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Journal of
**Humanities &
Social Sciences**

JHSS XXIII, No. 3, 2015 (December)

Leadership Processes and Employee Attitude in HEIs: A comparative study in the backdrop of Likert's Systems Theory

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Abstract

Present study was conducted to make a comparison among leadership processes and employee attitude in public and private sector organizations in the light of Likert's System 1-4 Organizational Theory. This theory indicates that System 1 is led by autocratic leadership processes which manifest negative employee attitude and System 4 is more towards democratic side showing a positive employee attitude. Three universities from each sector in Islamabad region having Social Sciences and Management Sciences departments were randomly selected and 200 faculty members were taken as sample of the study. An Opinionnaire having 36 statements in two subscales was used to collect data. Its psychometric properties were determined and Chronbach's alpha .89 confirmed its reliability. Data analysis revealed that public sector organizations come under the domain of System 3 and private sector in System 2 in leadership processes. Employee attitude and leadership processes were positively correlated in public sector and negatively correlated in private sector. 83% of the variance in leadership processes was due to employee attitude in both the sectors. It was concluded that if organizations want a shift towards System 4 which is the most productive form of an organization, they have to focus upon leadership training as leadership processes directly effects employee attitude which manifests in a positive or a negative manner.

Keywords: Leadership processes, employee attitude, Likert's System 1-4 Organizational Theory

Introduction

Organizations can be defined as social entities which are set up for the purpose of accomplishing collective goals which are predetermined through mutual consensus of organizational members. Organizations are considered as social units having individuals who strive hard for fulfilment of collective goals under the supervision of various organizational structures. These structures ensure coordination among tasks and members who have responsibility and authority to carry out these tasks (Senge, 2006). Goonan & Stoltz, 2004 have stated that organizations have varied nature but constitute following mutual characteristics:

- a) A well-defined hierarchy
- b) Division of labour in a judicious manner
- c) Regulations and rules for designated positions and authority as well as responsibility associated with it.
- d) Social relationships
- e) Standard operating procedures for carrying out different tasks
- f) Recruitment and compensation procedures
- g) Managerial and administrative processes being carried out either in a democratic or an authoritative manner.

Keeping in view above mentioned characteristics, we can say that organizations are social networks having various communication channels working under a leadership. As organizational members are an integral part of organizations, so their attitudes, needs and interests also influence organizational working.

Due to diversity of opinions about a specific definition of organizations, scholars have defined them according to their own perceptions and experiences. Robbins, 1998 suggested that definition of organization is like a “construct”- meaning differently to different people according to their perceptions and experiences in distinct ways. Nowadays scholars try to define this entity through its characteristics such as leadership processes, decision making processes, communication processes, motivation processes, group loyalty, employee attitude, trust and confidence etc. Leadership processes may occur on two extremes of the same continuum. At one end lies democratic processes related to leadership whereas on the other end are authoritative processes. These processes depend upon the styles and philosophy of the organizational leadership.

Saari & Judge, 2004 argue that leadership processes lead towards positive or negative employee attitude. Attitude of an employee is actually the way s/he feels about his/ her higher ups, colleagues and their own job positions in the

organization. This attitude is reflected through employee behaviour. It is also dependent upon the leadership processes being carried out in the respective organization. For example, if leadership processes are democratic in nature; positive employee attitude such as job satisfaction is manifested. But if authoritative leadership processes prevail, then absenteeism and turnover intentions are reflected in the work environment.

Likert, 1979 has studied the leadership processes in depth and then divided them into an array of four systems. He concluded that on one side of the continuum is autocratic leadership and on the other end is democratic leadership. He sub divided this continuum into four systems and concluded that employee attitude is very much dependent upon the leadership processes being manifested in the organization.

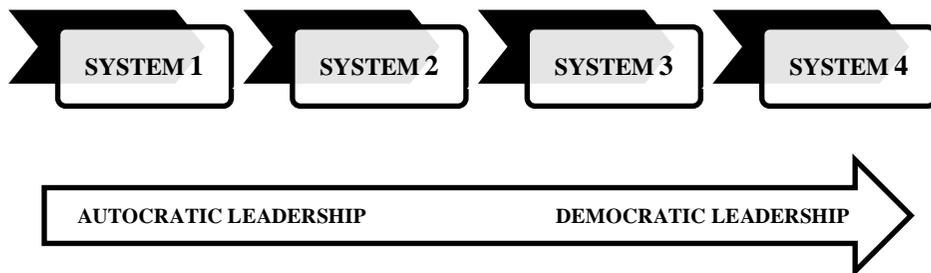


Figure 1: Leadership Continuum (Source: Likert, 1979)

System 1 organization reflects autocratic processes of leadership in which decision making is totally centralized, communication flow is uni-directional and always top down so employee attitude is also negative in nature. System 2 is less authoritative than System 1. System 3 is less democratic in leadership processes as compared to System 4 organization. Employee attitude is positive in system 4 organization and their performance as well as productivity is up to the maximum.

Literature Review

Leadership processes

Leadership processes work as a social influence in which subordinates are assisted and supported in accomplishing predetermined goals of organizations. Conger, 1992 argues that a leader has the qualities of establishing direction for his followers, gaining commitment towards task accomplishment and setting

motivation parameters for goal achievement. Stogdill, 1974 states that employees get motivational influence from leadership processes which helps and guides them in the right direction. If the leadership processes are democratic in nature, employees show commitment and trust towards organization but if such processes are autocratically reflected, then employees have a turn over intention. Bass, 1990 argues that leadership processes are present in every organization and they help in motivating towards task accomplishment. Similarly Kouzes & Posner (1995) have the opinion that leadership processes serve as a tool to mobilize organizational members to work and strive for the achievement of shared aspirations.

Autocratic leadership processes versus Democratic leadership processes

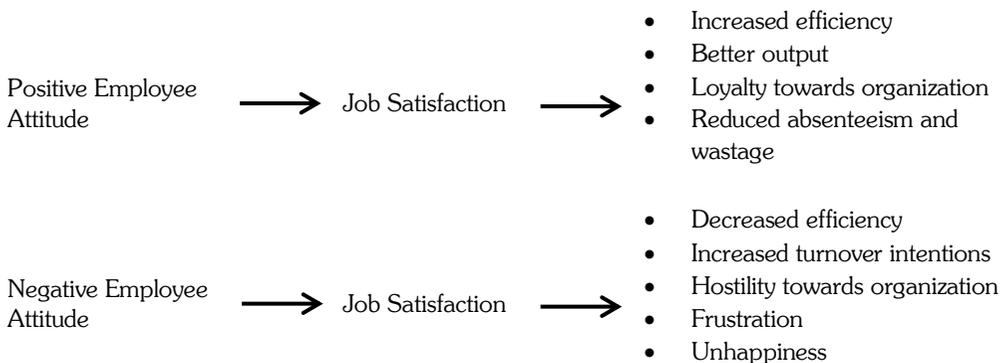
Strict control and no participation in decision making are the major characteristics of autocratic leadership processes. Employees are given very less chance to show their own skills and creativity and they have to follow strict rules and regulations. Close over shoulder supervision, fear, threat, coercion are basic ingredients of such leadership processes. Employees show a negative attitude such as demotivation, job dissatisfaction, absenteeism and turn over intentions in such organizations where autocratic leadership processes are being carried out. Likert's system 1 and system 2 organizations are true examples of such leadership processes (Dunlap & Goldman 1999; Eilickson & Logsdon 2001)

Democratic leadership processes encourage employees to participate fully in decision making processes. Employees are encouraged to take initiatives and their ideas are highly sought if found worthy enough. Enthusiasm, motivation, creativity and initiatives are fostered under democratic leadership processes. Employees feel acknowledged when their creativity is appreciated thus creating a conducive environment for them to work with full zeal (Miao et al 2014). Wood and Wallace, 2004 indicate that Democratic leadership processes result in improved employee motivation and morale, reduction of turnover intentions, increased work performance and lesser grievances at all managerial levels. It can be easily assumed that as the leadership processes changes from autocratic side towards democratic side, so does the employee attitude. Employee attitude is negative and resistant towards autocratic leadership and positive in nature towards democratic leadership processes.

Employee Attitude

Employee attitude is manifested as his / her feelings about the work place, job and whole work environment. Employees reflect their attitude through their behaviour in the work place, their dealings with colleagues and the super ordinates. This

behaviour can be positive or negative depending upon the work environment and magnitude of leadership processes. A rapid change in organizational structures has been observed in this era. Many factors including leadership processes are dominant factors in influencing employee attitude. Researchers have concluded that a positive correlation lies between employee attitude and democratic leadership whereas a negative correlation was found between autocratic leadership and employee attitude. Researchers have argued that job commitment, involvement and job satisfaction are positive employee attitudes whereas turnover intentions, job dissatisfaction and absenteeism are negative employee attitudes (Tepper, 1994; Posdakoff et al, 1996; Hartog & Van, 1997; Hater & Bass, 1998; Trot & Windsor, 1999).



Employee commitment and involvement shows up when organizations have got satisfied and self-directed workers. It is based upon the leadership philosophy and processes of participation at various managerial levels of the organization. Apostolou, 2000 and Khattak et al, 2013 suggest that employee attitude is easily observed through employee engagement and employee disengagement. Employee engagement shows that employees are satisfied with their work environment whereas employee disengagement indicates that lack of motivation exists among employees. Positive employee attitude leads towards increased job satisfaction, creativity and job commitment. All these variables result in improved organizational performance and healthy organizational climate.

Several researchers have concluded that leadership processes tend to have a strong correlation with employee attitude. Leadership processes influence employees' decision about staying with the organization or not. Employee attitude manifests in a positive manner if their leadership processes include trust and confidence over them, shows interest in their well-being, equity and justice prevails and work place

and psychological closeness exists among superordinates and subordinates (Samad, 2006; Shamsuzzoha 2009; Arokiasamy 2013).

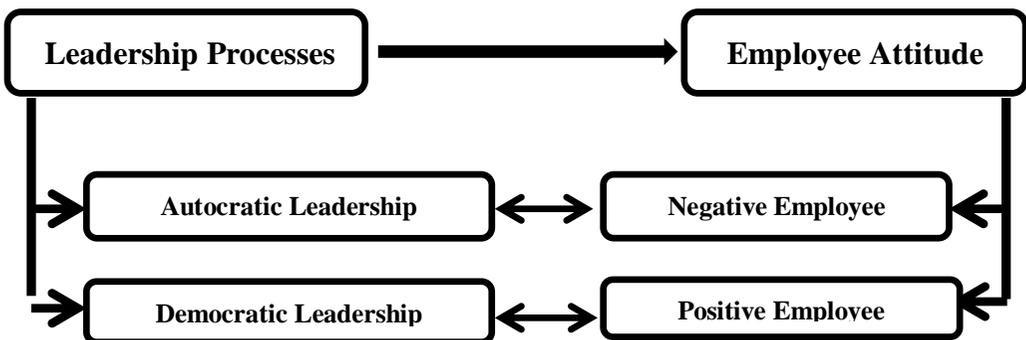
Statement of the Problem

In order to build responsive, productive and high performing organizations, a deep understanding of the leadership processes prevailing in these is necessary. The employee attitude also acts as a forceful variable to determine the nature of any organization and its efforts towards democratic leadership processes. The present study was aimed at exploring leadership processes, categorizing them as per Likert's Systems theory, investigating employee attitude and making a comparison of these two variables in public and private sector Higher Education Institutes.

Research Objectives

1. Categorize leadership processes in public and private sector HEIs as per Likert's theory.
2. Investigate employee attitude in both sectors.
3. Correlate employee attitude with leadership processes in both the sectors.
4. Compare leadership processes and employee attitude in both the sectors

Conceptual Framework



The conceptual frame work of this study indicated that leadership processes can be occurring as autocratic or democratic processes in organizations. If these processes are autocratic, then negative employee attitude is manifested but if they are democratic then positive attitude prevails among employees. So in this research study, leadership processes were taken as independent variable and employee attitude was taken as dependent variable.

Methodology

It was a comparative descriptive study so quantitative approach was applied. Further details related to population, sampling technique and sample size of the research study are as follows:

Population , Sampling Technique and Sample size

This study was delimited to Islamabad region only, so population of the study included all the departments of 13 public sector and 04 private sector universities of Islamabad region. List of these universities was taken from the website of Higher Education Commission and a detail about the faculty was retrieved from the offices of respective universities.

As the researcher had less resources and limited time so stratified random sampling technique was applied to select sample of this study. Public sector and private sector were considered as two major strata of the study from which comparison among responses could be retrieved. Three universities having Social Sciences and Management Sciences departments from each sector were randomly selected as the sample. Proportionate stratified sampling was done to obtain same proportion as a sample as it existed in the total population. As exact number of teaching faculty was available, 100 from public sector and 100 from private sector were randomly selected which comprised 10% of the population (Krejcie & Mogan, 1970; Gay et al, 2001; & Cohen, 2005).

Research Instrument

An Opinionnaire consisting of 40 statements was constructed on 5 point Likert scale and was pilot tested on 40 respondents for its validation. This Opinionnaire had two sub scales namely Leadership Processes and Employee Attitude. Psychometric properties of the research instrument were determined through reliability and its validity. It was given to three experts of the field who validated it thus bringing down the statements to 36 in number as there was an overlapping of 04 statements. Reliability of this instrument was determined through pilot testing. Results of the reliability analysis are as under:

Table 1: Alpha reliability coefficients of the Opinionnaire (n=40)

Subscales	Items	Alpha Coefficient
Leadership Processes	18	.89*
Employee Attitude	18	.86*
Overall reliability (Cronbach's Alpha)	36	.89*

*p<0.05, **p<0.01

Leadership processes sub scale had 18 items and an alpha reliability coefficient of .89 which was significant at .05 level. Whereas the other subscale was named as employee attitude and it had reliability of .86 where p<.05 level. Overall reliability of the Opinionnaire was .89 which was highly significant at .05 levels.

Table 2: Split Half Reliability of the Opinionnaire (n= 40)

Cronbach's Alpha	Part 1	Value	.89*
		N of Items	18
	Part 2	Value	.88*
		N of Items	18
	Total	N of Items	36
	*p<0.05 **p<0.01		

Split half reliability analysis was done to reconfirm the internal consistency of this instrument. The results were interpreted as first part had .89 reliability whereas second part had .88 reliability at p<.05. This indicated that tool was highly consistent and reliable for data collection.

Table 3: Inter Scales Correlation of the Opinionnaire (n= 40)

Subscales	1	2
Leadership Processes	1	-
Employee attitude	.85*	1

*p<0.05 **p<0.01

Inter scale correlation of the 2 subscales of this Opinionnaire was computed through SPSS in order to determine the construct validity. The above table indicates that both the sub scales have a strong positive correlation of .85 with each other at p<.05.

Results

Analyses of subscales related to leadership processes and employee attitude revealed following results:

Table 4: Leadership process in public and private sector HEI. (n=200)

Sector	N	Mean	<i>t</i>	<i>df</i>	<i>P</i>	<i>Cohen's d</i>
Public	150	22.17	13.89	298	.02*	.88
Private	150	15.25				

* $p < 0.05$

Summary of the t-test conducted on the responses obtained on leadership subscale from public and private sector organizations clearly indicated that there was a major difference in the responses (Public M= 22.17, Private M= 15.25). *t* value = 13.89 (298) is significant at $p = .02$ whereas it is lesser than .05 level. The effect size value $d = .88$ suggested that a high significance was observed. It could be concluded that public sector organizations have more democratic leadership processes as compared to public sector organizations as the mean score for public sector responses was higher as compared to private sector responses.

Table 5: Employee attitude in public and private sector HEI (n=200)

Sector	N	Mean	<i>t</i>	<i>df</i>	<i>P</i>	<i>Cohen's d</i>
Public	150	23.32	9.99	298	.03*	.83
Private	150	14.73				

* $p < 0.05$

An independent samples t test conducted to test the difference in responses related to employee attitude in both sectors indicated that a major difference is found in the public sector mean score = 23.32 and private sector mean score = 14.73 whereas *t* value 9.99 (298) is quite significant at $p = .03 < 0.05$. According to these readings employee attitude in public sector is inclined towards positive side whereas in private sector due to autocratic processes, employee attitude is manifested in a negative manner. The value of effect size $d = .83$ is also moderately significant in this t-test table.

Table 6: Correlation Matrix of Leadership processes with Employee Attitude in public and private sector HEI. (n=200)

	Public		Private	
	1	2	1	2
Subscales	1		1	
Leadership Processes		1		1
Employee Attitude	.81*	1	-.79*	1

* Correlation is significant at the 0.05 level (2-tailed)

Correlation matrix indicates that leadership processes and employee attitude have a positive correlation coefficient with each other in public sector ($r=.81$, $p<.05$) whereas the responses of leadership processes and employee attitude show a negative correlation with each other in private sector ($r= -.79$, $p<.05$)

Table 7: Simple Linear Regression model showing the effect of Leadership processes on employee attitude (n= 200)

Independent Variable	Dependent Variable	β	t	Sig	R^2
Leadership Processes	Employee Attitude	.093	8.65	.000	.83

Dependent variable: Employee Attitude

Independent variable: Leadership Processes

This model indicates R^2 value is .83. It means that independent variable leadership processes explains 83 percent of variance in the dependent variable employee attitude and rest of the variance may be described by some other factors. The beta coefficient of leadership processes is .093 at .000 level of significance which clearly indicates that one unit increase in this predictor variable increases employee attitude by .093 units on the average. As the beta value is positive so it can be concluded that predictor and the dependent variable of this model are directly related to each other.

Discussion

Organizations serve as social entities which have been set up to accomplish pre-set objectives. Organizational members pursue collective goals under the leadership of their higher ups. Accomplishment of organizational goals require fulfillment of certain managerial processes such as decision making, communication and motivation. If the leaders trust their subordinates and delegate them responsibility as well as authority to accomplish the required organizational tasks, then employees feel motivated and acknowledged to do their job roles to the fullest,

otherwise they dislike their work environment and show lack of motivation. Public and private sector organizations carry out their managerial functions differently as public sector organizations are non-profit and private sector organizations are for-profit social entities. Major objective of this study was to explore and categorize the leadership processes and then to correlate them with the employee attitude prevailing in both the sectors. Data analysis revealed that leadership processes of public sector organization come under the category of System 3 and that of private sector organizations fall in the domain of System 2 as per Likert's Organizational Theory. Results indicate that leadership processes are people oriented in public sector so the employees show full commitment towards organizational constituents whereas employees distrust leadership processes in private sector (Akhter & Butt, 2002). Mester et al, 2003 also suggested that due to participatory leadership in public sector, employees showed more work commitment, less turnover intentions and no absenteeism. It means that leadership processes re towards more democratic end on the leadership continuum in public sector whereas in private sector they are inclined more towards autocratic side. The analysis related to employee attitude also states that employees show a more positive attitude in public sector as compared to private sector; the reason being more democratic environment prevailing in public sector. Colley, 2001 has also supported this view point in his research study stating that leaders of public sector organizations are more motivated to develop organizational culture through employee effectiveness so they put more focus towards participation at all levels of management. Goleman, 2001 and Mentop, 2011 have argued that apart from democratic leadership processes, sometime authoritarian leadership also work best. This scenario is most productive when the employees have less experience and are untrained. So we have to consider the work experience and training of our employees before involving them in participative managerial processes otherwise they may feel threatened and want to quit the job. So before implementation of participative leadership processes, such factors have to be considered also.

Conclusion

At the heart of organizational environments lie the leadership processes which determine the nature of that organization. These leadership processes correlate positively with employees' attitude and the resultant is employee satisfaction, employee motivation and employee trust or vice versa. In this study, employee attitude and leadership processes regressed positively with each other also meaning that if leadership processes were democratic, employee attitude was positive which reflected that public sector was in the category of System 3 and private sector was in the category of System 2 organization. If organizations want to shift towards System 4, they have to take into consideration following measures:

1. Leadership training to be carried out on frequent basis at all managerial levels so that leadership skills are developed fully.
2. Leaders have to create authentic relations with their employees by improving participation in decision making and delegation of duties.
3. Leaders may empower their subordinates and enable them to accept newer challenges which can keep them motivated.
4. Leadership processes should be such which reflect a positive attitude of trust and confidence towards employees as it is a two way process.
5. Continuous feedback and acknowledgement helps in promoting positive work environment and ultimately it goes a long way in improving overall system of any organization.

Suggestions for future research

1. Due to time and financial constraint, this study was carried out in Islamabad region only. It can be extended to other geographic regions also.
2. Comparative analysis on demographic variables such as qualification, experience, designation and gender may be explored in public and private sector organizations.

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