

**Participative Decision Making Builds Support for Transformational Leadership:
A Survey of Local Government KPK.**

By

Abid Hussain

*Department of Public Administration Gomal University Dera Ismail Khan
Director High Aims Schools, Systems Bhakkar.*

Khurram Ashfaq

Assistant Professor, College of Commerce, Government College University Faisalabad

Adil Riaz

Lecturer Government College University Faisalabad (Sub- Campus Hafizabad)

Dr. Qmar Afaq Qurashi

HOD, Department of Public Administration Gomal University Dera Ismail Khan

Abstract

Leadership style is of critical importance in any organization both public and private. If leadership style is not compatible with the requirements and objectives of the organization, it creates problems for both workers as well as the organization at large. The organizations where employee participation is necessary for adequate functioning, the transformational leaders are best suitable for the situation. Transactional leaders fail to run such institutions properly. Transactional leadership best suits those institutions where performance has to be coupled with strict rules and regulations. In local government, the transformational leaders are more compatible with the work environment and transactional mode is needed at very limited scale. The current study shows that participative decision making is more effective under transformational leaders and less popular in transactional work environment. The statistical results significantly support the connections between PDM and TRF.

Keywords: Participative Decision Making, Transformational Leadership, Transactional Leadership

1. INTRODUCTION

Participation of employees in the organizational decision making process is explained as the sharing of decision making prerogatives and activities to achieve individual, group and organizational objectives (Knoop, 1995). In participative culture of decision making, employees get the feeling of belongingness and ownership in the employer organization. When employees participate in the decision making they are obviously more worried about the outcomes of the decisions (Black & Gregersen, 1997). Participation of employees beyond their level of hierarchy is managed through their representation in different policy making committees or by creating close relations with the leaders and managers (Kumar & Giri, 2013). When employees participate in decision making, it helps to build their commitment towards the organization (Siddique & Nawaz, 2019a).

In transactional leadership, emphasis are on the implementation of corporate rules and regulations to achieve the organizational and group objectives (Zakeer, Nawaz & Irfanullah, 2016b). The employees are motivated on the basis of contingent reward system which means that every employee gets according to his/her performance or output in comparison to the standard performance expected from each employee as per documented standards of performance available in the form of cookbook (Garcia-Guiu, Moya, Molero, & Moriano, 2016). Further, transactional leaders manage by exception both actively and passively (Zakeer, Nawaz, & Irfanullah, 2016a). It implies that they keep monitoring the employees and wherever they find errors, they make the corrections (active management by exception). Likewise, they don't interfere in employee performance unless the situation demands so in the interest of the organization

(passive management by exception). In this kind of leadership environment, participative decision making is not taken as too relevant (Siddique & Nawaz, 2019b).

Transformational leaders, however, are those who offer individualized consideration for every employee in the organization thereby giving each worker a kind of participation in the thinking and decision making of the organization (Garcia-Guiu, et al., 2016). These leaders have to generate idealized influence among the follower so that they can follow the leader as role model. Employees are provided inspirational motivation to take interest in their work with maximum attention and energy (Zakeer, Nawaz, & Irfanullah, 2016a). Employees are intellectually stimulated to use their creativity and suggest work models, which are different and innovate as compared to the existing work tool and procedures.

Obviously, participative decision making is more possible under transformational leadership rather than the transactional leaders. The organizations where transformational leadership style is more needed, the use of participative decision making is encouraging and can make employees convinced to make excellent contribution through their work performance.

2. RESEARCH DESIGN

2.1 Philosophy and Approach

Positivism is the philosophy used in this study as a foundation for beliefs about knowledge and the research methodology. It is believed that whatever can be verified can be accepted as knowledge or truth. Likewise, observational methods are believed to record and communicate scientific knowledge. Further, survey has been applied as the strategy to access the problem situation through the tools of literature and field surveys.

2.2 Tools and Techniques

Qualitative data from the literature was collected and analyzed through ‘thematic-analysis’ which provides a complete and systematic procedure to collect ‘primary-themes’; classifying them into ‘organizing-themes’ and finally connecting organizing-themes into a ‘global-theme’ used as theoretical framework for the field study and primary data analysis. As per research model, questionnaire was distributed among 322 respondents however, 291 were received back with 90% return-rate.

2.3 Reliability and Validity

Reliability Statistics on Variables and Instrument			
	Factor/Component/Variable	Items	Cronbach Alpha
1	Participative Decision Making (PDM)	9	0.997
2	Transformational Leadership (TRF)	9	0.881
3	Transactional Leadership (TRS)	8	0.934
4	Questionnaire	26	0.796
<i>Note.</i> Required Minimum Score = or > 0.7			

Validity Statistics on <i>Participative</i> Decision Making				
KMO(Kaiser-Meyer-Olkin) and Bartlett's Test			Component Matrix	
Measure of Sampling Adequacy.		.883	Items	Score
Bartlett's Test of Sphericity	Approx. Chi-Square	10250.968	pdm1	.997
	df	36	pdm2	.963
	Sig.	.000	pdm3	.970
			pdm4	.993

	Required	Computed	pdm5	.994
KMO test	= or > .7	.883	pdm6	.991
Bartlett's test	= or < .05	.000	pdm7	.996
Factor Loadings	= or > .4		pdm8	.994
			pdm9	.994

Validity Statistics on <i>Transformational Leadership</i>				
KMO (Kaiser-Meyer-Olkin) and Bartlett's Test			Matrix	
Measure of Sampling Adequacy.		.837	Items	Score
Bartlett's Test of Sphericity	Approx. Chi-Square	1673.771	trf1	.918
	df	36	trf2	.432
	Sig.	.000	trf3	.445
			trf4	.617
	Required	Computed	trf5	.767
KMO test	= or > .7	.837	trf6	.746
Bartlett's test	= or < .05	.000	trf7	.838
Factor Loadings	= or > .4		trf8	.906
			trf9	.743

Validity Statistics on <i>Transactional Leadership</i>				
KMO (Kaiser-Meyer-Olkin) and Bartlett's Test			Matrix	
Measure of Sampling Adequacy.		.896	Items	Score
Bartlett's Test of Sphericity	Approx. Chi-Square	2063.070	trs1	.977
	df	28	trs2	.764
	Sig.	.000	trs3	.817
			trs4	.783
	Required	Computed	trs5	.769
KMO test	= or > .7	.896	trs6	.873
Bartlett's test	= or < .05	.000	trs7	.888
Factor Loadings	= or > .4		trs8	.749

3. LITERATURE REVIEW

3.1 Participative Decision Making

Employee Participation in decision making is the process in which influence is shared among individuals who are otherwise hierarchically unequal. Participatory management practice balances the involvement of managers and their subordinates in information processing, decision making and problem solving endeavors (Wager, 1994). Researchers developed the productivity and efficiency rationale, assuming that there is a direct link between employees' involvement in decision-making and work outcomes such as the increase of job satisfaction and productivity (Teicher, 1992). These early theoretical contributions on participation were not taken seriously until the mid 1980s when major works started to emerge and make some significant impact on both academic and business circles (McDonald & Wiesner, 1999). Participation in decision-making can satisfy employees self-actualization needs and, by doing so, increase employees' motivation and job performance (Siddique & Nawaz, 2019a).

Another line of enquiry on participatory management is focused on its impact on organizational outcomes such as organization performance and work outcomes, including job satisfaction, productivity, product quality, absenteeism and employee and superior relations (Huang, 1997).

The best way to improve productivity is by striving for the shared goals of employees and managers. By allowing worker input into developing the mission statement, establishing policies and procedures, determining perks, etc., you can improve communication and increase morale and satisfaction. In line with the research on Employee Participation has been emphasized in relation to job satisfaction (Huang, 1997). Studies show that employee participation is positively related to performance, satisfaction, and productivity of an employee (Wagner 1994). According to Blinder (1990) that profit sharing programs are more effective when combined with employee participation in management (Garcia-Guiu, et al., 2016).

3.2 Transformational Leadership

The buzzword transformational leadership had first created in the research of Downtown in 1973, a principle even more acquired and established attractiveness by Burns in 1978. The concept of transformational leadership broadened by Bass in 1985 (Freeborough, 2012). Transformational leadership drives as the most appropriated descriptions of leadership to lead organizational efficiency, adjustment as well as technologies (Zakeer et al., 2016b). Transformational leaders tend to exhibit an individual success, high expectations, and acknowledgment, as well as design, preferred behaviors (Siddique & Nawaz, 2019b).

For instance, academic scientists checked out an exploratory design to analyze the connection between transformational leadership and group potency of 51 operational team units with 243 participants (Dartey-Baah & Ampofo, 2015). The analysis underlined the significance of copious components such as communication, leadership, as well as effectiveness for armed forces decision makers in one of the government-sponsored defense and departments (Garcia-Guiu et al., 2016). In the same environment, researchers measured the importance of leadership styles and job stress among bank employees. Their findings prompted that top executives must embrace transformational leadership behaviors to diminish exhaustion and work tension amongst staff members in Ghana's financial sector (Zakeer et al., 2016a).

Researchers unveiled that transformational leadership is correlated with workforces' creative thinking and organizational improvement. Some studies concentrate on the partnership in between transformational leadership to organizational commitment, job satisfaction, and organizational trust (Top, Akdere, & Tarcan, 2015); and moreover turnover intention (Azanza, Moriano, Molero, & Mangin, 2015). This design of leadership emerges with multiple leadership behaviors. Individualized consideration signifies that leaders focus on concern, growth, as well as appreciate of their workforces. Intellectual stimulation holds leaders' propensities to introduce and challenge the status quo of innovative designs (Phaneuf, Boudrias, Rousseau, & Brunelle, 2016; Zakeer et al., 2016b). Inspirational motivation attributes to leaders' inclination in supporting their workforces by hoisting their awareness using an excellent foresight of the eventuality. Idealized influence embodies leader's personal attraction and assertiveness that make them an exemplar of outstanding which stimulates and affect their staff members (Siddique & Nawaz, 2019b).

3.3 Transactional Leadership

Vision of Transactional Leadership is based on transactions between leader and followers. According to a transactional leader, human relations are nothing but a chain of transactions. The roots of this leadership style are- reward, penalty, economic exchange, emotional and corporeal exchanges and other such transactions (Sarros & Santora, 2001). To understand this leadership style in simple way, just need to think like the leader lead the organization and tell followers what is their duty because s/he gets salary for it

(Zakeer et al., 2016a). If the follower respond to their duty efficiently they will get reward and for failure punishment. This is how a transactional leader leads the groups (Siddique & Nawaz, 2019a).

This leadership also recognized as managerial leadership, because the center of attention of this leadership style is on the responsibility of administration, organization, and group performance; in transactional leadership the leader ensures observance of his followers through rewards and punishments (Irfanullah & Nawaz, 2016). Transactional leaders try to uphold the chain of rules and regulations and their approach is not looking to change the future (Hargis, 2001; Zakeer et al., 2016b). Transactional leaders apply a model, where rewards are given for good outcomes or positive results. Transactional leaders are also capable of giving punishment for poor performance or unsatisfied outcomes (Siddique & Nawaz, 2019a).

According to Bass (1997), Transactional leaders use *rewards or punishments*, and both *active and passive managements by exception*:

1. Contingent reward means that leaders connect in a productive path goal contract of reward for performance. They explain opportunity, exchange resources and assurance for support of the leaders. Transactional leaders organize jointly agreeable contract and make available recommendation for positive output and successful performance (Odumeru & Ogbonna, 2013).
2. Active Management by Exception suggests that leaders *observe followers and take actions according to performance* (Bass, 1997). They implement policy to keep followers away from mistakes.
3. Passive Management by Exception mentioned about leaders do not take any actions until the problem is serious. They just keep them a side and do not get involved in the situation, until it has become severe. They remain to take steps until faults are brought to their consideration (Bass, 1997).

3.4 Demographic Impacts on Behaviors

Demographic attributes of the respondents are widely researched for their impact on the opinion of people while replying to the research questions. It is reported in the social research that diversity of demographic attributes changes the view point of respondents on different research variables. In this study, the researcher tested the role of qualification and gender, which emerged significant. Qualification has created significant group mean differences while, gender has affected PDM and TRF with higher scores from the male group members.

4. EMPIRICAL FINDINGS

4.1 Descriptive Results

Gender/Qualification Cross-tabulation				
		Qualification		Total
		PostGrade	UnderGrade	
Gender	Male	117	69	186
	Female	42	63	105
Total		159	132	291

Male and female classifications of the sample across qualifications of the subject.

Descriptive Statistics					
	N	Min	Max	Mean	Std. D
Participative Decision Making	291	2.00	5.00	3.5204	.90472
Transformational Leadership	291	1.89	4.11	2.9981	.51097

Transactional Leadership	291	1.00	4.00	2.7736	.83358
--------------------------	-----	------	------	--------	--------

Descriptive statistics on the three research variables.

4.2 Testing of Hypotheses

4.2.1 Association-Analysis

H1. PDM is significantly associated with TRF and TRS

Correlations (n = 291)			
		Participative Decision Making	Transformational Leadership
Transformational Leadership	Pearson Correlation	.752**	
	Sig. (2-tailed)	.000	
Transactional Leadership	Pearson Correlation	-.677**	-.466**
	Sig. (2-tailed)	.000	.000

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

There is significant association of PDM with both TRF (R = 0.752, P-value = 0.000) and TRS (R = -0.677, P-value = 0.000) therefore, it is concluded that hypothesis-1 is accepted as true and established.

4.2.2 Impact of PDM on TFL(Positive)

H2. TRF is significantly (and positively) explained by PDM.

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
1	.752 ^a	.565	.564	.33747	375.817	.000 ^b
Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.503	.080		18.882	.000
	Participative Decision Making	.425	.022	.752	19.386	.000

a. Predictor: Participative Decision Making; b. Dependent: Transformational Leadership

Significant F-value (375.817, p-value <0.005) of ANOVA shows the 'goodness of fit' for the regression mode and its explanatory power. Second hypothesis about the prediction of TRF by PDM is significantly established with huge R² (0.565), Beta-weight (0.425) and P-value (0.000) therefore the hypothesis-2 is accepted as true.

4.2.3 Impact of PDM on TRS(Negative)

H3. PDM negatively and significantly predicts TRS.

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
1	.677^a	.458	.456	.61456	244.536	.000 ^b
Coefficients						
Model		Unstandardized	Standardized	t	Sig.	

		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	4.970	.145		34.279	.000
	Participative Decision Making	-.624	.040	-.677	-15.638	.000

a. Predictors: Participative Decision Making; b. Dependent: Transactional Leadership

ANOVA statistics (F= 244.536& p-value <0.005) supports the fitness of the model. Hypothesis-3 is accepted as true with statistical scores of R²=0.458, Beta-weight (-0.624), and P-value<0.005 as having significant and negative impact on the PDM as test variable. .

4.2.4 Group-Mean Differences

a. Role of Qualification in Changing the Response

H4. PostGrad group is scoring higher on PDM & TFL.

Group Statistics						
		Qualification	N	Mean	Std. Deviation	Std. Error Mean
Participative Decision Making	PostGrad		159	3.9182	.73919	.05862
	UnderGrad		132	3.0412	.85411	.07434
Transformational Leadership	PostGrad		159	3.1754	.49270	.03907
	UnderGrad		132	2.7845	.44840	.03903
Transactional Leadership	PostGrad		159	2.5621	.74853	.05936
	UnderGrad		132	3.0284	.86183	.07501

Independent Samples Test						
		F	Sig.	t	df	Sig. (2-tailed)
Participative Decision Making	Equal var- assumed	9.913	.002	9.388	289	.000
	Equal var-not-assum.			9.263	260.921	.000
Transformational Leadership	Equal var- assumed	1.100	.295	7.016	289	.000
	Equal var-not-assum.			7.078	286.539	.000
Transactional Leadership	Equal var- assumed	4.005	.046	-4.939	289	.000
	Equal var-not-assum.			-4.875	261.443	.000

It was hypothesized from descriptive data that PostGrads are scoring higher on PDM and TFL, while UnderGrads have bigger scores on TRS. All three sub-hypotheses have been substantiated with significant results carrying p-values < 0.005.

b. Gender Impacts on Responses

H5. Male are scoring higher on PDM and TRF.

Group Statistics						
		Gender	N	Mean	Std. D	Std. E
Participative Decision Making	Male		186	3.6541	.84179	.06172
	Female		105	3.2836	.96606	.09428
Transformational Leadership	Male		186	3.0496	.50542	.03706
	Female		105	2.9069	.51037	.04981
Transactional Leadership	Male		186	2.7130	.82807	.06072

		Female	105	2.8810	.83644	.08163
Independent Samples Test						
		F	Sig.	t	df	Sig. (2-tailed)
Participative Decision Making	Equal var- assumed	5.737	.017	3.416	28	.001
	Equal var-not-assumed			3.288	192.39	.001
Transformational Leadership	Equal var- assumed	.251	.617	2.305	289	.022
	Equal var-not-assumed			2.299	214.13	.022
Transactional Leadership	Equal var- assumed	.086	.770	-1.655	289	.099
	Equal var-not-assumed			-1.651	214.07	.100

The hypothesis-5 is partially accepted as true because two (PDM & TRF) out of three assumptions about the demographic impacts have emerged significant with P-value less than the critical value of 0.05.

5. DISCUSSIONS & CONCLUSIONS

Every manager/administrator is supposed to be a leader as well as however, all managers/administrators are not the leaders but every leader is. Both transactional and transformational leaders are effective and needed but as per situation (Zakeer et al., 2016a). The organizations where participative work environment is needed, the transformational leaders are best. In organizations like security agencies, financial institutions, research entities etc., have to be managed and led by the transactional leaders who work with strict adherence to the cookbook (Siddique & Nawaz, 2019a). The transformational leaders are however, best suited for the participative working conditions. For the success of transformational leaders, the understanding of human issues and their resolution is indispensable (Garcia-Guiu, et al., 2016). For example, a university has to be run by the transformational leaders who have to work with teams and groups of human resources (Irfanullah & Nawaz, 2016).

It is therefore concluded that transformational and transactional leaders are good for different working conditions. None of these styles is either good or bad rather every style is good if it matches the requirements of the work undertaken in the organization. In military, mostly, the rules and established routines have be followed because military works under critical conditions therefore, flexibility and leniency is not the preferred organizational behaviors under such serious and sensitive working requirements. It is better for any organization to use only that leadership style which is more in tune with the overall objectives and future plans of the organization. Any mismatch of leadership style will obviously create unnecessary problems both for the leader and followers.

References

1. Azanza, G., Moriano, J.A., Molero, F. & LévyMangin, J.-P. (2015). The effects of authentic leadership on turnover intention. *Leadership & Organization Development Journal*, 36, 955-971. <https://doi.org/10.1108/LODJ-03-2014-0056>
2. Bass, B.M. (1997). Does the transactional - transformational leadership paradigm transcend organizational and national boundaries? *American Psychological Association*. 52(2):130-139.
3. Black, J.S. & Gregersen, H.B. (1997). Participative decision making: An integration of multiple dimensions. *Human Relations*, 50(7), 859-879.
4. Dartey-Baah, K. & Ampofo, E.Y. (2015). Examining the influence of transformational and transactional leadership styles on perceived job stress among Ghanaian banking employees. *International Journal of Business and Management*, 10, 161-170. <https://doi.org/10.5539/ijbm.v10n8p161>

5. Freeborough, R. (2012) *Exploring the effect of transformational leadership on nonprofit leader engagement and commitment*. Unpublished Doctoral Dissertation, Capella University, Minneapolis.
6. Garcia-Guiu, C., Moya, M., Molero, F. & Moriano, J.A. (2016) Transformational leadership and group potency in small military units: the mediating role of group identification and cohesion. *Journal of Work and Organizational Psychology*, 32, 145-152. <https://doi.org/10.1016/j.rpto.2016.06.002>
7. Hargis, M.B., Wyatt, J.D., & Piotrowski, C. (2001). Developing leaders: examining the role of transactional and transformational leadership across contexts business. *Organization Development Journal*. 29 (3), 51–66.
8. Huang, T.C. (1997). The effect of participative management on organizational performance: the case of Taiwan. *International Journal of Human Resource Management*, vol. 8, no. 5, pp. 675–689.
9. Irfanullah & Allah Nawaz (2016). The leadership styles and the employee's performance: A review. *Gomal University Journal of Research*, 32(2):144-150. DEC 2016 ISSN: 1019-8180.
10. Knoop, R. (1995). Influence of participative decision-making on job satisfaction and organizational commitment of school principals. *Psychological Report*, 76(2), 379–382. <https://doi.org/10.2466/pr0.1995.76.2.379>
11. Kumar, S.P. & Giri, V.N. (2013). Impact of teachers' participation in decision making on commitment forms in Indian engineering institutions. *Pacific Business Review*, 5(1), 49–58.
12. Lawler, E. E., Mohrman, S.A. & Ledford, G.E. (1992). *Employee involvement and total quality management*. San Francisco: Jossey Bass.
13. Li, C.-R., Lin, C. J. & Tien, Y.-H. (2015) CEO Transformational leadership and top manager ambidexterity: An empirical study in Taiwan SMEs. *Leadership & Organization Development Journal*, 36, 927-954. <https://doi.org/10.1108/LODJ-03-2014-0054>
14. McDonald J. & Wiesner R. 1999). *The Participative management of employees in small and medium sized enterprises*. in L.K. Jago & J. Breen, Small business smart business, Proceedings of the 12th Annual Conference, Small Enterprise Association of Australia and New Zealand SEAANZ, pp. 201-17.
15. Odumeru, J.A. & Ogbonna, I.G. (2013). Transformational vs. transactional leadership theories: evidence in literature. *International Review of Management and Business Research*, Vol 2 (2).
16. Phaneuf, J., Boudrias, J., Rousseau, V. & Brunelle, E. (2016) Personality and transformational leadership: The moderating effect of organizational context. *Personality and Individual Differences*, 102, 30-35.
17. Sarros, J.C. & Santora, J.C. (2001). The transformational and transactional leadership model in practice. *Leadership & Organization Development Journal*. 22(8):383-394.
18. Siddique, M. & Nawaz, A. (2019a). Effects of participative decision making on leadership styles: a student survey at Gomal University, Pakistan. *International Transaction Journal of Engineering, Management, & Applied Sciences & Technologies*, 10(11):1-8. (HEC-X Category).
19. Siddique, M. & Nawaz, A. (2019b). The mediation of transformational leadership between transactional leadership and group management skills of academicians in HEIS of KPK, Pakistan. *International Transaction Journal of Engineering, Management, & Applied Sciences & Technologies*, 10(5):607-615. (HEC-X Category)
20. Teicher, J. (1992). *Theories of employee participation and industrial democracy: towards an analytical framework*. Contemporary Australian Industrial Relations, Readings. Longman Cheshire, Melbourne.
21. Top, M., Akdere, M. & Tarcan, M. (2015) Examining transformational leadership, job satisfaction, organizational commitment and organizational trust in Turkish hospitals: public servants versus private sector employees. *The International Journal of Human Resource Management*, 26, 1259-1282. <https://doi.org/10.1080/09585192.2014.939987>
22. Wagner, A.J. (1994). Participation effects on performance and satisfaction: A reconsideration of research evidence. *Academy of Management Review*, vol.19, pp. 312–30.

23. Zakeer, A. Nawaz, A. & Irfanullah (2016a) Leadership Theories and Styles: A Literature Review. *Journal of Resources Development and Management*, V01 16, 1-7. ISSN 2422-8397 An International Peer-reviewed Journal. At: www.iiste.org
24. Zakeer, A. Nawaz, A. & Irfanullah (2016b). The Leadership and Innovation: Prospects and Challenges. *Industrial Engineering Letters*, 6(1):1-4. ISSN 2224-6096 (Paper) ISSN 2225-0581 (online) www.iiste.org.