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**DIFFERENT LEADERSHIP STYLES IN DIFFERENT ECONOMICS SECTORS –  
EDUCATION, BANKING AND INDUSTRY: ISRAEL EXAMPLE**

**STILURI DIFERITE DE LEADERSHIP ÎN DIFERITE SECTOARE ECONOMICE -  
EDUCAȚIE, BĂNCI ȘI INDUSTRIE: EXEMPLUL ISRAELULUI**

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**Annotation:** *Leadership is both a research area and a practical skill encompassing the ability of an individual or organization to "lead" or guide other individuals, teams, or entire organizations. Specialist literature debates various viewpoints, contrasting Eastern and Western approaches to leadership, and also (within the West) US vs. European approaches. The authors gathered data from managers in three sectors- banking, education and industry- and examined their leadership styles, comparing between different sectors and genders. Industry sector is the most dynamic, young and non-authoritarian one, the educational sector is characterized by the Autocratic leadership style, both males and females.*

**Adnotare:** *Leadershipul este atât un domeniu de cercetare cât și o abilitate practică care cuprinde capacitatea unui individ sau a unei organizații de a "conduce" alte persoane, echipe sau întreaga organizație. Literatura de specialitate analizează diferite puncte de vedere, contrastând abordările din est și vest ale conducerii, precum și abordările din SUA și Europa. Autorii articolului au corelat datele despre lideri (conducători) din trei sectoare: sectorul bancar, educație și industrie și, de asemenea, au analizat stilurile lor de conducere, comparându-le între ele precum și în cadrul grupurilor de gen. Sectorul industrial este cel mai dinamic, tânăr, nu se manifestă ca autoritar, sectorul educațional este caracterizat de un stil de conducere autocratic, acest lucru se referă atât la liderii bărbați, cât și femei.*

**Keywords:** *leadership styles, sectors, autocratic, bureaucratic, democratic, Laissez Faire, Paternalistic.*

**Cuvinte-cheie:** *stiluri de liderism, sectoare, stil autoritar, stil autocrat, stil birocratic, stil democratic, stil Laissez Faire, stil paternalist.*

### **Introduction**

**Leadership** is both a research area and a practical skill encompassing the ability of an individual or organization to "lead" or guide other individuals, teams, or entire organizations. Specialist literature debates various viewpoints, contrasting Eastern and Western approaches to leadership, and also (within the West) US vs. European approaches. US academic environments define leadership as "a process of social influence in which a person can enlist the aid and support of others in the accomplishment of a common task" [1,2].

There are many methods to classify leadership styles. The authors chose to do it according to the question in [3].

Style A = Autocratic Leadership Style : In this style, the complete authority is in one person's hand and no one else can question it. It is also known as totalitarianism or dictatorship. It does forge an atmosphere of discipline in the organization. However, it can at times cause dissatisfaction and a lack of "creative space" for the employees. For such a manager, the employees are just a replaceable resource and not the core of the organization. The manager believes in top-down communication, wherein orders are given by the higher hierarchical level to the lower ones. The concept of "employee satisfaction" does not hold importance for such a manager. Style B = Bureaucratic Leadership Style: Bureaucratic leaders work "by the book." They follow rules rigorously, and ensure that their staff follows procedures precisely. This is a very appropriate style for work involving serious safety risks (such as working with machinery, with toxic substances, or at dangerous heights) or where large sums of money are involved (such as handling cash).

Style C = Democratic Leadership Style : In this style, the management allows the employees to voice their opinions. Most company policies and decisions are made, taking into consideration employee opinions. It is also known as 'participative style'. This means that a meeting is held with representatives from each hierarchical level, in order to take a decision about the smallest company policies, as well as the major ones. Such a manager will prefer to have an open-door policy in the organization to ensure that the management and the employees communicate openly and freely with each other. "Confidentiality" is not of much a substance to such a manager.

Style D = Laissez Faire Leadership Style: In this management style, the targets are communicated to the employees; however, the employees can go about meeting those targets in whichever way they want. It is a very liberal management style. However, there is a lot of chaos in the delegation of authority as well as responsibility. Communication is free; however, more through the grapevine. This leads to the employees taking their work for granted. On the other hand, the manager evades his/her duty very conveniently. If out of control, this management style can spell "doom" for an organization. However, it is adopted in control by many organizations these days.

Style E = Paternalistic Leadership Style: In this style, the authority is in the hand of one individual. However, that one individual cares more about the employees than outcomes and profits. That means the manager will be more like a parent rather than a boss. In this kind of a management style also, the complete authority lies in the hands of one individual; however, the method of functioning is very different as compared to autocratic style. In such a management style, the employees are the heart of the organization. "Employee satisfaction" holds higher priority than profits. This kind of a manager believes in top-down as well as bottom-up communication.

The management styles outlined above are more closely linked to the personality and leadership qualities of a leader-manager. They are based on the style and principles followed by a manager in particular, not the organization, as a whole. If there is a change in a manager, an autocratically managed organization can become a paternalistic one!

### **Materials and methods of research**

The authors of this papers wondered whether there are styles more characteristics to a certain field, or maybe depend on a leader's gender. In order to do so, they gathered a sample of 300 managers from which 77 were from the banking field, 88 – industry, and 135- education field. There were 218 males and 82 females. SPSS statistical tool was used to compare the demographic characteristics and leadership styles of the three sector and the two genders (males and females).

**Results and considerations**

The following frequency tables present the ages distribution in the banking field, by gender (figure 1). It's obvious that females in management are younger than men. Among the females there aren't managers older than 58, among males there are more elderly and young male managers as well, i.e. the variance among males is higher than of females.

The T-Test of equality of ages in both samples proves the significance of the previous conclusion, the average age of males at management jobs is higher than that of females (p. value < 0.05). In addition, the variance of males is obviously higher according to the Levine test (p. value < 0.05).

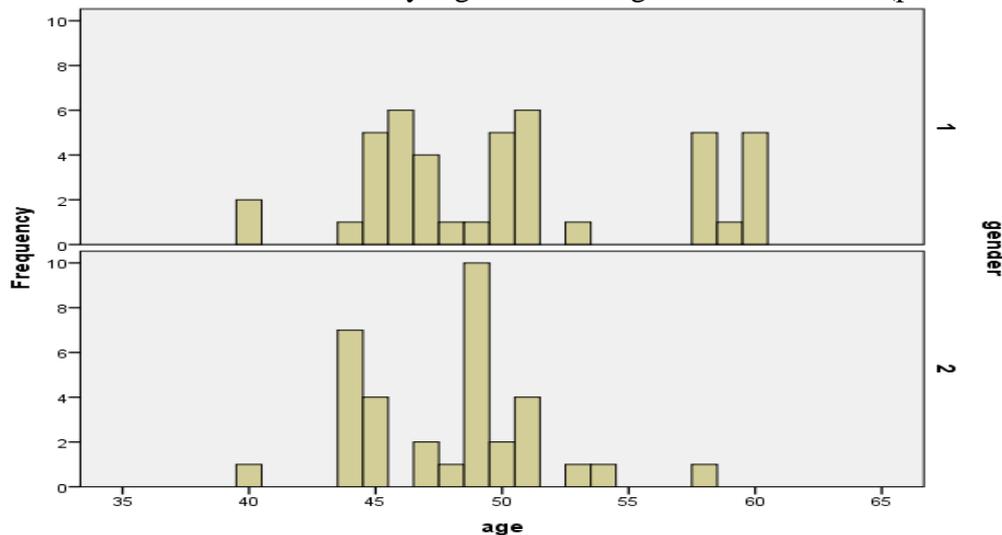


Figure 1. Frequency table of age in the banking field: gender = 1 male, gender= 2 female  
 [elaborated by the author]

Figure 2 presents the experience frequency table, by gender.

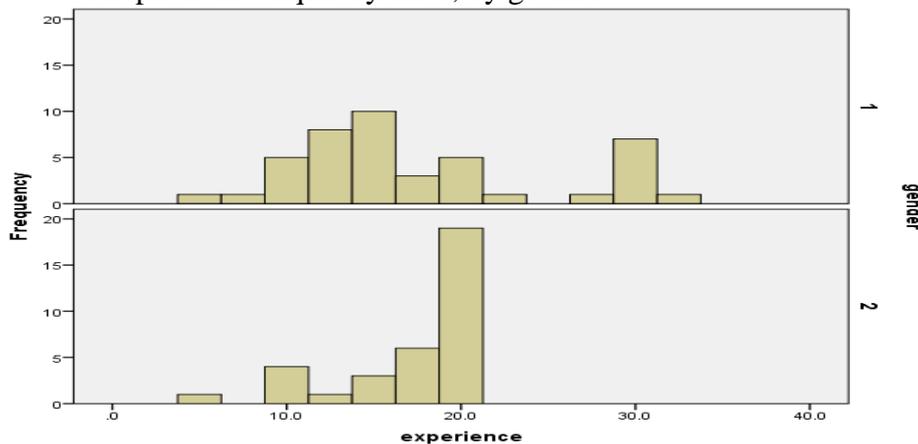


Figure 2. Frequency diagram of working experience by gender, banking field  
 [elaborated by the author]

Most females have 20 years of experience at a management position.

The variance among males is higher – there is a lot of them and they are more experienced too.

The results of the T - test which tested the equality of experience between genders were not statistically significant. The average experience is almost 17 years for both genders.

In the contrary, Levine test of the difference between variances clearly shows an obvious gap between males when the distribution is higher among males than of females ( $p$  – value $<0.0001$ ).

In the education sector, there were 87 males and 47 females. Figure 3 describes the age distribution by gender (gender=1 for males, gender =2 for females).

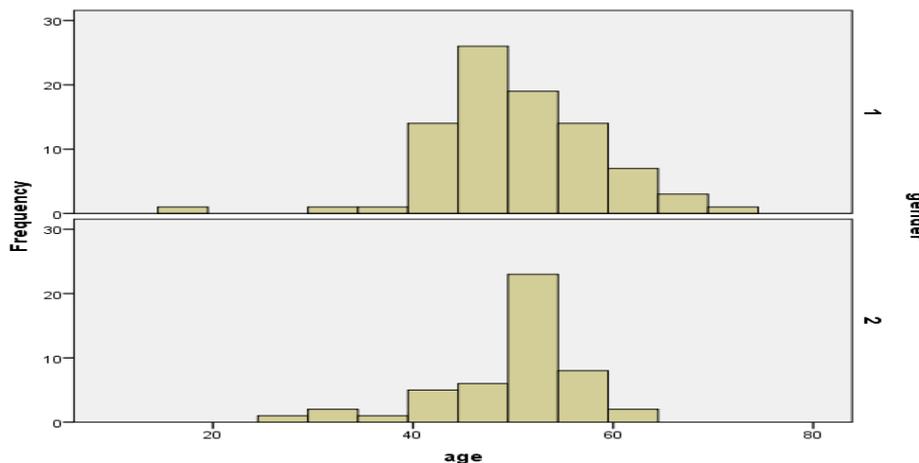


Figure 3. Frequency table in the education field: gender = 1 male, gender= 2 female  
 [elaborated by the author]

There were no significant differences in the average age between the genders. Figure 4 presents the frequencies of work experience in the education field by gender.

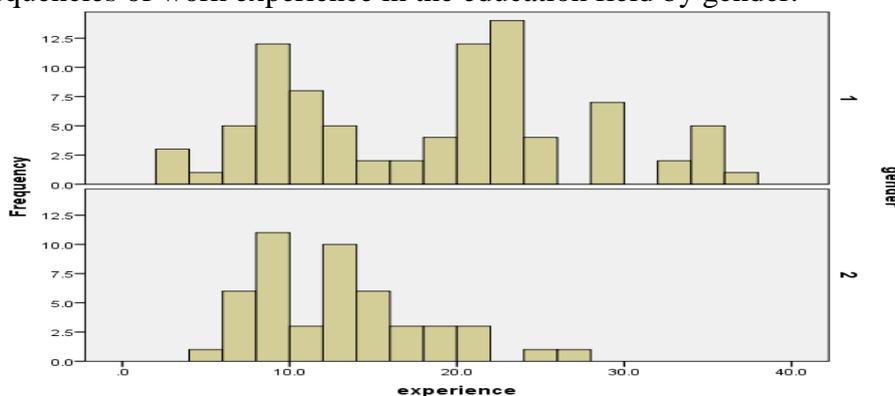


Figure 4. Frequency diagram of working experience by gender, education field  
 [elaborated by the author]

The average experience is definitely higher in the males group ( $p$ \_value $<0.00001$ ), so is the variance ( $p$ \_value $<0.00001$ ).

In the third sector, the industry, there were no females at all, there were 88 males in this group.

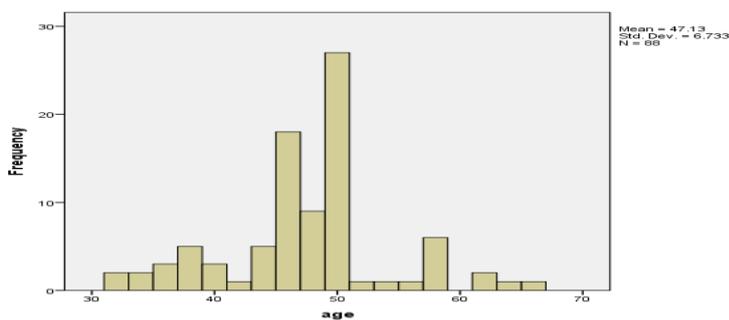


Figure 5. Age frequency table for the industry sector [elaborated by the author]  
As we can see, most of the managers are about 50 years old, only few are older.

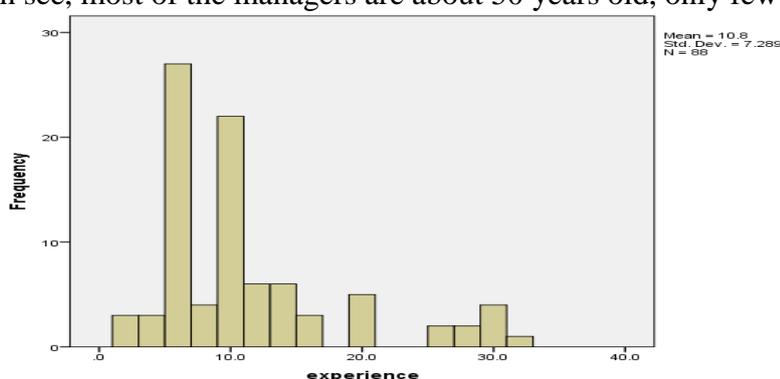


Figure 6. Experience frequency table for the industry sector [elaborated by the author]  
Most of the managers have about 11 years of experience, many even less.

Since lots of differences were found between males and females, it was decided to compare them separately.

The following BOX plot diagrams (Figure 7) summarize the management styles (from A to E, as described earlier) among the various sectors: 1- Banking, 2. Education, 3. Industry, gender=1 for males, gender=2 for females.

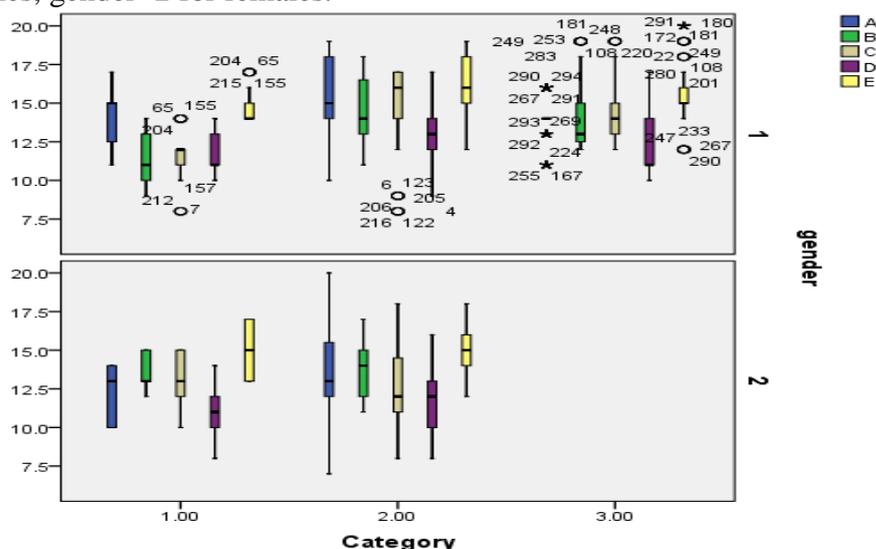


Figure 7. Box-plot diagram for the leadership styles in the 3 sectors [elaborated by the author]

As Table 1 presents, the ANOVA tests for the differences between the styles in the three fields (sectors) in the males sample were all very significant ( $p\text{-value} < 0.0001$ ).

The autocratic style A is the strongest in the education sectors, the banking sector is in the second place and the weakest is the industry sector. Actually, the autocratic style does not characterize the industry sample at all.

The bureaucratic style B is also stronger in the education sector and the weakest is in banking.

The democratic style C is also stronger in the education sector and the least strong is the banking sector.

The D not interfering style is low in all the sectors.

The paternalistic style E is the strongest in education and weakest in banking.

Table 1. ANOVA tests for equality of means for each style between the three sectors, males sample [elaborated by the author by 1; 2]

**ANOVA**

		Sum of Squares	df	Mean Square	F	Sig.
A	Between Groups	102.359	2	51.179	13.549	.000
	Within Groups	812.118	215	3.777		
	Total	914.477	217			
B	Between Groups	323.542	2	161.771	38.046	.000
	Within Groups	914.169	215	4.252		
	Total	1237.711	217			
C	Between Groups	367.945	2	183.973	40.749	.000
	Within Groups	970.683	215	4.515		
	Total	1338.628	217			
D	Between Groups	61.721	2	30.860	9.362	.000
	Within Groups	708.738	215	3.296		
	Total	770.459	217			
E	Between Groups	50.653	2	25.326	7.495	.001
	Within Groups	726.521	215	3.379		
	Total	777.174	217			

Among females, since two groups are concerned, we used T-test for the difference of means for independent samples. Only for the autocratic style A there was a significant difference ( $p\text{-value} < 0.05$ ) in favor of the education sector.

**Conclusions**

The paper investigates the leadership styles characteristic to banking, education and industry sectors in Israel. It was found out that in the industry sector, the most dynamic and young one, there are few female managers, the managers are quite young and do not have many years of experience, and the autocratic style is very rare. Actually, there is no one particular styles that characterize a big group of managers- every one uses her own style of leading. In the education style, on the contrary, there are lots of autocratic managers, both males and females, lots of bureaucratic and paternalistic ones. In the banking sector, males are more autocratic, females are more paternalistic.

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