

An Accounting Firm Leadership Style and Culture

Nathan Hickey
Adrian France*

*Waikato Institute of Technology

Adrian.france@wintec.ac.nz

Wintec, Private Bag 3036, Waikato Mail Centre, Hamilton 3240, New Zealand.



Outline

- Introduction
 - Problem statement
 - Leadership
 - Culture
- Method
- Results
- Discussion

Problem Statement

- Business failure due to neglecting organisation culture
- Success of organisations depend on leadership to maintain organisation culture
- This study investigates management leadership style impacting on organisation culture in an accounting firm

Leadership

- Best, preferred, & advanced leadership style debate
- Common leadership styles: (Clark, 2002)
 - Autocratic = telling employees what managers want
 - Democratic = Includes employees in decisions
 - Delegative = Employees make decisions
- Typically two leadership styles or combination of two
(Clark, 2002)



Culture

- Belief that leadership style impacts culture (Milite, 1992).
- Culture types: (Cameron & Quinn, 2006)
 - Clan = Concern for people
 - Adhocracy = Flexibility & individuality
 - Market = External focus
 - Hierarchy = Stability & control
- Single dominant culture or unclear of culture (Cameron & Quinn, 2006)
- Few studies of culture in accounting firms
- More research needs to be conducted (Jeacle, 2009)

Current Study

- This study investigates management leadership style impacting on organisation culture in an accounting firm
- Use Clark leadership style survey
- Use Cameron & Quinn organisation culture survey
- Determine what combination of leadership is required for particular culture in accounting



Method

- Select accounting firm managers
- Male & female, average age 35-40yrs
- 12 / 16 managers
- Survey using 5 point scale

$$Y_{\text{Culture}} = a_{1 \times} X_{\text{Autocratic}} + a_{2 \times} X_{\text{Democratic}} + a_{3 \times} X_{\text{Delegative}} + b \quad (1)$$

(P Value) (P Value) (P Value) (P Value)



Results: Leadership Style

	Autocratic	Democratic	Delegative
Total	32.9	44.1	37.6
Average	2.7	3.7	3.1
Frequency of Highest Score	1	10	1
Frequency of Second Highest Score	3	2	7
Frequency of Lowest Score	8	0	4

Results: Team Cultures

	A - Clan	B - Adhocracy	C - Market	D - Hierarchy
Total	293	158	367	383

Average	24	13	31	32
Frequency of Highest Score	3	0	6	5
Frequency of 2 nd Highest Score	4	2	1	3
Frequency of Lowest Score	2	9	1	0

Results: Regression

Y Clan	=	1.187_x X		-9.084_x X	+	9.784_x X	+	25.451
		Autocratic		Democratic		Delegative		(2)
		(0.912)		(0.440)		(0.468)		(0.556)

Y	=	5.832_x X		4.510_x X		-2.943_x X		
Adhocracy		Autocratic	+	Democratic		Delegative		-12.175 (3)
		(0.265)		(0.404)		(0.627)		(0.538)

Results: Regression

Y		$-2.082_x X$		$13.648_x X$		$-10.608_x X$		18.800
Market	=	Autocratic	+	Democratic		Delegative	+	(4)
		(0.839)		(0.246)		(0.415)		(0.647)

Y		$-4.937_x X$		$-9.074_x X$		$3.767_x X$		67.924
Hierarchy	=	Autocratic		Democratic	+	Delegative	+	(5)
		(0.674)		(0.476)		(0.792)		(0.182)

Discussion

- Democratic dominant leadership style
- Due to complicated profession requiring subordinates with specialist skills & managing professionals
- Hierarchy & market dominant cultures
 - Differs from prior research of one dominant culture
(Cameron & Quinn, 2006)
- Oligopoly accounting environment requires external orientation
- Particular cultures correlate with different combinations of leadership styles

Limitations

- Small sample size
- One case study
- Other leadership styles & cultures
- No subordinates included in survey

