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# Transformational and transactional leadership and problem solving in restaurant industry

Business Economics and Tourism  
2013

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The Degree Program in Tourism

## ABSTRACT

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Title	Transformational and transactional leadership and problem solving in restaurant industry
Year	2013
Language	English
Pages	52 + 2 Appendices
Name of Supervisor	Mikko Peltola

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The study tries to give information on the leadership behavior of restaurant managers in their problem solving. The study originated when I did my practical training as a receptionist in a hotel where the reception manager did not have professional education, and the actions as a foreman were not proper in my opinion. After considering I decided to concentrate my study on restaurant managers' leading and problem solving skills.

The results of the study were collected by evaluating three restaurant managers by interviewing them. The restaurant managers' answers were compared to transformational and transactional leadership model and the aspects of it. Their problem solving skills were evaluated by the help of a rational and creative problem solving model.

The study showed that restaurant managers have both transformational and transactional leadership behavior. Also differences were found when evaluating the answers. Two restaurant managers showed more transactional behavior and one restaurant manager showed more transformational behavior. Results related to problem solving were similar.

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Keywords	Transformational, transactional, leadership, problem solving
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VAASAN AMMATTIKORKEAKOULU  
Matkailun koulutusohjelma

## TIIVISTELMÄ

Tekijä	Nina Huhtala
Opinnäytetyön nimi	Transformatiivinen ja transaktionaalinen johtaminen ja ongelmanratkaisu ravintola-alalla
Vuosi	2013
Kieli	Englanti
Sivumäärä	52 + 2 liitettä
Ohjaaja	Mikko Peltola

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Tämän tutkimuksen tarkoituksena on antaa tietoa ravintolapääällikköjen johtajuuden suhteesta ongelmanratkaisuun. Tutkimus sai alkunsa tehdessäni työharjoittelua vastaanottovirkailijana hotellissa, jossa vastaanottopäälliköllä ei ollut kunnollista koulutusta työhönsä ja jonka toiminta esimiehenä oli mielestäni puutteellista. Monien eri vaihtoehtojen jälkeen päätin keskittyä tutkimuksessani ravintolapäällikköjen johtamistaitoon ja ongelmanratkaisuun.

Tutkimuksen tulokset kerättiin arvioimalla kolmea ravintolapäällikköä heidän haastattelujensa perusteella. Ravintolapäälliköiden vastauksia verrattiin transformatiiviseen ja transaktionaaliseen johtamismalliin ja niiden ominaisuuksiin. Heidän ongelmanratkaisukykyä arvioitiin rationaalisen ja luovan ongelmanratkaisumallin avulla.

Tutkimuksen tuloksena kävi ilmi että ravintolapäälliköiden johtamistyylistä löytyy sekä transformatiivista että transaktiivista käyttäytymistä. Myös eroja syntyi ravintolapäälliköiden vastauksia arvioidessa ja tuloksena ilmeni kahden ravintolapäällikön olevan enemmän transaktiivisia ja yhden ravintolapäällikön enemmän transformatiivinen. Ongelmanratkaisun suhteen tulokset olivat samansuuntaiset.

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Avainsanat	transformatiivinen, transaktionaalinen, johtaminen, ongelmanratkaisu
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## **1 INTRODUCTION**

The leadership domain has developed during decades to the point, where “new leadership paradigm” like transformational leadership is started to be the focus of different studies (Rowold, Jens & Schlotz, Wolff. 2009). Transformational leadership theory has been the most intensively studied leadership construct between 1990 and 2003 (Heinitz, Kathrin. 2006). Earlier leadership studies have concentrated more on the personal traits and characteristics of leaders but nowadays it is seen that a leader needs a vision.

### **1.1 The aim of the study**

The study tries to find out if transformational leadership theory and transactional leadership theory are related to a creative problem solving process and a rational problem solving process of restaurant managers. In the beginning the authors’ assumption is that transformational leadership behavior is related to the creative problem solving process and transactional leadership behavior to the rational problem solving process. The main research question is to study how different leadership behaviors affect the problem solving process of restaurant managers.

### **1.2 The restrictions of the study**

The study does not study relationships between foremen and staff. The study does not either study which one of the problem solving processes or leadership theories are better. Other limitations are that the background information of interviewees or the gender is not taken into consideration when thinking about the core elements of the study.

### **1.3 Structure of the study**

The theoretical part consists of three main chapters. Chapter 2 discusses leadership and management. Chapter 2.1 defines different theories of leadership and chapter 2.2 explains thoroughly the main leadership theory used in the study, the theory of transformational and transactional leadership. Chapter 3 includes theory

and definition of problem solving and explains two different problem solving processes, the rational problem solving process and the creative problem solving process. Chapter 3.3 includes a summary of the theoretical part.

Chapter 4 defines the research methods used in the study. Chapter 4.1 includes a definition of the qualitative research method, chapter 4.2 defines multifactor leadership questionnaire and chapter 4.3 includes data collection techniques used in the study.

The empirical results are presented in chapter 5. The results are divided into two chapters, chapter 5.1 including results concerning leadership and management and chapter 5.2 including results concerning problem solving.

Chapter 6 is the conclusion chapter. It discusses overall results of the study and also evaluates in chapter 6.1 the trustworthiness of the study. Chapter 6.2 presents different possibilities for future studies.

Chapter 7 includes a list of sources used in the study in alphabetical order. Chapter 8 is a list of appendices.

## 2 LEADERSHIP MODELS

To be a good supervisor or manager demands different kind of personal abilities, education and experience.

This theoretical part presents the central theories and gives the basic information of leadership and a brief overview of the different dimensions of leadership. From these various leadership theories aim is focused on transactional and transformational leadership theories. In the study these two leadership styles are related to creative and rational problem solving model.

### 2.1 Leadership and management

“Leadership might be seen as activity that is visionary, creative, inspirational, energising and transformational, whereas management might be seen as dealing with the day-to-day routine, much more transactional and so requiring good operational skills (Gold, Thorpe & Mumford 2010).”

People often confuse the concepts leadership and *management*. Management is a way to keep things together, organized and achieved by monitoring, making plans, maintaining control and mastering routines (Gold, Thorpe & Mumford 2010; Hunsaker 2005). Managers have the *authority* to make decisions (Hunsaker 2005). By drawing the lines and creating rules managers guides the workforce perform tasks and goals and because of that everyone knows in the organization what are their position, tasks and duties. Managers do not empower workforce or enable improvement of their performance, they only structure and organize the department (Bass 2008).

*Leadership* can be described as a social influence which a leader uses to others and the ability of getting people to trust and respect the leader so that he or she gets faithful followers who listen and works hard towards goals and tasks. The Leader pays attention to people efforts and recognizes it, rewards when they have been successful and creates informal relationships by coordinating (Gold, Thorpe & Mumford 2010). Leadership is management through change. Inspiration is used

as well as motivation to influence and maximize the effectiveness of employees (Hunsaker 2005).

To some extent all managerial positions comes with a piece of authority. Still it is not enough to immediately get the respect of others. This is why leadership and management should not be thought of as a two totally different things, but rather things which support each other. For optimal effectiveness organizations need both strong leadership and strong management (Robbins & Judge 2008).

### 2.1.1 Different theories about leadership

Traditional theories about leadership concentrate on the characteristics and personalities of people. The question whether leadership been taught, or whether it is just a privilege of someone who has the skills from the day they were born, has been the subject of many books and theories. During several decades focus of research in leadership theories has changed (Heinitz 2006). Figure 2-1 demonstrates these changed trends.

*Figure 2-1 Trends in leadership theory and research*

<b>Period</b>	<b>Approach</b>	<b>Core theme</b>
Up to late 1940s	Trait approach	Leadership ability is innate
Late 1940s to late 1960s	Style approach	Leadership effectiveness is to do with how the leader behaves
Late 1960s to early 1980s	Contingency approach	It all depends: effective leadership is affected by the situation
Since early 1980s	New leadership approach (includes transformational and charismatic leadership)	Leaders need vision

*Source: Heinitz 2006.*

*Trait theories* differentiate leaders from non-leaders by concentrating on personal abilities and characteristics. Focus was at specific individual qualities of leaders (Bass 2008). In the late 1980s different studies identified almost 80 leadership traits (Robbins & Judge 2008).

*Behavioral theories* were born when traits of leadership were looked from the behavior of leaders (Heinitz 2006). The idea was that if some unique ways how good leaders behave could be identified, the behavior could be learned. Main difference between trait theories and behavioral theories is that trait theories assume that leaders are born, behavioral theories that leaders are made.

*Contingency theories* contend that there is not one best way to lead and leaders who act effectively in one situation and time might be ineffective when moved to other situation because situational factors and circumstances determines who will be a leader (Changing Minds 2012; Bass 2008). Fred Fiedler argued that the effectiveness of group performance is dependable of the style of a leader and how much control and authority leader has in the group (Robbins & Judge 2008).

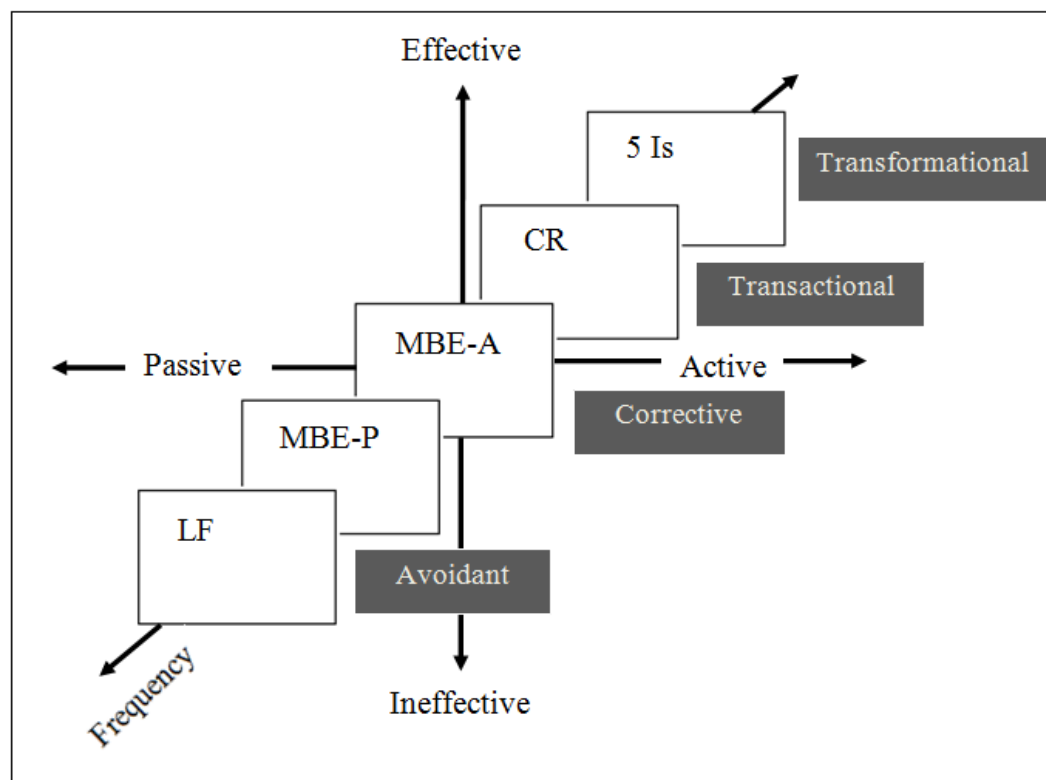
Max Weber introduced the *charismatic leadership* already in the early twentieth century but it was not empirically researched before 1980s (Bass 2008). While previous leadership theories were more transactional and concentrating on the exchange process between leader and follower, charismatic and transformational leadership theories were created to identify leadership behavior which would facilitate the various changes in the continuously changing world (Heinitz 2006; Bass 2008).

## **2.2 Theory of transformational and transactional leadership**

Theory of *transformational leadership* and *transactional leadership* is used as a base theory for the study. This chapter explains the difference between transformational and transactional leadership. In the study nine factor *full range of leadership model* (Figure 2-2) is used to separate transformational and transactional leadership behavior.

The theory of transformational and transactional leadership was introduced by Burns (1978) (Bono & Judge 2004). Bass (1985) further developed theory and separated seven leadership factors from transformational and transactional leadership behavior: charisma, inspirational, intellectual stimulation, individualized consideration, contingent reward, management-by-exception and laissez-faire leadership (Avolio, Bass & Jung 1999). Bass's theory eventually formed the six-factor model when charismatic and inspirational leadership were combined. Later on several analyses and critiques have proposed changes in this model (Avolio, Bass & Jung 1999). Over the past two decades the theory of transformational and transactional leadership has developed to its newest form which includes five transformational factors, three transactional factors and one non-leadership factor.

Figure 2-2 The full range leadership development model



Source: Sosik & Jung 2010.

Note: 5 Is: Iia Idealized Influence attributed, Iib Idealized Influence behavior, IM Inspirational Motivation, IS Intellectual Stimulation, IC Individualized Consideration. CR Contingent Reward. MBE-A Management By Expectation Active. MBE-P Management By Expectation Passive. LF Laissez-Faire.

Transformational leadership factors, also known as 5 Is, are the following, starting from most effective and active one: 1) idealized influence (attributed) and 2) idealized influence (behavior) which replaced charisma; 3) inspirational motivation which was before presented as inspirational behavior; 4) intellectual stimulation; 5) individualized consideration (Rowold & Schlotz 2009; Bass 2008). Transactional leadership factors are: 6) contingent reward (CR); 7) management-by-expectation active (MBE-A); 8) management-by-expectation passive (MBE-P), and one non-leadership factor which can also be seen as transactional factor, 9) laissez-faire (LF) (Rowold & Schlotz 2009; Bass 2008).

### **2.2.1 Transformational leadership**

Transformational leaders raise the performance expectations of employees, empower them, creates innovative climate and cares for the well-being of workforce (Gumusluoglu & Ilsev 2009; Bass 2008). Transformational leader arouses employees' motivation and positivity by creating inspiring future visions and through that influence employees' accept the goals and work hard and ambitiously towards them (Rowold & Schlotz 2009; Hunsaker 2005). Important is that workforce is satisfied the way transformational leader operates and the way how goals are achieved. Researches show that transformational leadership has generally a more positive impact towards productivity, employees are less stressed and more satisfied (Robbins & Judge 2008). The full range of leadership model separates five different ways to lead with the transformational approach.

*Idealized influence* is leading through confidence. Because idealized influence has both behavioral aspects as well as attribution components, it is divided into idealized influence (*attributed*) and idealized influence (*behavior*) (Heinitz 2006). Idealized influence (*attributed*) is related to the attribution of charisma and idealized influence (*behavior*) highlights a collective sense of mission and values (Rowold & Schlotz 2009). Visions of the future goals are clear and are driven from ideals and values (Bono & Judge 2004). Commitment in the organization is high and developing trust and confidence among employees is important (The Leadership College 2012; Robbins & Judge 2008). The idealized influence and inspirational

motivation dimensions are sometimes used to measure charisma (Bono & Judge 2004).

*Inspirational motivation* gives strong vision for the employees on what are the goals, purposes and future plans of the organization. Guidance is used to show how to achieve goals and the leader shows the faith he or she has in employees (Gumusluoglu & Ilsev 2009). Inspirational motivation puts employees and organizations needs on the same line, increasing the performance (The Leadership College 2012; Robbins & Judge 2008)

*Intellectual stimulation* is based on encouraging imagination and creativity of employees. Old ways and rules can be changed if better way of doing things is found. Leader has courage to take risks which might occur from achieving goals with new ways. (The Leadership College 2012; Robbins & Judge 2008)

*Individualized consideration* leadership behavior focuses on individuals and creates one-to-one relationships with employees and cares and emphasizes their needs, skills and problems (Gumusluoglu & Ilsev 2009). Leading through individualized consideration encourages employees and gives message that someone cares (The Leadership College 2012; Robbins & Judge 2008).

All these elements of transformational leadership:

“...result in extra effort from workers, higher productivity, higher morale and satisfaction, higher organizational effectiveness, lower turnover, lower absenteeism, and greater organizational adaptability (Robbins & Judge 2008).”

The assumption is that the leader who manages through all transformational elements can be considered as an effective leader (Robbins & Judge 2008).

### **2.2.2 Transactional leadership**

The other dimension of the full range of leadership model is transactional leadership. Transactional leadership can be seen as an exchange system of well-defined transactions between leader and employee (Rowold & Schlotz 2009).

Transactional leadership involves monitoring and controlling employees through rational means and so performing functions of management (Bono & Judge 2004; Hunsaker 2005). Transactional leadership is based on strict rules which leader assumes everyone accepts and follows and through that he or she motivates and guides followers towards set goals aiming at productivity and managing of the work (Robbins & Judge 2008). When rules or objectives are not followed or reached, punishment and consequences follows (Bass 2008). When work is done properly and expectations are fulfilled, reward is given. Material and psychological reward exchange between leader and workforce is the framework of transactional leaderships (Bass 2008). Transactional leadership can be criticized due to passivity of leaders. Communication between employees and leaders is not common because interventions are done only when problems occur or expectations are not fulfilled.

The full range of leadership model demonstrates how there can be three different ways transactional leader work.

*Contingent reward* leadership behavior is constructive transaction and most effective from transactional leadership factors (Bass 2008). The lines and boundaries between leader and employees are clear and reward is given when things are done correctly and plans achieved (The Leadership College 2012; Robbins & Judge 2008). Reward is transactional when it is material in nature but also transformational when being psychological (Bass 2008). Core idea of contingent reward is rules. Leader monitors employees work and gives feedback.

*Management by expectation* means that the management intervenes when problems occurs, but when the damage has already happened (The Leadership College 2012; Robbins & Judge 2008). Management by expectation is a corrective action and it can be divided into positive and negative aspects: management by expectation is *active* when corrective actions are done beforehand and *passive* when corrective actions are done after something has already happened (Zuleta 2005; Bass 2008). Set standards are the way to monitor per-

formance and it might be that manager is only seen when something goes really wrong (Bono & Judge 2004).

Most passive and ineffective factor in transactional leadership is *laissez-faire*, which can be described as:

“...nonleadership or the avoidance of leadership responsibilities (Bono & Judge 2004).”

In *laissez-faire* the leader is not actively following the work and does not give feedback of employee performance. The sense of responsibility is low and sharing own thoughts and intervening in problems is something which is done only in urgent cases (The Leadership College 2012; Robbins & Judge 2008).

Even though the assumption is that the leader who manages through transformational leadership factors is an effective leader, it is important that characteristics from transactional leadership are not forgotten (Robbins & Judge 2008). These two leadership models complement each other because transformational leadership builds on top of the transactional leadership (Bass 2008).

### **3 PROBLEM SOLVING**

*Problem* can be defined as the discrepancy between the existing state and desired state (Robbins & Judge 2008; Hunsaker 2005) or difference from norms, standard or status quo (Business Dictionary 2012). “A problem is anything that can be made better through change - -“ (Lumsdaine & Lumsdaine 1995). A problem is solved well when analytic, creative and critical thinking is used. Decisions related to problems are made to improve the current state, but before decision making process and receiving desired state, problem has to be recognized (Robbins & Judge 2008).

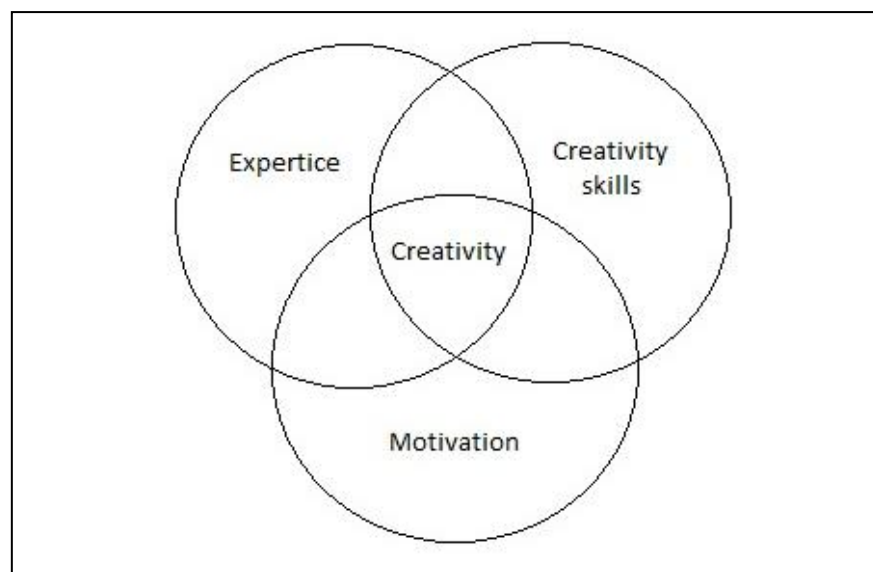
#### **3.1 Creative problem solving**

*Creativity* is an ability to think and create something new. According to *conventional* wisdom, creativity is something done by creative people, researches focus-

ing mostly on individual differences. *Contemporary* approach to creativity research assumes that all humans can produce reasonable creative work at some extent and social environment can affect to it. (Amabile 1996)

Creativity helps a manager see all possible solutions problem could have and create new ways to handle the situation (Hunsaker 2005; Lumsdaine & Lumsdaine 1995). Creative problem solving helps also see problems which may not be clear. Managers who encourage creativity in their organizations are people who are not afraid of failures and risks of what employees might do (Hunsaker 2005). Managers allowing their employees use freedom and experiment in problem solving are willing to trust their employees.

*Figure 3-1 The Three Components of Creativity*



*Source: Robbins & Judge 2008*

Based on an extensive body of research *the three-component model of creativity* (Figure 3-1) claims that individual creativity requires expertise, creativity skills and motivation. Studies have shown that higher the level of all these three pieces, the higher creativity is (Robbins & Judge 2008). This model includes all components from person factors to environmental variables that assist to creativity (Amabile 1996).

Expertise includes memory for factual knowledge, technical skills, special talents in some specific areas and familiarity with past and current works. Expertise generates from knowledge acquired from education and work experience. Without expertise person might not solve problems or use creativity effectively because he or she does not have any base for the work in question. (Amabile 1996)

A person will not produce creative work if creative skills are lacking.

“These skills include a cognitive style favorable to taking new perspectives on problems, an application of techniques - - for the exploration of new cognitive pathways, and a working style conducive to persistent, energetic pursuit of one’s work. (Amabile 1996)”

Personality characteristics related to independence, self-discipline, orientation toward risk-taking, persistency in question of frustration, tolerance for ambiguity, and a lack of concern for social approval affects on some extent on creative thinking (Amabile 1996).

The third component of creativity, motivation, determines eventually what person will actually do. Motivation can take two forms: intrinsic motivation and extrinsic motivation. Intrinsic motivation comes from own curiosity, enjoyment or the feel of challenge towards work. A number of studies have shown that intrinsic motivation is more supportive to motivation than extrinsic motivation which is related to goals like dead-lines and winning competitions which are not related to the work itself. (Amabile 1996)

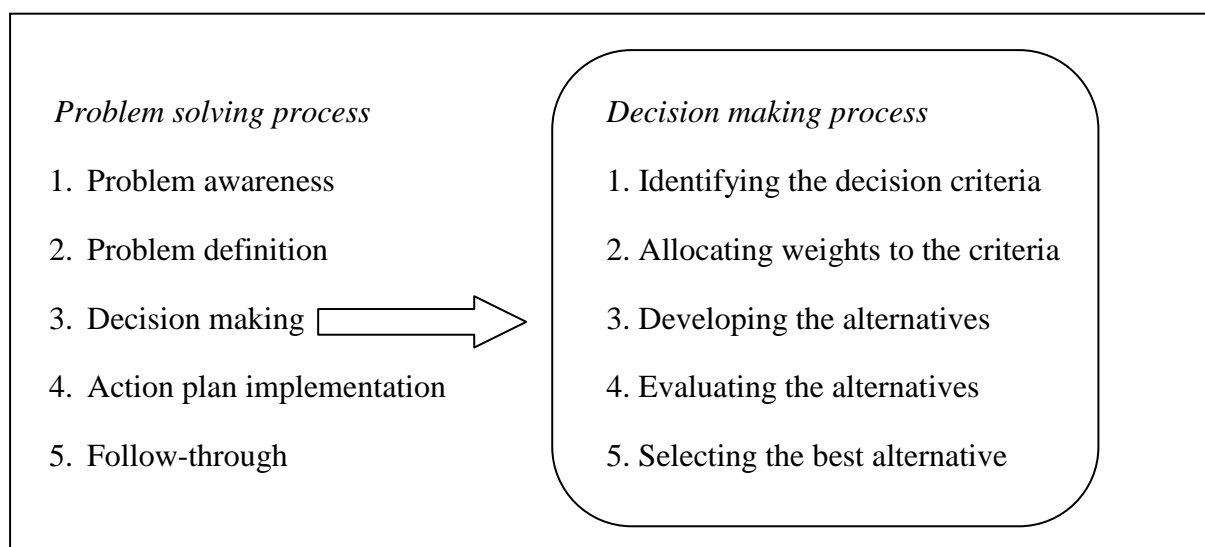
### **3.2 Rational problem solving and rational decision making**

*The rational problem-solving process* follows five-step rational problem solving model and it can be related to *rational decision-making process* (Figure 2-4) (Hunsaker 2005; Robbins & Judge 2008).

Managers are the ones who constantly monitor potential or actual problems through rational means (Hunsaker 2005). This *problem awareness* is important, because without constant observation problems cannot be noticed in time.

*Problem definition* is not always clear and easy. The roots of the problem can be deep in the organization and hid behind smaller problems. Problems are maybe not even identified as problems until something happens. Critical is that manager by gathering and evaluating information defines, identifies and clarifies the problem. Without knowing the real reasons behind problems like by what or whom it is caused or blindly assuming something, the problem is unlikely effectively solved (Hunsaker 2005).

*Figure 3-2 The Rational Problem-Solving Process*



*Source: Hunsaker 2005; Robbins & Judge 2008*

A problem is eventually solved by *decision making*. Important and difficult part of it is selecting the best solution from different possible alternatives (Hunsaker 2005). Figure 3-2 demonstrates the steps of rational decision making model, where each step follows in a logical order from the one before and helps decision maker choose the best alternative among various others (Decision Making Confidence 2012). A rational decision maker is someone who follows this process and makes consistent, value-maximizing choices within specified constraints (Robbins & Judge 2008). The basis of the decision making process is made earlier when the problem is defined. Without definition a decision cannot be made effectively. The last step in decision making process is *selecting the best alternative*. This is the stage where previous stages come together and relationships between different alternatives are clearly seen. The assumption is that a rational decision maker

chooses the alternative “- that yields the highest perceived value” (Robbins & Judge 2008).

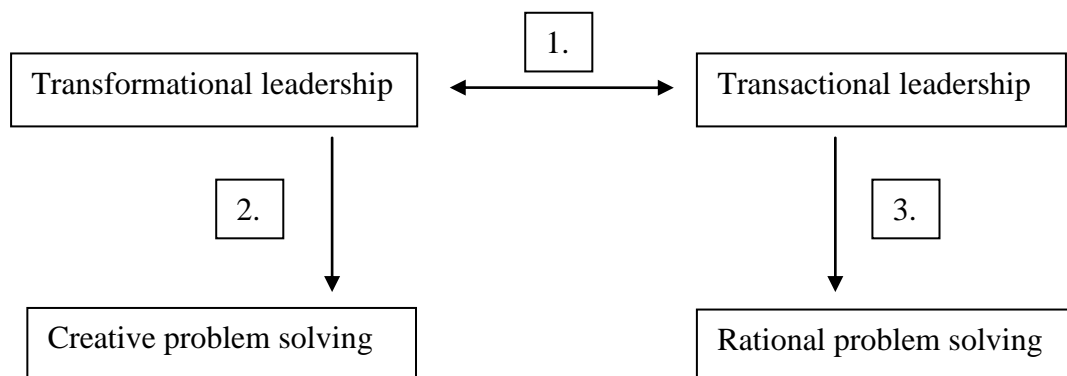
After the decision making stage *the action plan implementation* follows. It includes assigning tasks and responsibilities in writing and verbally to make sure everyone involved knows their duties, schedules and knowledge they need. Action plan implementation includes also establishing effective schedule where all necessary tasks gets specified time schedule for completion. (Hunsaker 2005)

Last step in the rational problem-solving process is *follow-through*. Criteria defined in action plan implementation are benchmarks for measuring and comparing the results. Monitoring these results reveals if some further actions are needed, and if the results are not the ones wanted, a reason has to be determined. Important is also to monitor and maintenance the attitudes everyone involved in the process has. The goal is that attitudes are positive through the whole implementation process. (Hunsaker 2005)

### 3.3 Summary: theoretical links between leadership and problem solving

The study tries to find out how different leadership behavior affects the problem solving skills of restaurant foremen. The theoretical part had two main theories: theory of transformational and transactional leadership and theory of creative problem solving and rational problem solving. Figure 3-3, the theoretical model of leadership and problem solving style demonstrates the connections between the theoretical parts.

Figure 3-3 Theoretical model of leadership and problem solving style



Connection 1 between transformational leadership and transactional leadership is a two way process. As it was said previously in the theoretical part, transformational leadership builds on top of transactional leadership (Bass 2008). Transformational aspects are valued but if the foreman can lead people but is lacking managerial skills, guiding the workforce can be ineffective because certain rules and procedures have to be followed and fulfilled to keep things together. On the other hand, a foreman who only manages the workforce but is lacking transformational aspects meets sets standards but does not necessarily have trust, respect and commitment of others.

Connection 2 is assumed to be between transformational leadership and creative problem solving. A transformational leader is described to be innovative, breaking habits and also give others opportunity to invent new things. These kinds of aspects can also be found from creative problem solving theory: creative problem solver is not afraid of others mistakes when solving problems and has motivation to achieve goals. The influence of transformational leadership on creativity and innovation interests researchers more and more (Gumusluoglu & Ilsev 2009).

Connection 3 in the model is between transactional leadership and rational problem solving. In comparison to transformational leadership, transactional leader behavior is based on monitoring and following strict rules. Transactional leaders are not so innovative and they do not want to “fix unbroken”. The theory of the rational problem solving model includes rational pattern how problems are solved. Transactional leadership is described to be rational. Because transactional leaders follow strict rules, problem solving is more likely rational than innovative and uncertain.

## **4 RESEARCH METHODS**

This chapter presents research methods used in the study. Qualitative research method was chosen to be best when thinking of the nature of the study.

### **4.1 Qualitative research method**

In the study the qualitative research method is used as the primary data collection technique. The study could have been executed by using quantitative research method if MLQ (see chapter 4.2) would be available. Without MLQ the study's results are not possible to present in statistical figures and therefore results are collected by interviewing.

Qualitative research methods have become important practices for the social sciences and for the scientists a process of trying to have better understanding of the human interactions (Marshall & Rossman 1989). The term qualitative research means research that produces results which are not collected through statistical procedures or quantification, and which can refer for example to persons' lives, stories, behavior and social movements (Strauss & Corbin 1990). Data can be collected by many different means. Usually qualitative research method is associated with interviews and observation, but also documents, books, videotapes and statistical data can be used (Strauss & Corbin 1990). Qualitative and quantitative methods can be combined and used to supplement each other. For example the results from qualitative research can be clarified and made follow-up by using quantitative data.

Evaluating the trustworthiness of qualitative research is a big challenge. Difficult is to convince the readers to see the scientific nature and quality of the research. Reliability of the study refers to the consistency, meaning that other studies made of the same topic have similar results. Validity of the research refers to the fact that presented conclusions are true. (Eriksson & Kovalainen 2008)

#### **4.1.1 Research question**

Qualitative research question should not focus on establishing casual relationships or generalized patterns of behavior (King & Horrocks 2010). Questions which demand accurate answers like ‘Are women better supervisors than man?’ are questions in which qualitative research cannot provide answers. Qualitative question should focus on meaning and experience and answer to the question ‘why?’ (Robson & Foster 1989). A question should also be narrowed down to a reasonable scope: not too wide, but also not too narrow to prevent homogenous samples. A good way to limit the research question could be made through characteristics like age, income level and so on. The previously presented question could be transformed as follows: ‘How do women, age 30, see their supervisor performance compared to men, age 30, in same supervisor position?’ (Robson & Foster 1989).

#### **4.1.2 Primary data collection techniques**

*Interviews* have become an important research method in the social sciences and are the most commonly used data collection method in qualitative research (King & Horrocks 2010). Research can be made by doing individual interviews or group interviews, dependable of the nature of the research. In addition to mostly used face-to-face interviews, telephone interviews and internet based interviews are also good alternatives to choose from (King & Horrocks 2010). In the study interviews are the primary data collection technique and are done in Finnish because interviewees are Finns. Interviews are done face-to-face because the duration of the interviews is assumed to last approximately one hour and there are videotapes which are shown to the interviewees.

*Recording* the interviews is essential and usually it is done by audio-recording. Nowadays technology provides digital options (mini-disc, solid state recorders) as a replacement for old analog tape recorders. In addition to audio-recording, handwritten record is also important part of collecting data in cases like technical failures of recording equipment or interviewee’s refusal to record some parts of the

interview (King & Horrocks 2010). In the study interviews are audio-recorded by old analog tape recorder.

*Observation* is also used in qualitative research because it provides direct information about behavior and processes of individuals and groups (nsf.gov 2012). Observation entails systematic recording and markings of events which are non-judgmental, overall descriptions of what has been observed (Marshall 2006). The role of the observer can vary. The observer can be one who watches behavior and records it without participating in any ways in social interaction. On the other hand participant observation is a way where firsthand involvement is done and which is also in some degree essential to qualitative research (Marshall 2006). The observer takes part in everyday life of the observation settings, experiences and understands the reality as other participants do. In the study actual observation is not done but because the author has worked in every restaurant where the interviewees work as restaurant managers, the author has seen things which can be seen essential to report in the study. Because observation as proper qualitative research method demands proper and planned recording, the author's observations are only notifications.

Other supplemental data collection techniques in qualitative research are for example questionnaires, surveys, films, photographs and videotapes.

#### **4.2 The Multifactor Leadership Questionnaire (MLQ)**

“The nine factor Full Range Leadership Model has been shown to best represent the data collected by the MLQ when sample characteristics and situation factors are statistically controlled (Bass & Avolio 2006).”

In the study MLQ has been used as a background tool. Because the research is done by the qualitative methods, no version of MLQ is possible to use because of its quantitative nature. The interview questions are designed by the help of items in MLQ's Likert-scale of which limited parts are available on the Internet. Likert-scale measures leadership factors related to transformational leadership and transactional leadership. For the questionnaires, see Sample Items From the Multifac-

tor Leadership Questionnaire (MLQ) Form 5X-Short (Sagepub.com), Multifactor Leadership Questionnaire RAF RAF Homepag (docsse.com) and The Impact of transformational leadership style of the school principal on school learning environments and selected teacher outcomes (Barnett 2005).

The Multifactor Leadership Questionnaire has been the most applied quantitative measurement tool which has been used in research on transformational and transactional leadership components (Heinitz 2006). MLQ has developed during years and it has various versions which have all been used and also criticized (Figure 4-1).

Figure 4-1 Versions of the MLQ

MLQ version			Transformational					Transactional			
			Charisma					MbE			
Author	Year	Version	Iia	Iib	IM	IS	IC	CR	MbA	MbP	LF
Bass	1985	1	x			x	x	x	x		
Bass & Avolio	1990	5R	x		x	x	x	x	x		x
Bass & Avolio	1993b	5X	x	x	x	x	x	x	x	x	x
Bass & Avolio	1995	5X short	x	x	x	x	x	x	x	x	x
Bass & Avolio		6 short	x		x	x	x	x	x		x
Tejeda et al.	2001		x	x	x	x	x	x	x	x	x

Source: Heinitz 2006

Note: Iia Idealized Influence attributed, Iib Idealized Influence behavior, IM Inspirational Motivation, IS Intellectual Stimulation, IC Individual Consideration, CR Contingent Reward, MbA Management by Expectation active, MbP Management by Expectation passive, LF Laissez-Faire

MLQ originated in the 1980s when a sample group was asked to identify someone who acted (according to Burn' definition) in the ways of transformative leader (Zuleta 2005; Heinitz 2006). The version MLQ 1 included a set of 73 items in a 5 point Likert-scale format which ranged from 0 (not at all) to 4 (frequently, if not

always) (Zuleta 2005; Heinitz 2006). After that various other versions of MLQ were created during years and the newest versions include nine factors.

Even though MLQ is most used tool to measure transformational and transactional leadership components, its measurement factors has also been criticized. Most common and most immediate concern is MLQs structural validity. Tepper and Percy (1994) reported that MLQs immediate concern was related to its structural validity. Kelloway, Barling, and Helleur (2000) found strong correlations among the four subcomponents of transformational leadership. Yammarino and Dubinsky (1994) and Tracey and Hinkin (1998) had reported the same kind of results. It has been argued that these four components of transformational leadership might be best present as a single transformational leadership scale. Tepper and Percy (1994) also argued that the conceptual difference between inspirational motivation and idealized influence has not been clearly articulated. Also the distinction between the management by expectation (passive) and laissez-faire has been troublesome. (Muenjohn & Armstrong 2008)

Regardless of the critique, the MLQ tool has been proved to be the best option available when studying transformational and transactional leadership. For example the reliability and validity of the MLQ 5X has been carefully examined by Bass and Avolio (1995) based on the data from several examinations (Zuleta 2005).

### **4.3 Data collection techniques in the study**

The following chapters include information on the data collection techniques used in the study.

#### **4.3.1 Interviews**

The primary data collection technique in the study is interview. Three interviews were done during two days of data collection. The interviews were done in Finnish and all references related to interviews are translated by author. The interview consisted of three parts: first part included the basic and background information

of the interviewee, second part consisted of showing interviewees two videos concentrating on problem situations and after that more specific interview questions were asked which were divided into themes which handled problem situations, breaking rules, relationships and motivation. All three interviews lasted approximately 40 minutes and were audio-recorded by an analog tape recorder. The interviews were transcribed into Microsoft Office Word 2007.

Names of the interviewees are changed.

Rachel is a restaurant manager in a restaurant where is approximately 150-200 customer places depending on the situation. The number of staff is around 30 persons including both kitchen and dining room staff. Rachel has worked in the restaurant business since 1997 and she has Bachelor's degree in culture and arts and a degree in specialist qualification for hotel, restaurant and catering service managers. As a duty manager she has functioned from year 2004. Rachel has been a restaurant manager from year 2008, so totally 5 years. Rachel works in a chain restaurant. Because of this many orders and rules comes from above her, so some of her answers might not represent her actual opinions.

Susan is a restaurant manager in a restaurant with approximately 150 customer places. The number of staff is around 20 persons. Susan's profession is chef and she has over 20 years work experience in restaurant business and has been duty manager from year 2007. As a restaurant manager she has been 1 year in the current restaurant. Susan works in a chain restaurant. Also, since her orders and rules come from above her, some of her answers might not represent her actual opinions.

Alice is a restaurant and hotel manager in a hotel restaurant with approximately 300 customer places. Depending of the time of the season, the number of staff varies from 8 to 25. Alice has Bachelor's degree in hospitality management and she has worked in the restaurant business 23 years and has been a foreman for 14 years. Alice works in a private hotel-restaurant where she has been as hotel and restaurant manager from the year 2008.

Before the actual interviews a test interview was made to get information on the duration of the interview and if the questions should be modified. The test interview was made for a regular person who has not worked as a supervisor. The interview followed the planned structure, starting from the background information of the interviewee, following the video analyzing and finally interviewing more specifically interviewee. Because the test interviewer had not worked as supervisor, answers were not as wide and long as hoped and for some questions he did not know how to answer properly because of the lack of supervisor experience. The test interview lasted only 20 minutes but it gave a picture of how long the real interviews would take. Rough evaluation was finally that real interviews would take maximum one hour depending how long answers interviewees would be ready to give to the questions. The test interview showed that the questions based on the videos should be modified to give more versatile answers. Also the structure of questions was seen best to modify more specific. During the test interview was revealed that some questions reminded for each other so unnecessary questions were removed. Test interview also showed that some questions were hard to understand and they needed to be explained better. For interviewer it was seen to be best write “help words” after questions so that interviewer would remember what the question wanted to find out and through that guide the conversation.

#### **4.3.2 Video case analysis**

In the study one data collection technique was video analyses. The interviewees were shown two different videos and after watching each video interviewer asked questions and interviewees had to analyze what they had seen.

The videos used were filmed in spring 2012 in co-operation of the author of the study, the senior lecturer Mikko Peltola from Vaasa University of Applied Sciences and educational technologist Peter Ahlroos from Tritonia who filmed and edited the videos. All three participants planned and casted videos. Videos which consisted of four different stories were originally filmed as a course material for Mikko Peltola and with his and Peter Ahlroos permission two parts of the videos

were used as video analyzing technique in the study to get information on how foremen deals with problem situations.

The first video showed a problem situation related to a crime. First scene showed how employee 1 took money from the cash. In the second scene employee 2 came to the foreman and told he had seen employee 1 take money from the cash, but do not accuse employee 1 for anything and says he only tells what he saw. A foreman is grateful for the information given to her. In the third scene the foreman goes through the account statements and old work schedules and wonders herself could employee 1 really steal money from the cash. In the fourth scene the foreman and employee 1 sit at the table. The foreman show employee 1 account statements where shows that money has disappeared from cash and tells employee 1 that she is sure that employee 1 is guilty. She also tells that someone has seen employee 1 stealing money. The foreman's tone of voice is very sure and strict. Employee 1 starts to argue and explains what happened by the fact that that restaurant has over 20 employees and anyone could have taken the money. Employee 1 also explains that employee 2 could have seen him taking tip. Foreman answers back with accusing tone and arguing continues till the video ends.

The first video had been filmed so that the behavior of the foreman was accusing, a bit aggressive and straight to the point. The video also included a problem situation. By showing the video for interviewees target was to get information how they self see the behavior of foreman and solve the situation.

The second video demonstrated a situation where owner of travel agency gets a phone call from his accountant saying that company's situation is following: if company's income will not rise, after a year no one in the company is going to get a salary. The travel agency has only three employees, the owner himself and two others. The accountant does not say straight that someone has to be fired, but the owner draws that conclusion by himself. The video ends after the owner has thought in his mind the pros and cons of the other two employees. In this video no deeper meaning was placed in the storyline, the video presented only a true real life situation.

## **5 EMPIRICAL RESULTS**

The following chapters include results received from the interviews and video case analyzes. By interviewing and letting the interviewees analyze the videos' data of transformational, transactional and problem solving skills was collected. The interviews were divided into themes which were motivation, relationships between foreman and employees, problem solving and breaking rules.

### **5.1 Leadership and management**

This chapter includes the results related to motivation and relationship between manager and employees. These themes gave results especially of interviewees' transformational and transactional aspects.

#### **5.1.1 Motivation**

The interviewees were asked how employees are motivated and worked towards the goals.

Rachel said that the work itself, functional work group and the presence of the foreman are big motivators for employees. Susan said that the foreman's encouragement towards employees is important. This shows partly inspirational motivation where the leader trusts and shows confidence in the employees. All three interviewees emphasized the light attitude towards working because work can be enjoyable. Rachel thought that one cannot live just to go to work and all foremen should understand that. Rachel's opinion is that personal feedback, constructive and positive, is the most important way to motivate employees. Susan also sees that negative feedback has to be given.

Giving feedback is part of transformational leadership and all interviewees said that it is important to give. Susan said that negative feedback has to be given 17 times until the messages goes through. All three interviewees also admitted that giving feedback is many times forgotten by them. Alice highlighted that it is important to give also positive feedback, but usually when everything goes fine and nothing happens, giving feedback is forgotten easily. Alice told that every em-

employee hopes that they would get feedback. Alice sees that by giving feedback of the work that has been done well and where the employee is good, it would help the employee keep motivated and give strength to work. This refers strongly to transformational leadership and capability to understand the positive actions of own behavior. Alice also described that it is very rewarding as a foreman to see an employee who can shine in his work and enjoy it.

Alice said that motivating employees is very hard and depends on what kind of place one is working. Some companies have many ways to motivate and have different reward systems, and Alice thinks that employees have good incentives when they are working in a company which provides concrete benefits when there are for example good sails. Alice however said that:

“ - even though there is many tools and incentives and systems, I see that the foreman should lead his troops the way that motivation would be grounded also to something else than just to financial benefit”

Alice said that these things could be related to work satisfaction, employees own resources and responsibilities. Alice also highlighted that company which does not have carrots and price systems motivation is drawn from foremen psychical support, coaching and clear goals. Alice's answers referred strongly to inspirational motivation and individualized consideration. Also contingent reward can be seen related to Alice's answers because of the psychical aspect of contingent reward.

Rachel said that raising the competitive instinct is a good way to motivate, but competition has to be behind price. Susan also said that future goals can be achieved through competitions with prices and both Susan and Rachel agreed on that group competitions are good, but also personal competitions are successful. Susan even said that the staff is very used to compete every year of something. Rachel's and Susan's answers emphasized transactional contingent reward very clear.

Rachel thinks that reaching goals needs lots of planning and wider perspective to future. Rachel mentioned that not always employees understand why for example company is hiring new staff and see the wider picture behind it. Rachel thinks that getting staff to work towards goals is a daily job. Important is that the staff really knows what the goals are. Rachel's answers refer to the idealized influence. Rachel explained that not every employee is same value and at se same line than others.

“- you have to try find the people from the work community who really want to be more conscious and less conscious, because those have to be driven differently to the goal - - others have announced straight that I want to be in a foreman position in that and that year, they are clearly committed. Then there are those who are in this business one year and then go for example study”

This kind of ability to recognize others' aspirations refer to individualized consideration. Also Alice was aware of that some persons are easier to get committed to goals than others. Alice admitted that she personally should set clearer goals. Setting goals is one element of inspirational motivation. Alice says that to make employees committed to the goals should be clear with the whole team. Goals should also be measurable to clearly see what has been accomplished.

### **5.1.2 Relationships between restaurant managers and employees**

The interviewees were asked to describe what kind of relationship they have towards the employees and how individuals are paid attention.

Rachel tries to keep her relationships towards employees professional but because they live in a small community all are friends with each other. Rachel said that outside work she is friends only with few employees because they have been working together for a long time. Private life is something that she does not share at work. Also Susan noted that she wants to keep a clear distance between her and her employees and, except work related social evenings, does not spend time with them outside work even though she does shifts along employees. Both Rachel and Susan clearly see that by keeping the distance towards the employees the work as a foreman is done better. Alice had a totally opposite answer. Alice said that she

knows her employees very well and vice versa. She explained that because restaurant business is so humane:

“ - I am as a foreman the same as I am as person, I do not have a different work role, I am like this also at home.”

Alice admitted that sometimes it is very hard when employees come very close to her and if employees have conflicts with each other and Alice has to intervene. Alice told that in situations like that it is important to remember herself that even if she is very close to employees, she is still everyone's foreman and she has to act like it. Alice noted that of course it would be good to keep a bit distance with employees. Alice clearly understands the consides of not keeping a distance to employees, but for her it is more important to have a close relationship with employees.

All three interviewees agreed that employees are individuals. This is a core element of individualized consideration. Rachel told that she would “shoot me into an angle” if she would not think of employees as individuals and Alice told that as a foreman she tries to understand that every employee is different.

Susan said she sees every employee as human and sees immediately from the employee's face if he is having a bad day. This kind of ability to see others needs shows individualized consideration. Susan noted that employees talk very openly of own things in a workplace and that is behind the capability of interpret others feelings. Susan however said that personal things do not belong in the workplace. This can be seen related to transactional behavior.

Rachel said that she has to know every employee's work development and their skills to visualize how “the palette” works. She noted that many employees can work in five different departments at the same time, and she has to have the knowledge of employees' skills to know where to place them. Rachel admitted that it takes a lot of work to know everyone. In individualized consideration the leader cares and emphasizes employee's needs skills and problems. Even though Rachel could be seen fulfilling these elements of individualized consideration, for

her purpose of knowing people might be more professional than personal because she mentioned that she has to know employees to keep things together, not because she really cares for them.

Alice described that every employee should be treated equally but also notes that some employees are very sensitive and communication with them has to be gentler than with others. This is one element of individualized consideration, the ability to see that employees have different needs.

## **5.2 Problem solving**

The following chapter includes results related to problem solving and breaking rules in a work place. The results were obtained both from the video analyses and interviews.

### **5.2.1 Video case analyzes**

Before showing the videos to the interviewees, brief overview of the content and characters on the video was given to make sure interviewees were concentrated on desired things.

After showing the first video interviewees were asked to describe the main things they had in mind concerning the behavior of the foreman and how this kind of problem situation could be solved.

Rachel described that the foreman was very determined and authoritative and the body language was attacking, because the body was bent towards the employee. Rachel was the only one who took notice of the body language. Rachel also draw conclusion that foreman did not give space for employee and because of that employee starts to argue and verbally attack foreman. Also Susan mentioned that “immediately now here everything” policy only makes person attack. Alice described that the behavior of the foreman was appropriate and calm and also Rachel said that the foreman is quite calm in the situation. Susan said the first thing in mind in the foreman’s behavior was disregard. Susan also highlighted that the foreman was very accusing towards the employee and she thought that by accus-

ing no one can get information out from anyone. Susan said that important is to lead the conversation little by little, talk and not accuse straight.

From the interviewees' answers can be concluded that they were able to recognize the attacking behavior of the foreman and criticized it. The interviewees were aware that behavior shown in video was not the best approach existing and because they noted this factor, the assumption is that they would not themselves act like shown in a video. Rachel and Alice noted that the foreman in the video was calm and conclusion is that they themselves would also be calm in a situation shown in a video.

Rachel and Alice both emphasized that based on the video there was not enough evidence and facts to support the foreman's accusations. Alice said the first thing in mind was that video did not give enough information that how much background work had been done. Rachel told specifically that:

“...in real life you could not go like that and present an issue like this for this employee, you should have more evidence - - in our place we would go to accountant level - - and really research surveillance tapes and other daily accounts - - and monitor for longer duration, when the person eventually then would be invited through form of conversation to discussion occasion where he knows what is the topic and why is he heard”

Alice would check daily accounts and see if there is something odd because “Of course every cash action leaves a mark...” and thought that there should be the third participant in conversation. Alice clearly wondered why the foreman had not seen money disappearing from the cash before someone came to say it to her and said that something is wrong in the company if situation starts after co-worker says. Alice assumes that flow of money is followed. Susan would also make more thorough research on what has been seen and by whom and then talk with the person who is accused. For Susan it was a clear that problem situations should be solved immediately and look more than just papers.

All three interviewees showed in their answer a rational problem solving behavior. As interviewees noted, before implementation problem has to be defined by

gathering information and evaluating it carefully. Without knowing all facts related to issue situation is difficult to solve effectively.

Related to the first video, interviewees were also asked how this kind of situation, where is money misuse, could be handled in the work place.

Susan continued to emphasize the meaning of discussion with staff and co-workers. Susan also notified that at their restaurant everyone is responsible of their own money and if something is missing, it is paid from their own pocket. Alice said that the background information should really be confirmed and be very certain before accusations could be announced.

After showing the second video the interviewees were asked to describe how they themselves would proceed and solve the situation seen in the video.

Rachel hoped that the owner had done some kind of contracts based on the employment contract. Rachel also admitted that call like shown in a video is unfortunately everyday life. When someone has to be fired, the decision just has to be made on the basis of existing facts. Susan emphasized that because the company in the video had only three employees, owner:

“- - should discuss with employees that - - situation is now this - - and it is necessary to start save from somewhere and is there willingness to do something else”

Susan highlighted an open discussion with employees. Like Rachel, also Alice emphasized the legal side of firing people. There should be proper reasons behind firing, and both employees and employers rights are determined in collective agreements. Alice also said that she would not fire someone because of what accountant had said, but it would give a new perspective for things.

Alice's and Rachel's answers show that they are aware of the legal aspects of work. They know that certain things have to follow law. In this situation Alice and Rachel did not show creative problem solving skills like Susan who thought that in small work community talking would be the best way to solve situations.

The interviewees were asked also if there was some ways to help making hard decisions.

Susan said that colleagues help. Susan mentioned that they have every other week meeting with her colleagues where different things are discussed and where help is always available. Rachel said that help can be found from trade unions and that way all things can be done legally right. Rachel thought that in a situation shown in the video a decision just has to be made and there is nothing else to do. Also Alice said that if a decision has to be made there is no way to pass it. Alice emphasized that much depends on the own place and responsibilities in the company, that are you allowed to make decisions related to for example firing people. Alice said that if a foreman is put in a situation like shown in a video it will be very hard thing to do. Especially if there are many good employees and one has to be fired, there just has to find ways to quiz them.

Interviewees' answers to the video related questions showed generally more rational than creative behavior. Especially Rachel and Alice highlighted the legal side of work and "proper" actions when problem situations occur.

### **5.2.2 Problems in a work place**

During the interview the interviewees were asked what kind of problem situations occur at work place and how those problem situations are solved and when to intervene.

Alice said that of course a situation like the one shown in the videos occur, although the videos were quite extreme examples. Alice and Susan both said that problems related to relationships are one problem. Susan had a real life example of situation where there had been psychological abuse between employees and added that speaking behind back is one of the worst problems when talking about relationships. Also work schedule jealousy had occurred in Susan's restaurant. Susan's approach to solving these situations was very clear by saying that when there are problems for example related to relationships, she wants to discuss with each side separately, then together and finally try to solve the situation with every

participant. This refers to rational problem solving skills because by gathering information from both parties Susan can evaluate information and then proceed to next step when there is all possible information gathered.

Also Alice noted that relationships and chemistry between employees causes problems and lead to situations where foreman has to intervene. Alice added that because every problem situation is different, also the approach should be. This refers to creative problem solving where solving problems in new ways is one aspect. Alice mentioned that a shop steward could be good a option when solving problems and also help of occupational health care could be useful if problem is very inflamed relationships.

Rachel commented that the lack of communication causes the biggest problems. Rachel described a real life example where kitchen does not have some ingredient and information has not reached the waiter who then sells portion which includes the missing ingredient. Because Rachel works in a big chain restaurant with standard rules, there already exist rules also concerning certain problem situations like money misuse, alcohol problems and long sick leaves. This means Rachel's actions as foreman at some situations are automatically rational and transactional because she has to follow clear rules and procedures of the chain. Rachel said that the duty manager level is the one which monitors that rules are followed and

“ - - which has the game tools and ways to start unpack the situations and handle the problem situations”

Rachel explained that she herself will not intervene to actual performance until neglecting is continuous and duty managers have to say many times about same issue. Rachel's answers relate to transactional management by expectation passive behavior because she intervenes and takes corrective actions only if problems are big enough. Rachel said that because she is a restaurant manager, her problem situations are nowadays different than lower lever foremen and this could explain the passive behavior. However, Rachel's management by expectation behavior can also be seen active because by giving duty managers the responsibility to monitor the actual work, corrective action is done already at duty manager level.

Rachel mentioned that some situations can be solved by using creativity but then there has to be confidence to take risks and take responsibility of the decisions made. This refers straight to creative problem solving behavior.

All interviewees said that intervention should happen immediately when problem occurs. This can be related to management by expectation passive because a corrective action is done after something is already happened. Susan admitted that there are things that are not so severe because “it belongs to this” and is part of some person’s behavior, but if behavior continues more than two or three times, she will intervene. Susan’s answer refers to individualized consideration because she thinks employees need but intervening after problem has already occurred several times refers to management by expectation passive. Rachel said that sometimes there comes situations when has to be thought that is issue longer term, like long term work exhaustion. This refers to rational problem definition and capability to recognize problems which are not clear. Alice noted that when you learn to know employees it is easier to proportion the behavior of them. Alice explained that some people can be so that they accuse very lightly when they suspects something while others say nothing. Alice showed in her answers individualized consideration behavior. Alice emphasized that if the foreman closes eyes from problems, work is done badly.

In addition all three interviewees said that difficult customer situations are also a problem which occurs almost daily. Rachel emphasized that these kind of situations demands problem solving skills and in her restaurant these skills and answers, like mentioned before, already exist in employee level so employees know what to do.

The interviewees were also asked to describe how breaking rules can be avoided and how rules are followed in action.

Rachel said that when a work group is self-guiding, the colleagues take care that rules are followed by everyone. Rachel thinks that when clear rules exist also boundaries exist and because of that everybody knows how to work. Also Susan emphasized that work group takes care that everybody follows the rules and every

time when rules are broken there is a discussion. Rachel's and Susan's answers reflect intellectual stimulation and also creativity because by believing that the work group itself takes care that the rules are followed, they are willing to trust their employees. Also transactional aspects can be seen in Rachel's and Susan's answers because they expect that rules are followed.

Alice highlighted that if the foreman has not made clear what he expects, he cannot demand anything. Alice described that she is not a foreman who follows carefully how rules are followed and also admits that there certainly should be more intervening and says that of course if there is something more serious, she does the intervention. This shows transactional management by expectation passive behavior because intervening happens only when something serious happens. This passive behavior could be explained by that Alice has many different departments to take care of and she has not enough time to concentrate on every small thing. Alice trusts employees and says that without trust her time would only go to monitoring how everyone has done their job. Alice said that because she herself can recruit and get to know staff and see their working, staff gets her trust. Even though she intervenes to problems, otherwise Alice's answers are strongly related to individualized consideration and transformational behavior.

When it comes to the practice, Alice and Susan thought rules are quite well fulfilled. Alice thinks that compared to the small amount of time she uses in monitoring, rules are not broken often. Alice trusts her employees and is certain that if something has not been done there is a good reason for it. Susan was very confident that rules are fulfilled, and said that rules have to be fulfilled because everyone is voluntarily present. Susan noted that smoking during the work shift has been a problem, but now it has not happened, or at least she has not heard it happening, almost in half a year. Susan said that showing a good example is the best way and she does either not smoke when she is on a shift. The author notes that this rule considering smoking during work shift was broken a couple of times in separate evening shifts when the author was working and saw employees go for a smoke. Susan also self-broke the rule once by explaining that "if you are working a twelve hour shift, you are allowed to go once for a smoke". Rachel continued

with the same policy, the duty managers are the ones who monitor the actual work and work group should be self-guided. The author notes that in Rachel's restaurant rules are followed exactly as she said and duty managers takes care that rules are followed. Rachel highlighted that rules are always broken no matter what.

The interviewees were also asked how employees can affect problem solving in the work place.

Alice thinks she is very approachable, so she hopes that it would be easy for employees to come and suggest solutions and new ideas for her and she tries to be as open to new things as possible. Alice thought that of course employees who do the work daily in practice knows it better than her who spends time in many different departments and said that best ideas come from practice. Alice's answers show intellectual stimulation and also creativity because she is ready to try new things without fearing something might not work and therefore trust her employees. Rachel told that in her restaurant the employees can have an impact through giving ideas directly to Rachel or through development discussions. Rachel highlighted that employees can have an impact if they have only the will and urge.

### **5.3 Interviewees' own ideas of good foreman**

At the end of every interview the interviewees were asked to describe a good foreman. The answers could show how they see themselves as a foreman but also might reflect what kind of foremen they want to be.

Rachel described that:

“He is loyal and open, easy to approach but also punctual and conscious of what he wants and why is he working. He has the will to be in a supervisor position because it is hard to lead if you do not want to lead.”

Author notes that Rachel's answer describes well what kind of foremen she actually is. Rachel's answers during the interview were always very clear and she emphasized the will to work in a business many times during her interview. From

Rachel's answer can be found transactional elements which refers to the managerial aspects of foreman and also transformational elements.

Susan described that:

“Even she is far away, you can reach her and she is available. She gives challenges, is reliable and is genuinely active towards work (is ready to come and help in practical work). She is flexible and equal, stand-up and stands behind his words.”

Susan described her foreman. Even though Susan used a live example, some aspects could also be seen in her own behavior as foreman. Susan talked during interview that she sets challenges to herself and also to staff. She also helps continuously with the practical work. Susan's description showed transformational aspects which were also shown in the interview answers.

Alice described that:

“Robust in everything he does and clear in his own communication. Of course he has to be interested in the business he is in and value it and value the work itself. If the foreman does not value the work, why would the employees? He has to have good communication skills and stand-up.”

Alice's answer also showed aspects of self knowledge of her own foreman skills. She talked during interview about the commitment to the work and showing a good example as a foreman to employees. Alice admitted during the interview that she should set more clear goals to employees. Description of clear communication shows that she recognizes this lack in herself. From Alice's description as well as from her interview answers can be found strong transformational elements.

## 6 CONCLUSION

Even though a foreman who manages through all transformational elements is considered to be an effective leader, the study showed that also transactional elements are important. Transactional elements give the basis for transformational behavior, because managing staff requires rules and authority.

The study showed that interviewed restaurant managers have both transactional and transformational aspects and no one of the interviewees scored extremely high in transformational leadership or extremely low in transactional leadership. However differences between all restaurant managers were found. Restaurant manager Alice who works in the private sector showed more transformational and creative aspects than the two others working in chain restaurants. This could be a result of the fact that the private sector does not have the same kind of boundaries when it comes to rules and procedures as chain restaurants have. Restaurant managers can be more creative and create their own rules in the private sector and also create more personal relationships with their employees. In chain restaurants this could also be possible but at least the study showed that chain restaurant managers Rachel and Susan want to keep a distance between them and the staff. Rachel and Susan's behavior showed more transactional and rational behavior while Alice working in a private restaurant scored higher in transformational and creative behavior.

Differences could also be seen when comparing the background of restaurant managers. Rachel who has been in her position for five years and works in a chain restaurant was more transactional and rational than Susan, also working in a chain restaurant and who has been in her position only for one year. Susan with less experience as restaurant manager was also transactional but had also clearly transformational aspects and creativity. She did not have as clear view of procedures and rules of the chain as Rachel. Alice working in the private sector has also over five years experience as restaurant manager and even though she scored high in transformational behavior, she had a very clear view of how things are done correctly and by the law and therefore showing also transactional aspects.

## **6.1 Practical consequences**

Based on the study by being a transformational foreman trust and satisfaction between employees and foreman is high and work is done in accordance with the visions and goals. In a restaurant this kind of influence could result for example in extra sales and work motivation. When foremen can use creativity in their work problems are easier to solve. It becomes easier if they are also willing to let employees take part in the decision making by giving own ideas. It could however be that if transformational foreman lacks transactional aspects, discipline and following the rules are low. When problems with for example employees occur, the foreman could be unable to solve problems if he does not know how to be strict and think about the business aspect of the situation. A transactional foreman supervises and knows how to make money and makes sure the employees understand what are expected from them. In the restaurant work would be done by following a set standard. Set goals would be a way to make extra sales but the work might be more performing than really enjoying it. A transformational foreman influences employees so that they want to achieve more.

If the foreman is transactional the importance of relationships with the employees might be forgotten. Without connection, trust and care the foreman cannot assume that the employees are loyal to him. This would lead to neglecting rules in the work and paying no attention to the goals. The study shows that it is important that foremen in restaurants have both transformational and transactional aspects. In the hospitality industry people are important and when the connection between foremen and employees is in order also the work is more pleasant for everyone.

## **6.2 Evaluating the trustworthiness of the study**

Generally the interviews were successful. All three interviewees were open to the questions and shared their thoughts with the interviewer. Interviewees knew that their identity is not revealed and that they could have refused from the interview. This makes the study more credible (Shenton 2004). Even though a test interview was made, there still were a few things that could have been done differently.

The first interview with restaurant manager Rachel was the most successful interview. Even though Rachel had a very busy day, Rachel left the phone in the office during the interview and the place where the interview was conducted was so that no one could come and interrupt the interview. Rachel was very open to the questions and the atmosphere was not unpleasant and interviewee seemed to be relaxed and focused. The answers were good and extensive but not very specific. Rachel for example did not share any sensitive examples, but more universal ones. Rachel seemed to be truly interested in the topic and asked questions after the interview. The interview was made in an ideal place without any background noise or any disturbing factors affecting the quality of recording. In Rachel's interview there were no aspects seen to be affecting the trustworthiness of the study because Rachel was genuinely willing to share information (Shenton 2004).

The second interview with restaurant manager Susan was clearly different. Susan was a bit reserved and not so focused during the interview. Before the interview Susan was doing one job and left it unfinished because of the interview. Almost immediately after the interview was conducted, Susan went to continue the unfinished job. This unfinished job might be one reason why Susan was not very focused during the interview. One clearly disturbing thing during the interview was the fact that interview was made in the restaurant customer places and very close to the staff. Now and then staff was passing the interview place and Susan became more reserved always when this happened and lost concentration. That is understandable because during the interview Susan was talking about the staff and did not want them to hear. Despite all previously mentioned things the interview with Susan was very open. Susan shared very sensitive topics during the interview and overall the interview was very productive. This interview could have been more pleasant for both interviewer and interviewee if the place would have been more private and peaceful. The interview with Susan was the only one in which music and background noise was loud. It was possible to audio-record the interview and listen it through afterwards, but if there had not have been background noise the atmosphere could have been more relaxed. It could have meant maybe more precise answers from Susan and more openness. Now the answers from Susan can be

questioned because it might be that her answers could have been different in different environment.

The third interview with restaurant manager Alice was pleasant. The place was quiet but near the restaurant where the staff was. The place had also a bit of an echo. These reasons could have affected to the level of voice Alice was using during the interview. After the background questions were asked the interview had to be stopped for a while to check if the voice of Alice was too quiet on the tape. It turned out that voice was too quiet and the tape-recorder was repositioned closer to Alice. It was important to make a corrective action in the beginning of interview, because otherwise the whole interview could have been almost impossible to listen to afterwards and the answers could have been misunderstood which would have affected the trustworthiness of the study. Another problem occurred when second video should have been presented. For some reason the video did not open. Time was not wasted to find out the reason but instead the content was explained orally to Alice. The idea of the video was easy to explain but it was clear that actually seeing the video would have made it much easier to understand and digest. This is why Alice's answers concerning the second video can be questioned because she might have misunderstood something. During the interview Alice was calm and seemed to really think through the questions and answers. Alice's answers were not as specific as for example Susan's answers were, but still gave very good information. The interview was interrupted a second time when without notice an old co-worker came with her baby to see Alice. Interruption lasted not more than 10 minutes. It was clear that interruption did not affect the concentration of Alice after interview was continued. Alice was as calm and concentrated as before. Most of the Alice's interview can be seen as trustworthy because no aspects, except the answers given concerning the second video, were not seen affecting the trustworthiness.

One problem occurred when the interviews were transcribed. The interviewer's own voice (conform sounds) was at some points so loud that it blurred some words what was said by the interviewees and thus made it hard to understand what was said on the tape. This concerned only a few words so it was not a big problem

and did not affect the interpretation of the interviews or the trustworthiness of the answers given.

The questions concerning the interviewees' background should have been more specific. The interviewer asked the interviewees only to tell about their work history and it was up to interviewees themselves to tell what they wanted to tell. Some interviewees told specifically about places where they had been working and some about their education. This is why all background information of the interviewees differs a bit from each other. For the study the meaning of background information was not essential and therefore the trustworthiness is not affected massive by it, but it is clear that with the same information of interviewees, the study would be theoretically more precise. Also the questions related to problem solving could have been designed better. To get more specific information of the actual process how problems are solved the questions should have been different.

The trustworthiness of the study can be criticized because the author of the study has known Alice for a longer time than Rachel and Susan and also created a friendship with her. Because of this Alice might have told things more openly during interviewee than other interviewees. Even though the study has been done as objectively as possible, there is a possibility that the author has unwittingly or consciously more highlighted some aspects of Alice compared to other interviewees. Because of the friendship between author and Alice author might have highlight more for example the good aspects of Alice's behavior. By choosing the interviewees randomly the different influences would have been avoided (Shenton 2004).

The reliability of the study can be also questioned. This kind of study including transformational and transactional leadership and problem solving in the restaurant industry has not been made before and therefore similarities to other studies cannot be presented. Reliability is connected to the same results in repeated studies (Eriksson & Kovalainen 2008). Other studies made on the basis of study might get different results because same kind of study is hard to conduct because of the

situation is tied to the study (Shenton 2004). Validity of research means accurate and true answers (Eriksson & Kovalainen 2008). The validity of the study would be bigger if the number of interviewees was higher.

### **6.3 Further studies**

Further studies could concentrate more specifically on the background information of the interviewees. For example the relation of educational background and work experience towards transformational and transactional leadership could be one topic. It would give more specific information on what kind of impact education and work experience have on leaders and how it affects their behavior. Also studying the other statistical features of target persons, like gender and age, would most certainly give different results.

Further studies could also concentrate on the possible differences between the private sector and chains. Chain related studies could be interesting if the study for example expands concerning different departments inside chains. There could be massive differences for example between creative department taking care of product development and financial department which take care of the money issues. Expanding this kind of study to a totally different area would be an interesting topic. It could be that managers in business which is humane and involves lots of transactions between people has more transformational aspects than for example factory and building industry where important is to follow strict rules and procedures and therefore manage more transactional.

In the study three restaurant managers were interviewed and more specific and versatile results could be achieved by increasing the number of interviewees. The study concentrated only on restaurant managers, but further studies could study the leadership behavior of different level managers, like duty managers. Usually lower level managers have less work experience and education than higher level managers. The results from lower level managers could differ from results from higher level managers. One aspect for future studies could be leadership behavior from the point of view of employees. It can be that the managers' own idea of how he behaves as leader differs from how employees see managers' behavior.

Comparing both parties' results would give more information of the leadership behavior. It would be interesting to find out why for example a manager scores himself high in transformational behavior but the employees see the managers' actions strongly referring to transactional behavior. In this kind of study also examining the background information of target persons could be seen as important.

As above mentioned, study successions have concentrated more on leadership behavior, further studies could also focus more specifically on different problem solving techniques. The study would try to find out what kind of problem solving methods foremen use and does that somehow affect their behavior as leaders and the effectiveness of problem solving.

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## 8 LIST OF APPENDICES

### 8.1 Appendix 1

#### Thesis interview

- This study studies problem situations and –solving from the point of view of restaurant foremen

#### 1. Background

- Who are you
- Where do you work
- Customer places
- Educational background
- Work experience /-history

#### 2. Videos

- The next videos demonstrate two different problem situations. Observe the behavior of people seen in the videos.
- Denuniation
  - In the following video three persons are performing. One is foreman, one stealing employee and one denouncer. Behavior of denouncer is not relevant; observe more specifically behavior of foreman and stealing employee
  - What are the main things in your mind concerning the behavior of foreman and stealing employee
  - How does the foreman succeed in the problem solving?
  - In what ways this kind of problem can be handled in the work place?
- Firing
  - In the following video two persons are performing. One is owner of travel agency and one is accountant
  - How would you proceed from this point on
  - How decision making can be eased (for example help from others, certain pattern in the situations like this)?

### 3. Interview

#### Themes

- Problem situations
  - What kinds of problem situations are created in the work place?
  - How problems are solved (clear rules, using creativity, help from others)?
  - When the intervention related to problems has to happen (when small neglecting happens, when big problems)?
  
- Motivation
  - In what ways employees are motivated and inspired?
  - What kind of role motivation has in the work of employees?
  - How future plans and goals are fulfilled (ways of motivation, rewards, clear goals)?
  
- Breaking rules
  - How breaking rules are dealt with?
  - What kind of ways is to avoid rule breaking?
  - How does the rules of work place is fulfilled in practice?
  
- Relationships
  - What kind of relationship you have with your employees?
  - What kind of feedback is given to employees?
  - How employees can affect on solving problems and in the work?
  - How individuals are taken in consideration?

## 8.2 Appendix 2

### Opinnäytetyön haastattelu

- Tässä työssä tutkitaan ravintoloiden ongelmatilanteita ja –ratkaisua esimiesten näkökulmasta

#### 1. Tausta

- Kuka olet
- missä työskentelet
- asiakaspaikat
- Koulutustausta
- Työkokemus/-historia

#### 2. Videot

- Seuraavat videot käsittelevät kahdenlaista ongelmatilannetta. Tarkkaile videolla esiintyvien henkilöiden käyttäytymistä

- Ilmianto

- Seuraavassa videossa esiintyy kolme henkilöä, joista yksi on nainen, yksi varastava työntekijä ja kolmas ilmiantaja. Ilmiantajan käyttäytymiseen ei ole syytä keskittyä, vaan erityisesti esimiehen ja työntekijän.
- Mitkä asiat esimiehen ja työntekijän käyttäytymisessä ovat päälimmäisenä mielessäsi?
- Miten esimies onnistuu ongelmanratkaisun ratkaisemisessa?
- Millä tavoin tällaista ongelmaa voi käsitellä työpaikalla?

- Irtisanominen

- Seuraavassa videossa esiintyy esimies
- Miten toimisit tästä eteenpäin?
- Millä tavalla päätöksentekoa ongelmatilanteessa voi helpottaa (esim. apu muilta, tietty kaava tällaisessa tilanteessa)?

#### 4. Haastattelu

##### Teemat

- Ongelmatilanteet
  - Minkälaisia ongelmatilanteita töissä syntyy?

- Millä tavalla ongelmat ratkotaan (selkeät säännöt, luovuuden käyttö, muiden apu)?
- Milloin ongelmiin tulee puuttua (kun pieniä rikkeitä tapahtuu, vasta kun suuria ongelmia)?
  
- Motivaatio
  - Millä tavoin työntekijöitä motivoidaan ja innostetaan?
  - Millainen rooli työntekijöiden motivaatiolla on työssä?
  - Miten tulevaisuudensuunnitelmat ja tavoitteet saadaan toteutettua (motivoinnin tavat, palkintoja, selkeät tavoitteet?)
  
- Rikkeet
  - Miten rikkeisiin suhtaudutaan?
  - Minkälaisia tapoja on välttää rikkeiden tapahtumisen ja toistumisen?
  - Miten työpaikan säännöt toteutuvat käytännössä?
  
- Ihmissuhteet
  - Millainen suhde sinulla on työntekijöihin?
  - Millaista palautetta työntekijöille annetaan?
  - Millä tavoin työntekijät voivat vaikuttaa ongelmien ratkaisuun/työhön?
  - Miten yksilöihin kiinnitetään huomiota?