

The Impact of Leadership Styles in the Administrative Decision-Making Process in Jordanian Industrial Companies

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Abstract

The study aims to find out the impact of leadership styles in the administrative decision-making process in Jordanian industrial companies as the hypotheses underlying the research and testing have been formulated through the distribution of a questionnaire on specialists in the Jordanian industrial sector. The study has found that the most common technique in the decision-making process is the authoritarian style as most of the Jordanian industrial companies are owned by the family after which the company is named, followed by the democratic style then the last style, called the laissez-faire style, sometimes called the liberal approach.

The study recommends the adoption of the authoritarian approach in the administrative decision-making process in family-owned companies as most of these companies achieve profits continuously without changing the existing supervisory authorities.

Keywords : leadership styles, administrative decision-making process, industrial sector.

1.Introduction:

Leadership is the essence and the very heart of the administrative process as efficient leadership is considered to be one of the main features by which we can discriminate between successful and unsuccessful organizations. Leadership for the organization can be likened to the brain for human beings that direct the processes of action and reaction and coordinates them according to the surrounding circumstances. It is effective in the environment, operating within it. Effective leadership is deemed to be one of the rare elements, a shortage of which developing and developed communities suffer from. The Different organizations involved in the decision-making process have confirmed that the wrong decision has a cost and this process shall become increasingly important due to the development of decision theory that is currently considered to be a separate science or at least an important branch of modern management science (Hassan, Maher, 2004, p31) . Administrative decision-making is the fundamental, basic function of the company director. The success achieved by any organization depends primarily on the capacity and efficiency of its administrative leaders and their understanding of administrative decisions and approaches to decision-making, in addition to the concepts that ensure the rationality and effectiveness of decisions, the importance of clarity, time and work in its implementation and follow-up evaluation

1.1 :Problem of Study

The Jordanian industrial sector suffers from some difficulties and challenges in administration, especially with regards to the administrative decision-making process which does not correspond to a desirable situation at the time being or in the future or to any need to change the objectives of the activities of the system.

Hence the research problem is to identify the most important and common leadership styles in the administrative decision-making process for Jordanian industrial companies.

1.2: Research Hypotheses:

There is no statistically significant relationship at the level of $(0.05 \geq \alpha)$ between the democratic style and the administrative decision-making process for Jordanian industrial companies.

There is no statistically significant relationship at the level of $(0.05 \geq \alpha)$ between the authoritarian style and the administrative decision-making process for Jordanian industrial companies.

There is no statistically significant relationship at the level of $(0.05 \geq \alpha)$ between the laissez-faire style and the administrative decision-making process for Jordanian industrial companies

1.3: The Study Importance

The study acquires its importance from the fact that it deals with a vital sector from the financial and statistical point of view as there are 75 industrial companies whose shares are traded on the stock market .

1.4: The Study Objective

- 1- to identify the most common, important leadership styles in Jordanian industrial companies.
- 2- to show the impact of leadership styles on the administrative decision-making process in Jordanian industrial companies.

2.1: Leadership concepts:

Leadership has received special interest for its role in life and survival and so literature on leadership indicates the importance of leadership since the emergence of human society. Its importance has expanded with the emergence of formal and informal organizations and regulations. This fact is the reason for our introduction in this chapter, which is to explore the concept of leadership, basic approaches to its study, its importance for modern organizations and its relationship to the administrative process, as well as its principles. (Salem bin Saeed Al-Qahtani, 2008, p.5)

1.3: Definition of leadership

Ibn Darid has mentioned in his definition of leadership that it is a noun derived from the verb "to lead" as in: a man leads his camel. and also from the meaning of "to guide" and "to go in the first place". (Mahmoud Salman Al-amian, 2008, p 257)

It was explained in the works of Al-Sahah in language and science that it is derived from the word "cord" which is a rope for pulling animals. Thus leadership implies access to the means required in order to avoid obstacles and pitfalls and the leader should avoid obstacles by gaining access to the means.

Idiomatically, the definition of leadership differs somewhat among scientists as leadership in ancient times was a symbol for personality traits and special abilities granted by the Almighty God to certain people ... whether mental, physical or moral. However, in the present era, it has changed to cope with the requirements of modernization and its different specific and specialized activities as it is not possible to rely solely on personal qualities since special skills are required by different organizations, each according to its activity. Therefore, some management thinkers and scholars differ on the definition of leadership, even though they are not far from the overall framework of meaning (Mahmoud Salman Al-amian, 2008, p. 258)

4.1: The role of administrative leadership of the organization:

Much of the thinking on administration has concluded that leadership is the essence and heart of the administrative process and that it is the key to management. Further, they believed that the importance of its position and role stems from the fact that it plays a key role in all aspects of the administrative process, making administration more dynamic and effective and working as a driving tool for achieving its goals. (Nawaf Kanaan, 2007, p. 111)

The importance of management lies in considering it to be a social and administrative necessity, as the success of any administration cannot be expected without it. However, successful leadership is the source of the organization's success as every task in the administration requires thought, absorbing the various components of the organization and investing such absorption to the degree that allows the maximum utilization of these components. This may be achieved directly by communications, directions and personal contact between the leader and subordinates or indirectly through the subordinates' participation in administration to achieve the organization's objectives. Without a doubt, successful administrative leadership is the safety valve that exceeds the constraints of management, and prevents the transformation of implementation management into deaf structures without any potential. Therefore, while it has been said that the life and spirit of the organization does not stem from its organizational structure, they do stem from the characteristics of administrative leadership, to some extent. (Bahgat, Dr. Abdullah, 2008 p. 120)

4.1: Leadership styles

Authoritarian leadership: this type of leadership is sometimes called autocratic leadership, based on the term derived from Latin "Autocratic or Authoritarian Leadership". The history of the philosophy of leadership dates back to the beginning of the formation of communities in past eras when the strong and powerful exploited the labor of the weak for their benefit. The strong tribe dominated the weak tribes; the powerful country colonized the weak countries. At the individual level, the story of Habil's murder of his brother Kabil is an example of such authoritarianism, as well as the authoritarian approach of Hajjaj bin Yusu or the Quraysh tribe on the other

Arab tribes, in addition to the control of former colonial powers such as Britain, France and other countries of the weak countries at that time, and this situation prevailed throughout the Middle Ages and during the feudal era in the form of the concept of dominator and dominated. Then the industrial revolution took place, during which administration was characterized by the dominance of the traditional school of leadership however it did not emerge from the concept of authoritarian leadership, considering the worker as part of the machine and only an element of production. (Salem bin Saeed Al-Qahtani, 2008, p. 78)

The authoritarian leadership philosophy originates from the principle of the autocrat's belief in their right to force workers to perform on the basis of their official authority, granted by regulations and laws, which has to be initiated and used as tools for the control of and pressure on the workers to achieve the organization's objectives. Thus, the authoritarian leader is characterized by arbitrary behavior, based on intimidation through threats and punishment. Hence, the autocratic leader does not usually care about the workers' opinions and considers them to be an attempt to avoid working.

Laissez-faire leadership: this leadership style is sometimes called liberal, autonomous or unguided leadership or the leadership of non-intervention, which are all derived from Latin "Laissez-faire Leadership". This philosophy of leadership appears to be a reaction to authoritarian leadership as some thinkers believe that if a leader can be authoritarian, he may also be liberal, thus it is the opposite of authoritarian leadership. Whereas the leader with an authoritarian leadership style attempts to control people and impose orders and instructions, the laissez-faire leadership style is quietly adopted, particularly after the failure of authoritarian leadership to achieve its objectives. Thus, the leader often grants individuals full freedom of action and their performance is guided according to their own discretion. In so doing, the leader relinquishes his authority to make decisions by not controlling them directly, but by delegating his authority to his followers on a large scale and becoming a coordinator of the administration, expressing opinions and giving advice when necessary. (Salem bin Saeed Al-Qahtani, 2008, p. 81)

Democratic leadership: This style of leadership is also called participative leadership. The emergence of this leadership style was an outcome of authoritarian leadership, which froze ideas and paralyzed development and creativity. The laissez-faire leadership style also led to confusion due largely to conflicting goals and passions and the leader's abandonment of guidance and counseling. Democratic leadership solved this problem, expressed in the extremism of the two previous leadership styles mentioned above. The leader in democratic leadership leaves the channel of communication completely open with workers and grants them full confidence and thus participates with them in making decisions and encouraging them to express their opinions so as to serve and benefit the community. This trend in leadership stems from the principle of considering feelings and needs, respecting ideas, and the belief in the importance of the compatibility between the interests of subordinates and the interests of the organization (Kamel Al-Maghraby, 2004, p. 425)

Kanaan indicates that democratic leadership has three main pillars: establishing personal relations between the leader and his followers, involving subordinates in some of the leadership tasks, and delegating authority in a way that serves the organization and helps in achieving its goals. We can summarize the most important characteristics of this kind of leadership as follows (Nawaf Kanaan 2007, p. 182)

The leader cares about subordinates' feelings and develops personal relations with them.

The leader allows subordinates to participate in making decisions due to the great confidence he has in them.

The leader tries to convince subordinates rather than forcing them and thus shows respect for them and interest in their work.

The leader develops some independence for his followers by sharing work with them and in this way responsibility is shared by all of them and not just a few.

The leader possesses a great deal of flexibility and adaptability by engaging his followers in different aspects of power and responsibility.

5.1: Phases of the administrative decision-making process:

In spite of the plurality of opinions in determining the steps and stages of the decision-making process, five key phases for this process can be determined, including sub-steps, depending on the circumstances of the problem's reality, namely (Al Ghalibi and Al Ameri, 2009: 63): **Phase of problem identification:** This is the phase of identifying the problem and can be done in several ways, including detecting errors through censorship or reports.

Phase of gathering information about possible alternatives for solving the problem: Each decision is based on a set of alternatives and thus the size, quality and source of the required information on each alternative must be determined.

Phase of evaluating alternatives: This process is usually carried out by setting priorities for the implementation of each alternative according to a set of criteria, including: the cost of alternative, required time for implementation, implications of the alternative, (whether positive or negative), the degree of acceptance of the alternative by subordinates for the purposes of implementation and the degree of risk involved in the implementation of the alternative.

Choice of the most appropriate alternative and the implementation of the solution: The process of differentiation among the available alternatives and selection of the most appropriate alternative is carried out according to objective criteria and considerations, as outlined by the leader during the selection process and the most important of these criteria is the capacity of the alternative to achieve the specific goal or goals or to provide the most participation in its achievement.

Implementation follow-up: In order to make sure that the alternative selected is going according to plan and also for dealing with any obstacles to the implementation process. This may sometimes involve cancelling the decision, replacing it with another decision, modifying it, or suspending its implementation until the difficulties are overcome. There is a clear relationship between leadership styles and the administrative decision-making process, which is a continuous process starting from defining the problem, gathering information, searching for alternative solutions, selecting the best alternative, and ending with implementation and follow-up.

6.1: Characteristics of administrative decisions:

The decision-making process is one of the most important administrative processes and in order to make this process effective, it has specific characteristics that distinguish it from other administrative processes such as (Ashram, 2009: 116):

Mental process: Decision-making is primarily a rational thought-process that needs a lot of time and deliberation.

Targeted process: A target is only a means for achieving certain goals in the resolution of a certain problem or situation and decision-making is also an inherent characteristic of leadership in setting a certain goal to be achieved by the leaders.

Selection process: This means that the selection process is based on weighing criteria and trade-offs among the alternatives available to the decision-maker so as to reach a suitable solution.

Complex process: This process is complex, involving selection criteria and the surrounding environment of the decision, the requirements and circumstances and also the people around which the decision-making, implementation and impact are focused.

Human process: The decision-making process is related to the human side, whether of the decision-makers or those affected by the decision.

Future process: The effects of decision-making appear in the future and thus the decision-maker should have future vision including information about the past and present in order to make a good decision.

7.1: Obstacles facing administrative decision-making:

The administrative decision-making process faces obstacles that compromise its rationality and these obstacles may be summarized as follows: (Al Qaisi, 2004, p. 122)

The tyranny of social and personal considerations imposed by the lobbyists and the dominant management and labor bodies and organizations, which in turn lead to a lack of objectivity in decision-making.

The impact of political and economic considerations on objective decision-making, where we find that political parties play a big role, in addition to the lack of sufficient economic potential to modernize public administration, and provide them with advanced technology.

The inflexibility of applicable laws and regulations in institutions, which were appropriate in certain circumstances and suitable in the past, but are no longer suitable for the promotion of industrial development. In contrast, institutions may suffer from rapid change in instructions and regulations since workers are destabilized when the rules they understand and work under are modified or cancelled.

Poor oversight and lack of follow-up on the implementation of administrative decisions, and because these decisions may be implemented in the wrong way, intentionally or unintentionally, which leads to a loss of credibility in decision-making.

The extreme centralization and lack of authority in the decision-making process which undermines the spirit of responsibility between leaders and workers. This may be due to psychological reasons, expressing the resistance of senior management to delegate capacities and powers, and restricting them in their own hands.

The lack of information, lack of accuracy and updates, the absence of modern equipment and methods for information collection, storage and coordination, the multiplicity of official bodies involved in the administrative decision-making process, the duplication and inconsistency in the decisions taken by the departments involved in the terms of reference, the lack of schematic awareness, the lack of managerial competence among the staff of administrative bodies in general and administrative leadership in particular, the lack of coordination, the lack of effective communication systems leading to fragmentation of efforts and ignorance of decisions taken by the sections and divisions of the one organization, the lack of attention to the element of time, the absence of scheduling methods, the lack of follow-up of international decisions, the fear of responsibility and the reluctance of some decision-makers to take bold initiatives and confront problems and conditions.

Al Qasi (Al Qaisi, 2004, p. 75) indicates some of the difficulties inherent in the decision-making process, namely:

Difficulty in understanding the position of administrative management: Grasping the facts of the problem along with its different aspects represents half of its solution and difficulty in doing so implies the lack of necessary information or confidence in the accuracy of the information.

Difficulty in identifying the elements of the problem or the relationship between them: The leader concentrates upon inconsequential or secondary elements or there may be ambiguity between the elements themselves.

Weak conclusions and recommendations: This depends on the ability of the leader to relate and link the conclusions with the problem's solution, in addition to forming specific recommendations and developing them to reach the desired solution.

1.2: Study sample:

The study sample consists of 170 male and female employees of industrial companies in the Hashemite Kingdom of Jordan.

The results for the first hypothesis of the study stipulate that there is no statistically significant relationship at the level of $(0.05 \geq \alpha)$ between the democratic style and administrative decision-making process at the Jordanian industrial companies.

In order to verify the first hypothesis of the study, the researcher has used the Pearson correlation coefficient to detect the relationship between the democratic style's dimension from among the leadership styles on the one hand and the process of administrative decision-making for Jordanian industrial companies on the other hand. Schedule No. (1) shows the results of the analysis.

Schedule (1)

The results of the correlation coefficients between the democratic style's dimension from among the leadership styles and the process of administrative decision-making for Jordanian industrial companies

Dimension	Administrative decision-making process	Explained contrast ratio	Significance level
Democratic style	0.81**	656%	0.013

The results of the analysis of the previous schedule indicates that there is a positive centrifugal correlation of significance between the democratic style's dimension from other leadership styles and the administrative decision-making process as the correlation coefficient is (0.81), which is statistically significant at the level of $(0.01 \geq \alpha)$, explaining the variance percentage of (656%) and indicating that the democratic style is used in the administrative decision-making process in Jordanian industrial companies.

The results for the second hypothesis of the study stipulate that "there is no statistically significant relationship at the level of $(0.05 \geq \alpha)$ between the authoritarian style and the administrative decision-making process at the Jordanian industrial companies.

In order to verify the second hypothesis of the study, the researcher has used the Pearson correlation coefficient to detect the relationship between the autocratic style's dimension from the leadership styles on the one hand and

the process of administrative decision-making for Jordanian industrial companies on the other hand. Schedule No. (2) shows the results of the analysis.

Schedule (2)

The results of the correlation coefficients between the authoritarian style's dimension from among the leadership styles and the process of administrative decision-making for Jordanian industrial companies

Dimension	Administrative decision-making process	Explained contrast ratio	Significance level
Authoritarian style	0.98**	964%	0.00

The results of the analysis of the previous schedule indicates that there is positive centrifugal correlation of significance between the authoritarian style's dimension from other leadership styles and the administrative decision-making process as the correlation coefficient has reached to (0.98), which is statistically significant at the level of ($0.01 \geq \alpha$), explaining the variance percentage of (964%) and indicating that the authoritarian style is common in the administrative decision-making process in Jordanian industrial companies, signifying that most companies are family-owned .

The results for the third hypothesis of the study stipulate that "there is no statistically significant relationship at the level of ($0.05 \geq \alpha$) between the laissez-faire style and the administrative decision-making process in Jordanian industrial companies.

In order to verify the third hypothesis of the study, the researcher has used the Pearson correlation coefficient to detect the relationship between the authoritarian style's dimension from among the leadership styles on the one hand and the process of administrative decision-making for Jordanian industrial companies on the other hand. Schedule No. (3) shows the results of the analysis.

Schedule (3)

The results of the correlation coefficients between the laissez-faire style's dimension from among the leadership styles and the process of administrative decision-making for Jordanian industrial companies

Dimension	Administrative decision-making process	Explained contrast ratio	Significance level
Laissez-faire style	0.25**	0625%	0.16

The results of the analysis of the previous schedule indicates that there is no positive centrifugal correlation of significance between the laissez-faire style's dimension from other leadership styles and the administrative decision-making process as the correlation coefficient has reached to (0.25), which is not statistically significant at the level of ($0.01 \geq \alpha$), explaining the variance percentage of (0625%) and indicating that the laissez-faire style is not used in the administrative decision-making process in Jordanian industrial companies.

2.2:Recommendations

1. The necessary financial and material potential for the process of administrative decision-making should be provided and leadership styles should be considered to be strategic priorities in the industrial sectors.
2. Data and information relevant to the problem should be collected, since effective decision-making depends on the ability of the leader to obtain the maximum amount of accurate, recent data and impartial information and to analyze them appropriately.
3. The democratic leadership style should be strengthened and subordinates should be involved in the decision-making process in order for their opinions and suggestions on implementation problems to be known.
4. Jordanian industrial companies are seeking to provide technology and modern and appropriate requirements for access to the best alternatives for administrative decisions.

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