

Relationship between Pareto Law and Maxwell's Stages of Leadership at University Level

Ayaz Muhammad Khan^{*}
Amna Ramzan^{}**

Abstract

This study focused on exploring the relationship between Pareto Principle and levels of Leadership Proposed by inordinate leadership expert J.C Maxwell. Through multistage sampling technique, 213 dyads were nominated to participate in the study. The study was quantitative and data was collected through two structured questionnaires LLAQ (for subordinates) and PPQ (for leaders. The results signposted that, all the five levels positively correlated with the coefficient Pinnacle ($r=.46$), People Development ($r=.37$), Production ($r=.41$), Permission ($r=.42$), and Position ($r=.46$). Additional findings were reconnoitred that, People development level has literature support having relationship Pareto Principle with five levels of leadership.

Keywords: Pinnacle, People Development, Production, Permission, Position

Introduction

The Pareto Principle, a thought-provoking construct in business and Professional research. It articulates that as a rule 80 % of the impacts or results instigated from just 20 % of the sources or causes. The concept of Pareto Principle was naked by an Italian Economist Vilfredo Pareto in 1897. The term Pareto Principle specified by many appellations i.e. 80/20 rules, Pareto Law, Principle of imbalance but in the arena of research was signposted by Pareto Principle (Wiesenfelder, 2013). Maxwell uses this term as Pareto Principle and concedes that the use of this law increases the leadership ability in the form of levels (Borner, 2012).

Koch (2015) in his book “80/20 managers ten ways to become great leaders” “Contests the claim that, the manager achieve abundant more with less effort who use Pareto principle in their daily jobs and become prodigious leaders. The idea of 80/20 rule to up the level of leadership first introduced by Maxwell in 1997 in his book “Becoming a Person of Influence” in which the Maxwell write and denote the notion of 80/20 rules. In the same year, he also concedes this supposition in another book “The Success Journey, the Process of Living Your Dreams” published on February 1997 and

* Associate Professor & Managing Editor Journal of Research and Reflections in Education:
University of Education Lower Mall Campus Lahore. Pakistan
Email: ayaz@ue.edu.pk

argue that there is a lot of ways to prioritize your tasks keeping in mind your 20 % of your strengths that make excellent work.

”You could use the 80/20 rule. Give 80 percent of your effort to the top 20 percent (most important) activities. Another way is to focus on exceptional opportunities that promise a huge return. It comes down to this: give your attention to the areas that bear fruit” (Maxwell, 2014).

Passing a year he Gives an account of the same concept in the capsule of the book *“Five Levels of Leadership Proven Steps to Maximize your”* and *“The 21 irrefutable laws of leadership: Follow them and people will follow you”*. Richard Koch (2015) Pareto Principle postulate that there are a *“few really important reasons that explain superior educational performance”* and that 80/20 approaches and methods will substantiate brilliant consequences. Educationists can isolate the explanations and slants, and then multiply their occurrence. By using Pareto Principle in education leaders can be talented to brand terrific progress. The university-level considered highest level of education in Pakistan. The university-level Leadership permitted to manage their man, money and material resources autonomously. The top-level leaders are fully pontificated to develop their subordinate’s leadership abilities (Anwar, Yousuf, & Sarwar, 2008). Every organization's long-term success emphatically correlated with its capacity to construct viable and dynamic leaders (Chu, 2009). The organization must have the capacity to give a situation in which future and current leader figure out how to adequately lead and do the missions of their organizations. There is the scarcity of literature on this research it is may be the first one study in this field, where the relationship between Pareto principle and the level of leadership success was explored. Pareto Principle and its effects on leadership success have explored the effect to establish which of the level is the most affected by 80/20 principle in return helping the leadership to achieve a higher level of success proposed by J C Maxwell. The present paper provides empirical support to the assumption of Maxwell, that the uses of 80/20 principle (law of priority) increase your level of leadership. Research on leadership indicates that 50- 75 % of organizations are currently managed by people who greatly lacking in leadership competence. They hired or promoted based on technical competence, business knowledge and politics not on leadership skill (Swaroop and Prasad, (2013).

Objectives of the Study

The objectives of paper were to:

1. Explore the relationship between Pareto Principle and Maxwell’s levels of leadership
2. Scrutinize the relationship between Pareto Principle and:
 - I. Position level

- II. Permission level
- III. Production level
- IV. People Development level
- V. Pinnacle level

Hypotheses

To test above stated objectives following hypothesis were framed.

H₀₁: There is no significant relationship between the mean score of Pareto Principle and Maxwell's levels of leadership at University level

H₀₂: There is no significant relationship between the mean score of Pareto Principle and Maxwell's (*positional*) level of leadership

H₀₃: There is no significant relationship between the mean score of Pareto Principle and Maxwell's (*Permission*) level of leadership

H₀₄: There is no significant relationship between the mean score of Pareto Principle and Maxwell's (*Production*) level of leadership

H₀₅: There is no significant relationship between the mean score of Pareto Principle and Maxwell's (*People Development*) level of leadership

H₀₆: There is no significant relationship between the mean score of Pareto Principle and Maxwell's (*Personhood*) level of leadership

Methodology

The present paper proposed to figure out the existing relationship between Pareto Principle and five level of leadership proposed by J.C Maxwell. Nature of study was quantitative and descriptive survey method was used to collect data from the sample. Data was collect at one point at a time hence the nature of data was cross-sectional and correlation analysis was suited to interpret the collected data. The 213 dyads were subjected through multistage sampling for data collection.

Research Instruments

Pareto Principle Questionnaire (PPQ) has good validity as measured by two experts having more than five years leadership experience and the Cronbach's Alpha of PPQ was .94. To consider the five levels of leadership an adapted questionnaire Leadership Level Assessment Questionnaire developed by J.C. Maxwell.

Data Analysis

The purpose of the successive section of the research report is to numerically explore the relationship of Pareto Principle with the level of leadership.

Table 1

Sector and gender wise distribution of dyads (n=213)

S #	Demographics	Total	Percentage	Mean	SD
1	Public	132	62.0%	1.38	.48
2	Private	81	38.0%		
3	Male	114	53.5%	1.46	.50
4	Female	99	46.5%		

Table no 1 represents the organizational profile of the respondents among n=213 (M=1.38 & SD=.48) respondents 132 (62.0%) were belonged to public sector and reaming 81 (38.0%) respondents were fell in private category. Further, it also displays the gender wise distribution of the respondents. Gender wise distribution of the n= 213 (M=1.46 & SD=.500) respondents 114 (53.5%) male and 99 (46.5%) females fit in the sample from which data is collected and finalize for analysis and interpretation.

Correlation Analysis

Bi-variate Pearson Correlation analysis was accompanied on the Pareto Principle and five levels of leadership to check the initial support for the hypothesized relationship of presented in figure.2 the initial outputs showed that Pareto Principle and Maxwell’s levels of leadership (r=.454) was significantly correlated. Pareto Principle was also positively correlated with Position, Permission, Production, People Development and Pinnacle with the Coefficient = .460 .427 .417 and .368 respectively. Level one (position) and level five (Pinnacle) has the highest coefficient both levels contains r=.460 No correlation was calculated among factors and demographic variables of the study.

Table 2

Correlation between pareto principle and maxwell’s levels of leadership (N=213)

	Pareto Principle	Levels Of Leadership
Pareto Principle	1	.454**
Levels Of Leadership	.454**	1

** . Correlation is significant at the 0.01 level (2-tailed).

Hypothesis Testing

In correlational studies, it was common assumption that the hypothesis/s was tested on the bases of existing correlation among or between variables. The figure given below AMOS path output designates the correlation between Pareto Principle and five levels of leadership advanced by J.C. Maxwell.

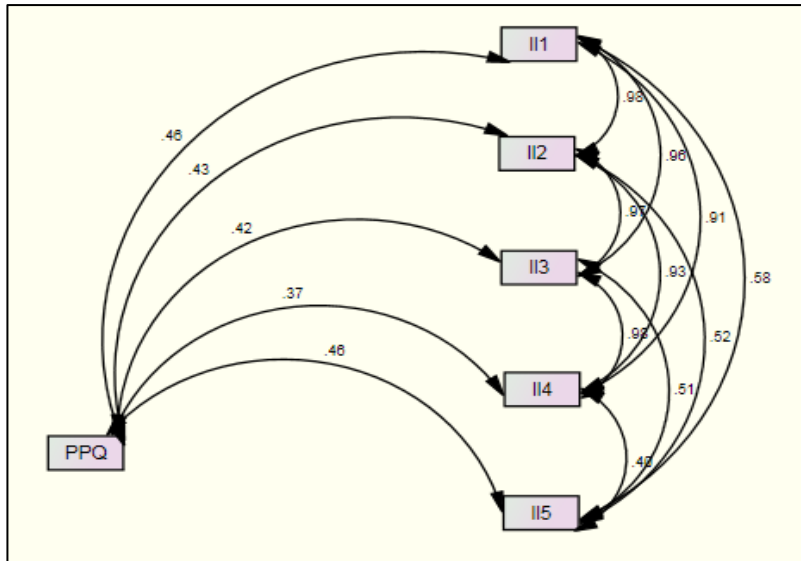


Figure.2 Correlation between Pareto Principle and levels of leadership

Pareto Principle and Maxwell's levels of leadership

H₀₁: The hypothesis H₀₁ was rejected at the significance level $p < .05$ and $r = .45$ which shows a medium correlation between Pareto Principle and Maxwell's levels of leadership.

Pareto Principle and Maxwell's 1st level of leadership

H₀₂: The hypothesis H₀₂ was rejected at the significance level $p < .05$ and $r = .46$ which shows a medium correlation between Pareto Principle and Maxwell's levels of leadership.

Pareto Principle and Maxwell's 2nd level of leadership

H₀₃: The hypothesis H₀₃ was rejected at the significance level $p < .05$ and $r = .43$ which shows a medium correlation between Pareto Principle and Maxwell's levels of leadership.

Pareto Principle and Maxwell's 3rd level of leadership

H₀₄: The hypothesis H₀₄ was rejected at the significance level $p < .05$ and $r = .42$ which shows a medium correlation between Pareto Principle and Maxwell's levels of leadership.

Pareto Principle and Maxwell's 4th level of leadership

H₀₅ The hypothesis H₀₅ was rejected at the significance level $p < .05$ and $r = .37$ which shows a medium correlation between Pareto Principle and Maxwell's levels of leadership.

Pareto Principle and Maxwell's 5th level of leadership

H₀₆ The hypothesis H₀₆ was rejected at the significance level $p < .05$ and $r = .46$ which shows a medium correlation between Pareto Principle and Maxwell's levels of leadership.

Results and Findings

The stated six hypotheses were rejected at all the levels of leadership were positively correlated.

Discussion and Future Directions

As it was supported by literature Pareto Principle and level four were interrelated. The rejection of 5th hypothesis supported the assumption of Maxwell (2011)

“Every leader needs to understand the Pareto Principle in the area of people oversight and leadership”. Overall 20 % people in the firm responsible for 80% of the success of the company. First, recognize your 80% producers spent 80 % “people time” on exceptional 20% (Maxwell, 2011).

Maxwell also confessed in his writings that, the production organization also depended on the utilization of Pareto Principle by their (Maxwell, 2016) leadership. The rejection of hypothesis affirms the supposition of Maxwell (2007)

“Pareto principle stipulates 80% work always done by 20% people in the organization.at every workplace 20% exceptional people then others they substantially more valuable and effective they should be a reward, equip, empower, motivated and encourage because they are producing 80 % outcome (Maxwell, 2007).

As Pareto Principle and production level was positively correlated Chu (2009) affirm that the long-term success and production of an organization depends upon the utilization of 80/20 rules by their leadership. Richard Koch (2015) confess that Pareto Principle proposes that there are a “few really important reasons that explain superior educational performance” and that 80/20 approaches and methods will (Maxwell, 2015) substantiate brilliant consequences. The other hypothesis rejection may cause by

contextual alterations as prescribed in literature or other variations of the study. The future studies may be conducted to accept or reject the results of the current paper. It may also be conducted causal-comparative or in another form of research.

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