

Effect of Leaders' Styles of Decision Making on Perceived Organizational Effectiveness: An Example from Pakistan

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Abstract

This paper aims to examine the extent to which styles of decision making approaches in resource allocations influence the perceived organizational effectiveness. In this study we concentrated on all 24 higher education institutions in Khyber Pakhtunkhwa, Pakistan. However, a perceptual data was taken from 302 senior faculty members and administrators based on disproportion stratified random sampling technique. The collected data was submitted to multiple regression model using a software package namely SPSS. The resultant output of regression model showed that rational/collegial style of decision making positively influences organizational effectiveness. Conversely, autocratic/political style of decision making negatively influences organizational effectiveness. Discussion of these findings followed by implications, limitations, direction for future research and conclusion are presented subsequently in the article.

Keywords: Decision Making Approaches, Competing Values Framework (CVF), Organizational Effectiveness, Higher Education Institutions

1. INTRODUCTION

The success of a group, organization and even a whole country is dependent on the effectiveness of a leader (Fielder, 1996). For this reason, the key concern for both practicing managers and leadership researchers has been to pinpoint behaviors that escalate a leader's effectiveness (House, 1971; Stodgill, 1974). In this regard, various theories come up in helping leaders to be effective. For instance, foremost trait theory in 1920s to 1930s focused on the isolating leader traits such as particular physical, mental, or personality attributes possessed by the leader.

Thereafter, leadership researchers recognized from the late 1940s to the mid-1960s that traits alone were not sufficient for identifying effective leaders (Robbins, Coulter, & Vohra, 2010). And, this dissatisfaction to trait approach gave birth to behavioral theories of leadership. These theories propose that leaders' success depends not in who they are, but the fashion they act and react. Several approaches to leadership behavior have been suggested such as: the autocratic, the democratic, the laissez-faire style; the initiation structure and consideration; employee oriented and production oriented and managerial grid (Robbins et al., 2010). Moreover, in the early 1970s contingency approaches have also been resided in the literature with discontent of traits and behaviors models of leadership. The contingency theory supporters such as Fiedler (1997), Hersey and Blanchard (1974) and House (1971) argued that none of the leadership behavior styles is appropriate in all situation, albeit, a style can be adopted according to the suitability of the situation in which it works best.

All theories stated above were established in American or Western contexts and widely applied in these settings. According to Hofstede (1980), these theories of leadership may not apply in other cultures, since they are conceptually bound within the North American culture. In support of Hofstede (1980) contention, several cross-cultural leadership studies (Bochner & Hesketh, 1994; Gerstner & Day, 1994; Offermann & Hellmann, 1997) indicate that there are differences in leader behavior across various countries. The present study is a continuity of this research stream. However, it is distinguished; first, we are only beginning to understand how western theories apply in non-Western cultures, like, Pakistan. And, are empirical test of these theories indeed vary in contexts of developing countries? Secondly, above mentioned leadership researches focus the general traits or behavioral styles that may improve effectiveness of leaders and consequently effectiveness of their organizations. Nevertheless, this study has a different focus and more specific to leaders' styles of decision making and their influence on organizational effectiveness.

Owing the nature of dependent variable for the current investigation the concept of the organizational effectiveness has special importance to introduce here. Thereby, in following next few pages of literature review we focus on different models of organizational effectiveness. And, try to identify a comprehensive framework that may relevant to the context of this study as well as that offer a full picture of this concept. Subsequently, we discuss on the relationship of decision making approaches and organizational effectiveness.

2. LITERATURE REVIEW

2.1. Organizational Effectiveness

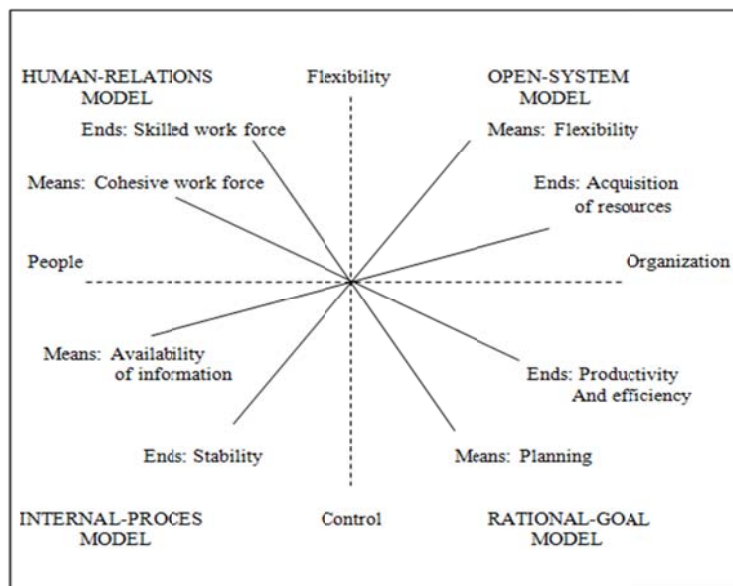
Literature suggests that the concept of organizational effectiveness has been very problematic due to its subjective and abstract nature. Inasmuch, individuals and groups such as owners, employees, customers, suppliers, shareholders, consumer groups, governments, economists, business consultants, media, and academics often raise different perspectives in assessing organizational effectiveness according to their particular needs (Walton & Dawson, 2001). These diversified perspectives create a lot of trouble for assessor to whom viewpoint should be taken for evaluating effectiveness of an organization. Due to these reasons organizational effectiveness has proven difficult, some even say impossible to define (Robbins, 2003). Similarly, Cameron (1981) one of the most respected researchers on organizational effectiveness comments on the concept in these words "research on organizational effectiveness has been criticized as being fragmented, non-cumulative, and in general disarray. No single definition of effectiveness has become widely accepted, and most research on the topic lacks a theoretical framework" (p.105).

However, different researchers purposed various model to capture the meaning of the organizational effectiveness. For instance, one of the most oldest and popular model of Etzioni (1964) based on the assumption that formal organizations are established for a specific purpose. And, therefore conceptualize it the extent to which an organization realizes its stated goals (Etzioni, 1964). Another approach namely system resource approach which does not ignore the importance of organizational outputs, rather, deem it as only one component in a more complex set of criteria (Robbins & Mathew, 2009). It assumes that organizations are created with interconnected three parts such as inputs, transformation process and outputs. Therefore, if any of these three parts are improved it may ultimately enhance the effectiveness of that particular organization. The system resource approach takes the input side and defines organizational effectiveness as "the ability of the organization ... to exploit its environment in the acquisition of scarce and valued resources" (Yuchtman & Seashore, 1967, p. 898).

Moreover, third approach to organizational effectiveness concentrates on transformation process labeled as internal process model which defines organizational effectiveness in these words “effective organizations are those with an absence of internal strain, whose members are highly integrated into the system, whose internal functioning is smooth and typified by trust and benevolence toward individuals, where information flows smoothly both vertically and horizontally and so on” (Cameron, 1980, p. 67).

All the above stated models focus on an important dimension of organization processing, yet none of them capture the full meaning of the concept of organizational effectiveness. Each one tells part of the story (Cameron, 1980; Khanka, 2007). To take the multidimensional view of the concept, Campbell (1977) and Steer (1975) suggested that comprehensive understanding of OE is possible. Further, they state that the first step in this regard would be to identify all of the variables in the domain of effectiveness and then to determine how the variables are similarly related. Thereafter, working on this recommendation Quinn and Rohrbaugh (1981, 1983) developed such an integrative framework namely Competing Values Framework/model (CVF). The CVF not only subsumed all the previous models into one, but also resolved the dilemmas of three sets of competing values that were present in the organization literature (see for details, Quinn & Rohrbaugh, 1981, 1983).

Figure 1: The Competing Values Framework



Source: Quinn and Rohrbaugh (1981, 1983); Robbins and Mathew (2009)

Robbins and Mathew (2009) explain these three competing values in such a way that flexibility and control dimensions are two important but incompatible aspects of an organization's structure. The former focuses innovation, adaptation, and change while latter favors stability, order, and predictability. The second set of conflicting values is internal versus external focus i.e. people versus organization that whether emphasis should be placed on the well-being and development of the people in an organization or organization itself i.e. productivity and task accomplishment. The last set of values refers to the dichotomy of organizational means versus ends; the means concentrates on internal processes and the long term whereas ends emphasizing final outcomes and the short term. Graphically these three dimensional set of values are shown as in Figure 1. And, juxtaposing of these three values dimensions yield eight cells or sets consisting of large number of organizational effectiveness criteria and synthesized into four models or definitions of organizational effectiveness (e.g., Quinn & Rohrbaugh, 1981, 1983; Robbins & Mathew, 2009).

For the present study these eight set criteria is used as a general paradigm of organizational effectiveness. Inasmuch as, the Higher Education Institutions (HEIs) are characterized by an absence of measurable goals, loose coupling, little direct connection between acquired resources and products, an ability to ignore major constituencies, and so on (Cameron 1978, 1980).

Therefore, these properties distinguish HEIs form other types of organizations (Kwan & Walker, 2003). And, so owing to the special nature of HEIs it is important to put the specific set of criteria, so that a complete view of

organizational effectiveness can be grasped in the current study. In this regard the first and most cited study (for HEIs) in the literature arose in 1978 by Cameron. Cameron (1978) identified nine dimensions for measuring effectiveness of HEIs, these are: “student education satisfaction, student academic development, student career development, student personal development, faculty and administrator employment satisfaction, professional development and quality of the faculty, systems openness and community interaction, ability to acquire resources, and organizational health”. Besides CVF, these nine dimensions are employed as particular criteria for assigning organizational effectiveness of HEIs. Because, Smart and Hamm (1993) stated that these dimensions of OE delineate key management and institutional performance indicators of HEIs. Subsequently, these nine dimensions tested as valid and used in numerous inquiries in measuring OE (e.g., Cameron & Freeman, 1991; Fjortoft & Smart, 1994; Kwan & Walker, 2003; Lysons, 1990; Lysons & Hatherly, 1998; Smart, 2003; Smart & John, 1996; Smart, Kuh, & Tierney, 1997).

2.2. Decision Making Approaches and Organizational Effectiveness

Prior to the relationship of these two concepts we first focus on general literature on decision making approaches in organizations. Cameron and Tschirhart (1992, p.89) define decision processes in organizations in such a way that these are “internally focused patterns that relate to the information gathering, analysis, and choice activities of managers inside the enterprise”. Further, they proposed that since resource allocation decisions have paramount importance in organizations, therefore, they likely to reflect dominant organizational decision processes. Additionally, in organizations, literature suggests six different styles of decision making of resource allocation. For instance, collegial or participative which urges on consensus building; rational characterized by supporting data; bureaucratic values structured administrative patterns; political concentrating by conflicting self-interest and power; organized anarchy grounded on serendipity, and autocratic dependent upon the preference of a single, powerful individual (Cameron & Tschirhart, 1992; Chaffee, 1983; Smart et al., 1997).

However, Smart et al., (1997) working on these six styles of decision making by factor analytical procedure into two broad categories as rational/collegial and autocratic/political. The rational/collegial style of decision making of resource allocation are based on “group discussion and consensus”, directed by the use of “a standard set of procedures” and criteria reflecting “what objectively seems best for this institution overall”. In contrast, the autocratic/political style of decision making of resource allocation predominated by one individual at a particular organization, decisions are made in a political manner “based on the relative power of those involved” and without any “particular pattern” characterizing the criteria used (Smart et al., 1997, p.263). Although, most of organizations probably have one or all of these processes operating simultaneously as multiple decisions are made (Cameron & Tschirhart, 1992), yet it is evident from the research that specific processes tend to dominate in most organizations to the extent that these organizations develop a distinctive decision-process orientation (Clark, 1970). It is this overall, dominant organizational style to decision making of resource allocation that is investigated in this study in terms of its influence to organizational effectiveness.

The relationship between styles of decision making approaches and organizational effectiveness is not clear enough, since various previous studies showed mixed results. For example, some researchers found that centralized or autocratic decision making approaches were inversely related to organizational effectiveness (Bibeault, 1982; Huber, 1990; Rubin, 1979; Singh, 1986). On contrary, Cameron, Freeman, and Mishra (1990) revealed a positive relationship between non-participative decision making approaches in large industrial organizations when these were facing turbulent environments. Moreover, Levine, Rubin, and Wolohojian’s (1982) found in their study that political decision processes hindered organizational effectiveness, while Pfeffer (1981) contended that political decision making approaches boosted performance. However, there is general agreement presents in theory that participative decision making approaches are associated with enhanced organizational effectiveness in the long run (e.g., Chaffee, 1973; Meyer, 1979; Peters, 1987; Sutton, & D’Aunno, 1989). Similarly, in the context of HEIs, it is evident that autocratic/political style of decision making of resource allocation negatively influenced organizational effectiveness and vice versa in case of rational/collegial (e.g., Smart et al., 1997). The relevance of this study to HEIs induces us to postulate the association of decision making approaches and organizational effectiveness in following main hypothesis followed by two sub hypotheses:

H₁: Overall, both of decision making approaches significantly predict Organizational Effectiveness (OE).

H_{1a}: Rational/collegial style of decision making approach positively influences OE.

H_{1b}: Autocratic/political style of decision making approach negatively influences OE.

3. METHODS

3.1. Sample and Sampling

This study concentrates on the higher education institutions. For this purpose, all of the 24 HEIs that are situated in the province of Khyber Pakhtunkhwa (KP), Pakistan were taken. The logic to examine the HEIs was based on view that people in other type of organizations do not aware of the research, and therefore they hesitate to fill out the surveys. However, since employees of HEIs sentient of the research and its importance, thereby it was assumed to high response rate.

Moreover, perceptual data was collected from the full-time senior faculty members and administrators. The reason to choose these people is grounded on the fact that they are core constituencies and play an active role in policy, directions, performance and decision making activities (Fjortoft & Smart, 1994). Additionally, same kinds of individuals were selected in previous studies (e.g., Cameron & Freeman, 1991; Smart & Hamm, 1993; Smart and John, 1996). Since there was no population frame available to present a complete list of total elements of universe of HEIs in KP, Pakistan. Therefore, the most recent data was gathered in terms of number of elements with their email addresses from the web sites of respective institutions and aggregated by the researchers. Consequently, a total of 1995 elements were considered as potential respondents including 1543 (public=1192, private=351) senior faculty members and 452 administrators (public=324, private=128). Subsequently, a representative sample size (290) was determined by Cochran (1977, p. 77) formula for continuous data by using pilot study statistics and according to recommendation of Bartlett, Kotrlik and Higgins (2001) a narrow margin of error (0.1) was taken. Moreover, since we had two types of institution (public and private) and two groups i.e., senior faculty members and administrators and also there was considerable variation among the number of elements in groups. Therefore, one of the most efficient probability sampling designs in terms of “disproportionate stratified random sampling” was used to offer proper representation to each group of the study. Subsequently, sample of subjects from each stratum was drawn using simple random sampling procedure.

3.2. Data Collection Process

The data collection for this study was comprised into two different phases. First a pilot study was designed to gather data from 37 individuals using the convenient sampling procedure. Purpose of the pilot study was to verify the functionality of the web based survey, understanding of the questionnaire by respondents, estimating the psychometric properties of the instrument and finally to determine the sample size for the main study. After satisfying all these conditions the main phase of data collection was first started in the form of web based survey. Keeping eyes on the response rate of previous web based studies (e.g., Klassen & Jacobs, 2001), a total of 630 questionnaires with a letter explaining the purpose of the research and instructions for filling web survey were sent to respondents' respective e-mail addresses. Out of total 630 questionnaires 588 were successfully delivered, while 42 could not be sent to destinations according to delivery status notification of their email servers. Moreover, against our assumption of high response rate from HEIs, we have also suffered alike fortune of low response rate as of previous studies of web based surveys. In response, surprisingly only 63 (about 11%) were returned in complete form. Thereafter, even two follow up letters returned 196 questionnaires with 33 % response rate including previous 63, however, these were less than required sample size (290) of the study.

Therefore, a conventional pen and paper method of survey was adopted and a total of 300 questionnaires personally administered with the assistance of students of different HEIs. As a result, 158 questionnaires with 53 % response rate were received by researcher. In summary, both devices of data collection methods returned a total of 354 positive responses with overall 38 % response rate in the form of filled questionnaires. However, preliminary data analyses identified 52 questionnaires as invalid for further analyses and thereby skipped. The rest of 302 questionnaires were complete in all regards, also fulfill the requirement of the sample size of this study and used in final analysis.

3.3. Instrument

In order to measure the independent variable i.e., decision making approaches and dependent variable i.e., organizational effectiveness of this study a questionnaire was developed based on previous enquiries. For example, instrument of Smart et al. (1997) consisting of 6 items was employed to tape the independent variable of the present study. On the other side, organizational effectiveness was measured by merging two different instruments so that an exhaustive view of this abstract concept may be assured. First, as general organizations, an operationalized version of Rohrbaugh's (1981) instrument (38 items) grounded on CVF was adopted. Secondly, Cameron (1978, 1986) instrument (34 items) for measuring the effectiveness of HEIs was added as particular.

In sum, a total of 72 items' instrument based on CVF and Cameron's nine special dimensions for evaluation organizational effectiveness was utilized in this study. The psychometric properties of all these instruments have already been tested and verified in previous studies (e.g., Cameron, 1978, 1986; Cameron & Freeman, 1991; Lysons & Hatherly, 1998; Rohrbaugh, 1981; Smart, 2003; Smart et al., 1997). Moreover, the respondents replied on a 5-point Likert type continuum ranging from 5 to 1: 5= strongly agree, 4=Agree, 3 = neutral, 2= disagree, 1 = strongly disagree. Since, the same scale was used by their developers in measuring decision making approaches and organizational effectiveness. Furthermore, for the purpose of data analyses an overall scale of the organizational effectiveness was created by summing the mean scores for all respondents on the seventeen effectiveness dimensions based on Rohrbaugh (1981) and Cameron (1978; 1986) models. Similarly, two scales for rational/collegial and autocratic/political styles of decision making were created by adding the mean scores for all respondents on these two types.

3.4. Analysis and Results

For analysis of the data a popular software package SPSS version 17.0 for windows was used. Although, as mentioned earlier that psychometric properties of the instrument used in this study have already been confirmed in previous studies, however, prior to test the study hypotheses psychometric properties of the study instrument were estimated due to its usage in very different culture. Also, according to context we modified the wordings of some items. In this regard, to test the convergent validity of the instrument, a separate factor analysis via principal component solution with a varimax rotation method applied to each of four quadrant factors of CVF as well as decision making approaches. Moreover, reliability was estimated by using Cronbach's alpha (α). As a result, the factor analysis verified the convergent validity of the scale because almost all the items of a particular scale loaded onto their respective components with exception of few items of Rohrbaugh (1981) loaded onto human relations quadrant of CVF instead of internal process quadrant. Moreover, the factor loadings for most of the items were greater than 0.71 which deemed as excellent for factor analysis procedure (Comrey, 1973) and therefore substantiate the validity of instrument used in this study. Furthermore, all coefficient alpha values for each scale ranged from 0.77 to 0.91 and are above the standard cutoff criteria 0.70 (Sekaran, 2003) which is evidential of sound reliability of the instrument. The Cronbach alphas' scores and results of factor analytic procedure and questionnaire used in this study are available from the author upon request, however, not reported here to concise the article.

Subsequently, for the purpose to test study hypotheses a standard multiple regression was run at 99% confidence level ($\alpha = .01$). Tables 1-3 show the basic outcomes for standard multiple regression. Referring to Table 1, providing model summary shows the multiple correlation between the predictors and the outcome i.e., R (.716^a). The value of R Square (.513) indicates that 51.3 % of the variance was explained in organizational effectiveness due to decision making approaches.

Table 1: Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.716 ^a	.513	.510	.25873

a. Predictors: (Constant), Autocratic/Political, Rational/Collegial

b. Dependent Variable: Organizational Effectiveness

The next Table 2 indicates the overall results for the regression model labeled as ANOVA. From this table, the p value (.000) corresponding to the F-statistic is less than the cut-off criteria ($p < .01$) to reject the hypothesis. It allows us to infer that there is sufficient evidence existed to reject the null hypothesis in favor of the study main hypothesis that the two types of decision making approaches significantly explain the variance in perceived organizational effectiveness.

Table 2: ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	21.104	2	10.552	157.630	.000 ^a
	Residual	20.015	299	.067		
	Total	41.119	302			

a. Predictors: (Constant), Autocratic/Political, Rational/Collegial

b. Dependent Variable: Organizational Effectiveness

In addition, for the purpose to compare the influence of each predictor variable on the dependent variable, Table 3 shows (β) i.e., standardized regression coefficient of each of the predictors. The rational/collegial as well as autocratic/political styles of decision making approaches generated some degree of contribution in positive or negative direction to organizational effectiveness. Controlling for other predictor variables, the amount of change in organizational effectiveness associated with a given change in rational/collegial and autocratic/political styles were ($\beta = .264, p < .001$), ($\beta = -.499, p < .001$), respectively. This information of beta scores substantiates our both of the sub hypotheses that Rational/collegial style of decision making approach positively influences organizational effectiveness and Autocratic/political style of decision making approach negatively influences organizational effectiveness.

Table 3: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3.599	.135		26.672	.000		
	Rational/Collegial	.103	.023	.264	4.401	.000	.453	2.209
	Autocratic/Political	-.184	.022	-.499	-8.319	.000	.453	2.209

a. Dependent Variable: Organizational Effectiveness

3.4.1. Assumptions and Aptness of the Regression Model

There are number of assumptions stated by different statisticians for linear multiple regression model (e.g., Field, 2005; Giventer, 2008; Levine, Krehbiel, & Berenson, 2005; Tabachnick&Fidell, 2007) described in Table 4 and are satisfied in this study.

Table Error! No text of specified style in document.: Assumptions of Multiple Linear Regression

Assumptions	Brief Explanation
1. Variable Types	All predictor and outcome variables must be quantitative
2. Independence	Each value of the outcome variable comes from a separate entity
3. Sample Size	Should be good enough
4. Multicollinearity	Predictor variables should not be highly correlated
5. Independence of error	No autocorrelation effect
6. Outliers	Standardized residual values should not be above 3.3 or less than -3.3
7. Normality of errors	The residuals should be normally distributed about the predicted DV scores
8. Homoscedasticity	The variance of the residual terms should be constant)
9. Linearity	No curvilinear effect

For example, first two assumptions are fulfilled since both of predictors and outcome variables are continuous and all the subjects were independent. Since all the 24 HEIs were taken to examine, moreover, probability sampling design with a narrow margin of error for determining sample size of the study offer a reasonable and representative sample of subjects which satisfy the third assumption. In resolving the assumption No. 4, the collinearity statistics are determined and given in the last column of Table 3. The Variance Inflation Factor (VIF) and Tolerance are not violating the cutoff values 5 and 0.1 respectively (e.g., Field, 2005). Therefore, this assumption is also attained. The next assumption i.e., independence of error is not relevant to our model, because this study is based on cross sectional data rather than time-series.

The rest of assumptions are verified by residuals analyses. For example, to detect the outliers, first a case wise diagnostics was executed. But, no case identified that would have standardized residual values above 3.0 or below -3.0. Moreover, for the purpose to report, according to the suggestion of Field (2005) the Mahalanobis Distance was determined to check the outliers and to examine whether any strange case is having any undue influence on the outcomes for our model as a whole. In this regard Cook's distance was examined and given in the last two rows of the Residuals Statistics Table 5. To pinpoint that which cases are outliers, the critical chi-square values are presented in Table 6 (Pearson & Hartley, 1958, as cited in Pallant, 2007). The critical value Mahalanobis Distance for two predictors is 13.82 according to the Table 6, which is less than the maximum Mahal. Distance (10.517) of our model reported in the Table 5.

Furthermore, Cook's distance from Table 5 which is (0.41) also lower than that of the cutoff point 1 for any of the influential case on the model (Field, 2005). This information of value Mahalanobis as well as Cook's distances confirms not only the absence of outliers, but also advocates no influential case was found in our model.

Table 5: Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.8430	3.8351	3.4431	.26479	302
Std. Predicted Value	-2.266	1.481	.000	1.000	302
Standard Error of Predicted Value	.015	.051	.025	.006	302
Adjusted Predicted Value	2.8312	3.8343	3.4432	.26487	302
Residual	-.75809	.69354	.00000	.25787	302
Std. Residual	-2.930	2.681	.000	.997	302
Stud. Residual	-2.944	2.690	.000	1.002	302
Deleted Residual	-.76516	.69842	-.00017	.26047	302
Stud. Deleted Residual	-2.982	2.719	.000	1.005	302
Mahal. Distance	.038	10.517	1.993	1.621	302
Cook's Distance	.000	.041	.003	.006	302

a. Dependent Variable: Organizational Effectiveness

Table 6: Critical Values for Evaluating Mahalanobis Distance Values

Number of Indep. Variables	Critical Value	Number of Indep. Variables	Critical Value	Number of Indep. Variables	Critical Value
2	13.82	4	18.47	6	22.46
3	16.27	5	20.52	7	24.32

Source: Pearson, E,S.and Hartley (1958)

The assumption of the Normality of errors was verified by checking a Normal Probability Plot (P-P) of the Regression Standardized Residual as recommended by Pallant (2007). This graph of our model is depicted in Figure 2, as the plot is adjacent to a straight line which endorses the assumption of normality of errors (Mendenhall & Sincich, 1993).

Figure: 2

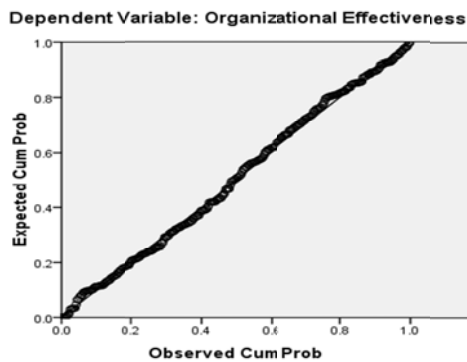
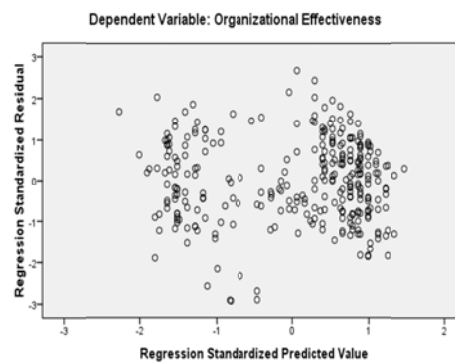


Figure: 3



The assumptions of homoscedasticity and linearity were assessed by the plot of standardized residuals against standardized predicted values according to the recommendations of Field (2005). According to this plot from the Figure 3, it can be realized that the points are randomly and evenly spread throughout the scattered diagram and no evidence of funnel like shape of points or higher on one side than the other is observed, so no heteroscedasticity in the data is confirmed. Therefore, no violation of homoscedasticity assumption is noticed in our model. Additionally, the assumption of linearity is also met from the Figure 3, since no pattern or curvilinear effect is seen between standardized residuals and standardized predicted points.

4. DISCUSSIONS OF THE FINDINGS AND IMPLICATIONS

As previously stated in the literature review section that relationship between decision making approaches and organizational effectiveness have mixed findings in empirical studies.

This study was therefore conducted to empirically test the influence of decision making approaches on organizational effectiveness so that perspective of developing countries' context may be attained. The findings of this study are clearly in line with the general behavior theories of leadership that suggest the leaders who listen considerably to their followers' opinions before making a decision, get good results as compared to their counterpart non participative, in situations when followers are highly qualified, experts and professionals (see e.g., Koontz & Weihrich, 2010; Robbins Decenzo, Bhattacharyya, & Agarwal, 2009). Moreover, it also supports theoretical perspective that style of rational/collegial in decision making escalate the effectiveness of organizations in positive direction, contrarily to autocratic/political style which inversely influence organizational effectiveness (e.g., Chaffee, 1973; Meyer, 1979; Peters, 1987; Sutton, & D'Aunno, 1989).

Further, as mentioned earlier that in previous empirical studies in different context and enterprises showed both positive as well as negative association for rational/collegial style of decision making to organizational effectiveness and vice versa in terms of autocratic/political style. However, Staw, Sandelands, and Dutton (1981) summarized numerous studies and concluded a negative association between organizational effectiveness and bureaucratic/rigid decision making. Similarly, Masuch (1986) also found a link between standardized, formalized decision processes and a vicious cycle of escalating ineffectiveness. More specific to HEIs context Smart et al. (1997) empirically identified the direct significant effects of decision making approaches on organizational effectiveness. And, rational/collegial style as a positive while autocratic/political as a negative predictor of organizational effectiveness. These results are very congruent to the findings of the present study in the same context of HEIs. A partial support to these findings also observed in another study of Cameron & Tschirhart (1992). Therefore, it is clear from the findings of this study and previous studies that regardless of the national culture, nonetheless, in the settings of HEIs the approach of rational/collegial process in critical resource allocation decisions positively predicts organizational effectiveness. Conversely, autocratic/political has negative effect on organizational effectiveness.

Based on these findings we propose to practicing managers belonging to HEIs that fostering the rational/collegial process in critical resource allocation decisions have paramount importance to improve their institutions effectiveness. In addition, adopting rational/collegial and discouraging the autocratic/political style of decision making can be induce by use of various traits of organizational culture. For example, according to the findings of Ph.D dissertation of the principal author of this study and Smart et al. (1997) revealed that clan and adhocracy cultures traits are positively associated with autocratic/political, whereas bureaucratic and market cultures traits obviate rational/collegial and foster autocratic/political approaches to decision making. Therefore, knowledge of different traits of organizational culture and their proper use may improve the understanding of managers regarding styles of decision making approaches and consequently to organizational effectiveness.

5. LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

Next to the contribution of this study some limitations are also attached to it that helps in introducing future research opportunities. First, this study was limited to the 24 HEIs in KP, Pakistan. Therefore, the generalizability of findings is restricted to these institutions only. And, cautions are necessary when generalizing to other regions or enterprises. However, future research may focus on entire Pakistan level with same type of institutions. Moreover, it may be extended to diverse group of enterprises in Pakistani context as well as international setting so that similarities and differences can be compared and an international perspective on the relationship between both the concepts can be established.

Secondly, this study was limited to only subjective measures (perceptual data) in measuring organizational effectiveness. But, relationship between decision making approaches and effectiveness of organizations can be more cleared, when objective measures in terms of financial and economic alike measures such as prompt profitability, return on investment, earning per share, change in share prices and market value etcetera will be used for organizational performance in profit oriented enterprises.

Third, this study was limited to test the direct effect of decision making approaches on organizational effectiveness via multiple regression analysis. However, longitudinal designs and time-lagged correlations are essential in future research to more adequately address the issue of causal relationship between these two variables. Finally, we studied only two variables i.e., decision making approaches and organizational effectiveness. While, factors like organizational culture, organizational development stages and managerial strategies can also mediate the relationships and could be considered in future research.

6. CONCLUSION

This study was purported to empirically scrutinize the influence of decision making approaches on organizational effectiveness, since, to the best of our knowledge there was no empirical study in Pakistani context of this type. Grounded on the results of the study hypotheses via multiple regression analysis above, we conclude decision making approaches as a significant predictor of organizational effectiveness. Furthermore, we found rational/collegial as most important in comparison to autocratic/political decision making approaches in explaining organizational effectiveness. This means that if an institution is able to nourish rational/collegial decision making approach in resource allocation, it can enhance its effectiveness and vice versa if it nurtures autocratic/political style.

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