

## Analysis of Leadership Styles of Blake and Mouton: A Comparative Study of Leadership Interactions in Different Environments

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### ABSTRACT

The study aimed to identify the impact of leadership styles according to the leadership network model developed by Blake & Mouton (1978), which are: permissive leadership style, strict leadership style, moderate leadership style, social club management style, and team management style - in choosing business strategies. Followed by insurance companies according to the classification of Michael Porter (1985), who classified them into three strategies: cost leadership strategy, differentiation strategy, and focus strategy. To achieve this goal, a questionnaire was developed and distributed to a sample of 100 iraqi insurance company managers. 79 valid questionnaires were retrieved, with a recovery rate of -79%. After conducting the necessary statistical analysis, the study reached the following results:

- 1- There is no effect of the leadership styles according to the Blake and Mouton model in choosing the cost leadership strategy, as the study showed no effect of the permissive style, the moderate style, the social style, and the team leadership style in choosing the cost strategy, and it showed an effect - only - of the strict style in choosing the cost leadership strategy
- 2- There is an effect of leadership styles according to the Blake and Mouton model on choosing a differentiation strategy, as the study showed an effect of the permissive, moderate, sociable leadership style and the team leadership style on choosing a differentiation strategy, while no effect was shown For the strict style in choosing a differentiation strategy
- 3- There is an effect of leadership styles according to the Blake Moton model in choosing the focus strategy, as the study showed the presence of this effect of the strict, moderate, social, and team leadership styles in choosing the focus strategy

**Keywords-** Vision, Communication, Empathy, Integrity, Influence.

### I. INTRODUCTION TO THE STUDY

The success or failure of business organizations in the current business environment, which is based on high competition at the local and global levels, is often due to the efficiency and effectiveness of their administrative leaders. As evidence of this, once the appointment of a chief executive officer (CEO) as director of a company is announced, the value of its shares begins to rise before the president begins his actual work, and before the results of his work appear (Lepsinger, 2006). The topic of leadership and its role in strategic choices has received wide attention Researchers in strategic management, the study (O'Regan & Ghobadian, 2004) showed that the presence of effective leaders of organizations that work to develop and

implement strategies appropriate to the internal and external work environment are certainly capable of developing the performance of their organizations, improving the quality of performance and achieving excellence. Bennis (2001) believes that the business environment today requires a shift in leadership roles, whether in building knowledge or innovations and inventions, and the performance of the organization has become greatly influenced by the leadership style exercised by the administrative head.

The Iraqi insurance sector, as one of the service sectors in the Iraqi economy, has witnessed a significant expansion, as the volume of demand for it has increased, and the nature of the services provided in it has diversified. Statistics from the Iraqi Federation of Insurance Companies on its website indicate that

insurance premiums in Iraq expanded from about 90 million Iraqi dinars in 1997, to about 220 million dinars in 2005 and to about 365 million at the end of 2009. Al-Shallah (2003), so this sector Promising and growing companies need administrative leaders capable of understanding customers, satisfying them, and adopting business strategies that contribute to developing the performance of these companies and strengthening their competitive positions. Hence, this paper came with the aim of identifying the prevailing leadership styles in Iraqi insurance companies

**II. THE STUDY PROBLEM**

The growing risks facing business organizations in the Iraq government and the world have led to an increase in the demand of institutions and individuals for insurance companies as a safe haven for their capital assets and as one of the direct strategies in addressing these risks and transferring these risks to insurance companies, which has contributed to the increased demand for insurance services of various types. For example, the demand for marine insurance increased between 1997 and 2007 by 15.1%, the demand for general accident insurance increased by 33% for the same period, the demand for fire insurance increased by 28.9%, and the demand for automobile insurance for the same period increased by 31.1. % (Iraqi Federation of Insurance Companies). This increasing demand for insurance has led to an increase in the volume of capital investments in this sector, due to the amounts paid in premiums Hence, a set of questions emerged in the minds of researchers through which the research problem in the sector can be identified Insurance in Iraq, as follows:

**Table No. 1: The growth rate of the insurance sector in Iraq for the years from 2004 to 2009**

Growth rate of insurance compensation %	Insurance premium growth %	years
14	11	2004
15	14	2005
22	7	2006
19	12	2007
5	14	2008
8	9	2009

*Source.* Iraqi federal companies

**III. THE IMPORTANCE OF STUDYING**

1- The importance of the researched sector, as the insurance sector - as was mentioned in the introduction to the study - has become one of Important service economic sectors in Iraq, and

therefore preparing research studies on this sector provides data about it In front of decision-makers, it may contribute to developing it and improving its performance

- 2- The importance of the research topic, as attention to leadership styles in the management of business organizations has become very important, to ensure the presence of administrative leaders capable of keeping pace with environmental changes, such as confronting the effects of the economic crisis that has struck the global economy At the end of 2008, and also like the social changes targeting the Arab region, these administrative leaders are able to Adopting business strategies that help insurance companies grow and prosper in the current business environment
- 3- The importance of the results expected from the research, as this study is expected to reach results and provide recommendations that can be used Some of them are from administrative leaders in the insurance sector

**IV. OBJECTIVES OF THE STUDY**

The study aimed to measure the impact of leadership styles according to the Blake and Mouton (1978) model classification They are: the strict leader, the permissive leader, the moderate leader, social club management, and the team management style to choose from Business strategies used in insurance companies according to the classification of Michel Porter (1985), who classified them There are three strategies: cost leadership strategy, differentiation strategy, and focus strategy

- 1- Spatial boundaries of the Iraqi companies
- 2- Objective limits of Iraqi insurance companies

**V. LEADERSHIP CONCEPT**

Daft (2006) defined leadership as the ability to influence others towards achieving the organization's goals. Al-Maghrabi (2004) defined it as the ability of an individual to influence a person or a group of people and direct them in order to gain their cooperation to work With the highest degree of efficiency in achieving the desired goals. Many people in administrative thought, including writers and researchers, have considered leadership to be the essence of the administrative process and the criterion by which the success of any administrative organization is determined (Kanaan, 2002). It was mentioned (Dweck, 2001) has three main elements to determine the strength of the effectiveness of administrative leadership, which are:

- 1- The process of influence that the leader exercises on individuals and that he uses to motivate them to produce, work, and redouble efforts, such as: providing rewards, coercion, creating bases of

- reference, and the personal experience of the administrative leader
- 2- Directing oneself and unifying their efforts, as much of a leader's success depends on his ability to unify the efforts of his workers, organize their efforts and direct them towards the common goal that he seeks, and overcome the difficulties he faces in this regard as a result of the differences in the culture of the workers and their psychological and social conditions to form a harmonious and cooperative team
  - 3- Achieving the functional goal because the main goal of any direction process carried out by the leader is to achieve the goals of the organization that he manages, which is a desirable common goal. An effective manager who provides elements of strength to his organization is certainly a leader (Daft, 2006)

## VI. THE DIFFERENCE BETWEEN LEADERSHIP AND MANAGEMENT

Many recent studies have addressed the leadership role of managers. Leaders - as well as managers - play an important role in Organizations' success or failure. Relevant literature suggests that effective managers are certainly leaders because they provide many strengths to their organizations. In general, there are many main differences between management and leadership. Management maintains the stability of the organization, issues orders, and solves problems within the organization, while leadership works to define the vision, encourage creativity, and adopt change as a strategy. In other words, the manager is concerned with what exists, while the leader moves the organization to a new situation (Daft, 2006).

Many references, administrative books, letters, and research in the field of management - especially on the subject of leadership - have pointed to many concepts and opinions that explain leadership styles and their efficiency and effectiveness in management. Al-Atshan (2011). Based on this literature and references, three basic theories have been available to explain administrative leadership (Choubita 2001).

**First-** Traits Theory: It is one of the first theories that sought to define the characteristics of successful leadership. It is a group of traits that, if present in a particular individual, would have the ability to lead. These traits include: the level of intelligence, familiarity with work matters, and the ability to express Ideas, mental and emotional maturity, and availability of motivation Self-achievement, the presence of human and social skills in dealing with oneself and the availability of administrative skills

**Second-** The Great Man Theory The proponents of this theory believe that great men are born, not made, and stand out in society because of their unusual abilities and

talents, and possess genetic traits that make them Leaders, because they have absolute freedom of will, and they have the ability to chart the current and future paths of history through Their struggle, and they have the ability to control crises in line with their blind vision (2002)

The theories of traits and the great man have been subjected to many criticisms, and one of these criticisms was that those who developed this theory did not agree on a coordinated pattern of the traits that must be present in a leader (Zuelf (2001). Hareem pointed out that the aforementioned traits that must be present in a leader do not It guarantees success in an absolute way (Hareem, 1997). Al-Qaryouti also pointed out that the issue of measuring these traits is a relative difference. (Al-Qaryouti, 2004), and that these theories ignored the situational nature

**Third -** Behavioral Theories: These theories revolve around the individual's knowledge, motivations, and behavior in order to create a friendly climate that achieves efficiency and effectiveness in rational work (2005), and Robbins (2007) pointed out.

There are three basic studies on behavioral theories:

- 1- Ohio University studies: relied on two basic dimensions to determine the behavior of the administrative leader: task structuring Initiating Structure which is the type of performance-oriented behavior that directs employees towards achieving the organization's goals. As for the second dimension, which is concern for the feelings of others (Consideration Structure), it is the type of behavior in which the leader is sensitive to their feelings, respects their thoughts and feelings, and works to enhance mutual trust with them As a result of these two dimensions, a group of leadership styles emerged in management
- 2- University of Michigan studies: They also identified two basic dimensions: the leader's orientation towards the employees (Employee, and from this also emerged a group of (Job) - Centered Leaders) and the leader's orientation to production (Centered Leaders)
- 3- The Leadership Grid Theory: Blake & Mouton from the University of Texas in the United States developed this theory in which they assumed that the concerns of leaders are limited to two dimensions: concern for individuals and production. This is similar to what was reported by the studies of the Universities of Ohio and Michigan, and the administrative grid depends on Varying degrees of interest in production and individuals, but (Blake & Mouton) emphasized five leadership models, four of which are at the corners of the network, and one in the middle. Tarawneh (2005) Figure (2) shows the leadership styles as stated by Blake & Mouton

**Style 1-** Permissive leadership indicates minimal concern for employees and production. This type of leader has the feeling of being a leader, but is withdrawn and laissez-faire, often has poor contact with one's self, and can be described as uninterested, uncommitted, whiny, and indifferent

**Type 1-1:** Authoritarian leadership refers to the leader's interest in production in its best form, although his interest is in the least form with regard to individuals, as employees are viewed as tools for achieving goals, and communication with followers takes place only with the aim of giving instructions on performing the work, and this style is driven by results. Employees are viewed as tools for achieving results. The leader in this style is controlling and demanding, his leadership is difficult, and he uses authority excessively

**Type 1-2:** Social Club Management: It indicates the leader's highest interest in the employees, while he devotes the least attention to production. He has little interest in achieving tasks, with a high interest in interpersonal relations. In the absence of interest in work, the leader focuses on the employees' attitudes and feelings, and meeting their needs. Personal and social, they are trying Create a positive climate by adopting the principle of agreeing with others, helping them, and working to make them comfortable

**Style 2-** Team management indicates maximum concern for employees and production. Trust and high morale prevail in the organization. The leader has a strong focus on both work and employee relations. He encourages a high degree of participation and teamwork in the organization, and satisfies the basic needs of employees to participate in They are committed to their work and a leader in this type encourages participation, acts decisively, raises issues for open discussion, and makes priorities clear Acts with an open mind, enjoys work

**Style 3-** Moderate leadership. The leader balances production and workers. He seeks to achieve moderate satisfaction among employees. He works to reconcile those who have a moderate interest in work and those who perform their work with great interest. The leader avoids conflict and emphasizes average levels of performance and relations between employees. The leader prefers He does not disagree and ignores his convictions in order to achieve progress. Figure (2) shows the five leadership styles according to a network model as a set of actions and decisions that guide the company towards achieving its mission, and includes three types of strategies:

A- Growth Strategy includes expansion in business practice, either by adopting a Focus Strategy, through Vertical Integration, or horizontal integration, either through Diversification Strategy,

or through a strategic method. Horizontal Integration (Unrelated Diversification) or by Related Diversification

- B- Stability Strategy includes waiting and maintaining the status quo while waiting for the upcoming changes that will occur in the environment, by using the Pause Strategy or the No Change Strategy
- C- Retrenchment Strategy, which includes making a retreat in the face of some difficulties and threats present in the environment, using the Turnaround Strategy, the Sell-out Strategy, or the Captive Strategy

## VII. OPERATING LEVEL STRATEGY

At this level, managers at the operational level take decisions and actions in the short and medium term, at their work site, with the aim of programming work in production, maintenance, or purchasing, for example, or in marketing and sales...etc., with the aim of reaching the goals set at the functional level or the business level. The types of strategies vary depending on the operational location and its nature.

The number of insurance companies operating in the Iraqi government at the time of preparing this study, according to the statistics of the website of the Federation of Insurance Companies, was 28 companies. The companies that provide all types of insurance were approved for this study, and their number is 16 companies. The companies that practice some types of insurance, which number 12, were excluded. Company, and the sixteen companies were contacted, to determine the number of managers in each of these companies, but three companies were excluded, because they suffer from administrative and financial problems according to the data provided to us, and there are two companies that did not cooperate with us in collecting data, and accordingly, they were Conducting the study on managers working in the remaining eleven companies. Accordingly, the study population consists of all managers working in insurance companies that specialized in providing all types of insurance and cooperated to conduct this study. Their number at the time of preparing the study was 137 managers. A stratified random sample was chosen from among these companies, in order to ensure fair distribution of the sample and proportional representation. The number of managers in different companies. According to the sample size selection table from a well-known population (Uma Sekran 2007), the sample size of our study is equal to 100 managers, and they were distributed in a stratified random sample.

**Table No. 2: Determine the elements of random sample**

Members of sample	Managers in the sample	Managers number rate	Managers number	Companies name	seq
6	10	10	14	Innovation the middle east	1

9	10	10	14	Asia sel	2
9	13	13	17	zain	3
7	7	7	10	Modern dyes	4
7	7	7	10	Al amen for investment	5
5	8	8	11	Services sector	6
9	12	12	16	Al ahly for agricultural production	7
7	10	10	14	Al ahly for insurance	8
6	8	8	10	Al batic for financial investment	9
5	5	5	7	Al khaleg for insurance	10
9	10	10	14	Iraqi Islamic bank	11
79	100	%100	137	sum	

\*Source: Iraqi federal companies

### VIII. DISCUSS AND INTERPRET THE RESULTS

- 1- There is no effect of the leadership styles according to the Blake and Mouton model in choosing the cost leadership strategy, as the study showed no effect of the permissive style, the moderate style, the social style, and the team leadership style in choosing the cost strategy, and it showed only an effect of the strict style in choosing the cost leadership strategy. The researchers believe that this result is consistent with what was stated by the majority of management and organization literature (Al-Qaryouti (2010)) that organizations that adopt a cost leadership strategy, which focuses on controlling expenses, reducing costs, and increasing their market share, are suitable for organizations that rely on a high degree of centralization, formality, and tight control. Measures to reduce administrative expenses and benefit from economies of scale. Japanese companies operating in the automobile industry may follow this strategy to compete with international companies due to the high competition in this sector of the industry. This also applies to the insurance sector in Iraq. This sector is witnessing a high degree of competitiveness and high growth, which requires the necessity of controlling operating expenses. Hence the need for central leadership, a high degree of formality, and tight oversight.
- 2- There is an effect of leadership styles according to the Blake and Mouton model on choosing a differentiation strategy, as the study showed an effect of the permissive, moderate and sociable leadership style and the team leadership style on choosing a differentiation strategy, while no effect was shown. For the strict style in choosing a differentiation strategy.
 

Since the differentiation strategy depends on the organization producing and marketing a distinctive product that is different from what competing organizations produce in terms of

quality, specifications, and service delivery method in order to obtain a larger market share than competitors, the trend towards decentralization of leadership, and delegating workers to more decision-making powers, Encouraging them to be creative and innovative, paying attention to them, motivating them, understanding their needs, and strengthening social and informal relationships among them will increase their loyalty to the organization and develop their teamwork and excellence. This applies to both the permissive leadership style that is widely applied in scientific research institutions that adopt creativity, research and development as a strategy, and the social club management style that adopts the human relations approach and pays attention to understanding the individual's needs and satisfying them, and the leadership style.

The team that relies on the participation of employees in decision-making, thus raising their morale and increasing their loyalty to the organization, and moderate leadership that cares about work, production, and the individual alike

- 3- There is an effect of leadership styles according to the Blake Moton model in choosing the focus strategy, as the study showed the presence of this effect of the strict, moderate, social, and team leadership styles in choosing the focus strategy. The researchers believe that this result is consistent with what was stated by the majority of previous studies, Al-Qaryouti (2010) that the focus strategy is suitable for the decentralized style of leadership, which is based on one's participation and delegation of appropriate powers to make decisions and accomplish work, while the strict leadership style is suitable for the cost leadership strategy and not Differentiation or focus strategy. And because the result This study contradicted in part what Al-Qaryouti mentioned. Researchers believe that this needs further study and research

## RECOMMENDATIONS

- 1- The study recommends strengthening the team management style because of its impact on developing the capabilities and capabilities of employees and helping them innovate on the one hand and the ability to serve customers on the other hand. The results of the study showed the ability of this style to influence choice Differentiation and focus strategies
- 2- Because team type has no effect on choosing a cost leadership strategy, researchers recommend that insurance companies should follow suit Iraqi team management style has great administrative benefits instead of following the strict style, taking into account empowering workers by training, motivating them and giving them decision-making powers in their positions until the team management style becomes suitable for choosing
- 3- According to the Blake and Mouton model, following the team leadership style means giving high attention to work and workers alike, and this means unleashing the energies of employees and providing a work climate that contributes to the innovation of new services provided to insurance company clients. Because we live in a dynamic, mobile and complex environment, developing the performance of employees and empowering them will help in confronting these circumstances while maintaining interest in production and efficiency in performance, and this is what distinguishes the team leadership style, because on the one hand it suits the strategies of differentiation and focus, as appeared in the results of this study, and on the other hand, it Over time, it will help increase customer demand for the company's insurance services, and this will increase the volume of work and lead to operating economies that help the organization
- 4- This style occupies point (99) on the administrative leadership grid. On the one hand, this means paying attention to productivity, efficiency and effectiveness at work to achieve the highest possible production, and on the other hand, it cares about the employees and seeks to motivate and satisfy them To reduce the price of services, adopt a cost leadership strategy, and increase its market share
- 5- The researchers also recommend conducting future research to study the relationship of each of the three business strategies to the prevailing leadership styles, whether according to the Blake and Mouton model, or according to any of the other leadership models, and specifically to study the impact of leadership styles in choosing the focus strategy due to the different results of these Study

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