

CHAPTER II

LITERATURE REVIEW

2.1. Introduction

This chapter concerns the theoretical and empirical frameworks of this research. The main purpose of the chapter is to explain the basic theories used in this study.

This chapter begins with an understanding of the definition of organizations. The primary business of higher education is the creation of prepared minds (Fortino, 2012). One of many facilities that university provides for students to train their leadership skills is student organization. Therefore, student organization has been chosen to become the area of this thesis. Hard skills and soft skills are explained to understand why soft skills are becoming one important factors that seen by employers nowadays. Leadership is one of the most important soft skills, and it becomes the object of this research. The definition and theories of leadership will be explained on the next section. To make better understanding of this topic, the gender difference in leadership will be explained. This study choose gender as the independent variables of the research. The reason why this variable is considered has connection with students' attitude and hypothesis of this study will explained on the next part.

2.2. Organization

2.2.1. Definition of Organization

Based on Roberts & Armitage (2006), organization is an organized group of people whose particular purpose is the pursuit of profitability. However, the idea of organization refers not only to how the elements of a whole are arranged but also to how such constituents are characterized by the quality of being systematic and/or efficient.

Carter (2014) stated that organization is the pattern of ways in which people, too numerous to have face to face contact at all times and engaged in a wide range of tasks, relate to one another in a conscious systematic manner; for the accomplishment of mutually acceptable goals.

2.2.2. Type of Organization

There are 2 major type of organization: for profit organization and non profit organization.

1. For-Profit Organization

A for-profit organization exists primarily to generate a profit, that is, to take in more money than it spends. The owners can decide to keep all the profit themselves, or they can spend some or all of it on the business itself. Or, they may decide to share some of

it with employees through the use of various types of compensation plans, e.g., employee profit sharing (McNamara).

2. Non-Profit Organization

A nonprofit organization exists to provide a particular service to the community. The word nonprofit refers to a type of business, one which is organized under rules that forbid the distribution of profits to owners. Profit in this context is a relatively technical accounting term, related to but not identical with the notion of a surplus of revenues over expenditures (McNamara).

2.2.3. Student Organization

There are two student organizations namely intra-campus student organizations and extra-campus student organizations. Based on its scope, intra-campus student organization is divided into three: Student Association (majors), Student Executive Board (faculty) and the Student Executive Board (institute/ university). There's also exist an organization that based on students' interests and talents, it called UKM (Student Activity Unit). Therefore, can be defined that intra-campus student organization is existed to accomodate student interests based on its scope, and it also have a

clear source of funding (Etryastono, 2013). Based on those definitions, student organizations are considered as non profit organizations because the purpose of student organizations are to accomodate students interests, not to get profit.

Leadership behavior analysis suggests that the more students are involved in student organizations the more likely they are to develop strong leadership skills and behaviors. Participation in organizational leadership experiences provides participants with the opportunity to interact with their peers in formal and non-formal leadership training. This organizational leadership experience is different from leadership programs and can provide a distinct advantage for leadership development (Patterson, 2012).

2.3. Hard Skills and Soft Skill

2.3.1. Definition of Hard Skills

Buhler (2001) mention that hard skills are emphasized on the technical skills necessary to effectively perform within the organization. Hard skills are associated with the technical aspects of performing a job. These skills usually require the acquisition of knowledge, are primarily cognitive in nature and are influenced by an individual's intelligence quotient source (Weber, Finley, Crawford, & Rivera, 2009).

From those definitions, can be concluded that hard skills are knowledge that considered as the base of all act. With better hard skill, people are expected to become a better decision maker.

2.3.2. Definition of Soft Skills

Soft skills are skills that tend to be more generic in nature. In other words, soft skills are skills key to effective performance across all job categories (Buhler, 2001). Soft skills are defined as the interpersonal, human, people or behavioral skills needed to apply technical skills and knowledge in the workplace (Kantrowitz, 2005, in Weber, Finley, Crawford, & Rivera, 2009).

From those definitions, can be concluded that soft skills are basic human skills that made people able to interact well with one another. Good interaction will results to a good job result because informations can be transferred effectively.

2.3.3. The Importance of Hard Skills

Other researchers have shown that hard (technical) skill is perceived to be a very important managerial characteristic, especially in high performing teams and during the early stages of a project (Grant et al., 1997; in Hysong, 2006). Badawy (1995, in Hysong, 2006) stated that hard (technical) skills are critical for first-tier managers, serving several important functions such as

communicating effectively with subordinates, verifying the soundness of the decisions they make, and making program-level decisions based on subordinates' suggestions. Hard skills make people knowledgeable and have strong basic for considering every decision that should made. However, Badawy (1995, in Hysong, 2006) also proposed that the need for technical skill decreases as a manager rises to higher levels of management.

2.3.4. The Importance of Soft Skills

Nowadays, employers crave managers with the critical soft skills. At first considered soft, Buhler (2001) states that some is now referring to these skills as life skills thereby conveying the more global aspect of this skill set? Some researchers have also suggested these skills are really the hard stuff of management. Employers can train employees in the technical skills needed to perform the job, but it is hard to teach the softer skills. Therefore, more companies are seeking job applicants that already possess these soft skills (Buhler, 2001). Buhler (2001) also states that employees of the twenty first century must be committed to the soft skills, and this commitment does not begin the first day on the job. This is a commitment that starts even prior to entry in the workforce and stems from the dedication to become a lifelong

learner, constantly updating and revising skills to better meet the needs of the changing marketplace.

Soft skills are skills that made the hard skills can be used effectively. For example, no matter how smart a manager is, his cleverness will be not useful if she can not communicate what she is thinking to her subordinates.

2.4. Leadership

2.4.1. Definition of Leadership

Based on Hogan & Curphy (1994, in Yarrish, Zula, & Davis, 2010), leadership is about persuading other people to stop with their personal concerns and pursue a common goal that is imperative for the groups' welfare.

Northouse (2010, in Yarrish, Zula, & Davis, 2010) also describes leadership as a process whereby an individual influences a group of individual to achieve a common goal. By defining leadership as a process he concurs that it is not a trait or characteristic, but rather an event that occurs between the leader and the followers.

Robbins & Judge (2013) define leadership as the ability to influence a group toward the achievement of a vision or set of goals.

Leadership is an ability to organize people. This ability need both hard skills and soft skills. The leadership style in every people is varied based on their personality and ability.

2.4.2. Leadership Theories

a. Trait Theory

Trait theory of leadership is a theory that considers personal qualities and characteristics that differentiate leaders from non leaders (Robbins & Judge, 2013).

b. Behavioral Theory

Behavioral theory of leadership is a theory that proposing specific behaviors differentiate leaders from nonleaders (Robbins & Judge, 2013).

c. Contingency Theories

The Fiedler Model was developed by Fred Fiedler. It proposes that effective group performance depends on the proper match between the leader's style and the degree to which the situation gives the leader control (Robbins & Judge, 2013).

Path goal theory is a theory that states it is the leader's job to assist followers in attaining their goals and to provide necessary direction and/or support to ensure that their goals

are compatible with the overall objectives of the group or organizations (Robbins & Judge, 2013).

Situational leadership theory is a contingency theory that focuses on followers' readiness.

Leader-participation model is a leadership theory that provides a set of rules to determine the form and amount of participative decision making in different situations.

d. Leader- Member Exchange Theory

Leader-member exchange theory is a theory that supports leaders' creation of in-groups and out-groups; subordinates with in-groups status will have higher performance ratings, less turnover, and greater job satisfaction.

e. Charismatic Leadership Theory

Charismatic leadership theory is a leadership theory that states that followers make attributions of heroic or extraordinary leadership abilities when they observe certain behaviors.

In order to be a good leader, one must become trusted by other members of the organizations. Trust is a psychological state that exists when you agree to make yourself vulnerable to another because you have positive expectations about how things are going to turn out. Even though you are not completely in control of the

situation, you are willing to take a chance that the other person will come through you. (Robbins&Judge, 2013). An organization won't be able to run well if there is no trust between the leaders and the subordinates. Trust is the key to a success organization.

2.4.3. Gender Issues in Leadership

Gender differences in influence and leadership occur because people presume that men are more competent and legitimate as leaders than women are. These beliefs foster hierarchical patterns of social interaction through which men exert more influence and exercise more leadership. Although women's status has improved remarkably in the 20th century in many societies, women continue to lack access to power and leadership compared with men. (Carli & Eagly, 2001)

According to (Vinnicombe, 2003 in (Yarrish, Zula, & Davis, 2010), men and women have individual value orientations, with this, men and women must require different leadership development approaches. Eagly, 1991 in (Yarrish, Zula, & Davis, 2010) mentioned that a consequential meta-analysis of the development of leaders in 58 studies of groups initially without leaders showed that men frequently emerge as leaders more often than women. Although more often, Barbuto J. F. (2007, in Yarrish, Zula, & Davis, 2010) stated that women at times have been found

to emerge as the facilitator which contributes to interpersonal relations and morale.

According to an analysis of gender and leadership performed by Eagly A. H. (1991) in Yarrish, Zula, & Davis (2010), there are three main types of gender differences in organizational settings: experimental, assessment, and formal. Women were found to have more interpersonal styles in experimental and assessment studies where men were more likely to use autocratic or direct controlling styles.

Buhler (2001) posited that for decades the business world placed a great deal of value on traditionally masculine traits for managers. With the increase number of women in the workforce for the past two to three decades, more attention has been given to the traditionally feminine characteristics. Although Indonesia is considered to have moderate feminine culture dimension, empirical evidence shows that work environment tends to be masculine culture. Furthermore, within masculine culture (patriarchic culture) women suffer from greater resistance from their male colleagues (Hofstede, 1995 in Sumarto & Permanasari, 2013)

This resistance may take a form of “glass ceiling” as the barrier against upward mobility of female career. Therefore, the motivation of women to lead is lower than that of men (Sumarto & Permanasari, 2013).

2.5. Experience

Fazio & Zanna (2006), suggested that the manner in which an attitude is formed acts as a crucial determinant of attitude-behavior consistency. In a pair of investigations they found that attitudes formed through direct behavioral experience with an attitude object were more predictive of subsequent behavior than attitudes formed through more indirect means. Example, subjects who had been given an opportunity to work examples of a variety of novel puzzles (direct experience) behaved much more consistently with their expressed attitudes toward those puzzles than subjects who were merely presented the examples by the experimenter (indirect experience). This is why this research only used respondents that are experienced on being led by female, and joining student organizations.

2.6. Gender

Based on Hensley (2009), there are 10 differences between men's and women's brain.

- a. Human relationships. Women tend to communicate more effectively than men, focusing on how to create a solution that works for the group, talking through issues, and utilizes non-verbal cues such as tone, emotion, and empathy whereas men tend to be more task-oriented, less talkative, and more isolated. Men have a

more difficult time understanding emotions that are not explicitly verbalized, while women tend to intuit emotions and emotional cues.

- b. Left brain vs. both hemispheres. Men tend to process better in the left hemisphere of the brain while women tend to process equally well between the two hemispheres. This difference explains why men are generally stronger with left-brain activities and approach problem-solving from a task-oriented perspective while women typically solve problems more creatively and are more aware of feelings while communicating.
- c. Mathematical ability. An area of the brain called the inferior-parietal lobule (IPL) is typically significantly larger in men, especially on the left side, than in women. This section of the brain is thought to control mental mathematical ability, and probably explains why men frequently perform higher in mathematical tasks than do women. IPL also processes sensory information, and the larger right side in women allows them to focus on, specific stimuli, such as a baby crying in the night.
- d. Reaction to stress. Men tend to have a "fight or flight" response to stress situations while women seem to approach these situations with a "tend and befriend" strategy. Psychologist Shelley E. Taylor coined the phrase "tend and befriend" after recognizing that during

times of stress women take care of themselves and their children (tending) and form strong group bonds (befriending).

- e. Language. Two sections of the brain responsible for language were found to be larger in women than in men, indicating one reason that women typically excel in language-based subjects and in language-associated thinking.
- f. Emotion. Women typically have a larger deep limbic system than men, which allows them to be more in touch with their feelings and better able to express them, which promotes bonding with others.
- g. Brain size. Typically, men's brains are 11-12% bigger than women's brains. This size difference has absolutely nothing to do with intelligence, but is explained by the difference in physical size between men and women.
- h. Pain. Men and women perceive pain differently. In studies, women require more morphine than men to reach the same level of pain reduction. Women are also more likely to vocalize their pain and to seek treatment for their pain than are men.
- i. Spatial ability. Men typically have stronger spatial abilities, or being able to mentally represent a shape and its dynamics, whereas women typically struggle in this area.
- j. Susceptibility to disorders. Men are more apt to have dyslexia or other language problems. Women, on the other hand, are more susceptible to mood disorders such as depression and anxiety.

Previous study by Mihail (2006) found that female students' attitudes were significantly more favourable than those of the male students. The gender difference that existed in the study was expected, since in studies using the WAMS instrument, female respondents tended consistently to provide higher scores than did males. (Tomkiewicz et al., 2004; Cortis and Cassar, 2005; Mihail, 2006).

Leadership behavior analysis suggests that the more students are involved in student organizations the more likely they are to develop strong leadership skills and behaviors. This means that members of student organization are expected to have better perception towards female leaders. Therefore, this study put forward a hypotheses:

H1: There is a difference in attitude towards female leaders between male and female respondents in the context of UAJY student organization.