



Decision making, leadership styles and leadership effectiveness: An amos-sem approach

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Abstract

Saudi Arabia is going to change its economy operations represented in the vision 2030 of Saudi Arabia. All sectors are contributing significantly in achieving Saudi Vision 2030. To identify the critical areas and challenges faced by leaders address in achieving vision 2030 of Saudi Arabia is an important task. People of Saudi Arabia are very ambitious to achieve the Vision 2030. The Saudi Government is encouraging its citizens with different benefits to get higher education so that they shall be able to run different organizations in the near future. For this purpose many organizations are playing a significant role in developing leadership skills in their workforce so that they become a more productive workforce in future. How to enhance the leader's effectiveness i.e. aims, followers and groups, and how effective decision making is an important tool to bring change is used by leaders to solve problems in organizations. A cross sectional study design was adopted. Structured closed ended questionnaires were distributed to collect the data. It was found that there was no issue of CMB and non-response bias. Also CFA results validated the instruments from a Saudi perspective. Relationships between leadership styles, (Full Range Leadership Theory) leadership effectiveness and decision making was found to be significant. Also, regressions results indicated that decision making moderated the relationship between leadership styles and leadership effectiveness. Decision making is an important tool used by leaders in organizations to bring significant results and leaders of organizations can use it to achieve vision 2030 for Saudi Arabia. This study is valuable and is a primary study conducted on leadership issues and challenges faced by Saudi organizations for achieving vision 2030. All the organizations in Saudi Arabia can benefit from the findings of this study as all leaders in all organizations are making critical decisions and need to know how to enhance their effectiveness in organizations so that their plans can be successfully implemented. The results show that transformational leadership is considered to be a very effective style for leaders to adopt.

Keywords: Saudi Arabia Vision 2030, leadership styles, leadership effectiveness, decision making, Structural Equation Modeling.

Introduction

Leadership is always the attractive topic for researchers, academicians and organizations because it is famous for its power to influence and it is the main tool which leaders and organizations use to get a competitive advantage in the market. Nowadays new leadership approaches are emerging which are effective and used by different organizations' to see the



relationship between leaders and followers and their effectiveness (Khan et al., 2017). Some of the approaches are the Transformational, Transactional and Laissez faire approaches. The main aim of these approaches is to promote the interest of followers, employees, customers, society, community and also subordinates. The second purpose of leadership is to take organizations out of crises situations and make them as profitable as possible and useful for the community in which they operate (Khaola, 2019). Because of such reasons organizations constantly look at leadership to bring changes and more effectiveness into the operations of the business. Nicolaides and Duho, (2019a) say that "...there is much evidence to support the notion that inspirational leadership is inextricably crucial for the functioning of any organization, either in the private or public sector, which is bent on operating as a goal-oriented body within which various individuals work under the coordination of an ethically oriented leader."

One of the ethical aspects of each of the approaches, whether Transformational, Transactional or Laissez faire is that it should bring in feelings of love, tolerance, forgiveness and empathy. Also servant leaders allow their employees to grow, enhance skills and their intelligence. The Social Cognitive Theory of Bandura (1986) explained that people not only learn from their own experiences but they also learn from their environment. According to Kark and Dijk (2007) for employees or followers, their role models are generally leaders in the environment in which they are working at any workplace. New theories on leadership and their effectiveness insist upon the role of leaders and their decision making how they react to mistakes made by employees (Kark & Dijk, 2007). The same applies in Transformational, Transactional and a Laissez faire approach, which explains that how leaders listen to their employees and how leaders help their employees to make decision in organizations and their matters. In this way theorists tried to explain the effectiveness of Transformational, Transactional and Laissez faire approaches. Leaders work for the interest of followers and help them to grow in their careers this is a seed promoting type of function and it helps groups at workplaces to achieve objectives and enhances the effectiveness of decision making of followers (Khan et al, 2018; Nicolaides & Duho, 2019a).

In this study, the researcher unit of analysis were individuals from different organizations and trying to understand their leader's effectiveness, level of decision and how they assess their leaders on the basis of demographic characteristics. For example with increases in change, in age, education, designation, do leaders and their effectiveness change or not? Do their decision making styles changed or not? These are the questions which need to be explored and answered. Previous studies overlooked this area so researchers tried to fill this gap in the literature of Transformational, Transactional, and Laissez faire leadership effectiveness and decision making styles.

Literature Review and Hypotheses Development

Transformational Leadership

The ability of leaders to influence the belief, attitude and values of employees to achieve objectives of organizations by working with them is called transformational leadership. According to Yukl (2002) the process of influencing and bringing changes in attitudes of employees and enhancing the commitment of employees is called transformational leadership. The concept of transformational leadership was first given by Burns (1978) and later on it was extended by Bass (1985). There are five dimensions of transformational leadership, idealized influence attitude, behavior, inspirational motivation, intellectual stimulation and individual consideration. Leadership effectiveness was given by Yukl (2002) later on and this concept of leadership effectiveness was extended by Busari (2011). He claims there are three dimensions of effectiveness, aims, followers and groups. Decision making has two dimensions analytical and intuitive. Analytical people make



decisions on the basis of facts and figures after knowing the complete background of problems and then they are able to make final decisions. On the other hand intuitive individuals make the decision on the basis of experience, judgment, and what is termed a sixth sense (Allinson & Hayes, 1996; Busari et al., 2017).

Busari (2011) found a significant relationship between attributes of leadership styles, leadership effectiveness and decision making. It means that when leaders involve their employees in decision making, it enhances their effectiveness in organizations. Employees feel that they are valuable to organizations and the result is that their motivation is enhanced and they become committed to the mission and vision of the organization. Busari (2011) found a negative relationship with attributes of transformational leadership style and intuition dimension of decision making, while the analytical only has negative and significant relationships with stimulation and attitude. Nicolaides (2016) maintains that managers are not always good leaders. They set objectives and try to implement them but leaders have a unique skills and develop a vision and communicate that vision effectively in order that everyone understands their role in achieving the desired vision.

Managers alter the attitudes of employees and align them according to objectives of organizations by using transformational leadership styles (Rao & Zaidi, 2020). Furthermore, employees are being motivated by transformational leadership styles to deliver their best which is expected by the organizations they serve. In addition Rao and Zaidi (2020) further explained that leader's may improve their effectiveness by allowing employees to take part in the important affairs of organizations by giving their inputs in the form of decision making and problem solving. In the study conducted by different researchers as cited in Rao and Zaidi (2020), transformational leaders are concerned with motivating their followers.

Idealized Influence attitude and Behavior

In this style leaders are taken as role model by their followers i.e. employees. They want to copy the attitude and behavior of their leaders. Leaders have high morals as well as do their employees. In charismatic leadership (Khaola, 2019), leaders having idealized influence and try to bring improvement in their employees and also try to avoid negative outcomes (Nicolaides, 2016; Khan et al., 2017). The personality of the leader, and their characteristics are taken as a role-model type for the followers and team members to become motivated.

Inspirational Motivation

In this style, leaders increase levels of motivation in order to increase the performance of employees. In this style then, the leader encourage employees, allows them to work independently and also works together with employees (Khan et al., 2017). Motivation is used as a tool to enhance the effectiveness of leaders. Furthermore, in this style leaders do not give any tangible benefits to employees but intangible motivation rises to increase productivity and performance, and the quality of work is the main focus of the leaders in this area (Khaola, 2019).

Intellectual Stimulation

In this leadership approach leaders allow the employees to bring new and novel ideas, and they also encourage employees to solve old problem by using new techniques. Actually the main purpose of stimulation is to solve problem and employees must have that ability, creativity, make decisions and it requires full involvement of employees (Khan, Busari & Abdullah, 2018). By doing so leaders give a free and independent hand to followers to think critically and use new methods



to solve the current and future possible problems. Employees become actively engaged and their imaginative, creative and novel ideas are listened to and heard by managers (Khanta & Srinuan, 2019).

Individual Consideration

In this approach opportunities for learning and development are provided to employees by their leaders. Furthermore, the leaders increase the level of skills and confidence by involving their employees in different matters like training and development (Busari, 2011). Personal growth and career development is also used as a technique to bring effectiveness. That is why employees feel being valued as a member of the organization and work as team members to get the target set on time. This further enhances satisfaction, commitment, performance and effectiveness.

Transactional Leadership

This concept was also given by Burns (1978) but later on extended by Bass (1985). In this leadership style, the employees' level of commitment is enhanced by achieving objectives on the promise of some rewards, and these rewards can be monetary, promotion, medical support, travelling, or even flexible working hours. It has three dimensions, contingent rewards, and management by exception and is active and passive. Managers and leaders use different strategies and tactics to motivate employees to achieve targets. Usually managers link the performance with rewards so that employees get motivated and do their best. This is an exchange process which engages managers and followers. Employees are rewarded for their efforts in exchange of benefits, promotion, monetary benefits, flexible working hours etc. This style of leadership is most useful in services, manufacturing, marketing organizations like tourism industries, products and services industries where advertisements and selling of services and goods is essential (Rao & Zaidi, 2020).

Contingent Rewards

Allow the leaders to first explain the objective which he/she want to achieve then leaders provide rewards to followers or employees if they work according to plan and complete tasks on time. In this leadership style, leaders and followers create their relationship as an exchange process, making decisions about linking rewards with performance (Khanta, & Srinuan, 2019).

Management by exception active and passive

In this style leaders monitor their employees continuously and only contact their employees when problems arise. In the active mode, leaders point out the errors on time and give solutions to problems before they become more serious. In the passive mode, leaders play their role after a problem has arisen. Busari (2011) found a positive and significant relationship between contingent rewards, management by exception and leadership effectiveness. Management by exception-passive- does not have significant relationship with leadership effectiveness. Further analysis of results revealed that contingent rewards also have a significant relation with decision making while management by exception has relationships with intuition and not with analytical aspects (Khan & Mughal, 2018).

Laissez Faire Leadership

This is a non-leadership approach. In this approach the leader is unable to participate in organizational matters. It is also called doing nothing or a 'hands-off' approach of leadership. In



this approach leaders keep their distance from employees and do not actively take part in matters. Laissez faire leaders have a very negative relationship with decision making, and it means that when leaders decide not to take part in matters of employees, then there will be more maybe negative involvement of employees. Another inference of this relationship can be that when leaders make decisions and are involved in matters of the organization then there will be no laissez faire style at all. If there is no involvement of leaders in matters then there will not be any decision making and active participation of leaders. The laissez faire style does not have any relationship at all with leadership effectiveness (Bedeian & Hunt, 2006). In this style leaders and managers avoid their duties and do not take any active part in the affairs of organizations. In this style managers remain absent in important matters and decisions get delayed and performance becomes very poor. This leadership style is not useful to any organization (Rao & Zaidi, 2020).

Leadership and Decision Making in Organizations

Decision making is getting more attention so as to increase leadership effectiveness in organizations (Busari, Mughal, Khan, Rasool & Kiyani, 2017; Mughal, Busari & Saeed, 2016). In this study the researcher tries to explore the decision making of leaders on the basis of their demographic characteristics like age, gender, education, designation. Whether these demographics can explain whether increases in age, education and designation can affect changes in decision making or not.

Decision making is getting far more attention in Saudi Healthcare organization nowadays and was absent before. The increasing literature on decision making is of interest to health care organizations and their management figures are very interested to know more about decision making in the workplace (Nicolaidis, 2016; Mukhezakule & Tefera, 2019).

Decision making is clearly very important in organizations. The ability of professionals to be making effective decisions is very important in order to increase the quality of outputs. In order to have a good response to needs of the community, professionals in organizations must be competent and have very good decision making ability (Nicolaidis, 2019). Due to changes in technology, resources and needs of professionals require more autonomy, involvement in decision making, and professionals must be ready to adopt effective leadership styles which help them to solve problems of employees and their stakeholders as critical entities towards sustainability (Khan et al., 2018; Nicolaidis, 2015a).

The two hypotheses of the study

H₁: There is positive and significant relationship between leadership styles, decision making and leadership effectiveness

H₂: There is significant moderating impact of decision making on leadership styles and on leadership effectiveness.

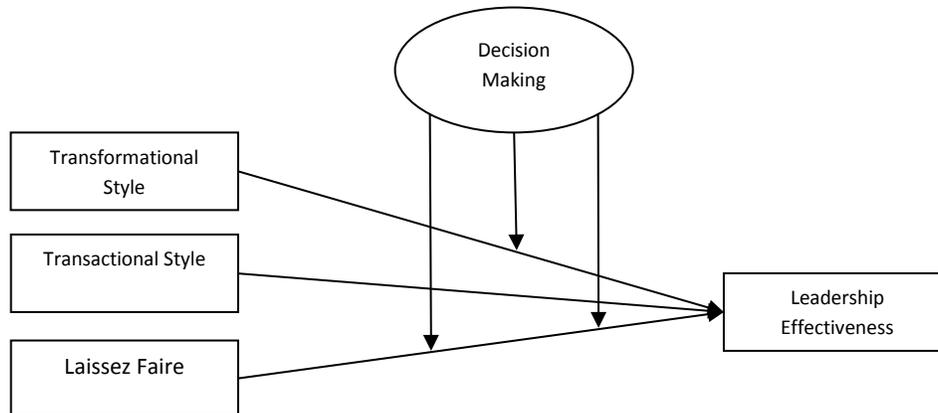


Figure 1. Conceptual Framework

Research Methods

Sampling Technique

The majority of researchers use survey approaches using questionnaires for data collection. This study adopts a deductive approach cross sectional design for collecting the data. A non-probability approach and snow ball technique was used for selecting sample size. Yamane's (1967) formula was used to calculate sample size. Use was also made of Babbie and Mouton's (2010) criteria for selecting sample size. For every one thousand population, ten percent as sample can be taken according to Babbie and Mouton (2010). As, there were three thousand professionals working in three cities of Qassim i.e. Buraidah, Bukairyah and Onaizah, three hundred respondents were selected as the suitable sample.

Instruments

All the instruments were adopted and then adapted. A leadership style and leadership effectiveness instrument was adopted from Busari (2011) and decision making styles were adopted from (Busari & Mughal, 2017; Allinson & Hayes, 1996). All the instruments were measured on a five point Likert scale, for leadership, the Likert scale was 0 for 'not at all', to 4 for 'frequently'.

Multifactor Leadership Questionnaire (MLQ)

Bass and Avolio (1995) developed an instrument for full range leadership styles also called MLQ. There are three variables in MLQ i.e. transformational leadership, transactional leadership and laissez faire styles. For transformational leadership there are five constructs or attributes: idealized influence behavior, idealized influence attribute, inspirational motivation, intellectual stimulation and individual consideration. All constructs were measured on four items ranging from 0-not at all, 1-once in a while, 2- sometimes, 3-fairly often and 4- frequently if not always. A total 20 items were used for transformational leadership. For transactional leadership there were three constructs: contingent rewards, management by exception active and passive. All constructs were measured on four items ranging from 0-not at all, 1-once in a while, 2- sometimes, 3-fairly often and 4- frequently if not always. There were 12 items for transactional leadership style. For laissez faire there were four items, measured ranging from 0-not at all, 1-once in a while, 2- sometimes,



3-fairly often and 4- frequently if not always. Busari (2011) and Khan et al (2018) also validated this instrument in a Malaysian and Pakistani perspective in their studies.

Cognitive Style Index (CSI)

Allinson and Hayes (1996) developed an analytical-intuition cognitive style index CSI used for decision making and problem solving. It has 38 items, 21 for analysis and 17 for intuition. For decision making 1 strongly disagree to 5 strongly agree. This index was also validated by Busari et al (2017) in their study. In that study only 18 items were validated so 18 items of CSI were adopted from Busari et al., (2017).

Leadership Effectiveness (LEQ)

Busari (2011) developed and validated LEQ which has 21 items and three constructs. One is aims, followers and groups. All the variables have seven items. First permission was sought from the organizations and the purpose of study was explained to them. After obtaining the needed permission all ethical concerns were taken into account. Then 350 questionnaires were distributed to professionals after their consent to participate. Three to four days were given to them to answer all the items on booklet. Out of 350, a total of 319 were collected and 18 were incomplete and so these were not used in the analysis.

Data Analysis

SPSS 21 and AMOS-SEM was used for analysis. Descriptive statistics such as mean standard deviation and frequency were used for analysis. Results are given in the Table below. First of all demographic characteristics of respondents were given in the Table 1.

Table 1: Demographic Characteristics of Respondents

Demographics	Characteristics	N	%age
Gender	Male	210	70
	Female	91	30
Qualification	Graduate	99	32.8
	Master	113	37.5
	PhD	89	29.5
Designation	Managers	92	30.5
	Assistant Directors	89	29.5
	Deputy Directors	67	22.2
Age	Directors	53	17.6
	18-25	155	51.4
	26-35	85	28.2
	36-40	45	14.9
Experience	Above 40	6	0.019
	1-20	229	76
	21-35	69	22.9
	35-45	3	0.009

Analysis of results revealed the demographic information of respondents as in Table 1. From Table 1 it is noted that there were 210 males who participated in the study i.e. 70% of total sample



size and 91 female professionals participated in this study which was 30 % of total sample size. Moreover, the majority of respondents had a master’s degree -113 (37.5%) - followed by graduates numbering 99 i.e. 32.8% of sample size. A total of 89 respondents were doctors or had a PhD degree - 29.5%. Further results explained that 92 respondents were managers - 30.5% and this was followed by 29.5% who were assistant directors, and 22.2% who were deputy directors and 17.6% were directors.

Moreover, the majority of respondents - 155 were aged 25 years i.e. 51.4% followed by 28.2% of respondents having an age of 35 years, and 14.9% having ages of more than 40 years. Further analysis of results revealed that the majority of respondents had experience of 1-20 years - 76%, followed by 69 respondents having experience of more than 21 years. See Figure-2

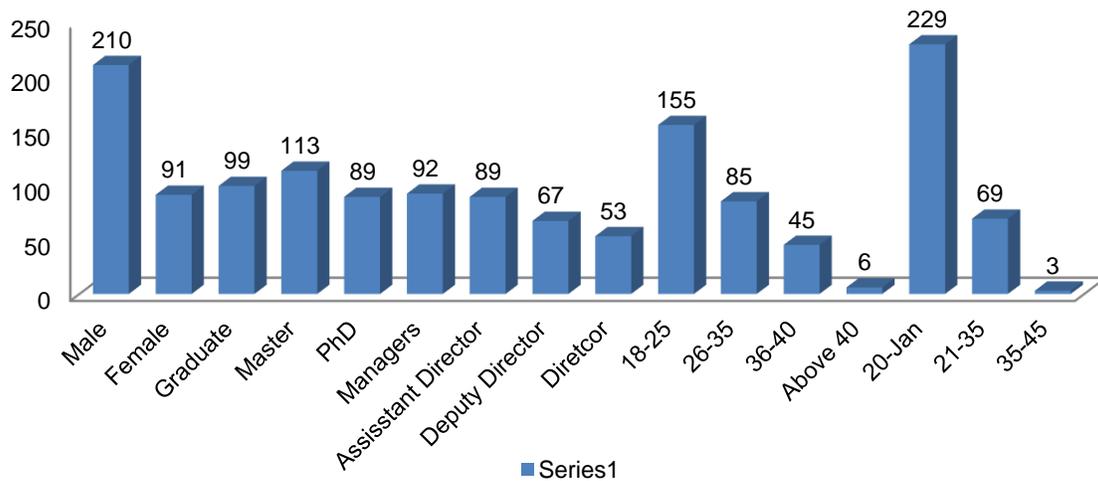


Figure 2. Bar Graph Demographic Information

Table II: Descriptive Statistics of Demographic and Research Variables

Demographics	Characteristics	N	%age	TFL		TRL	
				Mean	S.D	Mean	S.D
Gender	Male	210	70	4.011	0.760	4.06	0.818
	Female	91	30	4.044	0.766	4.18	0.724
Qualification	Graduate	99	32.8	3.967	0.7653	4.040	0.7682
	Master	113	37.5	3.986	0.721	4.168	0.7809
	PhD	89	29.5	4.123	0.8022	4.078	0.8322
Designation	Managers	92	30.5	3.9783	.70287	4.1522	.73282
	Assistant Directors	89	29.5	4.0000	.81534	4.0393	.87003
	Deputy Directors	67	22.2	4.0672	.73286	4.0746	.79893
	Directors	53	17.6	4.0755	.81096	4.1415	.75560
Age	18-25	155	51.4	3.9935	.79362	4.0742	.81143
	26-35	85	28.2	4.0471	.75445	4.1059	.79468
	36-40	45	14.9	4.1111	.68993	4.2111	.77231
	Above 40	6	0.019	3.9063	.68845	4.0000	.65828
Experience	1-20	229	76	4.0153	.72758	4.1223	.77255
	21-35	69	22.9	4.0435	.88176	4.0290	.86553
	35-45	3	0.009	4.0000	0.707	4.0000	0.707



Descriptive statistics of research variables on basis of demographic variables is given in Table II. Mean score obtained for transformational leadership ($M_{TFL} = 4.011$) and transactional leadership ($M_{TRL} = 4.06$) are very similar and this means that leadership styles in organizations are perfectly practiced. Regarding the dispersion of data findings, these revealed that ($SD_{TFL} = 0.760$) and ($SD_{TRL} = 0.818$) are very low and near to each other and it means that respondents show homogeneity in assessment of leadership styles in their organizations. While the mean score for female employees is recorded ($M_{TFL} = 4.044$) and for transactional leadership styles ($M_{TRL} = 4.18$). This means that female leaders prefer transactional leadership more than transformational leadership in organizations when compared to their male counterparts.

Further analysis of results revealed that the majority of respondents had a PhD degree with mean score ($M_{TFL} = 4.123$) while ($M_{TRL} = 4.078$) means that PhD degree holder employees prefer transformational leadership styles as compared to transactional leadership styles followed by respondents having master's and graduate degrees and they prefer a transactional leadership style followed by transformational leadership ($M_{TFL} = 3.98$, $M_{TRL} = 4.168$) graduate ($M_{TFL} = 3.96$, $M_{TRL} = 4.04$).

Further analysis revealed that managers and director's preferred way of leadership style is to follow a transactional leadership style ($M_{TFL} = 3.978$, $M_{TRL} = 4.152$) and director's ($M_{TFL} = 4.075$, $M_{TRL} = 4.1415$) followed by assistant directors and deputy directors. Further analysis of results revealed that all respondents had different age levels and prefer transactional leadership as the mean score for transactional leadership styles is high for all levels of age of the respondents. But respondents having ages between 36-40 had the highest mean score ($M_{TFL} = 4.11$, $M_{TRL} = 4.211$). Respondents having a length of service between 1-20 years showed preference for transactional leadership styles with a mean score of ($M_{TFL} = 4.01$, $M_{TRL} = 4.122$).

Table III: Demographics Information about Research Variables

Demographics	Characteristics	N	%age	LF Mean	DM Mean	LEF Mean
Gender	Male	210	70	4.1190	3.7685	4.0099
	Female	91	30	4.2454	3.6703	4.0266
Qualification	Graduate	99	32.8	4.0923	3.467	3.971
	Master	113	37.5	4.1010	3.5865	3.7971
	PhD	89	29.5	4.1273	3.9824	4.3081
Designation	Managers	92	30.5	4.1413	3.8288	3.8922
	Assistant Directors	89	29.5	4.2434	3.6011	3.8240
	Deputy Directors	67	22.2	4.1144	4.0784	4.6692
	Directors	53	17.6	4.0943	3.3844	3.7217
Age	18-25	155	51.4	4.1699	3.6815	3.9430
	26-35	85	28.2	4.1176	3.7868	4.0745
	36-40	45	14.9	4.1176	3.7868	4.0745
	Above 40	6	0.019	4.0417	3.3516	3.6406
Experience	1-20	229	76	4.1732	3.7863	4.0222
	21-35	69	22.9	4.1014	3.6005	3.9710
	35-45	3	0.009	4.3333	3.5938	3.6667

From Table III it is noted that employees recorded their responses of their leader's leadership style and their decision making and effectiveness of leadership. It is recorded that mean scores of female employees and male employees is higher on laissez faire style and leadership effectiveness ($M_{LF} = 4.11$, $M_{DM} = 3.76$, $M_{LEF} = 4.009$) and for females ($M_{LF} = 4.24$, $M_{DM} = 3.67$, $M_{LEF} = 4.026$) it means that females prefer a laissez fair style of leadership and decision making is less preferred by them in organizations. Further analysis revealed that those respondents having a



doctoral degree prefer laissez faire styles and leadership effectiveness as compared to decision making ($M_{LF} = 4.12$, $M_{DM} = 3.98$, $M_{LEF} = 4.3081$).

Moreover, assistant directors show greater inclination towards a laissez faire style ($M_{LF} = 4.2434$) while deputy directors prefer to have effectiveness leadership ($M_{LEF} = 4.66$). In addition respondents having ages between 18-25 have more inclination towards laissez faire styles ($M_{LF} = 4.1699$) while remaining age groups insist to have effective leadership then leadership styles ($M_{LEF} = 4.0745$). Leaders having experience of more than 35 years use a laissez faire style ($M_{LF} = 4.333$) followed by an experience group of 1-20 years ($M_{LF} = 4.17$) ($M_{LEF} = 4.022$).

Table IV: Model Fitness

S#	RFI	NFI	TLI	CFI	IFI	RMSEA	sig	χ^2	CR	AVE
Model	0.961	0.970	0.984	0.987	0.988	0.036	0.000	1.670		
TFL									0.780	0.473
TRL									0.830	0.619
LF									0.839	0.635
DM									0.817	0.598
LE									0.807	0.583

Table-IV shows model fitness i.e. goodness of fit indices. Measurement model Figure-3 shows that the relationship between transformational and transactional leadership is 0.99 in the same way between transformational and laissez faire it is 0.94. Similarly decision making is 0.89 and while leadership effectiveness is 0.87. In the same way transactional leadership and laissez faire is 0.98, with decision making at 0.90 and LE 0.86, the relationship between decision making and LE is 0.99. All the indices suggested for goodness of fit are meeting the standard criteria by Hair et al (2017). According to Hair et al $RFI = 0.961 > 0.90$, $NFI = 0.970 > 0.90$, $TLI = 0.984 > 0.90$, $CFI = 0.987 > 0.90$, $IFI = 0.988 > 0.90$ and $Rmsea = 0.038 < 0.08$ $p < 0.05$. On the other hand the instruments of leadership, decision making and leadership effectiveness are found to be valid i.e. average variance extracted is found valid and construct reliability is also found to be sound. According to Hair et al (2017) AVE must be higher than 0.5 and CR must be higher than 0.7. In Table-IV all values met criteria only TFL AVE is 0.473 but its CR is higher than 0.780 so there is no issue of AVE.

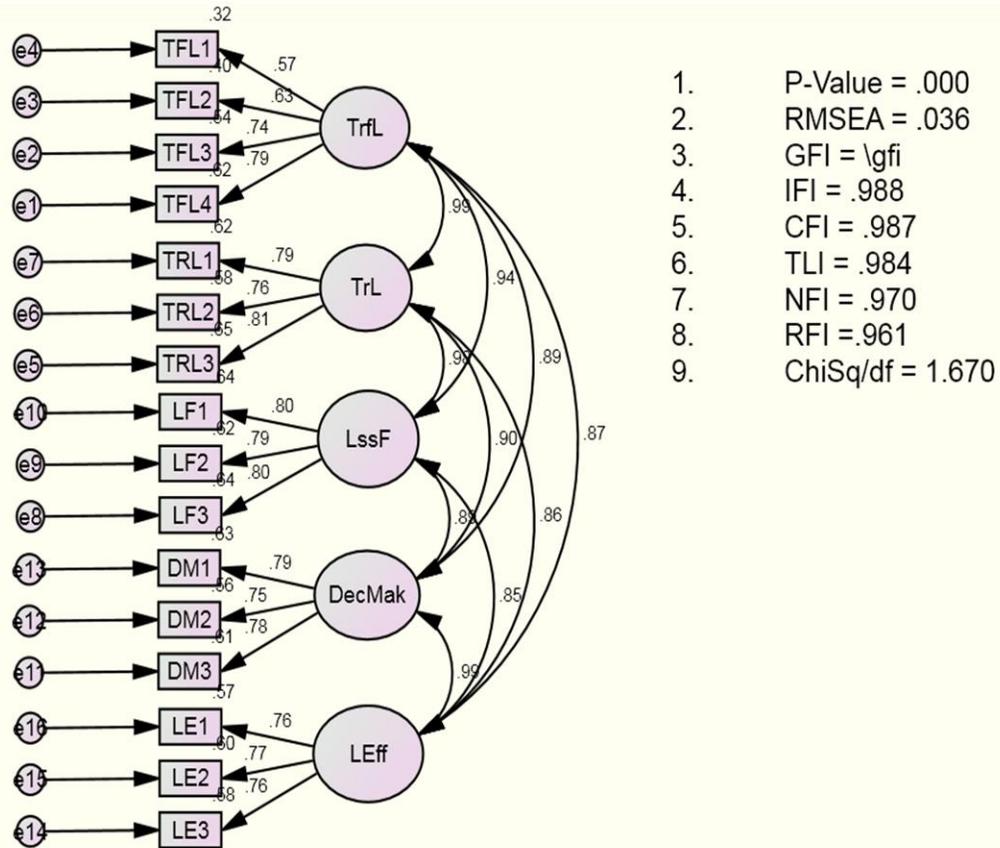


Figure 3. Measurement Model of AMOS-SEM

Table-V: Moderation Analysis

D.V	I.V	R	R ²	Δ R ²	F	β	p
LE	Constant	0.68	0.56	0.23	3232.014		0.000
	TFL					0.53	0.000
	DM					0.49	0.000
LE	Constant	0.38	0.49	0.34	212.456		0.000
	TRL					0.28	0.000
	DM					0.34	0.000
LE	Constant	0.28	0.32	0.21	132.987		0.000
	LF					0.47	0.000
	DM					0.39	0.000
	INT					0.058	0.062

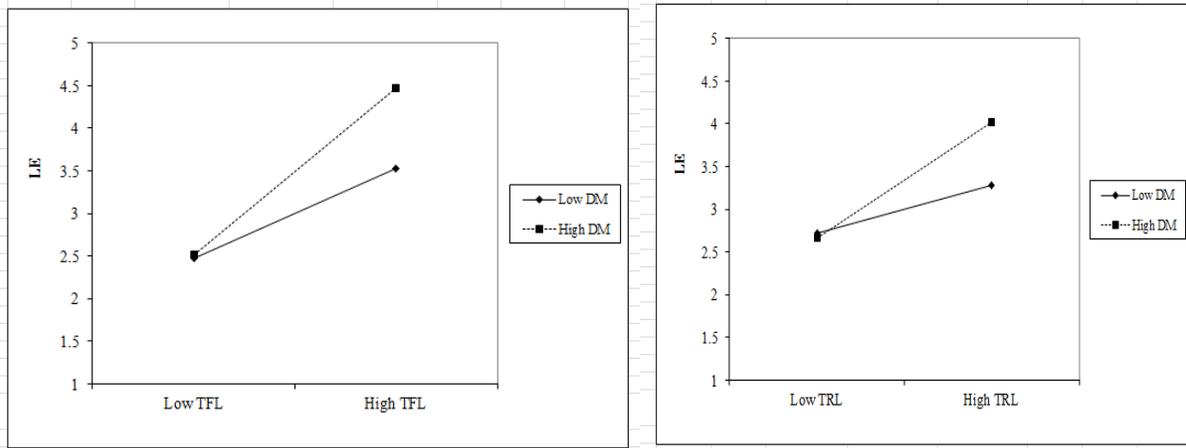


Figure 4. Moderation Graphs

For moderation Aiken and West (1991) procedure was adopted. First mean centered variables were created. Mean of the variables were subtracted from variables and then its mean become 0 and S.D become 1. The purpose of the mean centered variables was to reduce a multi co-linearity issue. The co-linearity issue is raised especially in moderation because product terms are created. Product or interaction terms are created by multiplying independent and moderator variables. Then process file by Hayes is used for moderation process. Decision was made on the basis of change in r square and significant value of interaction term. From the analysis of the results it is revealed that all the variables show significant effects and the model was found fit and the interaction term of transformational and transactional leadership the moderation models are also found fit and significant Table-V. But laissez faire is insignificant. Table-V and Figure-5.

Further moderation plots were created one S.D above and below the mean (Aiken & West, 1991). Plots show that there is moderation higher decision making and permission for participation in decision making processes by leaders makes their leadership more effective. The same is the case for transformational leadership and transactional leadership styles. More participation in decision making could make leadership far more effective. Figure-4

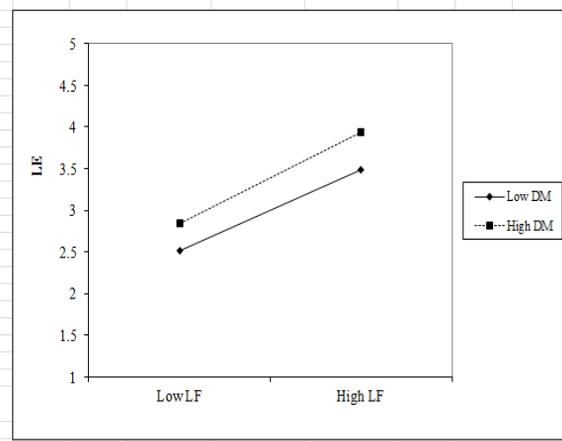


Figure 5. Moderation graph Laissez Faire, Decision Making and Leadership Effectiveness



Discussion and conclusion

The main aim of this paper was to find the difference in mean of leadership, decision making and effectiveness of leadership on basis of demographic variables and the moderating role of decision making on leadership styles and leadership effectiveness. That is, the level of leadership style, decision making style and effectiveness of leadership in organizations. Also, the researcher checked how followers of organizations see their leadership and their effectiveness in organizations. So it is concluded that mean scores of leadership styles and effectiveness are more than decision making. It means that decision making is overlooked in these organizations. This fact is a very alarming situation for management of organizations. They must give far more importance to decision making and also involve their employees in processes of decision making so employees feel that they are being valued by their respective organizations.

This was also checked in AMOS-SEM. it is reported that decision making is more important than leadership styles. It means if the organizations want to bring effectiveness into their organizations they must focus on leadership styles as well as decision making processes in these organizations. So from the above discussion it is clear that leadership has an impact on leadership effectiveness and as well as decision making which is more dominant factor and has more effect on leadership effectiveness. Thus these results are in line with previous studies on Khan, Busari and Abdullah (2018) also the results of Khan and Mughal (2018). There is also significant relationship between leadership decision making and leadership effectiveness and these results are consistent with previous studies of (Al-Dulaimi et al., 2019; Busari, 2011; Khan Mughal, & Khattak, 2017; Rao & Zaidi, 2020) who also found a significant relationship between these variables. Therefore, on the basis of the discussion, hypotheses 1 and 2 are accepted.

Future Directions

There are a few limitation of this study which are further directed to future Studies. In this study full range leadership theory was used and decision making was used as moderator. Future studies may use mediators and moderators like trust in management, organizational change and quality of work as moderators and mediators. The sample size is very small in future bigger sample sizes and longitudinal data is encouraged to report more interesting findings. Researchers can use other dimensions of decision making and use it as a moderator and mediator in order to find more complex situations in the organizations and come up with more sophisticated results.

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