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Bulgarian managers – specifics in leadership

Abstract

This study explores the leadership specifics of managers in a transition country. Based on leadership theory and the specificity of the business services sector in Bulgaria, we explore three hypotheses, plus a further question, as to whether there is a difference in leadership style in three specific business sectors (IT, finance and consultancy). Both quantitative and qualitative analysis were applied to empirical data collected from 35 business organisations (and from 468 respondents) in Bulgaria in order to analyse the research questions. The statistical analysis supports some aspects of our concept approach: the data verify that Bulgarian managers use both transactional and transformational leadership styles. Consistent with the culture-specific view of leadership, the socio-cultural context proves an influence on the leadership style of managers in Bulgaria. The empirical data and our analyses also show that gender is a factor variable that, to a certain extent, determines leadership style although further analysis is needed to verify the precise correlation.

Keywords: *Leadership style, transformational leadership, transactional leadership, socio-cultural context, gender*

Introduction

Some leadership researchers (for example: Bass, 1998) have introduced the idea that certain leadership styles are universally effective, transformational leadership styles in particular. These new leadership theories are focused on the:

> *Major effects that leaders can have on the emotions, motives, preferences, aspirations and commitment of followers, as well as on the structure, culture and performance of complex organizations. (House and Podsakoff, 1994: 55)*

However, cross-cultural researchers (Elenkov and Manev, 2005; Trompenaars, 1993) have argued that the endorsement and effectiveness of a given leadership factor are culture-specific. Elenkov and Manev (2005) have indicated that socio-cultural context has a direct impact on the extent of use of leadership factors. Moreover, Trompenaars and Hampden-Turner (2002) have found that socio-cultural value orientations were differentially related with transformational and transactional leadership. Different leadership prototypes would be expected to occur in societies that have different socio-cultural profiles (Dorfman, 1996).

Over the past decade, leadership research has increased indeed, although there is a need for further analysis of the factors that affect leadership in countries that face the challenges of political and economic transformation to a market-driven, competitive

economy (Ardichvili and Gasparishvili, 2001). Gender equality has been generally accepted as a *conditio sine qua non* for the sustainable development of any society.

> *It lays on the full participation and partnership of men and women in economy, income, education, healthcare, sports, culture and politics. (Davidkov, 2005: 17)*

Gender equality has been a top priority worldwide, but Eagly and Carli (2007), in their article 'Women and the labyrinth to leadership', argue that there is a rigid barrier that blocks women from the top echelons of power. The authors suggest:

> *Despite the real progress, women remain rare enough in elite positions of power. (Eagly and Carli, 2007: 62)*

Eurostat research shows that 33% of Bulgarian managers are women (the average for all EU countries is 30%).[1] However, the nominal gender gap is consistent with the presence of wage discrimination.

Justification for the empirical research

It is for twenty five years now that Bulgaria, one of the most dynamic transition countries, has been undergoing a transformation from a centrally-planned economy to a market-driven one. Additionally, Bulgaria has been a full member of the European Union since January 2007. There have been some leadership research studies into countries of the so-called eastern bloc, such as Russia (Elenkov, 1998) and Georgia, Kazakhstan and Kyrgyzstan (Ardichvili and Gasparishvili, 2001). In a comparative study utilising Hofstede's dimensions, Elenkov (1998) found that US approaches to leadership need to be adapted to the specificity of Russian culture in order to be effective when applied to business practices in Russia. There are, in contrast, few analyses of Bulgarian entrepreneurs (Davidkov, 2006; Koev, 1996). The data that does exist proves that there continues to be a need for further research in these countries on both leadership and management, as well as their dominant factors. Indeed, Elenkov (2002) argues that leadership research holds the great promise of bridging the gap between the postulates of western management and organisational behaviour theories and practice in other countries.

For the purposes of this study, the services sector has been chosen as it has been registering growth in the Bulgarian economy. Figure 1 shows that services form over 60% of Bulgarian GDP.[2] Using the services sector as a platform for our empirical research, we chose three business sectors:

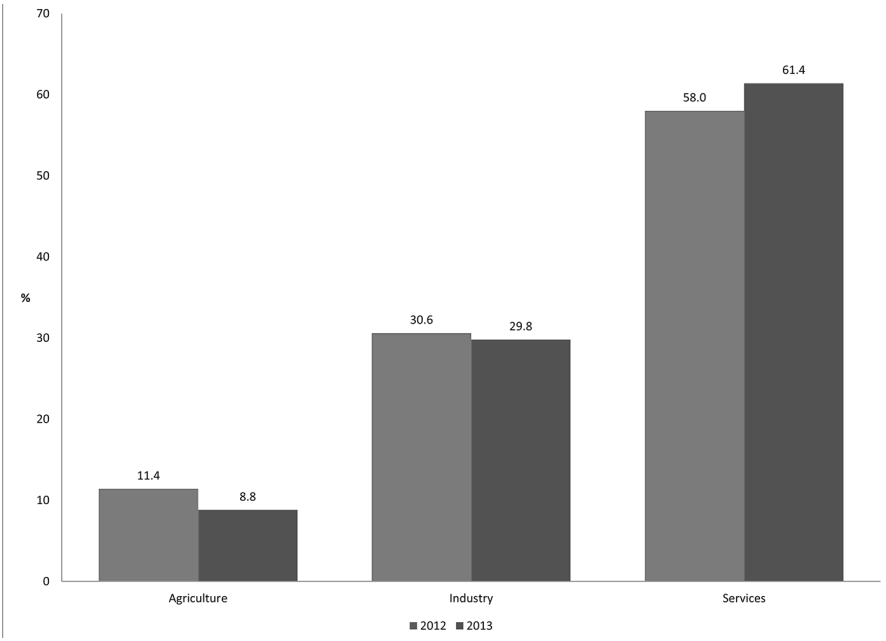
1 *Almost a third of women and 5% of men having a young child worked part-time in 2011* Eurostat News Release 37/2013, available at: http://ec.europa.eu/eurostat/web/products-press-releases/-/3-07032013-AP [last accessed 8 April 2013].

2 *GDP by Economic Sector in the Third Quarter of 2012 and 2013* available at: http://www.nsi.bg/sites/default/files/files/pressreleases/GDP2013q3_85D3RJE.pdf (in Bulgarian) [last accessed 18 December 2014].

- IT
- finance
- consultancy.

The selection criteria included the specifics of economic growth, a gender balance in mid-level and top managerial positions and the presence of group activity.

Figure 1 – GDP distribution by sector, Bulgaria (2012 and 2013)



There were two basic research challenges which motivated this study:

1. given the gap in the empirical literature regarding the leadership style of managers in transition countries, the study attempts to explore the leadership profile of Bulgarian managers
2. the study seeks to add knowledge about gender equality perceptions and practices at work, concerning leadership in particular. Thus, the research questions included:

   a. what is the dominant leadership style of Bulgarian managers – is there any preference towards a transactional or transformational leadership style?

   b. what are the dominant factors that largely influence leadership style?

   b1. what is the role of the socio-cultural environment?

   b2. is there a difference in leadership behaviour based on economic sector?

   c. is there any difference in the leadership behaviour of men and women managers in Bulgaria?

Some of these questions directly face the hypotheses drawn up for the research; others construct a context and also enrich the research field.

Theory

A variety of approaches to leadership has been proposed over time: from analysing what leaders are like, what they do and how they motivate others, to how the situation dictates their styles of behaviour and how they implement organisational changes, etc. (Yukl and van Fleet, 1992). Despite the various texts, there is no common definition of leadership (Stewart, 2006: 2). Burns concludes that leadership is one of the most studied and least understood phenomena (Burns, 1978: 3). Bass (1990: 20) indicates that the word 'leadership' was used for the first time in texts of political influence and control of the British parliament in the first half of the nineteenth century. According to Naylor (2004: 368), effective leaders mobilise resources while leadership has been held to be the ability to influence individuals and groups of people, urging them to achieve a goal (Angelov, 1998: 261). The process of leadership is described as:

> *A stream of evolving interrelationships in which leaders are continuously evoking motivational responses from followers and modifying their behaviour as they meet responsiveness or resistance, in a ceaseless process of flow and counterflow. (Burns, 1978: 440)*
>
> *Due to the fact that leadership is a complex phenomenon in its identification, description and explanation, different approaches and conceptual networks could be sufficient. (Davidkov, 2005: 120)*

Indeed, there are numerous definitions of leadership, representing different perceptions and theories, yet most of them reflect an assumption around a process in which one person exerts influence over others to guide and facilitate relationships within a group or organisation (Yukl, 1998).

Leadership models and concepts also have varied in time. Hellriegel, Jackson and Slocum (1999: 503) group the various research leadership models into four categories:

1. theories of leadership traits (qualities)
2. behavioural theories
3. situational theories
4. theories of transformational leadership.

According to these authors, the most popular theories fifty years ago were those of the first group. Over time, these theories have naturally been replaced with behavioural and, subsequently, situational theories. In the past decade, however, a further shift in emphasis has occurred towards thinking about the participation and role of followers in leadership, to the extent that leadership is now often defined as the process of leaders and followers engaging in reciprocal influence to achieve a shared purpose (Rosenbach and Taylor, 1993). Transformational theories reflect the desire of managers to change already-outdated organisations and make them competitive.

One of the popular models used to describe the idea of transformational leadership is that created by Bass, and then further developed together with Avolio, called the 'full-range leadership model'.

Transformational and transactional leadership

Bass (1996) argued that the "Full-range leadership" paradigm is universal and presented supportive research evidence. He stated that:

Although the model of transformational and transactional leadership may have needs for adjustments and fine-tuning as we move across cultures, particularly into non-Western, overall, it holds up as having considerable universal potential. (Bass, 1996: 754)

According to Avolio and Bass (1994), a transactional leadership style involves negotiations between leaders and their subordinates and the exchange of efforts and services for rewards when meeting certain work objectives. Motivation in the context of transactional theories is mostly self-interest. In its corrective form, it involves waiting for mistakes to occur before taking action. There are two basic forms in which transactional leadership manifests itself:

- contingent reward behaviour
- management by exception.

Transformational leadership emphasises inspiration, motivation, challenge, vision, personal development and superior performance among followers. Transformational leaders become strong role models, create a vision, act as change agents and become social architects (Northouse, 2004). There is also considerable evidence that transformational leadership is effective, and that it is positively related to subordinate satisfaction, motivation and performance (Bass, 1998).

There are four forms in which transformational leadership manifests itself:

1. idealised influence
2. inspirational motivation
3. intellectual stimulation
4. individualised influence.

The idea of transformational leadership is that it moves subordinates to a higher level of performance. It is concerned with emotions, values, ethics, standards and long-term goals, and includes assessing followers' motives, satisfying their needs, and treating them as full human beings (Northouse, 2004).

The full-range leadership model described by Bass and Avolio identifies that transformational and transactional leadership do not exclude each other. On the contrary, they are complementary, and the same manager could utilise both of them (Howell and Avolio, 1993).

A model that describes the whole spectrum of leadership behaviours includes a leadership style known as "laissez faire", also known as "non-leadership". This measures whether leaders (managers) require little of others, are absent when needed, avoid making decisions and delay responding to urgent questions.

Socio-cultural context of leadership

A number of recent studies suggest that the cultural context could influence the leadership process and effectiveness, as well as the endorsement of leadership factors in a particular social culture (Trompenaars and Hampden-Turner, 2002). Elenkov and Manev (2005) argue that the apparent influence of social culture on the effects of leadership behaviours has rarely been explored and that the few reported results are controversial. The authors indicate that, in order to be effective, leadership factors should be consistent with the dominant socio-cultural values. Triandis (1993) supports the idea

that there is a need for leadership and organisational theories which transcend cultures, by aiming to understand what works and what does not work in different cultural settings.

Gender and leadership

Some authors argue that traditional gender stereotypes depict men as effective achievers, competent, forceful, active, emotionally stable, independent and rational; while women are generally considered to be lacking in these characteristics (Becker, Ayman and Korabik, 2002). Furthermore, women have been described as deficient in the attributes that are considered necessary for an effective manager (Eagly and Carly, 2003). Bass and Avolio (1994), in their own research, found that female managers were considered to be more transformational than their male counterparts. The controversial thesis, defended by other authors, is that there are no differences in leadership style between men and women (Bass, 1990). According to these authors, men and women tend to behave similarly, regardless of the particular biological differences between them, as well as the occasionally different perceptions and reactions when facing equal business tasks.

However, Eagly and Carly (2003) concluded that the number of top female leaders has remained comparatively low, despite the number of women in management growing over the last two decades. The authors suggest a new term (replacing the well-known 'glass ceiling') to describes the career path of women – the 'labyrinth'.

Over the years, many explanations have been given for why women have not risen to the top positions within an organisation, including lack of line management experience, inadequate career opportunities, gender differences in linguistic styles and socialisation, gender-based stereotypes, the 'old boy' network at the top and tokenism (O'Neil, 2004).

Research hypothesis

Oshagbemi and Ocholi (2006), using the full-range leadership model, carried out a survey in the UK. Here, the results showed that, regardless of industry, all managers received the highest scores on the contingent reward factor from the transactional set of behaviours; and on the individual consideration factor from the transformational set of behaviours.

Ardichvili and Kuchinke (2002), utilising the same instrument together with Hofstede's model of measuring culture, compared the leadership styles of managers from four countries from the former Soviet Union, Germany and the US. They found out that two dimensions from the full-range leadership model – contingent reward (a transactional behaviour) and inspirational motivation (a transformational behaviour) – received the highest scores in all of the four countries from the Soviet bloc. Elenkov and Petkova (2008) used the full-range leadership model to analyse the leadership style of Bulgarian managers in the banking sector, concluding that Bulgarian managers here tended to use both transformational and transactional leadership styles. These results support the idea proposed by Avolio and Bass (1994) that transformational and trans-

actional leadership styles could be implemented together without any clear preference to either one.

This line of argumentation supports the grounds of our first hypothesis:

Hypothesis 1: Bulgarian managers use both transformational and transactional leadership styles.

Kuchinke (1999) has noted that research into the transformational leadership style is well-established in the north American context, having been investigated in more than two hundred studies, but the extent of the testing of this concept in other countries is limited. Some researchers, most notably Bass (1996), have argued that certain leadership behaviours are generally useful and effective. However, a recent study by Elenkov and Manev (2005), covering twelve European countries, has suggested that socio-cultural context tends to influence the leadership process and the effectiveness of leadership factors, as well as their endorsement by potential followers. Elenkov and Petkova (2008) confirmed the same results.

In considering the research results of this analysis, particularly in the discussion of the factor variables of leadership, as well as the recent findings of authors that analyse culture (as a national and organisational attribute), we may propose our second hypothesis:

Hypothesis 2: The socio-cultural context greatly affects leadership

The scientific literature has proposed two controversial ideas, both based on certain research data and substantial analysis, and so our third hypothesis is focused on the inter-relationship between gender and leadership style. Some researchers have defended the idea that the common perception for leadership is that this is more likely to be a male pursuit; others support the thesis that women tend to use transformational leadership styles more than their male colleagues (Bass, Avolio and Atwater, 1996). According to Manning (2002), transformational leadership includes those relationship-oriented behaviours to which female managers are somewhat more likely than men to lay claim. Carless (1998) also found out that female bank managers tend to use transformational leadership behaviours oriented towards interpersonal skills. Eagly, Johannesen-Schmidt and van Engen (2003) conducted a meta-analysis of different research data on gender differences. Their results showed that female leaders were rated more transformational than male leaders.

Taking into consideration the controversial results reported by different researchers concerning the inter-relationship between leadership and gender, we decided to verify this correlation:

Hypothesis 3: Gender is a factor variable that determines leadership style

Research methods

Research design

The empirical research for our study was carried out in the following stages:

1. organising and conducting a survey for the collection of empirical data – quantitative research
2. use of different mathematical and statistical methods

3. organising and conducting qualitative research (through focus groups) to collect in-depth information and enrich the analysis.

According to Harris and Hogan (1992), the sample design should consider that different information sources are particularly useful when analysing leadership. The authors argue that self-assessment is not the most reliable source of information. In contrast, Sala and Dwight (2002) state that there are arguments to support the idea that employees provide reliable results regarding their managers' performance. Therefore, for the purposes of the study, the respondents to the quantitative survey were selected to be employees, i.e. direct subordinates. As for the qualitative survey, both managers and direct subordinates were recruited for the focus group discussions.

When interpreting the data, the following limitations have to be taken into consideration:

- the survey does not register the ownership of the companies nor the nationality of the managers
- it was conducted in the Bulgarian capital – Sofia
- there are no indicators that register the professional biography of the respondents.

For the purposes of the quantitative survey, 35 organisations from within the chosen economic sectors were approached with official invitations to participate in the survey. Eleven organisations from the financial sector, eleven from IT and fifteen from consultancy agreed to participate. A total of 510 questionnaire instruments were delivered to potential respondents (direct subordinates). The surveys contained all items from the Multi-Factor Leadership Questionnaire (MLQ) – Form 6S; followed by questions on the gender of the respondent, the gender of the line manager, age group, the industry in which the organisation was located and the respondent's completed educational level. No fewer than 418 completed and usable questionnaires were returned, giving a response rate of 82%. The distribution by economic sector was as follows: IT – 125 surveys (29.9% of the whole sample); financial sector – 127 surveys (30.4%); and consultancy – 166 (39.7%). Sixty three per cent of the respondents were women and 37% were men.

The qualitative research targeted four groups of respondents:

1. a group of women leaders
2. a group of male leaders
3. a group of subordinates with women leaders
4. a group of subordinates with male leaders.

A total of fifty respondents participated in the focus group discussions. The duration of each of the focus groups was about two hours. All of the participants, both managers and subordinates, were drawn from the three economic sectors that were the focus of the quantitative research. The main problem areas that were included in the basic scenario for the focus group discussions were:

1. the general idea of leadership; and the differences between leader and manager
2. the dominant leadership style of managers in Bulgaria

3. the factors that determine the leadership behaviour of Bulgarian managers
4. the difference between the management style of women and the management style of men in Bulgaria.

The fieldwork for the two surveys was completed in the spring of 2013.

Variables and measures

The leadership style of Bulgarian managers was assessed using the Multi-Factor Leadership Questionnaire (MLQ) – Form 6S. Avolio, Bass and Jung (1995) provided evidence for the construct, convergent and validity of the full-range model. According to Lowe and Galen (1996), the MLQ has been found to be one of the best instruments and most-utilised sets of measures across all leadership studies. This instrument includes 21 items measuring only leadership behaviours. These items can be divided into seven factors that are the basis for the construct of the full-range leadership model: idealised influence; inspirational motivation; intellectual stimulation; individual consideration; contingent reward; management by exception; and laissez-faire. Each item of the Multi-Factor Leadership Questionnaire was rated on a five-point Likert-type scale, ranging from 0 (not at all) to 4 (frequent, if not always). Antonakis, Avolio and Sivasubramaniam (2003) have provided empirical support for the discriminant validity of each of the leadership factors measured through the MLQ.

Based on our data analysis, the full-range leadership model showed satisfactory reliability ($\alpha = 0.92$).

Data analysis and discussion

The analysis of the empirical data logically follows the three working hypotheses. First, we discuss the basic information that reveals any preferences towards a particular leadership style – Hypothesis 1; then we search for the most important factor variables that determine leadership – Hypothesis 2; and, finally, we evaluate the relationship between gender and leadership behaviour – Hypothesis 3.

Table 1 provides pair-wise correlations for the dependent variables of the quantitative survey. All items are highly correlated. Other leadership studies (Avolio, Bass and Jung, 1995) have also indicated similar inter-correlations. The largest correlations were found between idealised influence and inspirational motivation (r=0.805, p<0.01) and between intellectual stimulation and inspirational motivation (r=0.784, p<0.01).

Table 1 – Correlations matrix (n= 418)

Variable	1	2	3	4	5	6	7
1. Idealised influence	1						
2. Inspirational motivation	.805**	1					
3. Intellectual stimulation	.726**	.784**	1				
4. Individualised consideration	.582**	.641**	.632**	1			
5. Contingent reward	.615**	.717**	.707**	.653**	1		
6. Management by exception	.551**	.568**	.506**	.441**	.570**	1	
7. Laissez faire	.394**	.373**	.293**	.277**	.406**	.532**	1

All correlations on basis of Pearson Rank Correlation Coefficient.

We drew up a factor analysis of all 21 items from the MLQ questionnaire. The first three factors formed 60% of the dispersion of the answers. Following the statistical results, we designated these three factors as *vision for development*, *team spirit* and *innovative thinking*. These three factors could be determined as the required and valued qualities of leaders/managers; and, at the same time, as dimensions that form a paradigm for the monitoring and development of leadership skills.

The means of all the leadership styles are displayed in Table 2. The figures show the distribution of the answers for the three economic sectors both separately and aggregated for the whole sample.

There is no single leadership style that dominates in the three tested samples. The transformational behaviour that received the highest results was individualised influence (m= 2.67). We could assume from this that Bulgarian managers are admired and respected; and that followers are proud to be identified with their leaders. Managers try to motivate their employees by giving meaning and challenges at work, raising team spirit and creating an atmosphere of enthusiasm.

In contrast, however, the intellectual stimulation leadership style received the lowest results of all the transformational leadership styles in the three tested samples. One of the possible explanations for this could be that Bulgarian managers have still not explored the field of innovative thinking at a significant extent. Yet, the three tested sectors allow and even require intellectual resource and substantial innovations.

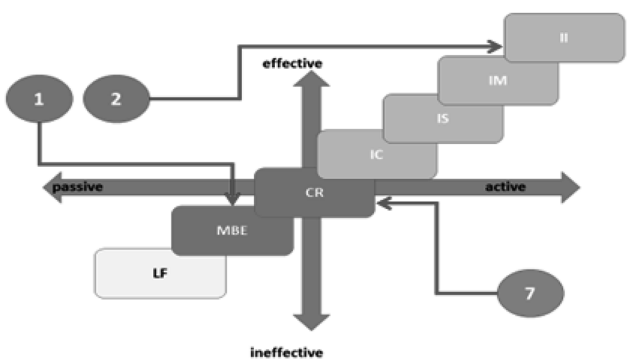
Table 2 – Means of all leadership styles

Leadership style	IT	Finance	Consultancy	Total
Idealised influence	2.7387	2.6089	2.6767	2.6746
Inspirational motivation	2.4213	2.3333	2.4759	2.4163
Intellectual stimulation	2.1387	2.1496	2.2369	2.1810
Individual consideration	2.2907	2.2677	2.3655	2.3134
Contingent reward	2.0880	2.0735	2.1627	2.1132
Management by exception	2.7573	2.7323	2.8534	2.7879
Laissez-faire	2.3280	2.1417	2.3153	2.2663

The transactional style that received the highest results was management by exception (m= 2.79). It could be argued that Bulgarian managers tend to set standards and apply sanctions in cases of deviation from the norm. This result is logical given that the functionality of the organisations in the sample requires formal rules and standards; usually, there are specific objectives that have to be pursued and, normally, performance is being assessed according to predetermined criteria.

It is notable that the effective transactional style called contingent reward received the lowest results in the three samples. Using the Barbuto and Brown model (2000) and the conceptualisations of Avolio and Bass (1994), contingent reward is the 'critical minimum' of effective management. In contrast, each of the transformational styles are the 'extra mile' in leadership behaviour that motivates and provokes better work. In our case, we have a combination of the highest transformational style (idealised influence) that received one of the highest results; in conjunction with a lack of management expertise (expressed in the lowest results for contingent reward). The results are displayed in Figure 2.

Figure 2 – Leadership styles of Bulgarian managers



Leadership exhibits more of a qualitative dimension, so the information from a quantitative survey is not always sufficient; thus, our research was based both on quantitative and qualitative empirical data. So far, we have analysed the quantitative data, but the following lines report the results from the qualitative survey.

The first question addressed was in connection with general perceptions of leadership. Leadership was associated with inherent human characteristics. Despite leadership being considered to be rather a gift, the general understanding of the groups were that effective leadership assumed specialist training of management and in leadership knowledge and skills. Leadership was associated with power, motivation, purpose, will and desire, and followers. Participants were of the view that an important prerequisite for leadership was the competence and expertise of the leader.

The second question referred to management specifics within business organisations. The answers formed two groups:

1. those who argued that leadership was not affected by the organisational environment and the organisation itself (that leadership was still leadership, no matter whether it was of a business company, a non-profit organisation, political institution, etc.)
2. those who argued that leadership in business organisations was somewhat different, requiring organisational structures and rules.

The third question opened up a discussion among the participants about the differences and similarities between managers and leaders. The answers represented two basic theses:

1. the roles of a leader and a manager were interconnected and generally manifest in the same person
2. in economic organisations, a manager (formal leader) and a leader are organisational roles which are frequently performed by different team members or employees of the company.

The formal-informal scale was used to explain the difference between a manager and a leader. According to the participants, managers usually worked at an operational level and monitored the implementation of objectives. His/her responsibilities included organisation, control and monitoring. A leader, on the other hand, inspired and motivated. Most participants argued that the optimal solution would be when the formal and the informal leader overlapped. Managers among the participants tended to perceive leader and manager as the same person, whereas subordinates within the group tended to perceive a leader as someone different from a manager.

Next, we explored participants' perceptions of management practices among Bulgarians and foreigners. The prevailing view was that managers in other countries have completed specialist training in leadership, whereas in Bulgaria there has been a shortage of such specialised training. We asked participants how they would describe the Bulgarian leadership model. Their answers formed two groups:

1. an authoritarian leadership style
2. a style that included respect for team members and supporting the initiatives and participation of employees in decision-making processes.

Another question in the focus group discussions was about leadership styles using the full-range leadership model. We used summaries of the seven leadership styles and asked subordinates in the groups to point out the style that explained the behaviour of their direct/line manager, and managers to point out the one that explained their own leadership style. We found a substantial discrepancy between the answers of subordinates and managers. Male managers assumed that their styles were idealised influence and intellectual stimulation; whereas women managers assumed that their styles were individual consideration and idealised influence. In contrast, subordinates tended to define the leadership style of their managers as management by exception and idealised influence.

Following the figures and the analyses of the quantitative and qualitative surveys, we could presume that team members would be motivated to perform better if their leaders behaved as a 'good example' of what they actually required. It is essential for followers to receive timely and accurate feedback on how they are performing and approaching their tasks. Managers could benefit if they were aware of their individual qualities and abilities, and co-operated in the career growth of their subordinates.

The data show that there are no significant variations in preferred leadership styles based on economic sector. Managers in each of our three business sectors – IT, finance and consultancy – tended to use the same leadership styles.

Furthermore, our managers tended to rely on both transformational and transactional leadership styles. This conclusion complies with the principles underlying the paradigm of the full-range leadership model. The MLQ test results validate the hypothesis that Bulgarian managers use both transformational and transactional leadership behaviours. These results are consistent with the findings of Ardichvili and Gasparishvili (2001) and Elenkov (2002) – i.e. that there is no clear preference towards the transformational or the transactional leadership style in the countries of the former eastern bloc. The results support Bass's (1998) conceptualisation that some managers can successfully use both transformational and transactional leadership styles.

The next question in the focus group discussions concerned the factors that determined leadership in Bulgaria. The answers could be classified in three categories:

- personal characteristics (education, professional expertise, charisma, social status)
- organisational characteristics (complicity in tasks, branch, size, history, organisational culture)
- organisational environment (law, competition).

The majority of participants perceived charisma as a necessary condition for any sort of leadership. However, charisma was associated only with leadership, not with management. Our participants articulated that charisma could replace a leader's requirement for expertise; it attracted, inspired and motivated. Yet, sometimes charisma was directly related to populism and demagoguery. Participants pointed out that, in certain cases, business sector is a factor variable that determines a particular style of behaviour – army, medicine, the clothing industry. Nevertheless, the vast majority of participants argued that business sector was not the dominant factor when speaking of leadership.

Participants in the four focus groups supported the thesis that organisational culture had a major influence on leadership style. The leader and the particular leadership

behaviour were pointed out as the most important factors that formed and developed organisational culture. The inter-relationship here was also considered to operate *vice versa* – organisational culture was dominated by the leader; and leadership behaviour by organisational culture. Participants also assumed that national culture influenced and predetermined leadership behaviours.

We asked what was the most important issue when speaking of leadership. Manager participants pointed to the growth of the company, whereas respondents among the subordinate groups pointed to the team and the 'growth' of team members.

Finally, we asked participants for any recommendations for effective leadership. The answers provided included:

- to draw attention to expectations
- to experience success stories among subordinates
- to change organisational culture and ethical standards
- to complete different specialist leadership training.

Such recommendations correspond to Drucker's (1997) conceptualisation that effective leadership includes aim, responsibility and trust. The answers to this question are summarised in Table 3.

Table 3 – The effective leader

Personal characteristics, traits, competences	
Educated	Charismatic
Prepared	Engage in dialogue
Competent	Independent
Expert	Have extensive general knowledge
Free	Both a mother and a father
Bright individuality	Act with authority
Close to people	Self-confident
Wise	A human above all
Objective	Gradually climbed the career ladder from the lowest rung
Behave well with team members	Aware what is most important for the company
Fair	
Personal abilities and behavioural models	
Affect	Manipulate
Decide what and when	Communicate
Take decisions	Punish
Defend positions	Set goals
Argue opinion	Defend ideas
Control	Think out of the box
Give freedom to team members	Speak the language of employees
Care for employees	Defend employees
Be interested in employee development	Unite
Motivate	Evaluate efforts
Take care both of profit and the team	Be a team player
Defend the interests of the company	

Bearing in mind these highly-varied and contradictory descriptors, we could conclude that the rapidly-changing economic situation in Bulgaria has affected the leadership style of managers in this country. Bulgarian managers have to deal with the daily challenges of economic, political and social transition. Therefore, some of those managers inspire and motivate their subordinates, while others focus their attention on rules and irregularities and take corrective action when mistakes occur. Thus, we could ac-

cept the second hypothesis and conclude that the socio-cultural context does indeed substantially affect the leadership styles of managers in Bulgaria. These results are consistent with the findings of Elenkov and Manev (2005), Elenkov and Petkova (2008), and Ardichvili and Gasparishvili (2001).

The descriptive statistics of the quantitative survey show that men in leadership positions are more numerous than their female colleagues: out of the total of 418 respondents in the quantitative survey, 259 were companies run by men while 159 were run by women. Respondents with women leaders generally gave higher marks for all components compared with respondents which had male leaders.

We have run a number of analysis of variance (ANOVA) tests aiming to test our third research hypothesis. The results, which we have displayed in Table 4, show that gender is a factor variable only for the laissez-faire leadership style. Two of the leadership styles – individual consideration from the transformational set of behaviours, and management by exception from the transactional set of behaviours – received results that are close to the significance threshold, although further research needs to be carried out to verify the inter-relationship between dependent and independent variables.

Table 4 – ANOVA results for transformational / transactional leadership styles

		Sum of Squares	df	Mean Square	F	Sig.
Idealised influence	Between groups	2.663	1	2.663	.335	.563
	Within groups	3303.098	416	7.940		
	Total	3305.761	417			
Inspirational motivation	Between groups	12.040	1	12.040	1.563	.212
	Within groups	3204.085	416	7.702		
	Total	3216.124	417			
Intellectual stimulation	Between groups	.707	1	.707	.082	.775
	Within groups	3605.018	416	8.666		
	Total	3605.725	417			
Individualised consideration	Between groups	45.708	1	45.708	3.809	.052
	Within groups	4991.871	416	12.000		
	Total	5037.579	417			
Contingent reward	Between groups	15.427	1	15.427	1.764	.185
	Within groups	3638.334	416	8.746		
	Total	3653.761	417			
Management by exception	Between groups	16.388	1	16.388	3.725	.054
	Within groups	1830.339	416	4.400		
	Total	1846.727	417			
Laissez-faire	Between groups	40.225	1	40.225	8.711	.003
	Within groups	1920.894	416	4.618		
	Total	1961.120	417			

Additionally, Table 5 goes on to provide descriptive statistics of our respondents' views of the leadership styles of the men and women who led the companies in which they worked. No significant variations were found. Male general managers dominate the three sub-groups examined – their share varies from 59% to 65%; accordingly, the shares of female leaders vary in the range 35% to 41%.

The total percentage of women in management in Bulgaria is relatively high (compared to global standards). However, women usually occupy mid-level, or lower, hier-

archical management positions. These findings are consistent with the results published by the European Commission.[3]

Table 5 – Descriptive statistics: male and female leaders

Organisations which have male general managers	**N**	**Min**	**Max**	**Mean**	**Std. Dev.**
Idealised influence	259	.00	4.00	2.6538	.94181
Inspirational motivation	259	.00	4.00	2.3719	.91606
Intellectual stimulation	259	.00	4.00	2.1918	.96119
Individual consideration	259	.00	4.00	2.2471	.89444
Contingent reward	259	.00	4.00	2.0631	.96308
Management by exception	259	.00	4.00	2.7362	.70152
Laissez-faire	259	.00	4.00	2.1853	.75624
Organisations which have female leaders	**N**	**Min**	**Max**	**Mean**	**Std. Dev.**
Idealised influence	159	.33	4.00	2.7086	.93513
Inspirational motivation	159	.33	4.00	2.4885	.93966
Intellectual stimulation	159	.00	4.00	2.1635	1.01318
Individual consideration	159	.33	4.00	2.4214	.93190
Contingent reward	159	.00	4.00	2.1950	1.02178
Management by exception	159	.67	4.00	2.8721	.69537
Laissez-faire	159	.33	4.00	2.3983	.64575

The quantitative empirical data was enriched by the results from the focus group discussions. Speaking of the similarities and differences between men and women, the answers from respondents formed three aggregate groups:

1. those who assumed that there was no difference in leadership behaviour between men and women
2. those who argued that there were certain differences in the leadership styles of men and women
3. those who supported the idea that men and women were biologically different although, when speaking of business, their behaviours were similar and the results of their efforts were alike.

When speaking of the differences, some of those which were pointed out more frequently included emotional nature and rationality. It is interesting that emotionality

3 *Women and Men in Decision-Making. A Question of Balance* DG Employment and Social Affairs, European Commission, available at: http://www.ispesl.it/dsl/dsl_repository/Sch24PDF08Marzo06/Sch24ke6705977_en.pdf [last accessed 8 April 2010].

was interpreted as a positive feature when it came to taking care of subordinates, but as a negative feature when it came to decision-making in crisis situations. The first case was associated with women (this could be one of the reasons why women prevail over men within the human resource management function), whereas the second situation was associated with men. This again engendered a discussion of stereotypes and 'glass ceiling' barriers. The existence of a 'glass ceiling' was confirmed mostly by female respondents. We provoked our focus group participants into stating their preference for a manager – a man or a woman. Participants maintained that they would not choose manager on the basis of gender but by qualifications and expertise.

Following the analysis of the quantitative and the qualitative empirical data, we could conclude that – at least at the time of the study – there are certain arguments behind the presumption that gender is a factor variable that determines specific leadership behaviours. However, further efforts and analysis are needed in order to clarify the intensity of the influence and the settings, circumstances and conditions that provoke or prevent that influence. The results support the conclusions of Weyer (2007), Ponder and Coleman (2002) and Manning (2002), who concluded that men and women, regardless of the physical and socially-determined differences between each other, tend to adhere to similar leadership styles when set in the business environment.

Conclusions

In this study, we have sought to investigate the leadership style of managers in an east European country. We proposed that Bulgarian managers use both transformational and transactional leadership styles; we chose gender as a factor variable that predicts the leadership style of those managers; and we assumed that the socio-cultural context greatly affects leadership. Our findings support our hypotheses, although further analysis is required in order to verify the role of gender as a predictor of leadership.

These results are consistent with the findings of Ardichvili and Gasparishvili (2001) and Elenkov (2002), who found that there was no clear preference for a transformational leadership style in transition countries; and that both transformational and transactional styles were in use there. In addition, the results are in concordance with the conceptualisations of Bass (1985), i.e. that the same managers could deploy both transactional and transformational leadership behaviours and that a predominantly transactional leader could exhibit the qualities of a transformational leader (and *vice versa*).

The results have shown that socio-cultural context has a direct impact on the extent of use of leadership factors. This finding is consistent with the results of other recent investigations of leadership effectiveness and cultural endorsement of leadership styles (Elenkov, 2002; Elenkov and Manev, 2005, Elenkov and Petkova, 2008) and it supports a culture-specific view of leadership. These findings challenge the assumption that gender is a factor that predicts leadership behaviour. In line with the statistical results, we designated the three most significant factors as vision for development, team spirit and innovative thinking. We did find an important discrepancy in the perceptions and evaluations of leadership styles between managers and subordinates, while charisma is perceived as an important attribute of a leader. A final significant result of the study was the common understanding that Bulgarian managers need further specialised training in leadership.

Limitations

We have taken strict measures to diminish social desirability bias, but our study should be interpreted in the light of its limitations. The non-random sampling design and the relatively smaller sample than those in the studies of Bass (1985), Hofstede (1980) and Trompenaars (1993) provides a limitation to the extent to which our results may prove generalisable. Secondly, the participants in our study were predominantly female, which implies that there may be a gender bias in the data obtained through our surveys. Thirdly, our research sample has been drawn only from companies working in the business services sector. Further analyses on the subject matter of our investigation would require bigger samples.

Directions for future research

This study opens the doors to the further research and analysis of leadership effectiveness and the endorsement of culturally-specific leadership styles by managers in transition countries. It would be theoretically and practically important for further cross-cultural studies to be carried out comparing culturally specific leadership factors and their relative effectiveness in the services sector of two or more countries with the same characteristics. Finally, we can state that the role of gender as a predictor of certain leadership behaviour needs further analysis and exploration.

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