INTERACTION BETWEEN LEADERS AND FOLLOWERS AS AN ANTECEDENT OF JOB PERFORMANCE: AN EMPIRICAL STUDY IN MALAYSIA

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Abstract

Organizational leadership literature highlights that interaction between leaders and followers has two major features: participative style and consultative style. The ability of leaders to properly implement such leadership styles has a significant impact on job performance. Even though the nature of this relationship has been studied, little is known about the role of interaction between leaders and followers as an antecedent of job performance people oriented leadership research literature. Therefore, this study was conducted to measure the effect of interaction between leaders and followers on job performance using 100 usable questionnaires gathered from employees who have worked in one city based local authority in Sarawak, Malaysia. Outcomes of stepwise regression analysis showed two major findings: first, relationship between participative style significantly correlated with job performance. Second, relationship between consultative style significantly correlated with job performance. Further, this result demonstrates that interaction between leaders and followers does act as a full antecedent of job performance in the leadership behavior model of the studied organization. In addition, discussion, implications and conclusion are elaborated.

Keywords: Participative Style, Consultative Style and Job Performance.
JEL classification: L20, M12, M52
1. INTRODUCTION

Leadership style refers to leaders’ actions or behaviors where they may use their formal authorities to establish work groups and affect them to support organizational strategy and goals (Bryman, 1992; Jong & Hartog, 2007; Robbin & Coulter, 2002). In the early of industrial revolution in US and Europe, organizational leadership style is strongly affected by traditional management thoughts (i.e., scientific management and bureaucracy theories) which uphold a mechanistic based leadership style in managing organizations (Bennis & Nanus, 1985; Robbin & Coulter, 2002; Yousef, 2000). For example, under this mechanistic approach, leaders give most focus on initiating structure, defining group activities, concerning with production, practicing autocratic, and prioritizing goal attainment and focusing on production (Bass, 1999; Bycio et al., 1995; Hartog et al., 1997; Howell & Avolio, 1993). In practice, this leadership style is commonly implemented in organizations that operate in a stable market environment, focus on internal organizational environments and less emphasize on high performing human resource practices (Bartol & Martin, 1994; Ivancevich & Matteson, 1993; Robbins & Coulter, 1996). If leaders can properly practice these styles this may help to motivate followers to perform current job, but it does not sufficient to attract, retain and motivate competent followers to increase organizational competitiveness in a dynamic marketplace (Bass, 1999; Bycio et al., 1995; Howell & Avolio, 1993).

In an era of globalization, dynamic changes that occur outside and inside organizations have encouraged leaders to shift the paradigms of their behavior from a traditional mechanistic to humanistic based leadership style in order to achieve organizational strategies and goals (Bass, 1990, 1994, 1999; Howell & Avolio, 1993). This leadership style is strongly affected by human relation, psychology and contingency perspectives which emphasizes on the quality of interaction between leaders and followers, such as consideration, mutual trust, participatory decision-making, interaction oriented, consultative, democratic and concern with people (Amabile et al., 2004; Avolio et al., 2004; Bartolo & Furlonger, 1999; Bass, 1999). In practice, it is widely implemented in organizations that operate in a dynamic market environment, focus on external competitiveness and emphasize on high performing human resource practices (Amabile et al., 2004; Bass, 1999; Hartog et al., 1997).

Humanistic based leadership style has two salient elements: participative style and consultative style (Amabile et al., 2004; Campbell Bommer & Yeo, 1993; Jong, & Hartog, 2007). Participative leadership style is generally viewed as leaders often work closer and involve all levels of their followers in making decisions. While, consultative leadership style is broadly seen as leaders who always request the opinions and idea of their follower in establishing goals and task assignments (Bass, 1990, 1994, 1999; Bennis & Nanus, 1985; Jong & Hartog, 2007; Likert, 1967). Extant research in this area reveals that the ability of leaders to able to properly implement participative style (i.e., consultation, empowerment, joint decision-making and power sharing), and consultative style (i.e., leaders appreciate followers’ opinions and ideas in goal settings and task assignments) in planning and administering organizational functions may positively affect job performance (Amabile et al., 2004; Bass, 1999; Jong & Hartog, 2007). Job performance is often seen from two major elements: task and contextual performance (Bohlander et al., 2001; Eysenck, 1998; Ismail et al., 2009). Specifically, it may be viewed as a function of the capacity to perform, the opportunity to perform, and the willingness to perform. The capacity to perform relates to the extent to which an employee possesses task-relevant skills, abilities, knowledge, and experiences. The opportunity to perform is viewed as a critical element in the performance process. The
willingness to perform is seen as the degree to which individual employees’ desire and will to put high effort in order to meet motivation to perform job demands (Eysenck, 1998; Robbins & Coulter, 2005). Thus, the combination of those elements may lead to a higher job performance (Bohlander et al., 2001; Ismail et al., 2009; Maathis & Jackson, 2000).

Although the nature of this interaction has been studied, little is known about the influence of participative and consultative leadership styles in leadership behaviour literature (Brown, 2003; Tabbodi, 2009; Hulpia et al., 2009; Yousef, 2000; Nguni et al., 2006). Several scholars reveal that participative and consultative leadership styles are less emphasized in previous studies because they have much explained the characteristics of interaction between leaders and followers, and not sufficiently discussed the effect of participative and consultative leadership styles on personal outcomes in people oriented leadership research literature (Janseen, 2000; Kanika, 2006). Hence, it motivates the researchers to further explore the nature of this interaction.

2. OBJECTIVES OF THE STUDY

This study has two major objectives: first, to measure the relationship between participative style and job performance. Second, to measure the relationship between consultative style and job performance.

3. LITERATURE REVIEW

Previous studies used a direct effect model to investigate the interaction between leaders and followers in different samples, such as 430 employees in different UEA organizations (Yousef, 2000), 1440 employees in a variety of organizations (Ocholi, 2005), 283 individuals from broad cross-section of job types in several industries in US (Picollo & Colquitt, 2006), and 100 employees in one city based local authority in Sarawak, Malaysia (Ismail, Yahya, Hamid & Ting, 2009). Findings from these studies reported that the ability of leaders to properly implement participative and consultative styles had been a major determinant of job performance in the organizations (Ocholi, 2005; Ismail, Yahya, Hamid & Ting, 2009; Picollo & Colquitt, 2006; Yousef, 2000).

The literature is consistent with the notion of path-goal theory (House, 1971, 1996; House & Mitchell, 1974) and leader member exchange theory (Dienesch & Liden, 1986; Gomez & Rosen, 2001). According to these theories, the ability of leaders to clarify the path to achieve goals (House, 1971, 1996; House & Mitchell, 1974), and improve the quality of one to one interaction between leaders and followers (Dienesch & Liden, 1986; Gomez & Rosen, 2001) may induce positive subsequent employee attitudes and behaviors. Application of this theory in a leadership framework shows that the ability of leaders to clarify the path to achieve goals and practice good interaction styles through participative and consultative approaches will remove roadblocks and help followers to focus on achieving the organizational goals. As a result, it may lead to higher job performance (Dienesch & Liden, 1986; Gomez & Rosen, 2001).

The literature has been used as foundation to develop a conceptual framework for this study as shown in Figure 1.
Based on the framework, it can be hypothesized that:

H1: There is a positive relationship between participative style and job performance.
H2: There is a positive relationship between consultative style and job performance.

4. METHODOLOGY

4.1 RESEARCH DESIGN

This study used a cross-sectional method which allowed the researchers to integrate the leadership research literature, the in-depth interview, the pilot study and the actual survey as a main procedure to collect data. The use of such methods may gather accurate, less biased and high quality data (Cresswell, 1998; Sekaran, 2000). The location of this study in one city based local authority in Sarawak, Malaysia. For confidentiality reasons, the name of the studied organization is kept anonymous. In the first step of data collection, in-depth interviews were conducted involving six experienced employees, namely two assistant human resource managers, two supervisors and two supporting staff. They were selected using a convenient sampling technique because they had working experience between five to twenty years and have good knowledge about the organizational management. This interview method was used to understand the nature of leadership styles and job performance characteristics, as well as the relationship between such variables in the organization. The information gathered from such interviews was used to develop the content of questionnaires for a pilot study. Next, pilot study was done by discussing pilot questionnaires with one human resource manager and two experienced supporting staff in the organization. Feedbacks from such participant were used to verify the content and format of survey questionnaire for an actual study. Back translation technique was used to translate the content of questionnaires in Malay and English in order to increase the validity and reliability of the instrument (Hulland, 1999; Wright, 1996).

4.2 MEASURES

The survey questionnaires have three sections. Firstly, participative leadership had six items that were adapted from participative leadership behavior literature (Jong & Hartog, 2007; Likert, 1967; Yukl, 2002; Yousef, 2000). Secondly, consultative leadership had five items that were adapted from consultative leadership behavior literature (Bennis Nanus, 1985; Jong & Hartog, 2007; Likert, 1967; Yousef, 2000). Thirdly, organizational commitment had seven items that were adapted from organizational commitment literature (Allen & Meyer, 1996, 1990; Brown, 2003; Morrow, 1993). Finally, job performance had three items that were adapted from job performance literature (Al-Meer, 1989; Howell & Hall-Merenda,
These items were measured using a 7-item scale ranging from “strongly disagree/dissatisfied” (1) to “strongly agree/satisfied” (7). Demographic variables were used as controlling variables because this study focused on employee attitudes.

### 4.3 UNIT OF ANALYSIS AND SAMPLE

The targeted population for this study is 1500 employees who have worked in the studied organization. In the first step of data collection procedure, the researchers met the HR Department to get their opinions about the rules for distributing survey questionnaires in its organizations. Considering the organizational rules, a quota sampling was used to determine the number of sample size based on the period of study and budget constraints that was 200 employees. After that, a convenient sampling was chosen to distribute survey questionnaires because the list of registered employees was not given to the researchers and this situation did not allow the researchers to choose respondents randomly. Therefore, 200 survey questionnaires were distributed to employees through contact persons (i.e., secretary of department heads, senior supporting staff and/or assistant managers) of the organizations. Of that total, 100 usable questionnaires were returned to the researchers, yielding 55.6 percent response rate. The number of this sample exceeds the minimum sample of 30 participants as required by probability sampling technique, showing that it may be analyzed using inferential statistics (Sekaran, 2000). The survey questionnaires were answered by participants based on their consents and a voluntarily basis. A Statistical Package for Social Science (SPSS) version 16.0 was used to analyze the validity and reliability of measurement scales and thus test research hypotheses.

### 4.4 DATA ANALYSIS

A Statistical Package for Social Science (SPSS) version 16.0 was used to analyze the questionnaire data. Firstly, exploratory factor analysis (varimax rotation) and confirmatory factor analysis (i.e., Kaiser Meyer Olkin, Bartlet’s test of sphericity, eigenvalues, variance explained and reliability) were used to assess the validity and reliability of measurement scales (Hair et al., 2006). Secondly, analysis of variance, Pearson correlation analysis and descriptive statistics were conducted to assess the research variables and the usefulness of the data set (Foster et al., 1998; Yaacob, 2008). Finally, Stepwise regression analysis was undertaken to assess the magnitude of each independent variable, the relationship between many independent variables and one dependent variable, and the contribution and influence of each independent variable on dependent variable (Baron & Kenny, 1986; Foster et al., 1998). In this regression analysis, standardized coefficients (standardized beta) were used for all analyses (Jaccard et al., 1990).

### 5. RESULTS

#### 5.1 PARTICIPANT CHARACTERISTICS

Table 1 shows that most respondent characteristics were male (78.0 percent), age 40 and above (45.0 percent), Chinese (37.0 percent), and held Malaysian Certificate of Education (62.0 percent).
Table no. 1- Participant Characteristics (N=100)

| Gender (%) | Male=78.0 | Female=22.0 |
| Age (%) | <25 yrs old=11.0 | 26-30 yrs old=19.0 | 31-35 yrs old=13.0 | 36-40 yrs old=12.0 | >40 yrs old=45.0 |
| Race (%) | Malay=32.0 | Chinese=37.0 | India=2.0 | Bumiputera=24.0 | Others=5.0 |
| Education (%) | SPM/MCE/Senior Cambridge=62.0 | STPM/HSC=10.0 | Diploma=14.0 | Degree=2.0 | Others=12.0 |

Note:
SPM/MCE: Sijil Pelajaran Malaysia/ Malaysia Certificate of Education
STPM/HSC: Sijil Tinggi Pelajaran Malaysia/High School Certificate

5.2 VALIDITY AND RELIABILITY ANALYSES FOR THE MEASUREMENT SCALES

Table 2 shows the results of validity and reliability analyses for measurement scales. The original questionnaires consists 21 items which related to 4 variables: participative (7 items), consultative (5 items), organization commitment (6 items) and job performance (3 items). The factor analysis with direct oblimin rotation was done for all variables. After that, Kaiser-Mayer-Olkin Test (KMO) which is a measure of sampling adequacy was conducted for each variable and the results indicated that it was acceptable. Relying on Hair et al. (1998) and Nunally and Bernstein’s (1994) guideline, these statistical analyses showed that (1) the value of factor analysis for all items that represent each research variable was 0.5 and more, indicating the items met the acceptable standard of validity analysis, (2) all research variables exceeded the acceptable standard of Kaiser-Meyer-Olkin’s value of 0.6, were significant in Bartlett’s test of sphericity, (3) all research variables had eigenvalues larger than 1, (4) the items for each research variable exceeded factor loadings of 0.40 (Hair et al., 1998), and (5) all research variables exceeded the acceptable standard of reliability analysis of 0.70 (Nunally & Bernstein, 1994). These statistical analyses confirmed that measurement scales used in this study have met the acceptable standard of validity and reliability analyses as shown in Table 2.

Table no. 2 - The Results of Validity and Reliability Analyses for Measurement Scales

<table>
<thead>
<tr>
<th>Measure</th>
<th>Item</th>
<th>Factor Loadings</th>
<th>KMO</th>
<th>Bartlett’s Test of Sphericity</th>
<th>Eigenvalue</th>
<th>Variance Explained</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participative</td>
<td>7</td>
<td>0.57 - 0.81</td>
<td>0.810</td>
<td>304.66, p=0.000</td>
<td>3.72</td>
<td>61.97</td>
<td>0.87</td>
</tr>
<tr>
<td>Consultative</td>
<td>5</td>
<td>0.65 - 0.77</td>
<td>0.782</td>
<td>176.76, p=0.000</td>
<td>2.94</td>
<td>58.81</td>
<td>0.82</td>
</tr>
<tr>
<td>Organizational Commitment</td>
<td>6</td>
<td>0.62 - 0.83</td>
<td>0.887</td>
<td>413.43, p=0.000</td>
<td>4.224</td>
<td>70.34</td>
<td>0.91</td>
</tr>
<tr>
<td>Job Performance</td>
<td>3</td>
<td>0.45 - 0.93</td>
<td>0.606</td>
<td>121.26, p=0.000</td>
<td>2.10</td>
<td>70.03</td>
<td>0.79</td>
</tr>
</tbody>
</table>
5.3 ANALYSIS OF THE CONSTRUCTS

Table 3 shows the result of Pearson correlation analysis and descriptive statistic. The means for the variables are from 4.75 to 5.30 signifying that the level of participative, consultative, organization commitment, and job satisfactions are ranging from high (4) to highest level (7). The correlation coefficients for the relationship between the independent variable (i.e., participative and consultative) and the mediating variable (i.e., organizational commitment), and the relationship between the dependent variable (i.e., job performance) were less than 0.90, indicating the data were not affected by serious co linearity problem (Hair et al., 1998). The measurement scales that had validity and reliability were used to test research hypotheses. In terms of testing a direct effects model, participative leadership style positively and significantly correlated with job performance ($r=0.33$, $p<0.01$), therefore H1 was supported. While, consultative leadership style positively and significantly correlated with job performance ($r=0.35$, $p<0.01$), therefore H2 was supported. This result demonstrates that participative and consultative leadership styles have been an essential factor that may increase job performance in the organizational sample.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Min</th>
<th>Standard Deviation</th>
<th>Pearson Correlation (r)</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Participative</td>
<td>4.8</td>
<td>1.3</td>
<td></td>
<td></td>
<td></td>
<td>(1)</td>
<td></td>
</tr>
<tr>
<td>2. Consultative</td>
<td>5.3</td>
<td>1.1</td>
<td>0.40**</td>
<td>(1)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Organizational</td>
<td>5.1</td>
<td>1.3</td>
<td>0.74**</td>
<td>0.41**</td>
<td>(1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commitment</td>
<td>4.8</td>
<td>1.3</td>
<td>0.33**</td>
<td>0.35**</td>
<td>0.37**</td>
<td>(1)</td>
<td></td>
</tr>
</tbody>
</table>

Note: Significant at **$p<0.01$ Reliability estimation are shown in a diagonal (value 1)

5.4 OUTCOMES OF TESTING HYPOTHESIS 1

Table 4 shows that demographic variables were entered in Model 1 and then followed by entering in participative style in Model 2. Job performance was used as the dependent variable. An examination of multi-co linearity in the coefficients table shows that the tolerance value for the relationship between the independent variable (i.e., participative) and the dependent variable (i.e., job performance) were .95. This tolerance value was more than tolerance value of .20 (as a rule of thumb), indicating the variable was not affected by multi-co linearity problem (Fox, 1991; Tabachnick et al., 2001). Further, the result of testing stepwise regression analysis showed that relationship between participative style significantly correlated with job performance ($ß=.31$, $p<0.01$), therefore H1 was supported. It indicates that participative style is an important antecedent of job performance in the studied organization.
Table no. 4 - Result for Stepwise Regression Analysis for Hypothesis 1

<table>
<thead>
<tr>
<th>Variables</th>
<th>Dependent Variable (Job Performance)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Model 1</td>
</tr>
<tr>
<td>Controlling Variable</td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>-.14</td>
</tr>
<tr>
<td>Age</td>
<td>-.13</td>
</tr>
<tr>
<td>Race</td>
<td>.03</td>
</tr>
<tr>
<td>Educational Level</td>
<td>.02</td>
</tr>
<tr>
<td>Independent Variable</td>
<td></td>
</tr>
<tr>
<td>Participative Style</td>
<td>.31**</td>
</tr>
<tr>
<td>R Square</td>
<td>.04</td>
</tr>
<tr>
<td>Adjust R Square</td>
<td>-.01</td>
</tr>
<tr>
<td>R square change</td>
<td>.04</td>
</tr>
<tr>
<td>F</td>
<td>.86</td>
</tr>
<tr>
<td>F Δ R Square</td>
<td>.86</td>
</tr>
</tbody>
</table>

Note: Significant at **<0.01, ***p<0.001

5.5 OUTCOMES OF TESTING HYPOTHESIS 2

Table 5 shows that demographic variables were entered in Model 1 and then followed by entering in participative style in Model 2. Job performance was used as the dependent variable. An examination of multi-co linearity in the coefficients table shows that the tolerance value for the relationship between the independent variable (i.e., consultative style) and the dependent variable (i.e., job performance) were .91. This tolerance value was more than tolerance value of .20 (as a rule of thumb), indicating the variable was not affected by multi-co linearity problem (Fox, 1991; Tabachnick et al., 2001). Further, the result of testing stepwise regression analysis showed that relationship between participative style significantly correlated with job performance (ß=.34, p<0.001), therefore H2 was supported. It indicates that consultative style is an important antecedent of job performance in the studied organization.

Table no. 5 - Result for Stepwise Regression Analysis for Hypothesis 2

<table>
<thead>
<tr>
<th>Variables</th>
<th>Dependent Variable (Job Performance)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Model 1</td>
</tr>
<tr>
<td>Controlling Variable</td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>-.14</td>
</tr>
<tr>
<td>Age</td>
<td>-.13</td>
</tr>
<tr>
<td>Race</td>
<td>.03</td>
</tr>
<tr>
<td>Educational Level</td>
<td>.02</td>
</tr>
<tr>
<td>Independent Variable</td>
<td></td>
</tr>
<tr>
<td>Consultative Style</td>
<td>.34***</td>
</tr>
<tr>
<td>R Square</td>
<td>.04</td>
</tr>
<tr>
<td>Adjust R Square</td>
<td>-.01</td>
</tr>
<tr>
<td>R square change</td>
<td>.04</td>
</tr>
<tr>
<td>F</td>
<td>.86</td>
</tr>
<tr>
<td>F Δ R Square</td>
<td>.86</td>
</tr>
</tbody>
</table>

Note: Significant at **<0.01, ***p<0.001
6. DISCUSSION AND IMPLICATION

This study confirms that interaction between leaders and followers does act as a full antecedent of job performance in the studied organization. In the context of this study, leaders have actively implemented participative and consultative styles in planning and administering organizational functions. The majority employees perceive that the participative and consultative styles may lead to an increased job performance in the organization. The implications of this study can be divided into three major aspects: theoretical contribution, robustness of research methodology, and contribution to practitioners. In term of theoretical contribution, this study revealed that the interaction between leaders and followers positively affect job performance. This study shows that the ability of leaders to properly implement participative and consultative styles in planning and administering the various types of job functions will strongly motivate followers to improve their performance in the studied organization. The findings of this study have supported and broadened leadership research literature mostly published in Western and Eastern organizational settings (Ocholi, 2005; Ismail, Yahya, Hamid & Ting, 2009; Picollo & Colquitt, 2006; Yousef, 2000).

With respect to the robustness of research methodology, the survey questionnaires used in this study have satisfactorily met the standards of validity and reliability analysis, this may lead to the production of accurate and reliable findings. Regarding practical contributions, the findings of this study can be used as guidelines by management to improve leadership behaviour in organizations. The possible suggestions are: firstly, leadership style contingent upon current situations. For example, the ability of leaders to choose leadership styles that appropriate with current organizational changes, such as transactional style and/or transformational style may help them to accomplish job targets faster. Secondly, up to date leadership training method and content. For example, leaders can sharpen their leadership styles through imparting up to date knowledge and skills, as well as good moral values. By imparting these aspects through team based training methods, we can increase the capability of leaders to use good treatments in handling their employees who have different expectations and needs. Thirdly, leaders promote participative decision making style. For example, the willingness of leaders to actively and honestly practice a participative decision making will motivate increase employee perceptions that their expertises, creativity and innovations are fairly recognized in planning and implementing organizational functions. This feeling can lead to higher positive personal outcomes, such as satisfaction, commitment and performance. Finally, merit based pay. For example, the ability of leaders to increase the level and/or amount of pay (e.g., non financial and/or financial incentives) for high performing employees will increase their feelings of fairness. As a result, it may lead to increase positive attitudinal and behavioural outcomes in organizations. If organizations heavily consider the suggestions this may motivate positive interaction between leaders and followers to enhanced organizational competitiveness in a global economy.

7. CONCLUSION

The finding of this study confirms that the interaction between leaders and followers act as an important antecedent of job performance. This result is consistent with the leadership behaviour literature mostly published in Western and Eastern countries. Therefore, current research and practice within the organizational leadership models needs to consider participative and consultative styles as a vital aspect of leadership behaviour. This study fur-
ther suggests that the ability of leaders to properly implement participative and consultative styles in implementing organization functions may strongly motivate employees to improve their performance in organizations. Thus, it can direct employees to sustain and support organizational strategies and goals.

References


