

## **LEADERSHIPS' ROLE OF THE LOCAL GOVERNMENTS IN COMPETITIVENESS' ENHANCEMENT OF REGION BIHAR**

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**Abstract:** examining the international secondary literature we can declare, that the analysis of the organizational culture toward the municipalities had been not yet performed. The accession of Hungary in the European Union has launched a new chapter in the history of the home self-government. The initiative of the European Union, the NUTS system plays also an eminent role. The NUTS is an acronym for the composition of English words *Nomenclature of Territorial Units for Statistics / Statistiques Nomenclature des Unités territoriales*. The study deals with the analysis of the observed and expected values in the local governments of the Northern Great Plain region (Hungary).

### **1. INTRODUCTION**

The cultural research, which is part of the present study used both quantitative and qualitative methodology. We used as quantitative method a questionnaire survey, which has been carried out with the help of the GLOBE (Global Leadership and Organizational Behavior Effectiveness) questionnaire. This GLOBE questionnaire had been already successful applied in the project „Contesting the World” of the Corvinus University Budapest. Koopman, Den Hartog, Konrad and their co-authors (1999) examined the cultural variables of 21 European countries, while Brodbeck and his co-authors studied the values of the leadership variables in European clusters. This present uses the GLOBE questionnaire in order to examine the leadership variables in the local authorities.

The medium rank managers of the municipalities in the Northern Great Plain Region have been tested by the survey. 193 managers of 24 settlements took part in the total sample. We ranked to local governments into A, B and C categories. The categorization is based on the population of the settlement. The shire-towns belong to the category A. The category B is represented by the settlements with the population number of 6000 to 17,000 people, while the category C represents the settlements with 1,000 to 3,000 inhabitants. The local governments presented in the sample had been selected in order to represent different culture.

Our study touches on the relation between the management and the organizational culture, and it presents the organizational background of the local governments, following the short presentation of the Northern Great Plain Region.

### **2. THE RELATIONSHIP BETWEEN ORGANIZATIONAL CULTURE AND LEADERSHIP**

According to Schein's (1989) definition, that the organizational culture is nothing more than „the patterns of basic assumptions, that the organization has studied during the solving of its external and internal problems and which have worked well enough to accept them as valid and considered similar operational problems.” The management has a decisive role In the shaping of the organizational culture with no regard of the circumstance, what kind of industry do they belong to [2,9]The main purpose of the organizational culture developed by the leader is the shaping of the behavior and identity, that is the most adequate for the objectives of the employees [6] The purpose of this chapter is the presentation of this activity.

Schein deals with the relationship between organizational culture the most profound. According him the most important leadership role is the developing and maintaining of the organizational culture. The organizational is developed by three sources: the beliefs of the founder of the organization, the values and assumptions, the events experienced by the group, and the beliefs, values and assumptions of the new members and leaders of the organization. [7,10]

The organizational culture is formed by the leader, but this is not enough, because there is a need for a group, who disseminate and propagandize these new values and culture [3] The founders affect that group the most, in the process, in which the group adapts to the changes of the external circumstances and resolve the problems of internal integration [7,11]. A leader, who understands the requirements of the, will be the initiator and the manager of the change. According to the definition of the GLOBE will be the leadership the ability of the individual to influence, motivate and enable the members of the organization, who shall contribute to the effectiveness and success of their organization [5]. The leadership is measured by a test with 112 measuring the behavior and attribute; the respondents characterize the feature using a seven-point scale to determine, what is the behavior that conduces to the expected behavior. In the study was the survey of the leadership attributes by the analysis of the main components performed.

### **3. BIHAR REGION**

Hajdú-Bihar county has a central location in the Northern Great Plains region, and its shire-town Debrecen is the cultural and economical centre of the whole region. As we are presenting the counties we are highlighting on the geographical, economical and social contexts, so we emphasize on a historical-geographical approach. Hajdú-Bihar is the fourth largest county of Hungary. The current county had been newly developed, following the administrative reforms of the 1950. The territories from which the county is consisted however has a long history; the modern Hajdú-Bihar is made of three different geographical areas with different historical traditions and development: Debrecen, the Hajdúság and the Bihar. The religious affiliation of the county is due to the different historical development is varied. Primarily the Calvinist church shaped the life of the local residents. This was a result of the church policy of the boroughs of the Hajdúság, as they prohibited the settlement of the Catholics, and the former Catholics churches were used by the Reformed congregation. The Calvinism and the autonomy of the borough were inseparable from each other, and not only here but also in the Kunság (Cumania); this is due to the social and economic ideology of the Calvinism, that is better suited for the population at the first stage of the bourgeois development, forced to the self-determination and local government [1,12]. Apart from the above mentioned, there are also other religions, which have in the recent times significantly expanded, such as what the Baptists. The Jewish communities and the Lutheran Church, despite of their small number, are the part of the history of the region. Hajdu-Bihar county is consisted of more geo-cultural components: such is the northern part of the county, the Nyírség and the Hajdúság, which are close related to each other geographical; the Hortobágy; and the Great-Sárrét as well the Little-Sárrét and the land of the Kőrös rivers In the southern territories of the county. The geographical difference is reflected in the structure of the settlements and the differences of the agriculture: in the north the large boroughs and estates are the typical, while in the south the small, fragmented parcels and the villages with a small population. The industry is

concentrated in Debrecen, as in the early modern era, that enhanced in the years of the socialist planned economy ([4]. According to its population and economic situation is Hajdú-Bihar county the seat not only of the Northern Great Plain Region but also of the eastern Hungarian territories beyond the Tisza river (Tiszántúl). The municipalities of the county are adapted to the geographical microregions: there are small towns and villages with large settlement structure and population in the sandy, extended territories of the Hajdúság and the Nyírség belonging to Hajdú-Bihar megye, while the settlements located in the Sárrét are small. This difference was intensified from the 1950s, when the large agricultural cooperatives have been established in the northern areas, while in the southern part of the county omitted from this process, or the collective farms of this territory were small and of a minor importance.

#### **4. THE EXAMINATION OF THE LEADERSHIP VARIABLES**

The GLOBE project was launched in 1991, based on the idea of Robert House, who has set the objective himself to explore the relationship between the national and organizational culture and the leadership [5]. The initial objectives were broaden continuously, regarding both of the issues and the contents and size of the project [7]. The GLOBE scans 62 cultures. In the study involved nearly 170 international experts, under the leadership of the GLOBE Coordinating Team and Professor Robert House. The questionnaire examines the characteristics of the social culture, the organizational culture and the leadership. In the GLOBE questionnaire the leadership behavior is examined by two question departments. The respondents have to define the importance of the behavior of the excellent leader or his attributes. Every each leadership and management qualities are characterized on the basis, that how much a feature helps or hinders him to become an excellent leader. The scale is uneven graded, allowing the respondents the neutral response, if you can decide, you may choose the scale value 4. Otherwise, according to the selection of the mean is the statement, attribute or behavior normal.

The evaluation of the leaders of county level you can see in the table 1. In Hajdú-Bihar county dominate the commanding, risk-taking, provocative, autocratic and environmental leadership attributes. Its historical background the strong local nobility and its self-consciousness, and in the case of Debrecen the local bourgeois (the so called: „cívís”) self-awareness has played a role in the shaping of this identity. In Szabolcs-Szatmár-Bereg county the executives are competitive, trustworthy, mundane, generous, enthusiastic and self-interested. This is explained by the different traditions and development of the microregions that build up the county; an other explanation is the relative closeness of the settlements from each other.

In Jász-Nagykun-Szolnok County appear the diplomatic, autonomous, independent, ruthless, development-oriented, self-interested, competent and decisive leadership qualities. This might arise due to the competitive situation of the county and the patriarchal arrangement and the diffused structure of settlement of the county.

**Table 1. The development of the leadership properties by counties according to the questionnaire department no. I.**

Property	County			Total
	Hajdú-Bihar	Szabolcs-Szatmár-Bereg	Jász-Nagykun-Szolnok	
Authoritative	<b>2.38</b>	2.81	2.38	2.50
Risk-taking	<b>4.23</b>	4.57	4.38	4.36
Provocative	<b>1.82</b>	1.98	2.18	1.95
Autocratic	<b>2.05</b>	2.68	2.62	2.36
Segregate	<b>2.53</b>	2.98	2.58	2.67
Environmental conscious	<b>5.44</b>	5.70	5.82	5.60
Competing	3.72	<b>3.11</b>	3.76	3.56
Reliable	6.54	<b>6.34</b>	6.42	6.46
Mundane	5.27	<b>5.08</b>	5.38	5.24
Generous	5.16	<b>4.91</b>	5.40	5.15
Enthusiastic	5.38	<b>5.15</b>	5.51	5.35
Not open	1.99	<b>1.85</b>	1.73	1.89
Diplomatic	6.27	6.06	<b>6.02</b>	6.15
Self-interested	2.70	3.02	<b>2.31</b>	2.70
Autonomous	2.87	2.85	<b>2.22</b>	2.71
Independent	3.40	3.51	<b>2.27</b>	3.17
Ruthless	1.67	2.30	<b>1.58</b>	1.82
Development-oriented	6.46	6.42	<b>6.13</b>	6.37
Regular	6.22	6.11	<b>6.09</b>	6.16
Decisive	6.52	6.28	<b>6.18</b>	6.38

(Source: author's survey)

**Table 2. The development of the leadership properties by counties according to the questionnaire department no. II.**

Property	County			Total
	Hajdú-Bihar	Szabolcs-Szatmár-Bereg	Jász-Nagykun-Szolnok	
Cautious	<b>4.02</b>	4.42	4.69	4.29
Logic	<b>6.01</b>	6.25	6.11	6.10
Indirect	<b>2.33</b>	2.49	2.96	2.52
Individualistic	<b>2.81</b>	3.53	3.64	3.20
Whitewasher	5.51	<b>5.09</b>	5.53	5.40
Team builder	6.29	<b>6.02</b>	6.20	6.19
Cunning	4.23	3.92	<b>3.36</b>	3.94
Informed	6.35	6.51	<b>6.18</b>	6.35
Non-equalitarian	2.73	2.75	<b>2.29</b>	2.64
Intuitive	6.14	6.17	<b>5.80</b>	6.07
Ambitious	6.14	6.00	<b>5.87</b>	6.04
Stubborn	4.01	4.00	<b>3.44</b>	3.88

(Source: author's survey)

In Hajdú-Bihar are the careful, logical, informal and individualistic properties characteristic. The social distances in this area are perhaps larger than in the other two counties, the cautiousness and individualism may be explained by that fact. In Szabolcs-Szatmár-Bereg county the leaders are whitewasher within the group and are team-builder. The increasing competition of the county is an explanation for this latter phenomenon. The whitewash attitude is a more complex symptom: first in ensure the members of the team that they do not suffer disruption during the uncovering of the errors, however this attitude may make difficult the repairmen of

this errors. It is very important in the phase of the formation of the group identity, but it may affect adversely on the performance.

In Jász-Nagykun-Szolnok county are the cunning, informed, non-equalitarian, intuitive, performance-oriented and stubborn management qualities the dominant. The inner arrangement and the competitive situation are the same patriarchal as in Szabolcs-Szatmár-Bereg county, and this may be an explanation, presented in the table no. 2.

The analysis of the main components allows us to determine which leadership properties are depend on each other and belong to a separate main component. According to the table you may say, that the attributes mentioned above are classified into 10 components (groups), under the following names:

**Table 3: Main components according to the questionnaire department no. I.**

<i>Main component</i>	<i>Name</i>
1	Asocial, uncommunicative
2	Decided, encouraging
3	Problem-solving, cooperative
4	Positive, inspiring
5	Friendly, generous
6	Independent, spacer
7	Sensitive, conflict avoidable
8	Mundane, merciful
9	Self-interested, competitive
10	Meek

*(Source: author's survey)*

I have arranged 10 other main components for the other group of the leadership properties. The following table shows these new properties according to the table no. 3.

**Table 4. The difference of the leadership attributes in each county**

<i>Main components</i>	<i>County</i>			<i>Significancy</i>
	<i>Hajdú-Bihar</i>	<i>Szabolcs-Szatmár-Bereg</i>	<i>Jász-Nagykun-Szolnok</i>	
Problem-solving, cooperative	-0.004	-0.261	<b>0.316</b>	0.017
Positive, inspiring	<b>0.187</b>	-0.203	-0.153	0.038
Independent, spaces	0.081	<b>0.250</b>	-0.433	0.002
Self-interested, competitive	<b>0.174</b>	-0.127	-0.240	0.042

*(Source: author's survey)*

The consideration of the leadership qualities are different by the counties, illustrated by the table 4. The leaders of Hajdú-Bihar believes that the self-interested, competitive as well the positive, inspiring properties, like the regular, enthusiastic, development-oriented features help someone to become a good leader. This is due to the competitive situation of the county. In Szabolcs-Szatmár-Bereg county is regarded conversely, and the leaders in this county believe, that the problem-solving,

cooperative attitudes inhibit the excellent leadership. The leaders in this county say, that the spacer, independent attributes allow to help the work of the management. This finding is linked to the already mentioned circumstances, that Szabolcs-Szatmár-Bereg is consisted of relatively more different microregions with different geographical, historical and cultural features than the other two counties. In Jász-Nagykun-Szolnok county the respondents believed that the problem-solving, cooperative, just, administrative, merciful and formal leadership attributes may help to become an excellent leader.

The environment of the organization, the competitive situation of the county is closely related to the leadership of the local governments. The successful leadership is helping the county to become successful. Therefore it is very important to be aware that what should be the dominant leadership attributes of the middle-ranking leaders of a mayor's office. In addition, the location, historical features and economic situation are determining too. These factors may influence the management of the local government.

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