too arrogant</td>
<td>(36)</td>
<td>1 2 3 4 5 6 7</td>
<td>(51)</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Ability to react calmly to pressure of work</td>
<td>(37)</td>
<td>1 2 3 4 5 6 7</td>
<td>(52)</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Tactful in a delicate situation</td>
<td>(38)</td>
<td>1 2 3 4 5 6 7</td>
<td>(53)</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Willingness to consider the other person's point of view</td>
<td>(39)</td>
<td>1 2 3 4 5 6 7</td>
<td>(54)</td>
<td>1 2 3 4 5 6 7</td>
</tr>
</tbody>
</table>
**Type of Quality or Skill**

<table>
<thead>
<tr>
<th>Willingness to pass on information to others</th>
<th>DESIRABLE</th>
<th>ACTUAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Col Min Max</td>
<td>Min Max</td>
<td></td>
</tr>
<tr>
<td>(40)</td>
<td>(55)</td>
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</tr>
<tr>
<td>1 2 3 4 5 6 7</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Readiness to accept new ideas</th>
<th>Desirable</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Col Min Max</td>
<td>Min Max</td>
<td></td>
</tr>
<tr>
<td>(41)</td>
<td>(56)</td>
<td></td>
</tr>
<tr>
<td>1 2 3 4 5 6 7</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
</tbody>
</table>

4. (ii) ARE THERE ANY OTHER QUALITIES OR SKILLS IMPORTANT TO YOU BUT NOT LISTED ABOVE? IF YES, PLEASE LIST AND RATE.

5. BELOW ARE LISTED CERTAIN CHARACTERISTICS WHICH HIGHLIGHT ORGANISATIONAL RELATIONSHIPS. PLEASE RING THE NUMBER OPPOSITE THE ANSWER WHICH BEST DESCRIBES THE SITUATION AS YOU SEE IT.

(a) My position offers me considerable latitude to deal with major personnel issues (e.g. reward, discipline, etc.) on my own.  Yes 1 0

(b) The status attached to my position is easily recognisable by subordinates.  Yes 1 0

(c) The authority to assign, supervise, and assess jobs underneath me is a normal feature of my position.  Yes 1 0

(d) By reason of my present position I possess a great deal of knowledge about the technical nature of subordinates' jobs.  Yes 1 0

(e) Frequently my Superior consults me on matters connected with major decisions.  Yes* 1 0

* If YES, proceed to (f)

(f) Invariably the advice I offer carries a lot of weight with my superior.  Yes 1 0
6. Below are listed statements highlighting characteristics which are sometimes associated with the behaviour of managers.

To what extent do you perceive these characteristics as a manifestation of your own style of management. Ring the number attached to the item which best describes your view.

<table>
<thead>
<tr>
<th></th>
<th>Col</th>
<th>To a High Degree</th>
<th>To a Fair Degree</th>
<th>To a Reasonable Extent</th>
<th>To a Limited Extent</th>
<th>Hardly at All</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. I believe I am responsible for promoting a feeling of personal worth and importance in my subordinate(s). (63)</td>
<td>(63)</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>ii. I believe I am responsible for encouraging my subordinates to develop close, mutually satisfying work relationships. (64)</td>
<td>(64)</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>iii. I believe I am responsible for stimulating an enthusiasm to achieve an impressive level of performance. (65)</td>
<td>(65)</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>iv. I believe I am responsible for facilitating the attainment of work targets or objectives because of my administrative and technical competence. (66)</td>
<td>(66)</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

7. Are there any other characteristics not listed above which you feel ought to be emphasised? If yes, please specify.

.................................................................................................................................
.................................................................................................................................
.................................................................................................................................
.................................................................................................................................
.................................................................................................................................
8. **PEOPLE DIFFER IN THE MANNER IN WHICH THEY THINK ABOUT THOSE WITH WHOM THEY WORK. BELOW ARE LISTED PAIRS OF WORDS WHICH ARE OPPOSITE IN MEANING.**

PLEASE GIVE YOUR IMMEDIATE FIRST REACTION TO EACH PAIR OF WORDS AND DESCRIBE THE SUBORDINATE WHOM YOU PREFER THE LEAST BY PLACING AN X IN ONE OF THE EIGHT SPACES ON THE LINE BETWEEN EACH PAIR OF WORDS. EACH SPACE REPRESENTS THE EXTENT TO WHICH AN ADJECTIVE FITS THE PERSON YOU ARE DESCRIBING.

This example may help you answer the question.

You would describe someone as slightly weak by placing an X in the following position:

```
STRONG   X   WEAK
```

<table>
<thead>
<tr>
<th></th>
<th>Very Strong</th>
<th>Quite Strong</th>
<th>Somewhat Strong</th>
<th>Slightly Strong</th>
<th>Very Weak</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pleasant</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Friendly</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rejecting</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Helpful</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unenthusiastic</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tense</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distant</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cold</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cooperative</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supportive</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Boring</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quarrelsome</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Self-assured</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Efficient</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gloomy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Open</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Very Weak</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

CARD Col
9. AT WHAT LEVEL IN THE FORMAL ORGANISATION STRUCTURE IS THE
POSITION YOU NOW OCCUPY? TO HELP YOU LOCATE YOUR PARTICULAR
LEVEL TAKE AS AN AID THE FOLLOWING GUIDELINE:

TOP MANAGERS OF A COMPANY OF DIVISION ARE DESIGNATED 'LEVEL 1'.
MANAGERS ONE STEP REMOVED FROM THEM ON THE ORGANISATION CHART
ARE CONSIDERED TO BE AT 'LEVEL 2'; THOSE TWO STEPS AWAY
CONSTITUTE 'LEVEL 3', AND SO ON.

PLEASE RING THE APPROPRIATE LEVEL NUMBER.

| Col (17) | Level | 1 |
|         | Level | 2 |
|         | Level | 3 |
|         | Level | 4 |

10. PLEASE INDICATE THE NUMBER OF SUBORDINATES YOU ARE DIRECTLY
RESPONSIBLE FOR SUPERVISING BY RINGING THE NUMBER OPPOSITE
THE APPROPRIATE RANGE.

| Col (18) | Less than 3 | 1 |
|         | 3 - 6       | 2 |
|         | 7 - 10      | 3 |
|         | Over 10     | 4 |

11. APPROXIMATE SIZE OF FINANCE FUNCTION (NO. OF EMPLOYEES).
RING THE NUMBER OPPOSITE THE APPROPRIATE RANGE.

| Col (19) | Less than 15 | 1 |
|         | 16 - 31      | 2 |
|         | 32 - 60      | 3 |
|         | Over 60      | 4 |

12. APPROXIMATE SIZE OF COMPANY (NO. OF EMPLOYEES).
RING THE NUMBER OPPOSITE THE APPROPRIATE RANGE.

| Col (20) | Under 500 | 1 |
|         | 500 - 2000 | 2 |
|         | Over 2000  | 3 |
13. PLEASE RING THE NUMBER OPPOSITE THE STATEMENT WHICH BEST DESCRIBES YOUR ROLE WITHIN THE COMPANY.

(a) As the representative, or acting for the representative, of the Finance Function I act in a purely advisory role to other functions (e.g. Production, Marketing) *without* possessing direct authority to implement my recommendations.

(b) As the representative, or acting for the representative, of the Finance Function I possess direct authority to implement my recommendations of an accounting and finance nature in other functions (e.g. Production, Marketing).

(c) Neither (a) or (b) reflect the real situation as I see it.

---

Thank you for your cooperation.

I would very much appreciate any further comment on the topics covered in this questionnaire.
### Table 1
Age Distribution of Respondents

<table>
<thead>
<tr>
<th>Age Distribution</th>
<th>Percentage Number of Respondents</th>
<th>Total Sample *n=209</th>
<th>Interview Sample *n=32</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 30</td>
<td>7.2</td>
<td>3.1</td>
<td></td>
</tr>
<tr>
<td>30 - 40</td>
<td>43.1</td>
<td>62.5</td>
<td></td>
</tr>
<tr>
<td>41 - 50</td>
<td>34.9</td>
<td>28.1</td>
<td></td>
</tr>
<tr>
<td>≥ 51</td>
<td>14.8</td>
<td>6.3</td>
<td></td>
</tr>
</tbody>
</table>

* The age range is 23 to 64 and the median average age is 40
+ The age range is 29 to 61 and the median average age is 37

### Table 2
Age Respondents left School

<table>
<thead>
<tr>
<th>Sample Type</th>
<th>Median Average Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Sample n=209</td>
<td>$16\frac{1}{2}$</td>
</tr>
<tr>
<td>Interview Sample n=32</td>
<td>17</td>
</tr>
</tbody>
</table>
Table 3
Number of Respondents who received further education and possess various qualifications

<table>
<thead>
<tr>
<th>Education/Qualifications</th>
<th>Percentage Number of Respondents</th>
<th>Total Sample n=209</th>
<th>Interview Sample n=32</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Further Education</td>
<td>13.9</td>
<td>18.7</td>
<td></td>
</tr>
<tr>
<td>Recognised Professional Qualifications</td>
<td>84.2</td>
<td>87.5</td>
<td></td>
</tr>
<tr>
<td>Degrees</td>
<td>11.0</td>
<td>15.6</td>
<td></td>
</tr>
<tr>
<td>Diplomas</td>
<td>4.3</td>
<td>9.3</td>
<td></td>
</tr>
</tbody>
</table>

Table 4
Respondents with Recognised Professional Qualifications analysed by Professional Title

<table>
<thead>
<tr>
<th>Professional Title</th>
<th>Percentage Number of Respondents</th>
<th>*Total Sample n=176</th>
<th>+Interview Sample n=28</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chartered Accountant</td>
<td>63.7</td>
<td>60.7</td>
<td></td>
</tr>
<tr>
<td>Cost and Management Accountant</td>
<td>27.8</td>
<td>21.4</td>
<td></td>
</tr>
<tr>
<td>Certified Accountant</td>
<td>11.4</td>
<td>14.2</td>
<td></td>
</tr>
<tr>
<td>Chartered Secretary</td>
<td>6.8</td>
<td>7.1</td>
<td></td>
</tr>
</tbody>
</table>

* 16 Respondents bore two professional titles and 1 Respondent bore three
+ 1 Respondent bore two professional titles

Therefore the total percentage figure exceeds 100% in both cases
Table 5

Distribution of Respondents by Type of Industry

<table>
<thead>
<tr>
<th>Standard Industrial Classification</th>
<th>Percentage of Respondents</th>
<th>Number of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Sample n=212</td>
<td>Interview Sample n=32</td>
</tr>
<tr>
<td>Mining and Quarrying</td>
<td>9.9</td>
<td>12.5</td>
</tr>
<tr>
<td>Food, Drink, Tobacco</td>
<td>7.5</td>
<td>6.2</td>
</tr>
<tr>
<td>Coal and Petroleum</td>
<td>3.3</td>
<td>6.2</td>
</tr>
<tr>
<td>Chemical and Allied</td>
<td>10.4</td>
<td>9.4</td>
</tr>
<tr>
<td>Mechanical Engineering</td>
<td>2.4</td>
<td>3.1</td>
</tr>
<tr>
<td>Electrical Engineering</td>
<td>9.4</td>
<td>12.5</td>
</tr>
<tr>
<td>Vehicles</td>
<td>2.4</td>
<td></td>
</tr>
<tr>
<td>Metal Goods not specified elsewhere</td>
<td>3.8</td>
<td>6.3</td>
</tr>
<tr>
<td>Textiles</td>
<td>4.2</td>
<td></td>
</tr>
<tr>
<td>Leather Goods and Furs</td>
<td>2.8</td>
<td>3.1</td>
</tr>
<tr>
<td>Clothing and Footwear</td>
<td>2.8</td>
<td>3.1</td>
</tr>
<tr>
<td>Bricks, Pottery, Glass, Cement</td>
<td>2.4</td>
<td></td>
</tr>
<tr>
<td>Timber, Furniture</td>
<td>8.9</td>
<td>9.4</td>
</tr>
<tr>
<td>Paper, Printing, Publishing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Manufacturing Industry</td>
<td>5.7</td>
<td>6.3</td>
</tr>
<tr>
<td>Construction</td>
<td>4.2</td>
<td>9.4</td>
</tr>
<tr>
<td>Service and Distribution</td>
<td>16.0</td>
<td>9.4</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1.5</td>
<td>3.1</td>
</tr>
</tbody>
</table>
Table 6
Area of Work of Respondents

<table>
<thead>
<tr>
<th>Area of Work</th>
<th>Percentage Number of Respondents</th>
<th>Total Sample n=212</th>
<th>Interview Sample n=32</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance</td>
<td>%</td>
<td>63.2</td>
<td>75.0</td>
</tr>
<tr>
<td>Finance and Secretarial</td>
<td>%</td>
<td>19.8</td>
<td>15.6</td>
</tr>
<tr>
<td>Finance and Administration</td>
<td>%</td>
<td>17.0</td>
<td>9.4</td>
</tr>
</tbody>
</table>

Table 7
Job Titles of Respondents

<table>
<thead>
<tr>
<th>Title Classification</th>
<th>Percentage Number of Respondents</th>
<th>Total Sample n=209</th>
<th>Interview Sample n=32</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Accountant</td>
<td>%</td>
<td>22.9</td>
<td>31.3</td>
</tr>
<tr>
<td>Chief Accountant and Company Secretary</td>
<td>%</td>
<td>14.4</td>
<td>9.4</td>
</tr>
<tr>
<td>Chief Accountant and Director</td>
<td>%</td>
<td>2.9</td>
<td>9.4</td>
</tr>
<tr>
<td>Financial Controller</td>
<td>%</td>
<td>20.1</td>
<td>21.8</td>
</tr>
<tr>
<td>Financial Controller and Company Secretary</td>
<td>%</td>
<td>2.4</td>
<td>9.4</td>
</tr>
<tr>
<td>Financial Director</td>
<td>%</td>
<td>15.3</td>
<td>3.1</td>
</tr>
<tr>
<td>Financial Director and Company Secretary</td>
<td>%</td>
<td>6.2</td>
<td>9.4</td>
</tr>
<tr>
<td>Miscellaneous, e.g.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Director of Accounting</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Financial Planning Manager</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Company Secretary and Administrative Manager</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Group Accountant</td>
<td>%</td>
<td>15.8</td>
<td>6.2</td>
</tr>
</tbody>
</table>
Table 8

Time Spent by Respondents in Present Position

<table>
<thead>
<tr>
<th>Number of Years</th>
<th>Percentage Number of Respondents</th>
<th>Total Sample n=212</th>
<th>Interview Sample n=32</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 1</td>
<td>%</td>
<td>15.6</td>
<td>18.8</td>
</tr>
<tr>
<td>1 - 3</td>
<td>36.3</td>
<td>46.9</td>
<td></td>
</tr>
<tr>
<td>4 - 6</td>
<td>21.7</td>
<td>21.8</td>
<td></td>
</tr>
<tr>
<td>&gt; 6</td>
<td>26.4</td>
<td>12.5</td>
<td></td>
</tr>
</tbody>
</table>
### Table 1

Mediating Effect of Company Size on a number of direct relationships between the dependent and independent variables

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Decision Styles</th>
<th>Decision Styles</th>
<th>Decision Styles</th>
<th>Decision Styles</th>
<th>Decision Styles</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
</tr>
<tr>
<td></td>
<td>S</td>
<td>M</td>
<td>L</td>
<td>S</td>
<td>M</td>
</tr>
<tr>
<td>Job Tenure</td>
<td>.27&lt;sup&gt;2&lt;/sup&gt;</td>
<td>.03</td>
<td>.21</td>
<td>-.10</td>
<td>-.03</td>
</tr>
<tr>
<td>Specialisation</td>
<td>.20</td>
<td>.18&lt;sup&gt;1&lt;/sup&gt;</td>
<td>.11</td>
<td>.01</td>
<td>.05</td>
</tr>
<tr>
<td>Specialism</td>
<td>.36&lt;sup&gt;4&lt;/sup&gt;</td>
<td>.00</td>
<td>-.07</td>
<td>-.24&lt;sup&gt;1&lt;/sup&gt;</td>
<td>-.06</td>
</tr>
<tr>
<td>Quality or Skill Discrepancy</td>
<td>.15</td>
<td>-.04</td>
<td>-.00</td>
<td>-.05</td>
<td>.10</td>
</tr>
<tr>
<td>Status, Power, Influence</td>
<td>.05</td>
<td>-.18&lt;sup&gt;1&lt;/sup&gt;</td>
<td>.19</td>
<td>-.00</td>
<td>.15</td>
</tr>
<tr>
<td>Managerial Characteristics</td>
<td>.02</td>
<td>-.14</td>
<td>-.07</td>
<td>.07</td>
<td>.12</td>
</tr>
<tr>
<td>L.P.S.</td>
<td>-.08</td>
<td>-.09</td>
<td>-.19</td>
<td>-.21</td>
<td>.22&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
<tr>
<td>Level</td>
<td>-.24&lt;sup&gt;1&lt;/sup&gt;</td>
<td>.02</td>
<td>-.12</td>
<td>.33</td>
<td>-.16</td>
</tr>
<tr>
<td>Span of Control</td>
<td>.24&lt;sup&gt;1&lt;/sup&gt;</td>
<td>.16</td>
<td>.13</td>
<td>-.07</td>
<td>-.06</td>
</tr>
<tr>
<td>Size of Finance Function</td>
<td>-.20</td>
<td>-.09</td>
<td>.07</td>
<td>-.08</td>
<td>.30&lt;sup&gt;4&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

**Note**

1<sup>st</sup> = p < .05  
2<sup>nd</sup> = p < .025  
3<sup>rd</sup> = p < .01  
4<sup>th</sup> = p < .001

**Source:** Q 1, 2, 3, 4, 5, 6, 8, 9, 11 in Questionnaire
Table 2

Endorsement of Status, Power and Influence

<table>
<thead>
<tr>
<th>Organisational Characteristics</th>
<th>Percentage Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Position possesses considerable power</td>
<td>75.9</td>
</tr>
<tr>
<td>Status attached to position is conspicuous</td>
<td>98.1</td>
</tr>
<tr>
<td>Supervisory authority is evident</td>
<td>98.6</td>
</tr>
<tr>
<td>Awareness of technical features of subordinates' jobs</td>
<td>81.1</td>
</tr>
<tr>
<td>*Influence with superior</td>
<td>91.0</td>
</tr>
<tr>
<td>*If influential, advice carries a lot of weight</td>
<td>85.8</td>
</tr>
</tbody>
</table>

Source: Q5 in Questionnaire
Table 3
Index of Managerial Behaviour Characteristics
n=212

<table>
<thead>
<tr>
<th>Type of Characteristic</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employee Orientation:</strong></td>
<td></td>
</tr>
<tr>
<td>1. Promote feelings of personal worth</td>
<td>80</td>
</tr>
<tr>
<td>2. Encourage subordinates to develop close and satisfying work relationships</td>
<td>80</td>
</tr>
<tr>
<td>Aggregate (1 + 2)</td>
<td>80</td>
</tr>
<tr>
<td><strong>Task Orientation:</strong></td>
<td></td>
</tr>
<tr>
<td>3. Concerned about meeting performance standards</td>
<td>85</td>
</tr>
<tr>
<td>4. Arranging the right work conditions to meet work targets</td>
<td>83</td>
</tr>
<tr>
<td>Aggregate (3 + 4)</td>
<td>84</td>
</tr>
</tbody>
</table>

Source: Q 6 in Questionnaire

Table 4
Span of Control as a function of Company Size
n=212

<table>
<thead>
<tr>
<th>Company Size</th>
<th>Span of Control</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;3</td>
</tr>
<tr>
<td>Small</td>
<td>6.8</td>
</tr>
<tr>
<td>Medium</td>
<td>7.0</td>
</tr>
<tr>
<td>Large</td>
<td>6.0</td>
</tr>
<tr>
<td>Aggregate</td>
<td>6.6</td>
</tr>
</tbody>
</table>

Source: Q 10, 12 in Questionnaire
### Table 5

Index of Specialisation and Specialism  

<table>
<thead>
<tr>
<th>Job Area</th>
<th>Specialisation Index</th>
<th>Specialism Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit Control</td>
<td>87</td>
<td>58</td>
</tr>
<tr>
<td>Debtor's Ledger and Control</td>
<td>87</td>
<td>55</td>
</tr>
<tr>
<td>Sales Analysis</td>
<td>82</td>
<td>50</td>
</tr>
<tr>
<td>Monitoring the Cash Flow</td>
<td>85</td>
<td>70</td>
</tr>
<tr>
<td>Creditor's Ledger and Control</td>
<td>84</td>
<td>54</td>
</tr>
<tr>
<td>Capital Expenditure Proposals</td>
<td>75</td>
<td>66</td>
</tr>
<tr>
<td>Allocation of Expenditure into 'Capital' and 'Revenue' items</td>
<td>86</td>
<td>64</td>
</tr>
<tr>
<td>Short-range Budget Planning and Profit Forecasting</td>
<td>86</td>
<td>74</td>
</tr>
<tr>
<td>Long-range Budget Planning and Profit Forecasting</td>
<td>69</td>
<td>70</td>
</tr>
<tr>
<td>Preparation of Final Accounts</td>
<td>94</td>
<td>74</td>
</tr>
<tr>
<td>Standard or Marginal Costing</td>
<td>58</td>
<td>49</td>
</tr>
<tr>
<td>Periodic Management Reports</td>
<td>89</td>
<td>72</td>
</tr>
<tr>
<td>Product or Job or Process Costing</td>
<td>60</td>
<td>49</td>
</tr>
</tbody>
</table>

Source: Q 3 in Questionnaire
A comparison of results achieved by using (a) Pearson's Product Moment Correlation Coefficient (b) Kendall's Tau Rank Order Correlation Coefficient

Table 1

Correlation between Decision Style and Experience Variables

<table>
<thead>
<tr>
<th>Decision Style</th>
<th>Experience Variables</th>
<th>n=212</th>
<th>n=209</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Job Experience</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pearson</td>
<td>Kendall</td>
<td>Pearson</td>
</tr>
<tr>
<td>A</td>
<td>.15   (^2)</td>
<td>.13 (^3)</td>
<td>.07</td>
</tr>
<tr>
<td>B</td>
<td>-.07</td>
<td>-.06</td>
<td>-.10</td>
</tr>
<tr>
<td>C</td>
<td>-.12 (^1)</td>
<td>-.10 (^2)</td>
<td>-.04</td>
</tr>
<tr>
<td>D</td>
<td>-.01</td>
<td>-.03</td>
<td>.04</td>
</tr>
<tr>
<td>E</td>
<td>-.01</td>
<td>-.06</td>
<td>.02</td>
</tr>
</tbody>
</table>

1 = p ≤ .05
2 = p ≤ .025
3 = p ≤ .01

Source: Q 1, 2 in Questionnaire
Table 2
Correlation between Decision Style and Specialisation and Specialism

<table>
<thead>
<tr>
<th>Decision Style</th>
<th>Specialisation Pearson</th>
<th>Specialisation Kendall</th>
<th>Specialism Pearson</th>
<th>Specialism Kendall</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>.15 (^2)</td>
<td>.07</td>
<td>.04</td>
<td>-.02</td>
</tr>
<tr>
<td>B</td>
<td>-.02</td>
<td>-.04</td>
<td>-.10</td>
<td>-.08 (^1)</td>
</tr>
<tr>
<td>C</td>
<td>-.11 (^1)</td>
<td>-.08 (^1)</td>
<td>.06</td>
<td>.05</td>
</tr>
<tr>
<td>D</td>
<td>-.03</td>
<td>-.03</td>
<td>.01</td>
<td>.00</td>
</tr>
<tr>
<td>E</td>
<td>-.07</td>
<td>-.05</td>
<td>-.04</td>
<td>-.01</td>
</tr>
</tbody>
</table>

1 = \(p < .05\)  
2 = \(p < .025\)  
Source: Q2, 3 in Questionnaire

Table 3
Correlation between Decision Style, with regard to decision type, and Specialisation

<table>
<thead>
<tr>
<th>Type of Decision</th>
<th>Specialisation</th>
<th>Decision Style</th>
<th>Specialisation</th>
<th>Decision Style</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
</tr>
<tr>
<td>Non-programmed</td>
<td>Pearson .15</td>
<td>Kendall .08</td>
<td>Kendall -.11</td>
<td>Kendall -.07</td>
</tr>
<tr>
<td>Programmed</td>
<td>Pearson .05</td>
<td>Kendall .04</td>
<td>Kendall .02</td>
<td>Kendall .00</td>
</tr>
</tbody>
</table>

1 = \(p < .05\)  
2 = \(p < .025\)  
Source: Q2, 3 in Questionnaire
Table 4

Correlation between Decision Style, analysed by decision type and aggregate decisions, and Perceived Qualities or Skills in subordinate n=212

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Programmed</td>
<td>A</td>
<td>-.03</td>
<td>-.03</td>
<td>.11*</td>
<td>.05</td>
<td>.02</td>
<td>.06</td>
<td>-.02</td>
</tr>
<tr>
<td></td>
<td>B</td>
<td>.11'</td>
<td>.07</td>
<td>.07</td>
<td>-.01</td>
<td>.01</td>
<td>-.19^</td>
<td>-.11</td>
</tr>
<tr>
<td></td>
<td>C</td>
<td>.09^</td>
<td>.03</td>
<td>-.03</td>
<td>.00</td>
<td>.01</td>
<td>-.14^</td>
<td>-.09^</td>
</tr>
<tr>
<td></td>
<td>D</td>
<td>.01</td>
<td>.02</td>
<td>.12'</td>
<td>.06</td>
<td>.00</td>
<td>.03</td>
<td>-.13</td>
</tr>
<tr>
<td></td>
<td>E</td>
<td>.05</td>
<td>.04</td>
<td>.12'</td>
<td>.13^</td>
<td>.00</td>
<td>.03</td>
<td>-.18</td>
</tr>
</tbody>
</table>

1 = p < .05
2 = p < .025
3 = p < .01

Table 5

Correlation between Decision Style and Status, Power and Influence n=212

<table>
<thead>
<tr>
<th>Decision Style</th>
<th>Status, Power, Influence</th>
<th>Pearson</th>
<th>Kendall</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>.02</td>
<td>.03</td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>.04</td>
<td>.06</td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>-.04</td>
<td>-.04</td>
<td></td>
</tr>
<tr>
<td>D</td>
<td>.02</td>
<td>.01</td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>-.08</td>
<td>-.08^</td>
<td></td>
</tr>
</tbody>
</table>

1 = p < .05
Source: Q 2, 5 in Questionnaire
### Table 6
Correlation between Decision Style and Managerial Behaviour Characteristics

<table>
<thead>
<tr>
<th>Decision Style</th>
<th>Managerial Behaviour Characteristics</th>
<th>Pearson</th>
<th>Kendall</th>
<th>Pearson</th>
<th>Kendall</th>
<th>Pearson</th>
<th>Kendall</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>i and ii Employee Orientation</td>
<td>-.10</td>
<td>-.08</td>
<td>-.01</td>
<td>-.00</td>
<td>-.07</td>
<td>-.05</td>
</tr>
<tr>
<td>B</td>
<td>iii and iv Task Orientation</td>
<td>.08</td>
<td>.05</td>
<td>.04</td>
<td>-.00</td>
<td>.07</td>
<td>.04</td>
</tr>
<tr>
<td>C</td>
<td>i, ii, iii, iv</td>
<td>-.06</td>
<td>-.05</td>
<td>-.03</td>
<td>-.04</td>
<td>-.06</td>
<td>-.04</td>
</tr>
<tr>
<td>D</td>
<td></td>
<td>.06</td>
<td>.02</td>
<td>-.01</td>
<td>-.00</td>
<td>.03</td>
<td>.01</td>
</tr>
<tr>
<td>E</td>
<td></td>
<td>.12</td>
<td>.05</td>
<td>.05</td>
<td>.06</td>
<td>.09</td>
<td>.06</td>
</tr>
</tbody>
</table>

1 = p ≤ .05

Source: Q 2, 6 in Questionnaire

### Table 7
Correlation between Decision Style and L.P.S.

<table>
<thead>
<tr>
<th>Decision Style</th>
<th>L.P.S.</th>
<th>Pearson</th>
<th>Kendall</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>-.12</td>
<td>-.06</td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>-.01</td>
<td>-.01</td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>.06</td>
<td>.03</td>
<td></td>
</tr>
<tr>
<td>D</td>
<td>.03</td>
<td>.04</td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>.13</td>
<td>.07</td>
<td></td>
</tr>
</tbody>
</table>

1 = p ≤ .05
2 = p ≤ .025

Source: Q 2, 8 in Questionnaire
Table 8

Correlation between L.P.S. and Managerial Behaviour Characteristics

<table>
<thead>
<tr>
<th>Opinion of Least Preferred Subordinate</th>
<th>Managerial Behaviour Characteristics</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Task Orientation</td>
<td>Employee Orientation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pearson Kendall</td>
<td>Pearson Kendall</td>
<td></td>
</tr>
<tr>
<td>L.P.S.</td>
<td>.19₃</td>
<td>.11</td>
<td></td>
</tr>
<tr>
<td></td>
<td>.08</td>
<td>.05</td>
<td></td>
</tr>
</tbody>
</table>

n = 212

3 = p < .01  Source: Q 6, 8 in Questionnaire

Table 9

Correlation between Decision Style, with regard to Decision Type, and Span of Control

<table>
<thead>
<tr>
<th>Decision Style</th>
<th>Span of Control</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Aggregate Programmed</td>
</tr>
<tr>
<td></td>
<td>Pearson Kendall</td>
</tr>
<tr>
<td>A</td>
<td>.16₃</td>
</tr>
<tr>
<td>B</td>
<td>-.04</td>
</tr>
<tr>
<td>C</td>
<td>-.08</td>
</tr>
<tr>
<td>D</td>
<td>-.11₃</td>
</tr>
<tr>
<td>E</td>
<td>-.02</td>
</tr>
</tbody>
</table>

1 = p < .05  Source: Q 2, 10 in Questionnaire
2 = p < .025
3 = p < .01
4 = p < .001
Table 10
Correlation between Decision Style and both Company and Finance Function Size

<table>
<thead>
<tr>
<th>Decision Style</th>
<th>Company</th>
<th>Finance Function</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pearson</td>
<td>Kendall</td>
</tr>
<tr>
<td>A</td>
<td>-.13</td>
<td>-.10</td>
</tr>
<tr>
<td>B</td>
<td>-.10</td>
<td>-.06</td>
</tr>
<tr>
<td>C</td>
<td>.08</td>
<td>.06</td>
</tr>
<tr>
<td>D</td>
<td>.12</td>
<td>.09</td>
</tr>
<tr>
<td>E</td>
<td>.17</td>
<td>.13</td>
</tr>
</tbody>
</table>

1 = p < .05
2 = p < .025
3 = p < .01

Source: Q 2, 11, 12 in Questionnaire

Table 11
Correlation between Decision Style and Organisational Level

<table>
<thead>
<tr>
<th>Decision Style</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pearson</td>
</tr>
<tr>
<td>A</td>
<td>-.12</td>
</tr>
<tr>
<td>B</td>
<td>.05</td>
</tr>
<tr>
<td>C</td>
<td>.01</td>
</tr>
<tr>
<td>D</td>
<td>.10</td>
</tr>
<tr>
<td>E</td>
<td>.03</td>
</tr>
</tbody>
</table>

1 = p < .05
2 = p < .025

Source: Q 2, 9 in Questionnaire
Dear Sir,

You may recall receiving a questionnaire towards the end of June which posed a number of questions about the nature and context of the job of the Financial Controller or Chief Accountant. Perhaps for one reason or another you felt unable to participate in the study at the time.

However, if you are still interested in the survey, I sincerely seek your cooperation and participation by sending the completed questionnaire to me as soon as possible. As a teacher of undergraduate students planning to pursue a career in accountancy, I believe the information you provide, which will be treated in the strictest confidence, will have real educational value and ultimately I hope some practical ramifications.

Yours faithfully,

Eugene F. McKenna
INTERVIEW SCHEDULE

1. What differences do you see between the job of the Financial Controller and that of the Chief Accountant?

2. Is it likely with an increase in the number of years spent in one job, such as yours, for one to change or modify the approach to making decisions or managing subordinates?

3. Could you briefly describe your style of management (as explained in Questionnaire) when a decision for which you bear ultimate responsibility is
   1) Clearcut or routine e.g. taking action on customers arrears
2) Complex or uncertain, or non routine e.g. setting guidelines for investigation of variances, promoting staff.

4. When a section is highly specialised (e.g. credit control, budgeting) and is headed by a member of your staff who is well qualified in that area, how do you go about managing in such circumstances?

5. Would you adopt a similar style of management towards a section not highly specialised with a less qualified person in charge?

If no, why not.
6. What sort of qualities or skills do you look for in a subordinate before you are prepared to involve him, through consultation, participation, or delegation, in decisions for which you bear responsibility?

7. Some people maintain that if a job in a company offers one enough power, influence with and respect from both a superior and subordinate, then this could have a favourable influence on one's choice of management style.

☐ If the above description fits your job, how does it affect your management style?

☐ If it does not, how do you see your job and briefly describe your management style?
8. Have you ever had the experience of your style of management changing as the number of subordinates reporting to you increased or decreased.

[ ] If so, in what way did it change?

[ ] If you had such an experience and your style remained constant, to what do you attribute this uniformity of style.

9. Can you envisage a situation where a variation in the size of the finance function or the size of the company leads to a change in the style of management of the Financial Controller or Chief Accountant.

[ ] If yes, how can you explain it.

[ ] If no, why should the style remain the same in such circumstances.
How restricted is your authority in your present position when it comes to getting production, personnel or marketing managers to do what you think is financially desirable?
REFERENCES


BARDEN, V. (1970) Yes, the Accountants are Different (Report of a Study at the Ashridge Management College), Accountancy Age, 16 October, 15.


<table>
<thead>
<tr>
<th>Author</th>
<th>Year</th>
<th>Title</th>
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Management by Objectives. Management Accounting, May, 173-177.


A sample Survey with both a Postal and an Interview Stage. Applied Statistics, 6, 139-153.

Leadership Styles of Structure and Consideration and Managerial Effectiveness. Personnel Psychology, 22, 141-152.


<table>
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<th>Title</th>
<th>Publication Details</th>
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</thead>
</table>


<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Title</th>
<th>Source</th>
</tr>
</thead>
</table>


