

# Review of Your Planned Methodology

Prepared for: Client

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## **Introduction**

The original concept paper as drafted by the client is a qualitative methods approach, however all research questions and hypotheses, variables, are quantitative in nature. Consequently, we recommend that the client transition to a fully quantitative methodology. This comparative and correlational quantity study would examine the relationship between a particular management style employed by different top managers in Walt Disney and the performance of the company. At the same time, compare the different management styles practiced in various media companies in the entertainment industry. The variable of leadership Style would be evaluated using the Multifactor Leadership Questionnaire (MLQ), Third Edition (Avolio & Bass, 2004). For the other variable of company performance, this can be obtained through historical data of the different companies measuring their performances. This report would therefore present suggestions, comments, and discussions regarding the research design in order to address the aforementioned objectives. This includes a discussion of the following specifications: (a) research questions/hypotheses, (b) instrumentation and data collection, (c) reliability and validity of the instrument, and (d) the data analysis that would be conducted in order to comprehensively answer the research objectives.

## **Research Questions and Hypotheses**

This study deals with the different management styles adopted at the Walt Disney Company since its founding. It aims in determining if different management styles do influence the success or failure at the company. Walt Disney Company has risen from an independent studio under its founder Walt Disney to one of the world's biggest brands. Its brand is famous all around the world, it owns amusement parks, and its auxiliary businesses make up the bulk of their revenue. This dissertation plans to look at the evolution of management styles of the Walt Disney Company, especially comparing and contrasting with other entertainment companies.

In addition to that, the study also aims to investigate on the effect of the changes in the entertainment industry as a whole, particularly the effect of new technology towards profits and how the management of Walt Disney Company had adopted to these changes. The objective of this study is reflected on the research questions. The research questions for this study are as follows:

1. What management styles has Disney adapted? Are the leadership styles of the top 3 managers, namely; Walt Disney, Michael Eisner and Robert Iger similar or not?
2. What is the relationship between the management styles and company success at Walt Disney Company?
3. To what degree are the management styles at Walt Disney Company and the other media companies in the entertainment industry (such as News Corporation Limited and Vivendi) similar?
4. How was the entertainment industry adapted to the new environment it operates in?
5. How has technology affected media companies and their revenue streams?
6. How did The Walt Disney Company go from an independent studio that dealt in animation to one of the biggest brands in the world?
7. What is the future of the entertainment industry? How will media companies survive?
8. Will Disney continue to be as successful as it's been? Or will new management destroy its brand and market share?

The hypotheses of the research questions are as follows:

H10: There is no statistically significant difference between management styles of Walt Disney, Michael Eisner and Robert Iger.

H1A: There is no statistically significant difference between management styles of Walt Disney, Michael Eisner and Robert Iger.

H20: There is no statistically significant relationship between management styles and company performance.

H2A: There is a statistically significant relationship between management styles and company performance.

H30: There is no statistically significant difference between management styles of Disney and other media companies.

H3A: There is a statistically significant difference between management styles of Disney and other media companies.

### **Instrumentation and Data Collection**

For this study, the required data would include the leadership styles of the 3 managers of the Walt Disney Company and that of various managers of other companies and also data quantifying the company performance of Walt Disney Company. The survey instrument to be used to determine the leadership style is the Multifactor Leadership Questionnaire (MLQ) (Bass & Avolio, 2000). This questionnaire will describe the leadership style of the various managers based on the perception of the individuals under the management of the various managers. On the other hand, company performance will be quantified through sales growth, market share percentage, and productivity/efficiency of resource utilization. This can be obtained through historical data from the firms.

### **Survey**

The survey instrument to be used is the Multifactor Leadership Questionnaire (MLQ) (Bass & Avolio, 2000). The survey will be answered through pen and paper or through the survey tool [www.surveymonkey.com](http://www.surveymonkey.com). This will be dependent on the accessibility of the various

employees under the leadership of those different managers of Walt Disney Company and that of the other companies in the entertainment industry.

The Multifactor Leadership Questionnaire (MLQ), also known as MLQ 5X short or the standard MLQ, is a short but comprehensive survey of 45 items that measures a full range of leadership styles. It measures a broad range of leadership types from passive leaders, to leaders who give contingent rewards to followers, to leaders who transform their followers into becoming leaders themselves. Dimensions include transformational leadership; transactional leadership; and nontransactional leadership styles particularly a passive, avoidant, and outcomes of leadership.

The items on the MLQ ask followers and leaders to rate the frequency of actions and behaviours of the leader on a 5-point Likert scale from 0 (not at all) to 4 (frequently, if not always) (Bass & Avolio, 2000). Each item begins with the clause, "The person [or organization] I am rating." Sample items include the following: "Provides me with assistance in exchange for my efforts"; "Focuses attention on irregularities, mistakes, exceptions, and deviations from standards"; "Seeks different perspectives when solving problems"; "Waits for things to go wrong before taking action"; "Makes clear what one can expect to receive when performance goals are achieved"; "Demonstrates that problems must become chronic before taking action"; "Keeps track of all mistakes"; "Avoids making decisions"; "Suggests new ways of looking at how to complete assignments"; "Expresses confidence that goals will be achieved"; "Is effective in representing me to higher authority"; and "Increases my willingness to try harder" (Bass & Avolio, 2000). The survey responses will determine the type of leadership style the manager possesses.

An electronic copy can be obtained by purchasing the license of the MLQ survey online. The MLQ survey can be administered either in print or in electronic format. A license for the MLQ will be purchased for 200 copies. From a framework of transformational and transactional leadership, the MLQ measures key leadership and effectiveness behaviors linked with individual and organizational success (Bass & Avolio, 2000). It contains nine leadership components and a full range of leadership styles, and it is appropriate for the leaders of any group and level, as well as culturally diverse populations (Bass & Avolio, 2000). The MLQ takes only 15 minutes to administer. The MLQ is scored by referring to the scoring guide in the manual provided along with the sample set (licensed MLQ questionnaires).

The answers will be compiled into EXCEL spreadsheets. A summary of the responses through survey monkey can be downloaded in the website, while responses answered through pen and paper will be manually tallied. A number will be assigned to each respondent with question numbers across the top row. Again, the respondents will compose of the various employees managed by a particular manager.

### **Reliability and Validity**

In studies that involve results based on survey instruments, it is always important to discuss the validity and the reliability of the survey tool. In general, the validation of a survey instrument shows that the accumulation of the information gathered provides evidence that the inferences about the population in question are appropriate based on the statistics used in the analysis (Creswell, 2009). These three types of evidence, namely, the content, the construct, and the criterion of the instrument, can help a researcher to assess the validity of a survey tool. This assessment can be accomplished by sourcing previous literature that has validated the instrument

or by obtaining face validity, where the validity of the instrument is determined by a panel of experts in the field that the survey is supposed to measure (Creswell, 2009).

The basic idea of showing reliability in the instrument is to see how consistent the results of the assessment scores are. Using test-retest criteria, which involves testing a group of participants at one time and then testing them again later to see how much their answers have changed, can easily show this reliability. If the test is reliable, it can be assumed that no matter when the participants take the test, they will have the same scores. Thus, the scores from the first test should be highly correlated (around 1) with one another for a reliable test. Similarly, in another way of showing the reliability of the instrument, one would be able to use internal consistency measurements such as Cronbach's alpha. Once again, if the scores are highly correlated with one another based on the Cronbach's alpha score, it could be concluded that the instrument is reliable.

In general, if the survey instrument to be used to collect information has been used previously, then the validity and reliability of the instrument should be easily shown. This is because of the availability of references to previous literature that has demonstrated successful use of the survey instrument establishing its content, construct, and face validity and reliability. An instrument that has already been shown to be valid and reliable is preferable (Creswell, 2009).

The reliability of the MLQ was initially determined on 3,786 respondents (Bass & Avolio, 1990) by utilizing conformational factor analysis and hierarchical regression techniques. Reliabilities proved high, ranging from .63 to .94 for the MLQ subscales and from .74 to .94 based on replication with an aggregation of nine diverse samples (N = 2154; Bass & Avolio, 1994). Cronbach's alpha reliability estimates of the normative group (Bass & Avolio, 1990) for

six factors of interest again proved high and were .94 for satisfaction, .87 for contingent reward, .90 for individual consideration, .87 for idealized influence behavior, .86 for idealized influence attribute, and .91 for inspirational motivation, respectively.

The MLQ has been employed effectively in more than 30 nations to measure leadership traits relevant to transformational leadership. The MLQ, which was used in a study of 40 major hospitals in Spain, found that a high level of transformational leadership decreased conflict and increased acceptance of the leaders (Molero & Morales, 1994). Several studies have outlined the reliability and consistency of the MLQ. Internal consistency of the 36-item MLQ 5X ranges from a Cronbach's alpha of 0.64 to 0.92 (Avolio & Bass, 2004). Since 1984, the MLQ has been used and validated by researchers and organizations (Avolio & Bass, 2004; Kleinman, 2004; Oshagbemi & Gill, 2004). Avolio and Bass have provided extensive support for its reliability and validity.

Avolio and Bass (2004) conducted a crossvalidation examination of the MLQ and found the subscales adequate. Howell and Hall-Marenda (1999) and Avolio and Bass (2004) also tested the MLQ's reliability and validity across all transformational leadership subscales and determined high reliabilities across all subscales and that the MLQ exceeds minimum reliability requirements.

The MLQ is the most used instrument to examine transformational and transactional leadership behavior (Avolio & Howell, 1992; Yammarino & Bass, 1990). Because of its proven validity and reliability, the MLQ was used in more than 200 doctoral dissertations prior to 1995 and more than 300 doctoral dissertations between 1995 and 2004 (Bass & Avolio, 2000). MLQ has a proven record of validity and reliability in measuring transformational leadership. Therefore, this researcher chose to use this instrument in the study.

## Data Analysis

For the data Analysis, the test statistics to determine significant differences will be calculated at 95% confidence intervals (CI). Since the objective of the study is to compare the different management styles adopted in the Walt Disney Company, particularly that of the 3 top managers; namely, Walt Disney, Michael Eisner and Robert Iger and its effect to the success and failure of the company, the appropriate statistical test to be used will be an independent t-test. The purpose of this statistical test is to determine if there are significant differences in the management styles of the 3 managers. In addition to that, since another aim of the study is to compare the management styles adopted at Disney with the management styles used in other companies from the entertainment industry (such as News Corporation Limited and Vivendi), the independent t-test is appropriate to determine if there are differences or similarities in terms of the managements practices of the different companies in the entertainment industry (such as News Corporation Limited and Vivendi).

Finally, the researcher will attempt to identify the relationship between Disney's management styles used during different periods and performances of the company through a Pearson's correlation test to determine if there is a significant relationship between company performance and management styles. SPSS Statistical Package for the Social Sciences) 17.0 will be the statistical program used in performing the statistical test. In addition, descriptive statistics will be reported. The different statistical test that are considered will be further discussed in the following section

- *Independent t-test*

The independent t-test will be used to compare the values of the means from different samples and test whether it is likely that the samples are from populations having different mean

values. For this study, the management styles of the 3 distinct managers are compared and the management styles of the different companies in the entertainment industry using independent ttest to determine if there is a significant difference across the different independent variables.

The independent t-test assumes that the data are normally distributed with equal standard deviation. The null hypothesis, that there are no significant differences of the difference management styles of the 3 top managers of the Walt Disney Company and there are no significant differences on the management styles of the different companies in the entertainment industry will be rejected if the test statistic is less than the level of significance value of 5%.

#### *Pearson's Correlation Coefficients*

For the hypothesis that will identify the relationship between Disney's management styles used during different periods and performances of the company, a Pearson's correlation analysis could be conducted. The Pearson's Correlation use a statistical correlation to evaluate the strength of the relations between variables through a correlational coefficient ( $r$ ). First, the pvalue of the correlation is computed to determine if the correlation is significant or not, at significant level of 5%. The lower the p-value, the correlation is more significant. A significant correlation exist if the p-value between the two variables are less than or equal to 5%. If the correlation is significant, the computed correlation coefficient is then investigated. The strength of the relationship is determined through the  $r$  coefficient. This is summarized in table 1.

#### *Table 1*

#### *Strength of Correlation*

<b>Value of r</b>	<b>Strength of relationship</b>
-0.0 to -0.3 or 0.0 to 0.3	Weak
-0.3 to -0.7 or 0.3 to 0.7	Moderate
-0.7 and above or 0.7 and above	Strong

With the Pearson's correlation analysis, it can be determined whether there was a significant positive or negative correlation between the management styles of the managers of the Walt Disney Company and company performance during the manager's period of management. By using the Pearson's correlation coefficients for this hypothesis, it could be determined whether a certain leadership style results in an increase, decrease, or no change in the company performance. The significance of the relationship could be based on a .05 level of significance.

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