Research on Relations of Leadership Exploitation Effectiveness and Organizational Culture Suitability

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Abstract. Effectiveness of leadership exploitation and organizational culture become important factors of strategic factors to improve organizational performance. The survey from state grid corporation shows that there is some relationship among organizational culture, organizational leadership exploitation and organizational performance, and organizational culture suitability acts as a significant moderator. This research provides useful tools for organizational performance management.

Introduction

With an organizational strategy focused on attracting and developing the top procurement talent, investment on leadership exploitation has always gone up. Drew showed that 51 percent of US companies had leadership development project \cite{1}. In current leadership development practice, measures seem to be rather isolated from each other and be lack of connection. There is not a internal consistency between leadership development project and the corporate strategy. DDI investigation revealed that 41 percent of leaders are satisfied with leadership competency plan, which could drop by as much as 12 percent. Avolio, Avey and Quisenberry pointed that its viability still less preferred \cite{2}. Avolio showed that over the past one hundred years, only 201 article examined leadership interventions, less than half of the articles focus on the leadership, almost no research involved in the effectiveness of leadership exploitation \cite{3}. Some existing research is summarized on the phenomenon of the practice, the lack of in-depth theoretical study and empirical analysis. Deal Kennedy studied that prosperity of a company can not be divorced from the support and guide of the enterprise culture. The studies on enterprise culture is needed from theory research to application.

Literature Review

Leadership and Leadership Exploitation

Pearce and Conger pointed that shared leadership has come, which set leaders free from individual Monopoly, realized theoretical reform from focusing on individuals to depending on collective \cite{4}. From the vantage of organization leadership exploitation, the paper discussed that leadership exploitation affects performance.

Velsor, etc. described the leadership exploitation model, and pointed that in a certain organization individual leadership exploitation embodied in context, the individual of learning ability develops in diverse mental experience \cite{5}. From perspective of organizational leadership, leadership exploitation includes not only individual leadership exploitation, also individual links, organization collective capacity growth \cite{6}. Leadership exploitation is a multi-level process, first of all is the leader; Second involves relationship with followers, and superiors; Third is organizational culture. Conger summarizes enterprise leadership exploitation practices, leadership exploitation practices can be
divided into three categories, one was leader development, which focused on a single manager, prompted managers to learn about leadership the ideas and skills; second is to assimilate company's philosophy, namely, assimilation of ideas, values and mission in company management at all levels; Three is to promote and speed up strategic change of company innovation, which were primary focuses of leadership development.

**Effectiveness**

Effectiveness refers to completion levels of activities planning. All the elements of the effective leadership development should be paid attention.

**The Suitability of Culture**

Organizational culture is the common core beliefs, values, behavior patterns, norms, etc, rooted in the enterprise organization, process, system, daily work. It affects organization strategy, arrangement of organizational structure, process, system specification. The formation and evolution of Organizational culture, can be divided into the following four spiral phase of interaction and mutual influence ascension: unconscious cultural creativity, consciousness of cultural refinement and summary, culture implementation and conflict management, culture remodeling.

**Definition of the Variables and Statement of Hypothesis**

**Definition of the Variables**

**The Content of Leadership Exploitation.** According to retrospective analysis on enterprise leadership exploitation system, this study proposed from three dimensions to measure enterprise leadership exploitation. Reference to previous studies, human capital development items in individual level involves: enterprise clear leadership competency model and manager selection standard, manager development program key management position; Succession planning for key leadership positions; receiving some reward for nurturing outstanding achievements. Social capital items in entity relationship level involve: interaction among departments and employees by various means; emphasizing on a common language; informal communication across different departments and group levels. Organization capital supporting items in organizational context level: improving enterprise values and management concept, etc. through various measures; implementing organization, flow process and system change to encourage innovation, tolerant failure.

**Culture Suitability of Leadership Exploitation.** Chen Hongwei put forward that organizational culture construction was divided into direction management, strength management, permeation management, and verified positive relationship between organizational culture construction and performance. Lu argued that unconscious culture had bigger influence on organization, culture became truly influential only reaching a consensus. Kotter studied the relationship between organizational culture and organization performance, and points out that organizational culture has a great impact on its long organization performance only matching requirements of enterprise management. Based on these literature, this study divides organizational culture into cultural compatibility, cultural heritage and assimilation and culture update.

**Design on Performance Items.** Performance measures in three kinds: financial metric from objective data, subjective assessment by corporate decision makers, evaluation relative to competitors, or peer level, etc. With financial metric more reasonable, this study adopts companies' annual reports by state grid corporation.

**Statement of Hypothesis**

**Leadership Exploitation Affects Organization Performance.** Bersin Associates’s research shows 86 percent of the enterprises with Strategic leadership exploitation can react rapidly, 52 percent enterprise without leadership exploitation can quickly respond to instigate. So we assume, H1 Leadership exploitation has positive effect on organization performance.
H1.1 Leadership exploitation in individual capital development has positive effect on organization performance.
H1.2 Social capital to improve in entity relationship level has positive effect on organization performance.
H1.3 Organization capital support in collective situation level has positive effect on organization performance.

Leadership Exploitation Affects Organizational Culture’ Suitability. Item of Assimilation or efforts to improve organizational values and management in leadership development will directly affect organizational culture’ suitability. Leadership exploitation can be in form of course, let leadership development project participants to realize the importance of organizational culture, and so that they can accurately understand organizational culture and practice it in work. Leadership development can concentrate position higher leaders, senior person with lower leader, new entrants to discuss organizational culture into dilemma in management principles.

So we assume,
H2 Leadership exploitation has positive effect on organizational culture’ suitability.
H2.1 Leadership exploitation in individual capital development (LDI) has positive effect on organizational culture’ suitability.
H2.2 Social capital to improve in entity relationship level (SCE) has positive effect on organizational culture’ suitability.
H2.3 Organization capital support in collective situation level (OCC) has positive effect on organizational culture’ suitability.

H3 Leadership exploitation has positive effect on organizational culture’ suitability (ECS).

Interaction of Organization Leadership Exploitation and Organization Culture Suitability have effect on organization performance. So we assume,

Data Analysis

Questionnaire Design and Data Collection

Do not use any macros for the figures and tables. (We will not be able to convert such papers into our system) To ensure reliability and validity of research tools, we chose three enterprise to carry out per-investigation and adjusted questionnaire slightly through the feedback of the results. Official data collection started from June 2015, the questionnaires were mainly answered by leadership exploitation managers. All the questionnaire are carried out through Human Resources Department, we send out 500 copies and recovered 342 valid ones, the number of valid questionnaires can reach the requirements.

Reliability and Validity Analysis

In this study, we used SPSS13.0 to explore factor analysis. KMO coefficients 0.84 and Barlett's spherical efficiency indicates the sample is suitable for factor analysis. Orthogonal rotating to load matrix show that all data is collected into eight factor more than 1 eigenvalue except for psychological meaning factors with insufficient loading 74.51% of total variance is explained. Then we take various data load as sample weight to calculate comprehensive score of task conflict, relationship conflicts and psychological situation. The Cronbach's $\alpha$ coefficients are all above the minimum of acceptable value and indicates good reliability.

Hypothesis Testing

We use the LISREL 8.70 software for data analysis. The result of enterprise impact on organization performance verifies the effectiveness and generalization of this development. The new analysis shows that the direct effect of leadership exploitation on organization performance is 0.074, and fails
The result shows that directly impact of leadership development on organization performance is not obvious. Further analysis of various dimensions of leadership exploitation on organization performance. The coefficient of human capital development in individual level, social capital in entity relationship level and organization capital support in organization situation organization performance is 0.064, 0.067, 0.062 respectively. and the result is not approved by significant testing (P value is 0.613). The effects of leadership exploitation items on organization performance aren't significant. The path coefficients of Leadership development to organizational culture’ suitability is 0.647; P value is 0.000 less than 0.01 by significance test under 1% significant level. The result shows that leadership development of enterprise has positive influence on culture’ suitability.

**Regression Analysis**

This study adopts hierarchy regression method to research hypotheses. We follow common practice to average variables value in order to reduce multiple linear effect before calculation of variable cross. The first step by which variable enters the equation is: human capital development in individual level, social capital to improve in entity relationship level, and organization capital support in collective situation level; The second step is direction management, strength management, permeation management; The third step is multiply item of organization leadership exploitation. At each step in the regression equation, VIF value between1.01-2.35 shows that serious problem of linear does not exist. Durbin Watson values, between1.69-192, shows that serious auto correlation in residual of explanatory variables does not exist. Data analysis results in table 1. To further study the moderator effect of organizational culture’ suitability on organization leadership exploitation and organization performance, we calculate the total score of organization learning and then according to the calculation result into two high average and low average differentiate group, the paper analyses the relevance of organization leadership exploitation and organization performance between two groups. With organizational culture’ suitability, organization leadership exploitation has positive influence on organization performance, and higher culture’ suitability is, organization performance is more likely to be improved, and vice versa.

**Conclusion and Discussion**

Research results show that organization leadership exploitation has not significantly negative effects on enterprise performance, so H2 does not pass examination. Organizational culture is significant influence on leadership exploitation. Interaction of organization leadership exploitation and organizational culture’ suitability is significant. So H2,3 pass examination. The future research direction includes: 1, different industries should be investigated, 2. Extend to examination scope. The future research should consider the influence of personal characteristics and management mode to provide more comprehensive suggestions.

<table>
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<th>Variable</th>
<th>Model 1</th>
<th>Model 2</th>
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