

Investigating the Relationship between Leadership Styles and Quality Management Practices

Muhammad Haroon Rehan¹ Dr. Zahid Awan² Irfanullah Khan³

1. Manager, Meezan Bank, Dera Ismail Khan Branch, Khyber Pakhtunkhwa, Pakistan

2. Department of Business Administration, Gomal University, Dera Ismail Khan, KP, Pakistan

3. Department of Public Administration, Gomal University, Dera Ismail Khan, KP, Pakistan

Abstract

Leadership styles and quality management practices play an important role in organizational success. Leadership styles have deeper impact in designing, formulating and implementing organizational strategies to cope with the technological development. Very few studies investigate the relationship between leadership styles and quality management practices. Most of these research works is conducted in developed countries and little literature was found in the developing countries like Pakistan. In the current research study, the researcher conduct it in small and medium enterprises sector of Pakistan to validate the relationship between transformation, transactional leadership styles and quality management practices. For this purpose data was collected from a sample (150) of employees working in small and medium enterprises like banking sector through questionnaires that was adapted from previous research studies. Data was then entered into SPSS in order to apply the different statistical tools and testing of hypothesis. Results indicate that all the variables have significant and positive relationship. In the direct relationship transformational leadership was strongly associated with implementation of quality management practices, while transactional leadership style was less associated to quality management practices.

Keywords: Leadership styles, Quality management practices & Small and medium enterprises

1. INTRODUCTION

The present research leads to explore the relationship among leadership styles and quality management practices. The current study focuses on examining the impact of transformational and transactional leadership on Quality Management Practices (QMP) in the Small and Medium Enterprises (SMEs) sector in Dera Ismail Khan, Khyber Pakhtunkhwa, Pakistan. Quality management practices are the basic ingredient of Total Quality Management (TQM) and play a significant role in development of the country. Though, the empirical evidence about the quality management and leadership styles is well explored by researcher but still it is bit confusing that which type of leadership is the most suitable to SMEs (Antonakis, Avolio and Sivasub, 2006).

In contemporary period, normally known as globalized world where each organization needs to get aggressive edge over others by executing advance systems and modernized ideas of QMPs (Bass, Avolio, Jung & Berson, 2008). In light of the review of relevant literature, in this regards, the question arises that which specific kind of leadership can suit to small and medium enterprises sector? The literature revealed that the categorized quality background impacts the overall quality related changes that high ups create and that the influential association backing the variables, past quality execution, administrative information and outside quality demands (Saqib, Irfan, Qamar and Farooq, 2015). Current research study characterizes quality management practices as either base or centre to quality management practices.

1.2 The Problem Statement

Pakistan is developing country that stands up to various issues of different natures for smooth running of it advancement. One of the real issues in its advancement is in powerful leadership style and additionally absence of worldwide quality practices in the SMEs sector. Leadership styles have incredible impact toward viable usage of QMP in developing nations such as Pakistan. The present study will investigate one of the vital inquiries identified with viable usage of these quality management practices what sort of specific leadership style is most suitable toward actualizing quality management practices in small and medium enterprises.

1.3 The objectives of the Study

Current research study will helpful is giving answer to the different aspects (importance, influence and affects) of leadership styles and its association with other behavioural issues facing by SMEs in adaptation process of quality management practices. In present study our main objective is to study the type of current leadership practices in SMEs and their relation toward implementation of QMP. Following are the main objective of this research work;

1. To explore the current style of leadership in SMEs of Dera Ismail Khan, Khyber Pakhtunkhwa, Pakistan.
2. To examine the existing practices related to quality management in small and medium enterprises.
3. To find out association between different leadership styles and quality management practices in SMEs.
4. To explore the impact of leadership styles and quality management practices in small and medium

enterprises.

1.4 Significance of the Study

- Leadership assumes a vital part in overhauling the quality management in the organizations and its significance increases if it is implemented significantly in small and medium enterprises.
- In context of developing countries the significance of leadership effect over small and medium enterprises due to the part it plays in country advancement. That is the reason it is a vital point to be explored for organization improvement.
- Present research study will assume an imperative part in understanding the way of essential leadership styles for applying QMP in SMEs sectors in Dera Ismail Khan, Khyber Pakhtunkhwa prospective

1.5 List of Hypothesis

Hypotheses	Tools for Analysis	Code
Transformational and Transactional leadership has significant relationship with QMPs.	Correlation	H ₁
There is significant impact of Transformational and Transactional leadership upon QMPs.	Regression	H ₂

2. LITERATURE REVIEW

2.1 The Leadership

Leadership is a topic that has been deeply researched and studied, since it has an important role in the managerial context. The first phase of studies in leadership concentrated on the traits and characteristics of successful leaders (Avolio & Bass, 1995). These early studies focused on personality traits, social traits and physical individualities that differentiated non-leaders from leaders (Foels, Driskell, Mullen & Salas, 2000). The second phase of leadership studies concentrated on leadership behaviour or leadership style. Many of these studies attempted to determine which behaviours are exhibited by effective and ineffective leaders (Avolio, Bass, Walumbwa & Zhu, 2004). These studies investigated the relationship between leader behaviour and subordinate performance and subordinate satisfaction (Bligh, Coles, Sims, Faraj & Yun, 2010). The results of these studies about leadership behaviour were “that there is no one best style of leadership”. This suggested the need to investigate leadership behaviour in different situations (Abdul & Fatimah, 2015).

2.2 The Leadership Styles

For as far back as three decades, a couple of transcendent leadership styles (transactional and transformational leadership) have gotten a lot of consideration (Kent & Chelladurai, 2001). Leadership was the manner for individual, who acts, empowers and backings to employees and helped representative to finish errands which employees and superiors become standardized (Avolio & Bass, 2004). It likewise characterized that leadership as an influence relationship in the middle of leaders and supporters who expected genuine changes and results that reflex their ordinary objective (Jayasingam & Cheng, 2009). Leadership implied that the best approach to deliver an unmistakable vision, give the fearlessness to their subordinates, made the point of interest through coordination and correspondence (Senthamil & Palanichamy, 2013). The writing uncovered that leadership was the procedure by which the leader impacts their employee to accomplish organizational objectives.

2.2.1 The Transformational Leadership

Transformational leadership has been well thought-out as the most noticeable point in the exploration and theories of leadership. The transformational leadership is characterized as the procedure of seeking after aggregate objectives through the shared tapping of leaders' and devotees' thought process bases toward the accomplishment of the proposed change (Avolio, Zhu, Koh & Bhatia, 2004). The transformational leadership can be seen when leaders and devotees make one another to progress to a more elevated amount of good and inspiration (Limsila & Ogunlana, 2007). The transformational leadership changes devotees to transcend their self-enthusiasm by adjusting their spirit, goals, hobbies and qualities, rousing them to perform superior to anything at first anticipated (Simosi & Xenikou, 2010). The leader and supporter collaboration is known as the transformational impact procedure and it is likewise alluded to as transformational leadership. Transformational leaders delegate assignments as open doors for development (Nazem & Hadadpour, 2013).

2.2.2 The Transactional Leadership

The related writing exhibited that transactional leadership make the premise for connections in the middle of leaders and devotees as indicated by determining desires, clearing up obligations and giving acknowledgment and prizes with a specific end goal to accomplish the normal execution (Antonakis, Avolio & Sivasub, 2003). Transactional leadership eludes to an amount of leadership structures which accumulation the trade happens between the pioneer and workers which conveys a common advantage to them (Bass & Riggio, 2006). The

transactional leadership additionally implied that supporters concur with, acknowledge, or go along from the pioneer in return for applause, rewards, and assets or keeping in mind the end goal to maintain a strategic detachment from disciplinary activity (Chiun, Ramayah & Wei, 2009). After rewards and acknowledgment to give the supporters, can make the adherents to complete their parts effectively and assignments (Zhu, Sosik & Ronald, 2014).

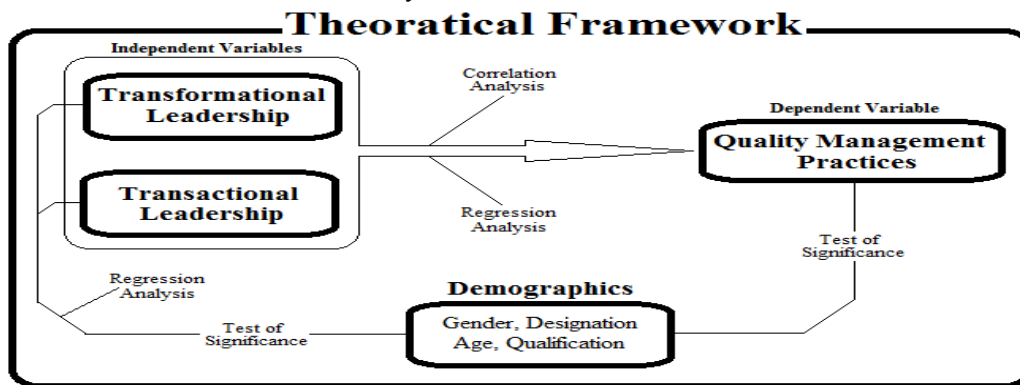
2.3 The Quality Management Practices

Quality management guarantees that an organization, entity or administration is predictable. It has four principle parts: quality arranging, quality control, quality affirmation and quality change (Bergman & Klefsjo, 2004). Quality management is engaged on item and administration quality, as well as on the way to accomplish it. Quality management, thusly, utilizes quality certification and control of procedures and items to accomplish more reliable quality (Goldberg & Cole, 2006). Quality management is a late marvel. Propelled human advancements that upheld expressions of the human experience and methods permitted customers to pick merchandise meeting higher quality standards as opposed to typical products (Chowdhury, Paul & Das, 2007). The scholarly leaders established a further framework for quality management including angles like standardization and embracing enhanced practices (Rohaizan & Tan, 2011). Henry Ford was additionally essential in bringing procedure and quality management practices into operation in his sequential construction systems (Alharabi & Yousaf, 2014).

2.4 The Small and Medium Enterprises

Small and medium enterprises in Pakistan have dragged in various specialists however examinations about them are still generally restricted in extension and not incorporated in nature (Parker & Wright, 2001). Small and medium enterprises speak to a vital part of the business sector in Pakistan. Notwithstanding their monetary significance, research on small and medium enterprises is still restricted and disregarded (Murri & Sohag, 2004). In spite of the huge increase in learning in the regions of management, for example, money, advertising, human asset, operation/generation, and vital management, very little of these management disciplines have been used by scientists in examining small and medium enterprises (Chew & Chan, 2008). Small and medium enterprises are generally obliged by their size, their absence of specialized aptitude, of administrative time, and of monetary assets and their human asset constraint (Ali & Sharafat, 2013).

Figure 1.1 Theoretical Framework of the Study



3. RESEARCH METHODOLOGY

3.1 Survey Approach

An examination of the social research methodologies suggests that survey is the handy tool for the researchers to gather essential information utilizing questionnaire and interview about the discernments and mentalities of respondents. It is noted some place that survey approach is the “most of the time utilized method of perception as a part of the social sciences” (Babbie, 2001:256-257).

3.2 Population & Sample

The universe or population is the whole gathering of things in which the researcher is intrigued and wishes to want to summarize. “A populace is a gathering of the considerable number of components about which the researcher attempt to make inferences (Levin, 1984:9)”.

3.3 Data Collection Methods

Secondary Sources: All research definitely includes the utilization of the book, leaflet, periodical and narrative materials in libraries. Clearly, no research project can be attempted without this preliminary overview. Nor ought

to one be embraced without information of the research that has as of now been done in the field (Goode & Hatt, 1952:103).

Primary Sources: An organized questionnaire was prepared by first extricating variables and their related characteristics from the broad writing survey. The survey incorporated the research and demographic variables. The research variables are the transformational leadership, transactional leadership and the quality management practices. A 5-point Likert scale was utilized to record the responses.

3.4 Tools for Data Analysis

Descriptive Tools: Graphs, tables, and charts that show information with the goal that they are simpler to understand are all illustrations of clear measurements (Levin, 1984:4) hence the researcher have utilized distinctive tables and graphs to speak to elucidating information about the respondents and in addition the variables used to examine the disposition of the workers.

Testing of Hypotheses: The researcher has used inferential tools to test the hypotheses regarding the relationship among the variables. Multiple tools were applied to test the hypothesis about the relationships between the research variables, the demographic attributes of the respondents as well as the relations between the research variables themselves. Following tools have been applied:

- Correlation analysis
- Regression analysis (Multiple Regression & Stepwise-Regression)
- Tests of Significance (t-Tests & ANOVA applications)

4. FINDINGS AND DISCUSSIONS

4.1 Association of the Predictors and Criterion Variables

Hypothesis # 1 Leadership Styles are Highly Associated with Quality Management Practices

Table 4.1 Table of Correlations

		Transformational	Transactional	Quality Management
Transformational	Pearson Correlation	1	.071	.288**
	Sig. (2-tailed)		.411	.001
	N	135	135	135
Transactional	Pearson Correlation	.071	1	.250**
	Sig. (2-tailed)	.411		.003
	N	135	135	135
Quality Management Practices	Pearson Correlation	.288**	.250**	1
	Sig. (2-tailed)	.001	.003	
	N	135	135	135

Analysis

The above table shows that there is significant positive correlation between the transformational, transactional and the quality management practices. The results further show that strongest correlation is between the transformational and quality management practices with p-value (.001) while the second positive significant association is between the predictor that is transactional and the criterion variable that is quality management practices with p-value (.003). Whereas there is no significant association is found between the predictors itself. The hypothesis # 1 is therefore accepted as true and substantiated.

These findings suggest that quality management practices in small and medium enterprises in District Dera Ismail Khan are more linked and dependent on the transformational aspect of the leadership style due to high p-value of correlation (.001). These findings also suggest that transactional aspect of leadership style has minimum role in defining and implementing the quality management practices in small and medium enterprises. These findings are also supported by the previous researches conducted from time to time (Nguyen, 2004; Antonaros, 2006; Claver et al., 2008; Kaur, 2012; Adawiyah & Parmuka, 2013 and Alharabi & Yousaf, 2014).

4.2 Cause-n-Effect Relationships

Hypothesis # 2 Leadership Styles Determines the Quality Management Practices

Table 4.2 Model Summary (H₂)

Model	R	R Square	Adjusted R Square	F	Sig.
1	.368 ^a	.136	.123	10.364	.000 ^a

a. Predictors: (Constant), Transactional, Transformational

b. Dependent Variable: Quality Management Practices

Table 4.2a Coefficients of Regression (H₂)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.149	.316		6.798	.000
	Transformational	.250	.075	.272	3.348	.001
	Transactional	.133	.047	.230	2.838	.005

a. Dependent Variable: Quality Management Practices

Analysis

The above table (Model summary) shows that 14% change in the criterion variable (Quality Management Practices) is explained by predictors (Transformational & Transactional) leadership styles. However, both the predictors are significant with p-values .001 and .005 respectively but Transformational leadership style is more significant than the other one. It shows that Transformational leaders try to encourage employees to work like team players for the sake of quality improvement and quality implementations. Furthermore, Transactional leaders clarify the responsibility for achieving targets assigned to the employees in order to regularize system of monitoring and performance against some set standards for achieving the assigned tasks. The hypothesis # 2 is therefore accepted as true and substantiated.

To endorse the significance of the predictors as dynamics for adapting quality management practices is shown in the correlation (table 4.6). Both types of the relationships that is the association and the cause and effect of the research variables have been supported by the previous studies conducted from time to time (Laohavichien, 2007; Laohavichien et al., 2009; Antonaros, 2010; Mohammad & Rushami, 2012; Alharabi & Yousaf, 2014).

5. CONCLUSION

The present study examined the effect of leadership styles on QMP implementation, and to determine the underlying instrument behind this relationship in Pakistan small and medium banking sector. Right now the research concentrates on identified with leadership is of more prominent significance as a result of its more profound effect over quality practices, by and large and organizationally. For the researchers of operation management, it is of more prominent significance to question to reply of reasoning included in leadership styles and quality management practices relationship. Fewer studies explored the relationship between these two variables in the connection of SMEs in Pakistan. That expands the enthusiasm of researcher to uncover data in point of interest and give strong and fitting theoretical establishment.

The present study revealed very intriguing results about practically utilization of leadership styles (Transactional and Transformational) in small and medium enterprises in the connection of Pakistan in light of the fact that formerly just few studies stress the relationship between these leadership styles and QMP. The present study underline upon the significance of leaders part in Pakistan small and medium enterprises banking sector for reshaping the conduct of their employees and giving suitable standards to thrive QMP. The outcomes from this research found that top management support, organization for quality and representative interest are the most elevated components and the least are measurable quality system use and supplier quality management. Numerous research results have exposed that top management responsibility and leadership, instruction and preparing are the most vital components in an effective implementation of quality management practices.

5.1 Contribution of the Study

The current research study makes the contribution to the existing literature on leadership (transformational and transactional) and quality management practices.

- It adjusts the fundamental impacts of leadership styles on QMP implementation. Results demonstrate that both style of leadership has more noteworthy effect over quality management practices implementation in small and medium enterprises banking sector.
- Similar results were found on test of us by prior researchers. This is one of the crucial commitments of study that despite the fact that our small and medium enterprises banking sector have more grounded history of quality management practices.
- Pakistani enterprises accentuate on quality management practices by receiving suitable conduct of leadership with the main plan to maintain their development in the present study both style of leadership are unequivocally connected with quality management practices.
- Another fundamental commitment of the study to direct culturally diverse research the majority of the leadership studies are led in the setting of developing nations. So our research study make an essential alternative for the researchers in the field of leadership and quality management to think about the relationship between leadership and quality management practices in various locales and likewise examine the component behind their prosperity.

- Similarly transformational leadership likewise assumes an imperative part in reshaping conduct of representatives of contributes in organization achievement. Prior studies accentuate on the significance of transformational leaders conduct suitability for organization individuals part/obligations.

In this manner finding of momentum research study will help management researchers and understudies to adjust the hypothetical model. And can likewise help troughs to oversee in right heading by right style of leadership. Our study was led in SMEs sector. And in today's globalized world the part of SMEs is more imperative. So it is an essential stride in the time of constantly expanding rivalry of organization on the premise of employees' dedicational/ motivational part.

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