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Effect of leadership style on organizational performance as viewed from human resource management strategy

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This study was to examine the relationships among the leadership style, the organizational performance and the human resource management strategy. In addition, this study also explored the effects of the interaction of both the leadership style and the human resource management strategy on the organizational performance. This study reviewed 246 valid questionnaires sent to the corporate owners, executors and operators of Kaohsiung's Nanzi Export Processing Zone in south Taiwan. It was found that (1) The charismatic, transformational and visionary of the leadership style are positively related to the organizational performance, (2) The development, motivational and transfer strategy of the human resource strategy are positively related to the leadership style, (3) Both development and motivational strategies are positively related to the organizational performance, and (4) The interaction of the leadership style and the human resource management strategy significantly contributes to the organizational performance. The findings of this study were expected to provide references to a corporate body in operating the human resource management strategy and developing the leadership style.

Key words: Leadership style, human resource management strategy, organizational performance.

INTRODUCTION

In the environment of fierce competition, an enterprise faces multiple challenges. Thus, it has become the primary target to create competitive advantages of how an enterprise draws up strategies suitable to improve its operational performance (Jaramilo et al., 2005). In the past, enterprises emphasized financial performance. But now, information development has transformed their competitive basis into the intangible assets and the leadership performance from previous tangible financial performance. Therefore, it should include non-financial indices such as quality and customer satisfaction, which

can be used for an enterprise to effectively evaluate its operational performance and consolidate competitive advantages.

However, if an enterprise wants to improve the organizational performance, the leadership style of administrative supervisors will play a crucial role in its overall operational performance. When reviewing literature related to leadership and performance, we found that most papers emphasized effects of the leadership style on organizational promise and performance, but few discussed correlations amongst the leadership style, the organizational performance and the human resource management strategy. It was also seldom considered that the leadership style may be a key factor to affect its smooth progresses if managerial activities can be implemented.

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It is noteworthy that human resource has been regarded as another important factor for an organization to gain competitive advantages and realize organizational targets since the emergence and prevalence of firm resource-based views (Barney, 2001; Wright et al., 2001). "Human" is the theoretical basis of establishing the important assets for an organization. The success of many organizations possibly results from the leadership sagacity and willpower, the technical prominence and innovation, the excellent quality or the distinguished reputation, but all these relate to "human". Thus since 1980, the human resource management strategy has become an important emerging issue for human resource management (Terpstra and Rozell, 1993; Huang, 1997). On top of this, the human resource management strategy still follow the principle of "decision-making of a strategy must be done ahead of the strategy of implementation".

Therefore, the study integrated the leadership style, organizational performance and the human resource management strategy together to carry out an in-depth discussion on their relationship, and the results were expected as a reference for domestic and foreign enterprises to know more about the relationships among the human resource management strategy, the leadership style and the organizational performance.

LITERATURE REVIEW AND HYPOTHESES

The dimensions of the leadership style

With research evolution in different ages, many scholars presented successively different viewpoints on leadership connotation. Stogdill (1948) thought that the leadership style means a kind of method and capability aimed at realizing organizational targets and further affect all organizational activities. Fiedler (1969) presented that the leadership style refers to a kind of relationship that someone uses his rights and methods to make many people work together for a common task. In modern leadership style theories, five leadership styles were presented, including (1) charismatic leadership, (2) transactional leadership, (3) transformational leadership, (4) visionary leadership, and (5) culture-based leadership (Yukl, 1994; Bass, 1990; Bass, 1985; Sashkin, 1996; Sergiovanni, 1987). Therefore these styles were adopted as the dimensions of the leadership style in this study.

The dimensions of the organizational performance

Choi and Mueller (1992) thought that an enterprise should simultaneously consider financial and non-financial indices for performance evaluation. In other words, qualification and quantification factors should be considered at the same time, because such non-financial indices as employee morale and product quality are very

important for its long-term operation. In the research on financial performance indices, Van de Ven and Ferry (1980) thought that the traditional financial performance was the most common indices used to measure organizations by researchers, including return on investment, sales revenue and earning power and so on, in which sales revenue was the most common one. Therefore, in this study, the organizational performance measurement methods presented by Venkatraman and Ramanujam (1986), such as the financial performance, business performance and organizational effectiveness, were adopted as the dimensions of the organizational performance.

The dimensions of the human resource management strategy

The human resource management strategy is a set of inner-organizational personal management strategies. The effective application of the human resource management strategy in different situations can help enterprises use employees effectively for the completion of organizational targets. According to definitions of the human resource management strategy made by many scholars and experts, many researchers attempted to set types of the human resource management strategy. However, classifications of the human resource management strategy made by different scholars are different from each other, for example, the inducement strategy, the investment strategy and the participation strategy presented by Dyer (1988), and three other types of human resource management strategies such as accumulation, utilization and facilitation addressed by Schuler (1989). Therefore, the development strategy, the motivational strategy, the reinforcement strategy and the transfer strategy presented by Huang (1998) were taken as the dimensions of the human resource management strategy.

Relationship between the leadership style and the organizational performance

Relationship between leadership style and organizational performance has been discussed often. Most research results showed that the leadership style has a significant relation with the organizational performance, and different leadership styles may have a positive correlation or negative correlation with the organizational performance, depending on the variables used by researchers. Sun (2002) compared the leadership style with the leadership performance in schools and enterprises, and showed that the leadership style has a significantly positive correlation with the organizational performance in both schools and enterprises. Broadly speaking, the leadership performance is identical with the organizational performance. The transformational leadership has a positive correlation

with the organizational performance, higher than the exchange leadership (Huang, 2006).

Business management attributes their successes to the leadership efficiency, that is, the leadership style of administrative supervisors has a considerable effect on the organizational performance (Terry, 1960). The leadership style of a leader has a considerable influence on the work performance of employees. It further indicates that the leadership style also affects the organizational performance. The leadership style determines the organizational performance that subordinates need realize, and gives suggestions and feedback to execution. In this course, subordinates can know the requirements of their role and executives can know demands of subordinates at the same time. Thus under the leadership style of executives, subordinates can make organizational-requested performance and get their rewards. Research results showed that the leadership style has a significantly positive correlation with the organizational performance. Therefore, the leadership style should be properly and carefully used to guide and motivate subordinates (Elenkov, 2002).

Campbell (1977) thought that when executives use their leadership style to concern, care and respect for employees, it would increase self-interests of employees in work as well as organizational promises, enable them to make better performance in work place and affect their job satisfaction. Howell and Frost (1989) and Bryman (1992) also presented that there is a positive relation between the leadership style and the organizational performance.

In accordance with the above discussion, the following relevant hypothesis was inferred in this study.

Hypothesis 1 (H₁): The leadership style has a significantly positive effect on the organizational performance.

Relationship between the human resource management strategy and the leadership style

Successful leaders should get rid of personal style and try their best to invite everyone to be part of leadership, and the leadership style mainly with the human resource management strategy will generate suitable strategies in time (Guo, 2004). Therefore, the human resource management strategy encouraging and training staff can impel leaders to show carefully their leadership style (Hewson, 1997).

Organizational leaders should play the role of tactician, that is, the leadership style ought to take the human resource management strategy as the core (Qin, 1998). As for management, leadership contents should not be limited only to expressing different styles or caring employees and productive efficiency. And it is also a main point for the leadership style that, how leaders put forward human resource management strategy in the

course of leading and organizing activities (Qiu, 2008). Hong (2005) expressed that leaders have to have the ability of using the human resource management strategy in addition to their leadership style if expecting to lead an organizations to the sustainable operation and management or ever-green foundation. Strategy-oriented organizational leaders take the human resource management strategy as the core of organizational leadership. In an organizational environment, they are supposed to select a proper and effective human resource management strategy, and use a suitable leadership style to lead organizational members to their targets (Liao, 2005). Therefore, leaders take the human resource management strategy as the core of the leadership style and use the interaction of communication, excitation and integration to effectively implement the process of the human resource management strategy (Hong, 2005).

In accordance with the above discussion, the following relevant hypothesis was inferred in this study.

Hypothesis 2 (H₂): The human resource management strategy has a significantly positive effect on the leadership style.

Relationship between the human resource management strategy and the organizational performance

When discussing relationship between the human resource management strategy and the organizational performance, Delaney and Huselid (1996) found that some of the more progressive human resource management strategies, 5 including careful selection at appointment, training and incentive compensation, have a positive effect on the organizational performance. Li (2000) also found that such human resource management strategies as training, information sharing and participative management are helpful in promoting the organizational performance.

Huselid (1995) proved by empirical study that a system with an optimal human resource management strategy (high-performance systems) can increase the organizational performance no matter what organizational strategic objectives of an enterprise are. Correspondingly, Delery and Doty (1996) claimed that an optimal human resource management strategy has a close relation with the organizational performance. In the past researches related to the human resource management strategy, it has been proved that human resource management strategy has a significant correlation with the management performance, productivity, financial performance and market value of an organization. In other words, the human resource management strategy has a positive correlation with the organizational performance (Arthur, 1994; Delery and Doty, 1996; Youndt, 1998; Huang, 2002).



Figure 1. Research framework.

Huselid (1995) thought that effective human resource management strategies, including recruitment and selection, performance evaluation, incentive compensation, information sharing, attitude assessment, complaint handling procedure, work design, labor participative management plans, performance rewards, etc., can promote the organizational performance and relate with the high organizational performance. Delaney and Huselid (1996) also indicated that innovative human resource management strategies such as careful selection, training and incentive compensation have a positive correlation with the organizational performance.

In accordance with the above discussion, the following relevant hypothesis was inferred in this study.

Hypothesis 3 (H₃): The human resource management strategy has a significantly positive effect on the organizational performance.

Correlations amongst the leadership style, the organizational performance and the human resource management strategy

He (2009) indicated that organizational leaders have to apply methods or techniques to maintain an efficient business operation. Therefore, they have to show different leadership styles appropriately and take planned human resource management strategies. Only in this way, the organizational performance can be expected to be promoted. The effective use of the human resource

management strategy cooperated with a suitable leadership style can certainly promote the organizational performance. Therefore, it would affect the organizational performance no matter whether the leadership style of the leaders is good or bad (Chen, 1997).

Kleiman (1997) tried to connect the human resource management strategy with the organizational performance so as to enable each organization to show a high performance through the leadership style. As viewed from the human resource management strategy, Chien (2004) carried out the study on how the organizational performance is improved. The result showed that both the leadership style and the human resource management strategy are important factors affecting the organizational performance. In other words, the human resource management strategy really affects the organizational performance through the leadership style.

In accordance with the above discussion, the following relevant hypothesis was inferred in this study.

Hypothesis 4 (H₄): The human resource management strategy has a significantly moderating effect on the correlation between the leadership style and the organizational performance.

METHODS

Research framework

In accordance with the above four hypotheses, the research framework was shown as in Figure 1.

Research sample and data collection

Before setting up formal questionnaire, the analysis of the predictive questionnaire was made. Fifty predictive questionnaires were sent to Sumitomo Electronics Co., Ltd., Nanzih Processing Zone, Kaohsiung (Taiwan). Reliability analysis was detected based on the results of recovered questionnaires to make sure whether each question was suitable for further formal questionnaire design.

Random sampling was applied in the study. The respondents for answering the questionnaires included enterprise bosses, high-class cadres and operation staff in the zone. Six hundred formal questionnaires were sent to 30 companies in the zone for questionnaire survey. There were three scales discussed below for the questionnaire. In this study, 354 questionnaires were returned. Except for 108 incomplete questionnaires, there were 246 valid questionnaires (recovery rate 41%). Of which, 43 questionnaires were from integrated circuit industry, 51 from computer and peripheral equipment industry, 36 from communication industry, 22 from optoelectronics industry, 45 from precision machinery industry and 49 from hardware industry.

Measuring instrument

The scale for leadership style in the questionnaire

The scale was modified from the multifactor leadership questionnaire adopted by Zhu (2002) and Li (2002) and had 33 questions for use in the study. Leadership behavior was divided by its frequency performance into 5 levels, including "never", "little", "occasionally", "often" and "always" as scored by Likert's five-point scoring. After factor analysis, 5 factors were extracted as shown in Table 1.

In respect to measuring the reliability of the scale, the reliability coefficients (Cronbach's α) of the charismatic leadership, the transactional leadership, the transformational leadership, the visionary leadership and the culture-based leadership were 0.924, 0.801, 0.687, 0.644 and 0.754 in order.

The scale for organizational performance in the questionnaire

In accordance with the above-mentioned dimensions and the present corporate situation, The scale adopts the design method of positive questions. The scale was to ask respondents for the performance level of their companies for the past 3 years, compared with different management performances of their competitors in the same industry. The organizational management performance for the past 3 years was selected mainly to reduce short-term difference. The scale had 10 questions. Each question used Likert's five-point scoring to score from "very disagreeable" to "very agreeable". Respondents used their cognition to tick off corresponding options. After factor analysis, 3 factors were extracted as shown in Table 2.

In this study, a reliability coefficient for the financial performance was 0.855, the business performance was 0.683, and the organizational effectiveness was 0.716.

The scale for human resource management strategy

Based on human resource management strategy matrix classification presented by Huang (1998), the human resource management strategy is divided in this study into development strategy, motivational strategy, reinforcement strategy and transfer strategy as the dimensions of the human resource management strategy. This scale evolved from reference to relevant literatures, based on the human resource management strategy questionnaire presented by Weng (2002). Cronbach's α were the development

strategy (0.853), the motivational strategy (0.756), the reinforcement strategy (0.640) and the transfer strategy (0.638), after factor analysis, 4 factors were extracted as shown in Table 3.

DATA ANALYSES AND RESULTS

Relationship between the leadership style and the organizational performance

In this study, regression analysis was used to discuss Hypothesis 1, with the leadership style as the independent variable and the organizational performance as the dependent variable, and results were shown in Table 4.

The charismatic leadership has a significantly positive effect on the financial performance ($\beta = 0.714^{***}$), that is, the charismatic leadership will affect the financial performance and accordingly decide whether the performance is good or not.

In addition, the effects of the charismatic leadership ($\beta = 0.528^{**}$), and the visionary leadership ($\beta = 0.314^*$) on the business performance achieve a significant level ($F = 5.977, p < 0.001$), that is, the charismatic leadership, and the visionary leadership have partially a significantly positive effect on the organizational performance.

The above regression analysis results showed that the charismatic leadership, the transformational leadership, and the visionary leadership will directly affect the financial performance and the business performance. That is to say, a leader with personal charisma can inspire his subordinates and raise their job satisfaction and agglomerate group consensus to promote the financial performance and the business performance of the company. Therefore, Hypothesis 1 gets partial support in this study.

Relationship between the human resource management strategy and the leadership style

In this study, regression analysis was used to discuss Hypothesis 2, with the human resource management strategy as the independent variable and the leadership style as the dependent variable, and results were shown in Table 5.

The development strategy ($\beta = 0.450^{***}$) and the motivational strategy ($\beta = 0.374^{**}$) have a significantly positive effect on the charismatic leadership ($F = 13.000, p < 0.001$), that is, they will affect the charismatic leadership and accordingly decide if this leadership is good or not for the company.

The development strategy ($\beta = 0.331^*$) has a significantly positive effect on the transactional leadership ($F = 3.539, p < 0.05$), that is, it will affect the transactional leadership and accordingly decide if this leadership is good or not. The above regression analysis results on the whole showed that an enterprise will partially come under

Table 1. The scale for the leadership style.

Factor and variable	Cronbach's α-value	Cumulative explained variance (%)	Factor loading	Item-total correlation
Charismatic leadership	0.924	37.960		
a13: My supervisor would tell me my job performance.			0.897	0.848
a15: My supervisor will help me build self-confidence, and the complete tasks to achieve departmental objectives.			0.874	0.816
a23: My supervisor will take the initiative to find the crux of the problem and take effective action to supervise me.			0.873	0.835
a14: My supervisor will provide a new thinking approach for my difficult problem.			0.873	0.811
a22: My supervisor will agree with me that if I want to get paid, then I should do something.			0.863	0.778
a25: I am aware that once the task is done, I can expect what reward it will be.			0.769	0.710
a8: My supervisor will inspire me with new ways to think about old problems.			0.574	0.594
Transactional leadership	0.801	52.317		
a30: Unless the target cannot be reached, my supervisor does take actions.			-0.865	0.670
a28: Unless the problem gets worse, my supervisor interferes.			-0.808	0.670
Transformational leadership	0.687	62.903		
a7: To work with my supervisor makes me feel good.			0.917	0.524
a6: My supervisor inspires me to rethink the key points of the past smooth operation.			0.720	0.524
Visionary leadership	0.644	68.850		
a10: I believe that my supervisor's judgement is sufficient to solve any difficulties.			0.754	0.474
a1: My supervisor will inspire enthusiasm for my participation in corporate affairs.			0.735	0.417
a9: I am confident in my supervisor.			0.641	0.431
a3: My supervisor is the standard for me to learn and intimate.			0.614	0.378
Culture-based leadership	0.754	74.827		
a19: My supervisor gives me the confidence to achieve the task alone.			0.886	0.606
a18: My supervisor makes me feel proud of being a member of the department.			0.713	0.606

Table 2. The scale for the organization performance.

Factor and variable	Cronbach's α -value	Cumulative explained variance (%)	Factor loading	Item-total correlation
Financial performance	0.855	42.721		
b1: The company's sales growth rate was higher than that of the competitors last year.			0.908	0.812
b2: The company's after-tax net income growth rate was higher than that of the competitors last year.			0.885	0.775
b3: The company's return on investment was higher than that of the competitors last year.			0.833	0.722
b8: The company's employee productivity was higher than that of the competitors last year.			0.695	0.317
Business performance	0.638	55.043		
b10: The company's image is better than that of the competitors.			0.826	0.550
b9: The company's attraction to professionals was higher than that of the competitors.			0.716	0.461
b7: The company's employee morale is higher than that of the competitors.			0.704	0.341
Organizational effectiveness	0.716	65.889		
b5: The company's innovative degree is higher than that of the competitors.			0.899	0.741
b4: The company's market share is higher than that of the competitors.			0.751	0.508
b6: The company's staff turnover was lower than that of the competitors.			0.707	0.389

the effect of the development strategy, motivational strategy, reinforcement strategy and the transfer strategy, which will directly affect its leadership styles such as the charismatic leadership, the transactional leadership and the transformational leadership. In other words, the development strategy and the motivational strategy have partially a significantly positive effect on the leadership style. Therefore, Hypothesis 2 gets partial support in this study.

Relationship between the human resource management strategy and the organizational performance

In this study, regression analysis was used to discuss Hypothesis 3 with the human resource management strategy as the independent variable and the organizational performance as the dependent variable. Regression analysis was used for data analysis to discuss the effect of the human resource management strategy on the organizational performance, and analysis results were shown in Table 6.

The development strategy ($\beta = 0.315^*$) and the motivational strategy ($\beta = 0.343^*$) achieve a significantly

positive effect on the financial performance.

The regression analysis results showed on the whole that an enterprise will partially come under the effects of the development strategy, the motivational strategy, the reinforcement strategy and the transfer strategy, which will directly affect the financial performance. In human resource management strategies, the development strategy and the motivational strategy have a significantly positive effect on the financial performance. That is to say, an organization will get a significant promotion in financial performance if respectively using the development strategy or the motivational strategy for management. This indicates that it will be helpful for promoting financial performance if an enterprise respectively implements the development strategy and the motivational strategy for high-work-willingness employees and low-work-willingness employees who have high work ability. Therefore, Hypothesis 3 gets partial support in this study.

Interaction between the leadership style, the organizational performance and the human resource management strategy

Interaction regression analysis was used to discuss whether

Table 3. The scale for the human resource management strategy.

Factor and variable	Cronbach's α -value	Cumulative explained variance (%)	Factor loading	Item-total correlation
Development strategy	0.853	36.900		
c24: The company's job is challenging.			0.850	0.788
c20: The company's job will take enrichment into consideration, so that employees do not feel bored.			0.828	0.695
c18: The company or departments regularly develops future work plans and objectives.			0.807	0.693
c16: The company encourages and gives substantial reward to senior staff.			0.777	0.630
c11: The company often hires professional talents from the outside to enhance skill levels.			0.654	0.537
Motivational strategy	0.756	50.329		
c4T: For promoting teamwork, the company often organizes inter-departmental training activities.			-0.897	0.765
c5: Top management will carefully evaluate the recommendations of his subordinates.			-0.815	0.529
c12: The company will provide a wide range of training to strengthen the resilience of the staff.			-0.700	0.512
Reinforcement strategy	0.640	62.472		
c1: Company executives are willing to listen to subordinates' statement of the problem.			0.899	0.471
c3: The management of company emphasizes the importance of the job target.			0.618	0.439
c8: The company's management in charge of different sectors has valid authorization to reward staff.			0.615	0.447
Transfer strategy	0.638	70.949		
c10: The company has formal procedures to guide new employees to adapt to workplace.			-0.800	0.475
c17: The labor and capital relation of the company harmonious.			-0.708	0.475

whether the effect of the leadership style on the organizational performance is moderated by the human resource management strategy.

After inputting interaction between the leadership style and the human resource management strategy, $\geq R^2$ was 0.463, and significant F-value was 0.020 and reached a significant level ($p = 0.020$). In addition, F-value of the overall regression analysis was 2.455 ($p = 0.020$). As for β value of standardized regressive coefficient and its

significant condition, it is found that interactions of "transformational leadership \times development strategy" ($\beta = 0.706^{**}$), "visionary leadership \times development strategy" ($\beta = -0.541^*$) and "culture-based leadership \times development strategy" ($\beta = 1.149^{**}$) will have a significantly positive or negative effect on the financial performance of organizational performance. The results are shown in Table 7.

After inputting interaction between the leadership style

Table 4. Regression analysis on the effect of the leadership style on the organizational performance.

Dependent variable Independent variable		Organizational performance (Standardized β coefficient)		
		Financial performance	Business performance	Organizational effectiveness
Leadership style	Charismatic leadership	0.714***	0.528**	0.055
	Transactional leadership	-0.102	-0.067	0.241
	Transformational leadership	0.171	-0.262*	-0.128
	Visionary leadership	-0.204	0.314*	0.220
	Culture-based leadership	-0.045	-0.008	0.083
F-value		7.159	5.977	1.374
p-value		0.000***	0.000***	0.253
R square		0.449	0.404	0.135
Adjusted R ²		0.386	0.337	0.037

*** p < 0.01. ** p < 0.05. * p < 0.1.

Table 5. Regression analysis on the effect of the human resource management strategy on the leadership style.

Dependent variable Independent variable		Leadership style (Standardized β coefficient)				
		Charismatic	Transactional	Transformational	Visionary	Culture-based
Human resource management strategy	Development strategy	0.450***	0.331*	0.105	0.027	-0.218
	Motivational strategy	0.374**	0.252	0.089	0.241	0.114
	Reinforcement strategy	0.165	-0.046	0.256	0.184	0.084
	Transfer strategy	-0.215	-0.308*	0.150	0.008	0.164
F-value		13.000	3.539	2.766	1.691	0.607
p-value		0.000***	0.014*	0.039*	0.169	0.660
R square		0.536	0.239	0.197	0.131	0.051
Adjusted R ²		0.495	0.172	0.126	0.053	-0.033

*** p < 0.01. ** p < 0.05. * p < 0.1.

and the human resource management strategy, $\geq R^2$ was 0.537, and significant F-value was 0.007. In addition, F-value of the overall regression analysis is 2.959. It can be seen that the effect of the leadership style on organizational effectiveness is moderated by partial factors of the human resource management strategy. The results were shown in Table 8.

The above regression analysis results showed that the effect of the leadership style on the financial performance and the organizational effectiveness are moderated by partial factors of the human resource management strategy. Therefore, Hypothesis 4 gets partial support in this study.

DISCUSSION AND CONCLUSION

This study mainly discussed the relationship between the leadership style, the organizational performance and the human resource management strategy, and also inspected whether interaction between the leadership style and the human resource management strategy

affects the organizational performance.

Research results showed that the business management environment has become severe in recent years and that organizational development strategies often need transforming. Thus, a business is more eager than ever for those who have the transformational leadership being able to change organizational strategy and culture and being able to enable the organization to be more adaptable to external environmental requirements. It is certain that a business also expect these that have the charismatic leadership and the visionary leadership of being self-confident and competent for expressing visions. Furthermore, subordinates will be inspired with more potential by such leadership styles and make more mental and physical efforts for organizations. Therefore, an organization can start from adjusting the leadership style if wanting to promote the organizational performance.

Many scholars and experts think that excessive division of labor and specialization will make employees feel a drab and boring job. Thus, in order to retain high-working-capacity employees, leaders should also tend to the

Table 6. Regression analysis on the effect of the human resource management strategy on the organizational performance.

Dependent variable		Organizational performance		
		(standardized β coefficient)		
Independent variable		Financial performance	Business performance	Organizational effectiveness
Human resource management strategy	Development strategy	0.315*	0.208	-0.106
	Motivational strategy	0.343*	0.030	0.211
	Reinforcement strategy	0.046	0.164	0.099
	Transfer strategy	-0.044	-0.075	0.100
F-value		5.423	1.082	0.777
P-value		0.001***	0.377	0.546
R square		0.325	0.088	0.065
Adjusted R square		0.265	0.007	-0.018

*** $p < 0.01$. ** $p < 0.05$. * $p < 0.1$.

Table 7. The moderating role of the human resource management strategy on the effect of the leadership style on the financial performance.

Dependent variable		Financial performance		
		(Standardized β coefficient)		
Independent variable		Model 1	Model 2	Model 3
Leadership style	Charismatic	0.593***	0.457**	0.325
	Transactional	0.030	0.120	0.529*
	Transformational	0.261*	0.233	-0.047
	Visionary	-0.116	0.447	2.105
	Culture-based	0.008	0.096	-0.059
Human resource management strategy	Development		-0.665	-2.388
	Motivational		0.284	0.228
	Reinforcement		-0.032	-0.150
	Transfer		0.029	0.396*
Charismatic leadership \times Development strategy				0.616
Charismatic leadership \times Motivational strategy				0.099
Charismatic leadership \times Reinforcement strategy				0.101
Charismatic leadership \times Transfer strategy				0.049
Transactional leadership \times Development strategy				-0.211
Transactional leadership \times Motivational strategy				0.076
Transactional leadership \times Reinforcement strategy				-0.281
Transactional leadership \times Transfer strategy				0.391
Transformational leadership \times Development strategy				0.706**
Transformational leadership \times Motivational strategy				-0.265
Transformational leadership \times Reinforcement strategy				0.109
Transformational leadership \times Transfer strategy				-0.192
Visionary leadership \times Development strategy				-0.541*
Visionary leadership \times Motivational strategy				-0.087
Visionary leadership \times Reinforcement strategy				0.649
Visionary leadership \times Transfer strategy				0.064
Culture-based leadership \times Development strategy				1.149**
Culture-based leadership \times Motivational strategy				-0.332

Table 7. Contd.

Culture-based leadership × Reinforcement strategy			-0.445
Culture-based leadership × Transfer strategy			0.039
R ²	0.431	0.521	0.781
≥R ²	0.367	0.413	0.463
F-value	6.674	4.837	2.455
Significant F-value	0.000***	0.000***	0.020*

*** p < 0.01. ** p < 0.05. * p < 0.1.

Table 8. The moderating role of the human resource management strategy on the effect of the leadership style on the organizational effectiveness.

Independent variable	Dependent variable	Organizational effectiveness (Standardized β coefficient)		
		Model 1	Model 2	Model 3
Leadership style	Charismatic leadership	-0.066	-0.160	-0.425
	Transactional leadership	0.005	-0.058	0.134
	Transformational leadership	0.555***	0.670***	0.782**
	Visionary leadership	0.047	-0.536	0.862
	Culture-based leadership	-0.211	-0.237	-0.298
Human resource management strategy	Development strategy		0.634	-0.860
	Motivational strategy		0.197	0.320
	Reinforcement strategy		-0.233	-0.262
	Transfer strategy		-0.071	0.022
	Charismatic leadership × Development strategy			0.094
	Charismatic leadership × Motivational strategy			0.095
	Charismatic leadership × Reinforcement strategy			-0.110
	Charismatic leadership × Transfer strategy			-0.222
	Transactional leadership × Development strategy			-0.066
	Transactional leadership × Motivational strategy			-0.380
	Transactional leadership × Reinforcement strategy			0.113
	Transactional leadership × Transfer strategy			-0.038
	Transformational leadership × Development strategy			0.006
	Transformational leadership × Motivational strategy			0.257
	Transformational leadership × Reinforcement strategy			0.124
	Transformational leadership × Transfer strategy			0.086
	Visionary leadership × Development strategy			-0.118
	Visionary leadership × Motivational strategy			0.500
	Visionary leadership × Reinforcement strategy			-0.007
	Visionary leadership × Transfer strategy			0.157
	Culture-based leadership × Development strategy			0.611
	Culture-based leadership × Motivational strategy			-0.455
	Culture-based leadership × Reinforcement strategy			-0.032
	Culture-based leadership × Transfer strategy			0.138
	R ²	0.380	0.512	0.811
	≥R ²	0.310	0.402	0.537
	F-value	5.396	4.667	2.959
	Significant F-value	0.001**	0.000***	0.007**

*** p < 0.01. ** p < 0.05. * p < 0.1.

charismatic leadership conforming to no conventional patterns and engaging in innovative and normative actions, besides introducing a development and inspiring strategic incentive system. When subordinates' willingness and ability to work are low, they may show behavior deviation from rules and standards or even high proportion below the standards. If so, human resource management can adopt the position relocation change, discipline management or tutorial interview of the transference strategy. Also, based on active and passive management-by-exception, leaders can also take correction measures and make intervention through the transactional leadership.

Talents are the most important assets of enterprises. In this market environment filled with competition, the key to success is to possess talents. Thus, if facing a group of high-working-capacity talents, an enterprise can introduce incentive systems and career development systems for implementation so as to realize organizational performance target.

The above research results can prove that this study is not only correct in establishing literature review, data analysis method, research direction and theoretical framework but also can be combined with practice. Furthermore, the results of this study should have a reference value for enterprises to find subordinates suitable for the leadership style when implementing the human resource management strategy.

For the sake of rigorousness, this study broadly collected domestic and foreign scholars' works and periodicals for in-depth discussion, established the conceptual framework, made assumptions and inferences and then used questionnaire survey for verification.

In theory, through such human resource management strategies as the development strategy, the motivational strategy, the enforcement strategy and the transfer strategy, this study has established an analysis model for relevance between different leadership styles and organizational performances. It can be offered for future relative research, as reference basis.

In practice, different leadership styles presented in this study can be offered as a basis for enterprises to implement different human resource management strategies. In this way, an enterprise can promote recognition and devotion of employees for it under different strategies or leaderships and then furthermore create the overall organizational performance, besides different leadership styles can be used for different strategies. Therefore, this study has a reference value in both theory and practice.

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