

EVALUATION OF AGENCY AND STEWARDSHIP APPROACH IN FOUR UNITS OF THE ISLAMIC AZAD UNIVERSITY AND PREDICTION OF THEIR POTENTIAL PRODUCTIVITY¹

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Abstract

There are two general views of management known as Agency and Stewardship. The kind of management approach or methodology that managers choose in managing their organizations depend on various factors such as psychological, cultural and structural factors. In this study, the influence of these factors and the tendency of managers and employees of four units of the Islamic Azad University to agency or stewardship have been studied. This is a correlation study, Statistical Population of this research including directors, assistants and employees of four units of the Islamic Azad University (N=100). Thus sampling was not done and they were all studied. Data is collected by means of scholar questionnaires that its content validity was measured via referring to reviewers and specialists and its reliability amount was calculated 0.78 by Cronbach's alpha. Collecting data were analyzed by correlation coefficient and F test. The results show that there is a significant relationship between views of officials and employees both about psychological, structural and cultural factors and Stewardship approach. Therefore, the potential productivity of four units of the Islamic Azad University is available.

Key words: Stewardship, Agency, productivity, representatives & Owner

INTRODUCTION

The condition ruling the different organization is so different from the past. The environment in which present organization exist is full of changes. The only thing Islamic Azad university (IAU) managers are worried about is that it cannot reach to its goals and its position could be in danger and it result to the contradiction between the managers and employees benefit. This issue leads to employees less satisfaction from one hand and losing students as a real investment of the university from the other hand. There have been presented two major views. One of these views which have economic tendency is known as agency theory and is based on economic human. This theory indicates that there should be economic mechanisms for manager's encouragement. This encouragements should lead to force managers do their best to maximize the stockholders

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benefit. In this view mechanism are pleased that should lead managers goal in a same direction and turn the manager's position from agent of the organization to steward of it. In second view which has social and psychological tendency and is known as stewardship theory, managers are known as stewards of the organization and are devoted to the goals of the organization and common benefit is preferred to individual benefit. There is no priority between these two theories but the only important thing here is the selection of proper approach to be successful. If the employees and managers views be in a different direction, productivity will be out of reach. And if their approaches be similar productivity would be reachable. Agency theory is a classic management approach and has a little difference with it, but stewardship theory originated from Joseph prophet story is parallel with neoclassic views (Alvani, 2002)

Agency theory reveals the mechanisms minimize the agent loss (Hart, 1989). Some other theories such as Mac Gregory Y theory, self-flourished human model, Maslo provocative (upper levels), collectivism theory and lower power distance present stewardship theory against agency theory (Donaldson and Barney, 1990).

Executive director away from being an Opportunistic one should always do thing alright and be a good steward for the organization properties (Davis and Donaldson, 1991). In this case one is provoked by internal stimuli than external one.

Agency theory is based on economic human model (Milse, 1932; Zakhorse, 1958). In stewardship theory self-flourished model is the focus. (Davis et al, 1997) in agency theory indicate that human is a wise player who intends to maximize his own benefits (Jensen & Meckinling, 1976).

In agency theory the focus is on the lower needs of security and physiologic. On the other hand in stewardship theory upper needs such as growth, success and self-flourish is on the focus (Alvani, 2002:55). Managers in agency theory have external provocation and vice versa in stewardship theory (Armstrong, 1991).

Managers having tendency to agency compare themselves with other managers socially, while steward managers see themselves as equal as people and stockholders (Alvani, 2002:55).

From the organizational identity, steward and agent managers are separated from each other. Agent managers have less commitment dependency to the goals of organization but on the contrary steward managers have remarkable dependency to the organization (Alvani, 2002:50).

People tending to use personal power are prone to use steward method and on the contrary managers preferring organizational power tend to use agency method (Davis et al, 1997). If the organization is designed in a method that the employee's opinions be used in decision makings, condition for using stewardship method would be available and if not agency method would be suitable. If the organization is designed in a method that has needed flexibility and people be able to participate in organizational affairs, condition is suitable for stewardship method and if not the agency would be effective method. In agency controlling mechanisms are focused while in stewardship trust to employees is focused. Individualist people choose agency but collectivists choose stewardship method of management. Power distance is a distance by which people think the power is divided unequally through the society. Managers with the culture of high distance of

power choose agency while managers with culture of low power distance choose stewardship (Alvani, 2002:55).

Steward Managers are prospective people and think of long termed results and their management philosophy is based on trust to others and don't like to control people. While agent managers are those who think of short termed results and because of distrust to everyone are tended to control people. Their goal is to control expenses and people while steward manager's goal is to cooperate with people and supervising the function. Original and advocate theory is tending to provide encouraging plans by which agent do as stockholders like. Agents activities are regulated and controlled by stockholders because it is possible that these action lead to Bankruptcy while presence of non-governmental assembly lead to make management theories be less effective (Vickers and Yarrow, 1991:13).

Owner means people, stockholders and true owners of the organization and Representatives means managers who are elected by people to manage the organization. It is true that traits are presented for agent and steward managers and because of these traits, their tendency to use agency or stewardship is determined but the most important factor is the relation between Owner (people, stockholders) and Representatives (managers).

Table 1: selection quad conditions of Owner and Representatives

Owner selection (people, stockholders)		Stewardship	Agency
Representatives selection (Manager)	Agency	Relation is Incompatible and destructive, managers is opportunism, Owners and people feel that they are cheating (2)	Constructive and mutual relations, The high productivity of the economy with emphasis on efficiency and reduce costs of unstable Productivity (1)
	Stewardship	Constructive and mutual relations, The high productivity of Material and spiritual, efficiency of performances, Sustainable productivity (4)	Relation is Incompatible and destructive, Owners and people is opportunism, Managers feel that they are cheating (1)

In second and third cases in which original and advocate choose different methods definitely suitable relation won't be available and efficiency, productivity and effectiveness won't exist. But in first case, in which both sides choose agency, their profit will be provided but this case is not a persistent one. But in case four in which both sides choose stewardship, both sides benefit will be provided (Alvani, 2002:25).

If an organization is going to be a highly productive one, it should first satisfy its employees then its customers. Surely doing researches like this can;

- First lead to managers tendencies to choose their management method
- Second determine the pleasant approach from employee's point of views

- Third determine the relation between the chosen management method and potential productivity of fourth region of the university. And if there is any disorder or deficiency it can fix it with presenting proper methods so that all lead to productivity of the university organization. Surely any ignorance in this case is in opposite direction of university goals.

so this research was performed with the goal of assessing the agency/stewardship approaches of management in fourth region of IAU and determining its potential productivity and also these goals were focused: fourth regions employees point of view from one hand and directors and managers from the other hand about the agency and stewardship methods and matching their views with each other.

METHOD

This research from the goal point of view is applied one and from the method point of view is correlation one. Because this research goal is to determine differences between the employees and managers views about the agency/stewardship management methods. Statistical population included all the directors and assistants and employees of the four regions of the IAU which wasn't 100 people. Regarding to limitation in statistical population there was no need to calculating sample volume and sampling. Thus all the members were examined. to collect the data field and library method were used. in this research also questionnaires were used. In fact the designed questionnaires were used to assessing the managers and employees tendency about the agency or stewardship view regarding three of psychological, structural, cultural factors. Assessment tools which were acceptable for specialists and masters, handed to them for determining the form and structure of the research. It means that asked questions in the questionnaires assess the intended thing researcher wanted. Also determined correlation among the questions proves this condition by content.

In this research in order to calculating the test final coefficient and determination of the questionnaires reliability Cronbach's Alpha method was used. In this research calculated amount of coefficients for all of the questionnaires was about 0.78 which indicates the data trust. Gathered data was analyzed with SPSS software. In descriptive section, average statistics, frequency percentage and etc. were used. In deductive section, correlation coefficient, F test, and T test were used for determining the meaningfulness and comparison of the average opinions of the two groups.

RESULTS

Analysis and checking the hypothesis of the research from the managers and employees point of view. T test was used in order to accept or reject any hypothesis of research. it means that for determination of existing (H_1) or not existing of (H_0) meaningful relation between the views of managers and employees of fourth region of IAU and agency or stewardship methods, T test was used.

The first sub-hypothesis: there is meaningful relation based on psychological factors between the managers and employees of fourth IAU views and agency or stewardship method.

H₀: there is not meaningful relation based on psychological factors between the managers and employees of fourth IAU views and agency or stewardship method.

H₁: there is meaningful relation based on psychological factors between the managers and employees of fourth IAU views and agency or stewardship method.

Table 2: checking and analysis of first sub- hypothesis according to T test

The first sub-hypothesis (Psychological factors)	Questions	Mean	SD	df	t	Sig
	16	3.61	1.24	84	4.53	0.0001
	17	4.61	0.70	84	20.96	0.0001
	18	4.04	0.75	84	13.11	0.0001
	19	4.36	0.84	84	14.92	0.0001
	20	4.25	0.72	84	15.92	0.0001
	21	3.80	0.97	84	7.57	0.0001
	22	4.59	0.62	84	23.50	0.0001
	23	4.73	0.44	84	35.67	0.0001
	24	3.46	1.01	84	4.15	0.0001
T=24.88				$\alpha = 0.0001$		

According to the results of the above table, the calculated amount of T for the first sub-hypothesis is larger than the critical amount of the table and the calculated meaningful level is smaller than sensitive level by 0.05. It means that assumption of H₁ that there is meaningful relation between the managers and employees of the fourth region of IAU views and agency and stewardship method of management according to psychological factors and H₀ assumption is rejected. In another words, all answers to all the questions related to first sub-hypothesis indicate the approval of being meaningful relation among the Variances.

Second sub-hypothesis: there is meaningful relation based on structural factors between the managers and employees of fourth IAU views and agency or stewardship method.

H₀: there is meaningful relation based on structural factors between the managers and employees of fourth IAU views and agency or stewardship method.

H₁: there is not meaningful relation based on structural factors between the managers and employees of fourth IAU views and agency or stewardship method.

Table 3: analysis and checking second sub-hypothesis according to T test

The first sub-hypothesis (Structural factors)	Questions	Mean	SD	df	t	Sig
	8	4.32	.77	84	15.67	0.0001
	9	4.19	.69	84	15.68	0.0001
	10	3.93	.84	84	10.17	0.0001
	11	3.60	.99	84	5.58	0.0001
	12	4.20	.88	84	12.52	0.0001

	13	4.07	.86	84	11.40	0.0001
	14	3.67	1.10	84	5.59	0.0001
	15	4.05	.88	84	10.90	0.0001
	T=18.80			α = 0.0001		

According to the results of the above table, the calculated amount of T for the second sub-hypothesis is larger than the critical amount of the table and the calculated meaningful level is smaller than sensitive level by 0.05. It means the approval of H₁ assumption and rejecting of H₀ assumption. . It means that assumption of H₁ that there is meaningful relation between the managers and employees of the fourth region of IAU views and agency and stewardship method of management according to structural factors.

Third sub-hypothesis: there is meaningful relation based on cultural factors between the managers and employees of fourth IAU views and agency or stewardship method.

H₀: there is meaningful relation based on cultural factors between the managers and employees of fourth IAU views and agency or stewardship method.

H₁: there is not meaningful relation based on cultural factors between the managers and employees of fourth IAU views and agency or stewardship method.

Table4: checking and analysis of third sub-hypothesis according to T test (one sample)

	Questions	Mean	SD	df	t	Sig
The first sub-hypothesis (Cultural factors)	1	4.05	.94	84	1.29	0.0001
	2	4.38	.69	84	18.40	0.0001
	3	3.60	1.14	84	4.82	0.0001
	4	4.20	.98	84	11.22	0.0001
	5	3.56	1.23	84	4.20	0.0001
	6	4.27	1.02	84	11.39	0.0001
	7	4.67	.73	84	21.09	0.0001
T=21.71 α = 0.0001						

According to the results of the above table, the calculated amount of T for the third sub-hypothesis is larger than the critical amount of the table and the calculated meaningful level is smaller than sensitive level by 0.05. It means the approval of H₁ assumption and rejecting of H₀ assumption. It means that assumption of H₁ that there is meaningful relation between the managers and employees of the fourth region of IAU views and agency and stewardship method of management according to cultural factors.

Main hypothesis: there is meaningful relation between the managers and employees of fourth IAU views and agency or stewardship method.

H₀: there is not meaningful relation between the managers and employees of fourth IAU views and agency or stewardship method.

H₁: there is meaningful relation between the managers and employees of fourth IAU views and agency or stewardship method.

Table 5: Analysis and checking the main sub-hypothesis according to T test (one sample)

Main Hypothesis	Mean	SD	df	t	Sig
	4.09	.35	84	28.03	0.0001

According to the results of the above table, the calculated amount of T for the main sub-hypothesis is larger than the critical amount of the table and the calculated meaningful level is smaller than sensitive level by 0.05. It means the approval of H₁ assumption and rejecting of H₀ assumption. It means that assumption of H₁ that there is meaningful relation between the managers and employees of the fourth region of IAU views and agency and stewardship method of management.

Comparison of average of sex groups comments towards each hypothesis

T independent parametric test was used in order to checking the sameness of (H₀) or not sameness of (H₁) for average comments of sex groups (men and women) toward each hypothesis. In fact by this test the average comments of men and women toward the variances of the hypothesis were compared.

H₀: there is not meaningful relation between the average comments of sex groups regarding to main hypothesis of the research.

H₁: there is meaningful relation between the average comments of sex groups regarding to main hypothesis of the research.

If the calculated amount of T is larger than critical level or calculated amount of meaningful level be smaller than 0.05, then H₁ assumption based on not sameness of average comments of men and women is accepted and H₀ will be rejected. It means that the test is meaningful and there is meaningful difference between the average comments of men and women and they have different opinions and there is controversy.

Table 6: comparison of average sex group comments toward the research hypothesis

Hypothesis	Men		Woman		t	Sig
	Mean	SD	Mean	SD		
Sub- Hypothesis1	4.16	.44	4.25	.31	.64	.521
Sub- Hypothesis2	4	.50	4.09	.44	.51	.608
Sub- Hypothesis3	4.13	.45	3.95	.47	1.14	.256

According to the results of the above table, the calculated amount of T for the all hypothesis is smaller than the critical amount of the table and the calculated meaningful level is larger than sensitive level by 0.05. It means the approval of H₀ assumption and rejecting of H₁ assumption. It means that the test is not meaningful and between the average sex groups comments there is no meaningful differences.

In other words, men and women managers and employees working in fourth region of IAU have same opinion in answering the research hypothesis and all believe that there is meaningful relation between the managers and employee's views and agency and stewardship method of management regarding the cultural, psychological and structural factors and they have no controversy about it.

Main Checking the education level effect of statistical population in answering the research hypothesis according to variance analysis of T test

In order to checking the effect of (H_1) and no effect of (H_0), variance analysis of T test was used for the effect of education level in answering the research hypothesis.

H_0 : education level of managers and employees of fourth region of IAU has no effect in answering the research hypothesis (sameness of comment average).

H_1 : education level of managers and employees of fourth region of IAU has effect in answering the research hypothesis (not sameness of comment average).

In variance analysis of T test, if calculated F amount is smaller than critical level or calculated amount of meaningful level is larger than sensitive level of 0.05, H_0 assumption which is sameness of average comments or no effect of checked factor is accepted and H_1 assumption namely effecting of checked factor (education level) is rejected.

Table7: checking the education level in answering the research hypothesis according to F test

<i>Hypothesis</i>	t	Sig
<i>Sub- Hypothesis1</i>	1.90	.15
<i>Sub- Hypothesis2</i>	1.26	.28
<i>Sub- Hypothesis3</i>	0.09	.91

The Results from the above table show that if the calculated F amount is smaller than critical level and calculated amount of meaningful level is larger than sensitive level of 0.05, so H_0 assumption which is the sameness of average comment of educational groups is accepted and H_1 is rejected. It means that the test is not meaningful and there is no meaningful difference in the average comments of studied people with different level of education. In other words, education level of statistical population has no effect in their answers to research hypothesis and it made no controversy between them.

CONCLUSION

The checking indicate that between managers (directors and assistants) and employees of fourth region of IAU views and agency or stewardship method of management regarding the cultural, structural and psychological factors, there is a meaningful relation. Regarding the tendencies of the society to stewardship method, this method is more accepted than agency method.

Checking the answers of managers and employees of fourth region of IAU and the effect of sex factor on them, it revealed that there is not meaningful relation among the sex group comment average. It means that she factor is not affected their tendency to stewardship method of management.

In fact, gender and education level has no effect on choosing stewardship method of management.

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