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## EFFECTS OF PARTICIPATIVE DECISION MAKING ON LEADERSHIP STYLES: A STUDENT SURVEY AT GOMAL UNIVERSITY, PAKISTAN

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### ABSTRACT

Participative decision making (PDM) is characterized with many human-oriented attributes, however, on top of it, is the sharing of decision making by the leader with the related officers/workers, so that the concerns of all employees are taken into account at the time of decision making. It injects the feeling of ownership among co-workers, which is, obviously, very motivating. PDM seems more connected with the transformational leadership style (TRF) as compared to a transactional mode. Transactional leadership style (TRS) refers to a leader who prefers going by the book and using rewards and punishments and management by exception (active and passive). TRF leaders rather use themselves as a role model and focus on motivation, employee's creativity, and individual contributions. Thus, it is hypothesized that PDM is positively linked with TRF, while negatively related to TRS. The model was tested in the field survey and statistical tools were used to analyze the data regarding the hypotheses of the model.

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## 1. INTRODUCTION

Participative decision making has gained much of the attention of different researchers, social scientists, managers, and administrators for more than five decades. It is defined as collective or shared decision making or empowering of superiors and subordinates at different levels of organizational hierarchy to participate in decision making (Mitchell, 1973). Several studies have, so far, been conducted to measure the effects of participative decision making on task performance, employees' satisfaction, and employees' turnover. However, most of the studies produced ambiguous or unclear results except some empirical studies (e.g. Miller & Monge, 1986; Cotton, et al., 1988; Siddique and Nawaz, 2019) have reported moderately positive relationships between these variables. In this study, the researcher intends to know the effects of Participative decision making on leadership styles. For this purpose, a student survey was conducted by taking into account the views of students

at Gomal University, Dera Ismail Khan, Khyber Pakhtunkhwa, Pakistan.

## 2. LITERATURE REVIEW

### 2.1 PARTICIPATIVE DECISION MAKING

The modern management of contemporary organizations values their employees by empowering them to participate in the decision-making process of the organization. This participation is either direct by receiving their inputs for decisions or indirect participation through employees' representatives. In both cases, the employees share their voices and influence decision making (Miller and Monge, 1986)).

Miller and Monge's (1986) argued that subordinates have a better know-how of their work than the superiors. So, the decision taken with the inputs of subordinates is better to implement. Similarly, the PDM enhances the morale of employees and creates a sense of recognition among them, which ultimately increases their job satisfaction and job retention with increased productivity (Cotton et al., 1988).

Cotton et al. (1988) has presented the following categories of PDM:

- **Direct Participation:** Employees participate in decisions related to their work;
- **Consultative Participation:** Employees' views are taken into consideration while making decisions by the managers;
- **Employees' Partial Ownership:** Employees partially become the owners and influence the organizational decisions; and
- **Representative Participation:** Employees indirectly participate, through a union steward or association.

### 2.2 TRANSFORMATIONAL LEADERSHIP

Transformational leadership is a contemporary view of leadership which motivates and inspires workers to perform extra-ordinary in the organization. It is considered as the most impressive style of leadership where the leader becomes the role model for his followers (Robbins et al., 2012). A leader with this style of leadership, inspire his workers and motivates them to perform at their level best to achieve the challenging goals and targets (Maria, 2012; Zumitzavan & Udchachone, 2014). These leaders believe in the assignment of tasks to their followers, a delegation of authority to them to accomplish those tasks, and develop confidence among them by allowing to participate in the decision making (Maria, 2012).

Bass & Riggio (2006) has presented four characteristics of transformational leaders:

1. **Idealized Influence:** The transformational leader exerts idealized influence by becoming a role model for his followers.
2. **Inspirational Motivation:** Inject inspirational motivation among their followers by providing meaning and challenge to their followers' work.
3. **Intellectual Stimulation:** Inspire their followers to be creative and innovative by re-framing problems, questioning assumptions, and approaching old situations in newer ways.
4. **Individualized Consideration:** A transformational leader act as coach and mentor by giving individual attention to each follower.

### 2.3 TRANSACTIONAL LEADERSHIP

Transactional style of leadership is commonly considered as the task-oriented style of leadership. It emphasizes on the productivity of the workers, work supervision, organization of resources, and

achievement of organizational objectives. A leader using the transactional style, ensure compliance of workers regarding the timely completion of tasks, work standards, and organizational efficiency and effectiveness through the use of reward-punishment tools (Maria, 2012). These conditional rewards include promotions, incentives, awards, praise, gifts, appreciation, etc., are awarded to the workers when the performance standards are achieved. Similarly, the contingent punishment such as fine, wage-cut, demotion, suspension, dismissal, etc., are given to the workers who fail to achieve the performance standards (Odumeru & Ifeanyi, 2013; Dartey-Baaha & Mekporb, 2017).

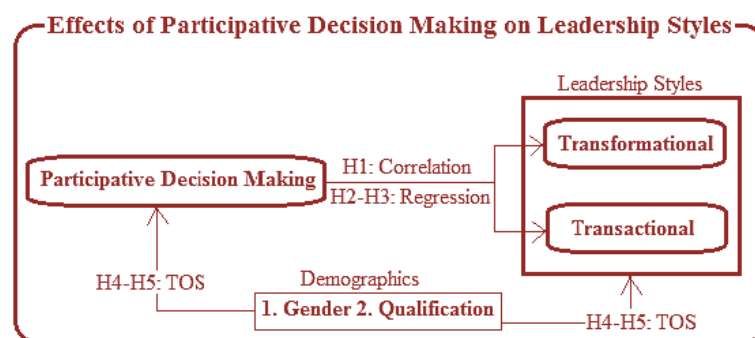
Similarly, the transactional leaders like to maintain the status quo and simply keep the things on the same fashion. The emphasis of such type of leaders is on workers’ output and quality of work, and they devise ways and means to improve the task performance. This style of leadership is usually result-bearing in emergency situations where crisis management is the top priority to reduce the possible losses to the organization (Odumeru & Ifeanyi, 2013; Zumitzavan & Udchachone, 2014; Mohiuddin, 2017).

## 2.4 DEMOGRAPHIC IMPACTS ON BEHAVIORS

Demographic characteristics of respondents play a significant role in shaping their behaviors towards participative decision making and leadership styles. There is an array of research studies on the measurement of demographic implications on the leadership styles (see, for example, Nikolaou et al., 2007; Kotur & Anbazhagan, 2014; Patel & Buiting, 2013; Lok & Crawford, 2004). In this study, the researcher has taken two demographics including Gender, and Qualification.

## 2.5 THEORETICAL FRAMEWORK

In Figure 1, theoretical framework the one independent variable ‘Participative Decision Making’ and two dependent variables ‘Transactional’ and ‘Transformational’ leadership styles have been presented. Similarly, the two demographic variables ‘Gender’ and ‘Qualification’ are also given.



**Figure 1:** Theoretical framework for PDM in this study.

## 3. RESEARCH METHODOLOGY

### 3.1 PHILOSOPHY AND APPROACH

The researcher has applied the survey approach because the survey is considered as most suitable especially when there is a large size of the population and the researcher is not able to access all the elements of the population. Thus, through a survey, the researchers select the most representative part of the population through sampling, collects data from them, tests the relationships emerging from the literature, and generalize the results for the entire population from which the sample was selected.

### 3.2 TOOLS AND TECHNIQUES

The target population of the study was the Students of Gomal University, 7,942 enrolled during 2017-18. A sample of 292 students was computed by using the statistics of a pilot study with the help of a standard formula for a finite population  $((SD*SD)/((E*E)/(Z*Z))+((SD*SD)/N))$ . Both literature and field surveys were used for data collection. Likewise, for data analysis, ‘thematic analysis’ was used for qualitative analysis and SPSS®22 was applied for the testing of hypotheses.

### 3.3 RELIABILITY & VALIDITY

Table 1 shows the reliability statistics of variables. It can be seen that all the three variables have Cronbach’s alpha statistics greater than 0.7, thus, it is considered that the instrument is reliable.

**Table 1: Reliability statistics**

	Factor/Component/Variable	Items	Alpha
1	Participative Decision Making	9	0.997
2	Transformational Leadership	9	0.881
3	Transactional Leadership	8	0.934
Questionnaire		26	0.796

## 4. FINDINGS OF THE STUDY

### 4.1 DESCRIPTIVE STATISTICS

Table 2 shows the gender-wise and qualification-wise frequency of respondents. Here, out of 292 respondents, 187 were male and 105 were female. Similarly, 132 were enrolled in graduate programs and 160 were enrolled in post-graduate programs.

Table 3 shows the range, average and standard deviation of each of the three variables (independent and dependent) used in this study.

**Table 2: Gender/qualification cross-tabulation**

Gender	Qualification		Total
	Post-Graduate	Graduate	
Male	118	69	187
Female	42	63	105
Total	160	132	292

**Table 3: Range, average and dispersion**

Variables	N	Min	Max	Mean	SD
Participative Decision Making	292	2.00	5.00	3.520	0.905
Transformational Leadership	292	1.89	4.11	2.998	0.511
Transactional Leadership	292	1.00	4.00	2.774	0.834

### 4.2 TESTING OF HYPOTHESES

*Hypothesis # 1: PDM is Significantly Associated with TRF and TRS.*

**Table 4: Correlations**

		Participative Decision Making	Transformational Leadership
Transformational Leadership	R	0.752**	1
	Sig. (2-tailed)	<0.001	
Transactional Leadership	R	-0.677**	-0.466**
	Sig. (2-tailed)	<0.001	<0.001

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

**Analysis:** It can be seen in Table 4 that participative decision making has a significant

correlation with both Transformational and Transactional leadership due to their respective p-values (Sig.) <0.001, <0.001. However, PDM has positive correlation with the Transformational leadership ( $r = 0.752$ ), but it has negative correlation with the Transactional leadership ( $r = -0.677$ ). It verifies the relationship that as and when the Participative decision-making increases, it brings an increase in the Transformational leadership, meanwhile it causes a decrease in the Transactional leadership. Hence, the hypothesis is concluded as true that the PDM has significant correlation with the leadership styles (both Transformational and Transactional).

**H2: PDM significantly explains variation in TRF.**

**Analysis:** In Table 5 the value of  $R^2 = 0.565$  shows the overall effect of Participative decision making on Transformational leadership. It means 56.5% variation is being caused in Transformational leadership due to variation in Participative decision making.

**Table 5: Model summary of TRF**

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	S.E	F	Sig.
1	0.752 <sup>a</sup>	0.565	0.564	.33747	375.817	<0.001 <sup>b</sup>

a. Predictors: (Constant), Participative Decision Making

a. Dependent Variable: Transformational Leadership

**Table 6: Beta statistics of PDM on TRF**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		$\beta$	S.E	$\beta$		
1	Constant	1.503	.080		18.882	<0.001
	Participative Decision Making	.425	.022	.752	19.386	<0.001

**Analysis:** Table 6 shows the individual impact of Participative decision making on Transformation leadership, i.e.,  $\beta = 0.425$  (42.5%). It means that if we bring 1 standard deviation change in the participative decision making, it will bring 0.425 standard deviation change in the Transformational leadership. Thus, the hypothesis is accepted as true that PDM affects Transformational leadership.

**H3: PDM significantly predicts TRS.**

**Analysis:** In Table 7 the value of  $R^2 = 0.458$  shows the overall effect of Participative decision on Transactional leadership style. It shows that 45.8% variation is being brought in Transactional leadership due to variation in the Participative decision making.

**Table 7: Model summary of TRS**

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	S.E.	F	Sig.
1	0.677 <sup>a</sup>	0.458	0.456	0.615	244.54	<0.001 <sup>b</sup>

a. Predictors: (Constant), Participative Decision Making

a. Dependent Variable: Transactional Leadership

**Table 8: Beta statistics of PDM on TRS**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		$\beta$	S.E	$\beta$		
1	Constant	4.970	0.145		34.279	<0.001
	Participative Decision Making	-.624	0.040	-.677	-15.638	<0.001

**Analysis:** In Table 8, the individual impact of Participative decision making on Transactional leadership is  $\beta = -0.624$ , which shows that if we bring 1 standard deviation variation in Participative decision making, it will result in  $-62.4\%$  variation in the Transactional leadership style. Here, the negative value of  $\beta$  shows that the participative decision making has negative effects on Transactional leadership style. This is because the participative decision making weakens the role of Transactional leader. Thus, the hypothesis is accepted as TRUE.

Table 9 shows the group statistics (Frequency, Arithmetic mean, Standard Deviation, and Standard Error) of both Male and Female respondents of the study.

**Table 9:** Group statistics (gender-wise).

	Gender	N	Mean	S.D	S.E
Participative Decision Making	Male	187	3.65	0.842	0.062
	Female	105	3.28	0.966	0.094
Transformational Leadership	Male	187	3.05	0.505	0.037
	Female	105	2.91	0.510	0.050
Transactional Leadership	Male	187	2.71	0.828	0.061
	Female	105	2.88	0.836	0.082

*H4: The mean score of male respondents is higher than female respondents.*

**Analysis:** In Table 10, it can be seen that the p-values of Participative decision making and Transformational leadership are 0.001 and 0.022 respectively, falling below the range of 0.05 (maximum allowed error). Whereas, the p-value of Transactional leadership is 0.099 which is quite higher than the maximum allowed error of 0.05. Thus, the hypothesis has got the support of only two variables. Hence, the hypothesis is partially accepted with 2/3 variables' support.

**Table 10:** Independent samples t-test.

Variables		F	Sig.	t	Df	Sig. (2-tailed)
Participative Decision Making	EVA	5.737	0.017	3.416	290	0.001
	EVNA			3.288	192.39	0.001
Transformational Leadership	EVA	0.251	0.617	2.305	290	0.022
	EVNA			2.299	214.13	0.022
Transactional Leadership	EVA	0.086	0.770	-1.655	290	0.099
	EVNA			-1.651	214.07	0.100

Key: EVA – Equal variance assumed; EVNA – Equal variance not assumed

**Table 11:** Group statistics (qualification-wise).

Variables	Qualification	N	Mean	SD	SE
Participative Decision Making	Post-Graduate	160	3.918	0.739	0.059
	Graduate	132	3.041	0.854	0.074
Transformational Leadership	Post-Graduate	160	3.175	0.493	0.039
	Graduate	132	2.785	0.448	0.039
Transactional Leadership	Post-Graduate	160	2.562	0.749	0.059
	Graduate	132	3.028	0.862	0.075

Table 11 shows the group statistics (Frequency, Arithmetic mean, Standard Deviation, and Standard Error) of both Post-graduate and Under-graduate respondents of the study.

*H5: The mean score of Post Graduates is higher than Graduates in PDM & TRF.*

**Analysis:** Table 12 shows that the p-values of Participative decision making, Transformational

leadership, and the Transactional leadership are <0.001, <0.001, and <0.001 respectively, falling below the range of 0.05. Here, in this case, the hypothesis has got the full support of all the three variables. Hence, the hypothesis is fully accepted with the support of all variables.

**Table 12: Independent Samples t-Test**

Variables		F	Sig.	t	Df	Sig. (2-tailed)
Participative Decision Making	EVA	9.913	0.002	9.388	290	<0.001
	EVNA			9.263	260.921	<0.001
Transformational Leadership	EVA	1.100	0.295	7.016	290	<0.001
	EVNA			7.078	286.539	<0.001
Transactional Leadership	EVA	4.005	0.046	-4.939	290	<0.001
	EVNA			-4.875	261.443	<0.001

Key: EVA – Equal variance assumed; EVNA – Equal variance not assumed

## 5. CONCLUSION

Participative decision making is widely suggested as the best tool for employee empowerment and motivation in all types of organizations. It actually enables the organization to capitalize not only on the explicit knowledge but also implicit knowledge of the workforce as well as stay innovative. This kind of work environment is more expected under the transformational leadership style because transactional leadership rather prefers going by the rules and regulations or explicitly documented knowledge of the organization.

From the current research findings, it can be concluded that PDM supports TRF and has a negative link with TRS. It is therefore incumbent for the management to provide PDM environment with transformational styles, for the better performance and popularity of TRF. PDM supports and strengthens TRF and likewise, TRF is the best leadership style to take advantage of PDM. Further, demographic attributes of the respondents are also creating group mean differences in all the research variables. These differences need the attention of the stakeholders to manage the lower scores positively.

## 6. AVAILABILITY OF DATA AND MATERIAL

Data used or generated from this study is available upon request to the corresponding author.

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