The Impact of participative leadership on employee's motivation, job satisfaction and innovation

أثر القيادة التشاركية على التحفيز والرضى الوظيفي والسلوك الإبداعي لدى الموظفين

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Dissertation submitted in partial fulfillment of the requirements

for the degree of MSc in Project Management

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March-2012

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Abstract

In today's complex and changing environment leadership is a highly valued commodity. Since the effectiveness of a leader is a major determinant of success or failure of an organization, the concept of leadership has gained a lot of attention from managers to researchers worldwide. A review of leadership literature reveals there are many different definitions and styles of leadership. The main reason for the wide variety of leadership definition and styles is the changing nature of leadership. It is important to realize that, leadership styles which were considered effective in certain time or situation can lose their effectiveness once social value, time or cultures changes. This study argues that as our societies move toward more democratic political system our organizations are moving toward employee involvement and participation. Consequently, vertical leadership styles (leader makes the final decision) such as transactional and transformational leadership which are the current dominant leadership category may lose their effectiveness over time and be replaced by horizontal leadership styles (the decision is made collectively) such as participative leadership.

The main aim of this study is to identify existing problems with transformational leadership and try to address these problems by using participative leadership. For this purpose a comparative research method is used, three variables (motivation, job satisfaction and innovation) are introduced and impact of each leadership style on the regarded variables is analyzed through reviewing the available literature and using a cased based comparative research method. Moreover, this study intends to provide a set of guidelines for appropriate use of participative leadership. For this purpose an action research based study is conducted on a small group of employees and after reviewing available literature about participative leadership implementation, a set of guidelines for proper implementation of participative leadership is presented. Afterwards these guidelines were applied and their effect was analyzed through the use of action research methodology.

Through the use of findings gathered from of both comparative and action research study, the most suitable leadership style for motivation, job satisfaction and innovation is identified, and a set of guidelines for proper implementation of participative leadership is presented. Finally, the conclusion of this research work is presented together with some recommendations and suggestions for future research.

ملخص

في ظل الظروف المعقدة والمتغيرة التي نعيشها اليوم، تعتبر القيادة سلعة ذات قيمة مرتفعة. و حيث تعتبر قدرات وفعالية القائد المحور الرئيسي لنجاح أو فشل عمل المؤسسة , وقد جذب مفهوم القيادة إهتمام طيف واسع من مدراء الشركات وحتى الباحثين في جميع أنحاء العالم. تكشف الدراسات حول القيادة عن وجود العديد من التوجهات النظرية المختلفة لعملية القيادة. إن السبب الرئيسي لوجود هذه المجموعة الواسعة من التعاريف والأساليب للقيادة يعود إلى طبيعة القيادة المتغيرة. ومن المهم جداً أن ندرك أن أنماط وأساليب القيادة التي كانت تعتبر فعالة في زمن معين أو حالة معينة من الممكن لها أن تفقد فعاليتها عند حدوث تغيرات في القيم الاجتماعية أوالزمن أو الثقافات.

تتناول هذه الدراسة فكرة أنه مع توجه مجتمعاتنا نحو نظام سياسي ديمقراطي تتجه الشركات نحو إشراك الموظفين وتفعيل مشاركتهم. وبالتالي، فان نمط القيادة الهرمية أو العمودية (القائد يتخذ القرار النهائي) مثل القيادة التبادلية أو القيادة التحويلية والتي تصنف على أنها نمط القيادة المهيمن ستفقد فعاليتها بمرور الوقت، ومن الممكن أن تستبدل هذه النظريات بنمط القيادة الأفقي (اتخاذ القرار بشكل جماعي) مثل القيادة التشاركية في المستقبل.

إن الهدف الرئيسي من هذه الدراسة هو التعرف على المشكلات المصاحبة للقيادة التحويلية ومحاولة معالجة هذه المشكلات من خلال إتباع نهج القيادة التشاركية. ولهذا الغرض، يتم استخدام منهج البحث المقارن القائم على ثلاثة متغيرات وهي، (الدافع والرضا عن العمل والخلاقية أو الابتكار)، وتحليل أثر كل أسلوب للقيادة على هذه المتغيرات من خلال استعراض الدراسات المتاحة وباستخدام أسلوب منهج البحث المقارن. وعلاوة على ذلك، فإن هذه الدراسة تسعى إلى تقديم مجموعة من المبادئ التوجيهية للاستخدام المناسب للقيادة التشاركية. ولهذا الغرض، تم إجراء دراسة بحثية على مجموعة صغيرة من الموظفين واستعراض مجموعة من المبادئ التوجيهية للتنفيذ السليم للقيادة التشاركية, و تم تقديم مجموعة من المبادئ التوجيهية حول تطبيق القيادة التشاركية. وبعد ذلك تم تطبيق هذه المبادئ التوجيهية و تحليل نتائجها باستخدام آلية عمل منهجية بحثية.

باستخدام النتائج التي تم جمعها من خلال المقارنة وعمل الدراسة البحثية, تم تحديد أسلوب القيادة الأكثر ملاءمة لخلق محفزات ودوافع العمل والرضا عن العمل والابتكار، وتم طرح مجموعة من المبادئ التوجيهية لتنفيذ القيادة التشاركية. وفي النهاية تم وضع خاتمة لهذا البحث مع بعض التوصيات والمقترحات للبحث في المستقبل.

Acknowledgement

I would like to dedicate this Master dissertation to my wife Anahita and my parents who helped and supported me throughout the years of my studies. I would also like to thank Dr Mohammed Dulaimi and Professor Ashly Pinnington for teaching me about project management during my master studies. Finally I would like to thank my Dissertation supervisor Dr Paul Gardiner for his inspirational instructions and guidance during the course of this research work.

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Chapter 1

Introduction

Introduction

This chapter presents a background of the research topic, followed by the problem statement. After that aims, objectives and research questions are presented, followed by the rationale of the research, and finally the structure of the research is described in this chapter.

1.1 Background Information

In today's complex and changing environment leadership is a highly valued commodity. Because the effectiveness of a leader is a major determinant of success or failure of an organization, group or even a country (Fiedler, 1996), the concept of leadership has gained a lot of attention from managers to researchers worldwide. Leadership can be defined as social process in which the leader seeks the participation of subordinates in order to reach organizational goals and objectives (Omolayo, 2000). A review of the available literature indicates that there is a wide variety of different theoretical approaches to explain leadership process (Northouse, 2010). According to Rost (1991) there are almost 220 definitions of leadership and over 40 leadership styles. Leadership styles refer to the way leaders behave towards or treat (giving direction and motivating) the individuals they are leading to achieve objectives (Ehrhart, 2004). Leadership styles can vary from a very classical autocratic approach to a very creative and participative approach (Mosadeghrad and Yarmohammadian, 2006). Some of the most studied leadership styles are charismatic, participative, situational, transactional, and transformational leadership (Mosadeghrad 2003).

The main reason for the wide variety of leadership styles is the changing nature of leadership. Changes in social values, culture, technology and political system are impacting the leadership process in all industry sectors. It is important to realize that, leadership styles which were considered effective in certain time or situation can lose their effectiveness once social value, time or cultures changes. One the best example for this fact is Fredric Taylor's scientific management theory which was considered very effective in 1900's but is now considered as inhuman and ineffective.

Because of the wide variety of leadership style and due to the changing nature of leadership choosing the right leadership style is one of the most difficult issues that organizations have to face. Although the concept of leadership has been the subject of extensive amount of theoretical and empirical research and unheralded work in humanistic psychology has made it

possible to generalize the leadership process across different cultures and time, leadership is still considered as one of the most observed and least understood phenomena on earth.

In today's changing environment firms in all industries are continually challenged to choose the right leadership style that can help them to increase the level of motivation, job satisfaction and innovation of their employees. Similar to other industry sectors firms in the field water and waste water treatment are challenged to choose the appropriate leadership style. Water and waste water treatment is growing worldwide due to increased awareness, trends toward green technology and enforcement of regulations that put strict controls over hazardous waste that people have to deal with. The growth of water industry is more critical in Middle-East where water is considered as one of the scarcest resources and has a significant impact on the economic development of these countries (Murakami, 1995). The scarcity of water and the high cost of development have been recognized in countries surrounding Persian Gulf where neither surface water nor renewable groundwater is available. Since almost "all fresh and renewable waters such as rivers, streams, lakes, and groundwater, have already been exploited or will be fully developed in the countries of the Middle East" (Murakami, 1995), Desalination of brackish water and seawater is a key element of non-conventional water-resources developments. The situation in the Middle East had led to emergence of many contractors and manufacturers active in the field of water desalination. These firms are continually challenged to use innovative technologies to cut cost and increase their performance in order to compete in this highly competitive market.

The analyzed case study for this research is a company called AAB Co. which is an Iranian design and engineering company established in 1996. The company is active in the field of design, manufacturing, and supply of pumping stations, thermal / hydroelectric power stations, Desalination units and water treatment in Iran, Turkmenistan, Syria, Iraq, Azerbaijan, Cuba and Oman. The major fields of activities of AAB Co. is designing, building and maintaining water desalination units, based on Reverse Osmosis (RO) Systems. In the past 5 years, AAB has formed branches (trading companies) in UAE, Cuba and Turkmenistan in order to enhance its trading process.

Due to the economic crisis and heavy sanctions imposed on Iran in the past three years, very few major water treatment/ desalination projects have been tendered in the region. This issue had forced many large players in the country to announce bankruptcy or make drastic

changes in their field of activities. This dilemma has impacted AAB as well. Even though the main office is still running with a very low rate of profit due to long-term maintenance contracts for large desalination systems, it is expected that if the situation remains the same, branches outside Iran will announce bankruptcy by mid 2012. Since the major income of the company was coming from large water treatment projects AAB had to shift to new fields of activities such as building desalination stations (Stations which produce drinking water and provide it to the public), manufacturing compact and portable desalination units (for hotels, hospital, buildings and labor camps) and assembling submersible pumps (used for agricultural purposes) in order to resolve profitability issues. For this purpose a sister company called AAB WI was established. AAB WI started its activities in 2005 by establishing a workshop and hired 30 employees ranging from engineers to technician to work on building on stand-alone desalination units and submersible pumps. A senior project manager was assigned as a leader to manage, supervise and report the production to the main office.

The main problem of both AAB and AAB WI is choosing the right leadership approach to increase the level of motivation, job satisfaction, and innovation of their employees. Based on the date collected from a leadership survey (appendix 1) together with data retrieved from interviews and observation; the head of AAB uses a mixture of transformational and transactional leadership styles. The result of the leadership survey for AAB WI shows that the leader uses participative leadership style. However the data collected from interviews shows that AAB WI leader is not fully committed to participative leadership. Through this research it is intend to provide a theoretical framework by analyzing related literature and by comparing the effect of transformational and participative leadership styles in each of the companies (AAB and AAB WI) on innovation, motivation and job satisfaction. Moreover it is intended to provide a set of guidelines for using participative leadership through conducting a study using action research based methodology. The suggested theoretical framework and guidelines can help firms active in water industries as well as other industries to choose the appropriate leadership style for improving employee's level of motivation, job satisfaction, innovation and organizational performance.

1.2 Problem statement

The rapid changes in today's competitive market have forced organizations to look for ways to improve the level of employee's motivation, job satisfaction and innovation. Since the relationship between leadership and the regarded factors is evident in both theoretical and empirical studies, choosing the most appropriate leadership style is the most crucial and complex task for every organization. According to Scarborough (2001) choosing the most suitable leadership style is difficult because organizations, neither can grasp the essence of leadership style which is relevant to the modern age, nor can agree on the standards to measure, recruit, or reject it. Another reason that makes choosing the right leadership style difficult is the changing nature of leadership. It is important to realize that once changes in society, environment and technology take place, leadership styles which were proved to be effective before may not be able to cope with new changes.

The companies studied in this research are also struggling to choose the right leadership style. Based on observation and a series of interviews conducted on the case study, both companies are dealing with the following problems:

1- Financial problems and difficulties caused by sanctions and political situation of Iran have impact the performance of Both AAB and AAB WI leaders.
Because the effectiveness of transformational leadership style is dependent on the ability of the leaders, the drop in leadership performance has resulted in a decline of the employee's performance.

2- Lack of participative decision making has caused low level of motivation, job satisfaction and innovation in AAB head office. The situation is better in AAB workshop since some level of participation is encouraged. However the level of motivation, job satisfaction, innovation and organizational performance is still far from ideal.

3- Strategies such as rewards and promotions were effective only for a short period of time but they were proven ineffective in the long run.

4- Due to the regarded problems employees do not trust in leaders ability to overcome the existing complexities

Similar to this case many firms are struggling with their leadership style because their leadership behavior fails to cope with the rate of changes. According Heilbrunn (1994) it is

becoming increasingly difficult to assume leadership roles in companies for a number of reasons. One of the main reasons is the fact that societies do not trust leaders anymore. This distrust has been developed because most leaders fail to achieve their promises. Another possible reason is the increased difficulty of assuming leadership role. Leaders of firms in 21st century have to face an array of competitive forces such as the critical shortages in the technical work force, impact of accelerated technological change, and leveraged buy-outs. Besides a trend toward employee involvement, an increase in public awareness together with social and political movement for democracy has an impact on leadership in both political and organizational level. According to Scarborough (2001) in today's society many individuals whom are entering the work force tend to be less formal, more independent, participate in an active social life outside the company, and expect a similar pleasant work climate and environment.

All of the mentioned changes have impacted leadership across the globe. Due to the increased awareness of true democracy and because of the mentioned changes, leadership styles such as transactional and transformational which reserve the final say for the leader are considered as anti-democratic and may have a negative effect on concepts such as motivation, innovation and job satisfaction. Due to this dilemma organizations have to realize that they have to change their culture from a dictatorship orientation to one of participative management and collaborative leadership. The evidence from both theoretical and empirical research together with best cases such as Google Inc and Cisco systems Inc indicates that participative leaders have the ability "to roll up their sleeves" and work with followers to raise everyone to higher standards, ethically, morally, and financially.

1.3 Aims and objectives

The primary aim of this research is to explore the problems of transformational leadership and try to address these problems using participative leadership style. In addition, this research is intended to provide answers to the following research questions.

1.3.1 Research questions:

RQ1: What is the best suited leadership model to motivate employees?

RQ2: What is the best suited leadership model to enhance employee's job satisfaction?

RQ3: What is the best suited leadership style to increase the level of employee's innovation?

1.3.2 Objectives:

In order to provide answers to the above research questions, the following objectives are introduced:

1- To study factors impacting motivation, job satisfaction and innovation.
2- To study the relationship between transformational leadership and motivation, job satisfaction and innovation.
3- To study the relationship between participative leadership and motivation, job satisfaction and innovation.

It is important to mention that objectives and research question are presented to address AAB and AAB WI problems with leadership, motivation, job satisfaction and innovations; it is believed that the results of this paper can help the studied companies and organization in all industry sectors to:

1- To identify core causes of AAB and AAB WI problems with motivation, job satisfaction and innovation.
2- To choose the appropriate leadership style.
3- To use the appropriate leadership style effectively through following a set of guideline.

1.4 Research rational

According to Burns (1978) Leadership can be categorized into vertical and horizontal leadership theories. Vertical leadership theories emphasize on the characteristics and actions of leaders who take actions without considering follower characteristics (Yukl, 2009). In these theories the relationship between the leaders and subordinates is conceptualized as top-down (vertical) influence (Pearce and Conger, 2003). Ever since Burns (1978) categorized transactional and transformational into vertical leadership theories, transactional and transformational leadership are the most empirically studied theories. Many empirical and theoretical studies

suggest that transformational leadership is the most suitable style for motivation, job satisfaction, innovation and organizational performance. The problem is, most of these studies compare vertical leadership style (transactional and transformational) with each other and pay very limited attention to horizontal leadership theories. Recent studies such as Huxham and Vangen (2000) raise the issue that vertical leadership theories which assume a formal leader who either influences or transforms members of a organization create problems because they fail to describe inter organizational leadership using hierarchical relationships. Moreover, due to the increased public awareness people tend to follow the lead of the most knowledgeable person with situation at hand rather than simply following the person of formal authority.

Hirschhorn (1990) suggested that due to the changes in relationship between leaders and followers, organizations have to shift to horizontal leadership theories which are based on collaboration, participative/ shared decision making and employee involvement. Fletcher (2004) argues that the leadership paradigm has been shifted from individual to collective, control to learning, self to self-in-relation and power over to power with.

Another important factor that contributes to the regarded shift is the changes in cultures, environment and politics. If we consider organizations as small social system its evident that as our societies move toward more democratic political system our organization are moving toward employee involvement and participation. An interesting study done by Hay group (2011) claims that due to factors such as globalization, climate change, demographic change, individualization and digital lifestyle, organizational principles such as leadership, corporate environment and organizational structures will dramatically change by 2030. In order to cope with the mentioned changes "future leaders of successful organizations should focus on cultivating a participative decision making environment"(Jordan, 2011).
Based on the regarded factors popular vertical (top-down) leadership styles such as transactional and transformational are considered anti democratic and can be replaced with more participative leadership styles in the coming years

Even though these factors have been mentioned by scholars in the recent years, there is very limited amount of research done on horizontal leadership theories such as participative leadership. As mentioned most of the studies compare transactional and transformational leadership with each other and there are very few studies available that have compared a

vertical leadership theory with a horizontal leadership theory. Moreover, even though horizontal leadership theories such as participative leadership style have been effectively used in very successful organizations such as the search giant Google Inc, there is very limited empirical studies that can show the effective use of participative leadership style.

This study aims to address the regarded dilemma by comparing a vertical leadership theory (transformational leadership) to a horizontal leadership theory (participative leadership) in order to find the most suitable leadership style for employee's motivation, job satisfaction and innovation. Moreover, this study intend to show the application of participative leadership style using a study based on action research methodology in order to help organizations to apply this leadership style effectively.

1.5 Research structure

The research intends to retrieve the problems with the existing leadership in the case study (transformational leadership) and resolve the problem using qualitative research methods. For this purpose, the research begins with in depth review of the available literature on the concept of leadership while putting emphasis on participative leadership style. After that a comparative research method is used through collecting data via a set of semi structured interviews in order to provide answers the research questions. After that, an action research study is conducted to show the effective application of participative leadership. Finally the results of the both parts of the study are discussed, the research questions are answered and study's conclusion and recommendation are presented. The complete research consists of five chapters which are presented in a rational setting as the topic progress.

Chapter 1- Introduction: The first chapter is an introductory chapter which explains study's research topic and background together with the problem statement which is the reason which the researcher has conducted this study. Moreover, the research approach, aim and objective are briefly explained in this chapter.

Chapter 2- Literature review: The second chapter provides a review of the available literature about the concept of leadership with focus on transformational and participative leadership styles. After that, the impact of each leadership styles on motivation, innovation and job satisfaction is analyzed. Finally, common barriers to participative leadership are presented together with a series of suggestions by various scholars for practical participative leadership in this chapter.

Chapter 3 - Research methodology: The third chapter explains the methodology used in this research. In order to analyze the impact of participative and transformational leadership on motivation, innovation and job satisfaction in practical context, a case based comparative research method is used together with action research methodology.. Each of the regarded research methods and strategies together with study's sample and measurement techniques are described in detail in this chapter.

Chapter 4 - Data analysis and findings: The fourth chapter provides a detailed analysis and discussion of study's sample together with the data gathered from interviews and research methods in order to show the impact of leadership styles on innovation, motivation and job satisfaction. Additionally the finding of the gathered data is presented in order to support discussing the research questions.

Chapter 5 – Final discussion, conclusion and recommendations: The fifth chapter represents the final discussion on the research findings through linking the finding to the data gathered in the literature review in order to provide answers to the proposed research questions. Additionally a set of recommendation, suggestion for future research, and limitation of this study are presented together with general conclusions of the research paper.

Chapter 2

Literature review

Chapter two: Literature review

This chapter provides a theoretical review of the leadership theories focusing on the impacts of participative and transformational leadership on motivation, job satisfaction and innovations. The literature review starts with defining the concept of leadership followed by presenting different classifications of leadership styles. After that each leadership styles are explained and two leadership styles (participative and transformational leadership) are selected as the basis for study's comparison. After discussing the chosen leadership styles the impact of each leadership style on employee's motivation, Job satisfaction and innovation are reviewed. This is followed by, a sections which aim to address the common issues and barriers of participative leadership. Finally a framework for proper application of participative leadership is retrieved from various theoretical and empirical studies.

2.1 Leadership

"Leadership is present in all cultures and has existed for as long as people have interacted"(Rukmani, Ramesh and Jayakrishnan, 2010). A review of leadership literature reveals there are many different theoretical approaches to explain leadership process (Northouse, 2010). According to Rost (1991) there are almost 220 definitions of leadership. Van Wart (2003) argues there are limitations on doing scientific leadership research because it is hard to find appropriate definitions of leadership. Therefore establishing a normative framework of leadership is a difficult task. In order to develop an understanding of the concept of leadership some of the current definitions of leadership are presented below:

- "Leadership is a process in which leaders try to influence the activities of an individual or a group of individuals in order to guide them towards goal achievement in given situations" (Akanwa, 1997).
- "Leadership is a process whereby an individual influences a group of individuals to achieve a common goal" (Northouse, 2004).

- "Leadership is a process whereby intentional influence is exerted over other people to guide, structure, and facilitate activities and relationships in a group or an organization." (Yukl, 2009).

- "Leadership can be defined as social process in which the leader seeks the participation of subordinates in order to reach organizational goals and objectives" (Omolayo, 2000).

Although many definitions exist, Northouse (2004) argues that most of definitions share certain characteristics which are described below:

1- Leadership is a process.
2- Leadership is an influence
3- Leadership requires action to a group
4- Leadership achieves goals

Due to the importance of the concept of leadership, extensive amount of research have been done in order to find effective leadership for different situations. "Effective leadership is the extent to which a leader continually and progressively leading and directing his/her followers to the agreed destination which is defined by the whole group" (Omolayo, 2000). The work of scholars in the past decades has caused the evolvement of many 'schools of thoughts' or leadership styles. According to Omolayo (2007) leadership style is the pattern of behaviors engaged in by the leader when dealing with employees which ranges from "Great Man" and "Trait" theories to "participative" leadership. The main reason for the wide variety of leadership styles is the subject of leadership itself. Leadership is an evolving subject and as our social and organizational values change over time theories for effective leadership styles can change and new leadership theories can emerge (Bolden, Gosling, Marturano and Dennison, 2003).

In order to continue with this theoretical study it is crucial to develop an understanding of the wide variety of leadership style that scholars have presented in the past decades. For this purpose, some of the most common leadership styles are described using two leadership classifications presented by Lewin, Lippit and White (1939) and Jing and Avery (2008). Afterwards, the presented leadership styles will be categorized into vertical and horizontal

leadership theories (Burns, 1978) and two leadership styles (transformational and participative) are selected as the base for this comparative research.

2.2 Leadership classifications

Because of the wide variety of leadership theories various scholars have used systems for classifying different leadership styles to help leaders in understanding and choosing the right leadership style. In this section two major classification method are presented to provide and understanding of the main leadership styles.

2.2.1 Autocratic, democratic and laissez-fair

One of the earliest classifications of leadership style was presented Lewin, Lippit and White (1939) who have identified three main leadership styles: autocratic, democratic and laissez-faire. In this classification autocratic and laissez-faire are considered as two extreme leadership behaviors and democratic leadership is considered as a moderate leadership style
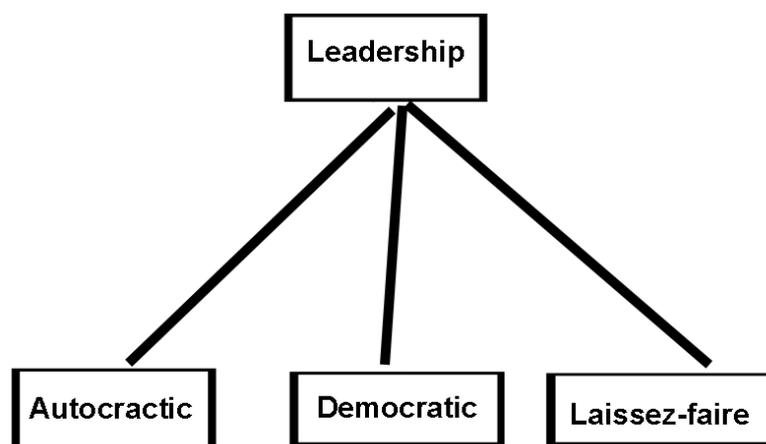
Figure 1: Autocratic, Democratic and Laissez-fair by Lewin, Lippit and White (1939)

Each of the leadership styles shown in the figure above is described in detail below.

2.2.1.1 Autocratic leadership style

Autocratic leadership style which was later named as classical leadership is the extreme strict

principle in which the leader maintains a master-servant relationship with members of the group. The autocratic leader is task centered and his/her focus is to get a certain task done quickly. Autocratic leader makes all the decisions and assigns tasks to members of the group. In organizational environment these leaders are usually powerful CEOs who hold multiple titles (chairman, CEO, president), receive high compensation, and often control large shareholdings to dominate companies (Finkelstein, 1992). These leaders are usually blessed with a charismatic and self-confident personality. Autocratic leaders use their position to pursue aggressive and visionary goals (Whetten, 1980) and use their power through organization culture, press and media to praise their own initial success. These leaders often use titles such as "superhero" Bernie Ebbers at WorldCom, the "genius" Jean-Marie Messier at Vivendi, the "godfather" Percy Barnevik at ABB, and "Roman emperor," Tyco's CEO Kozlowski (Probst and Raisch, 2005).

The main advantage of autocratic leadership style is that it gets things done quickly. Moreover it ensures that the leader gets listened to lets team members know when their behavior is unacceptable. However autocratic leadership style has many disadvantages and it is considered as a destructive leadership behavior (Hoel and Salin, 2003). Basically any organization that relies on the ability of a single person is living dangerously. As suggested by various scholars the major cause of organizational decline is a top executive who has too much power (Probst and Raisch, 2005) some of the main disadvantages of autocratic leaderships are that it doesn't allow team members to think for themselves and this limits innovation and employee participation. Moreover, this leadership style can distance team members from the leader which can cause low level of job satisfaction and trust in the organization.

2.2.1.2 Democratic leadership style

Democratic leadership style which later evolved to participative leadership is a leadership process in which the leader has a master-master relationship with group members. The leader uses a consultative approach to encourage group participation in decision making. Democratic leadership is defined as the process of joint decision-making or at least shared influence in decision-making by a leader and his or her subordinates (Koopman and Wierdsma, 1998). According to White and Lippitt (1960) democratic leaders emphasize on group participation, discussion, and group decisions. Democratic leadership involves working

with a group to assure that they make decisions sensibly and fairly. The main reason for leader's intervention is to make sure that everybody has a say and that decisions do get made.

There are many advantages in using democratic leadership. Since this leadership style allows everyone to get a say in making the decision, the final decision has support from the majority of employees. Because the leader is transferring the power to the followers, this leadership style can increase the level of trust, motivation, innovation and job satisfaction in the organization. The main disadvantage is that it can be time consuming and can be difficult to get the majority onboard. Moreover if the technique is over used it can have negative effect on the organization so it is critical for the leader to know when to intervene.

2.2.1.3 Laissez-faire leadership

The laissez-faire leadership is the extreme loose principle which includes non-interference policy that allows complete freedom to all the employees and has no particular way of attaining goals (Omolayo, 2007). This style of leadership is people centered and the leaders leave the group to make its own decision without participating or even setting a deadline for the decision. In this style leader hopes that the group will make the right decision the main advantage of this style is that it lets the team members to bond and can lead to successful decisions if group members take ownership and responsibility of the task. However the main disadvantage is that employees will often perceive the leader as indifferent to the organization and they might make the wrong decision without even realizing it. Since there is absolutely no control or guidance in this style of leadership wrong decisions can impose devastating effects on organizations (Skogstad, Matthiesen and Einarsen, 2007). Laissez-faire can also be considered as a destructive leadership behavior because in the absence of the leader's control some individuals can dominate group decisions and bully other members in the group (Hoel and Salin, 2003).

2.2.2 Four Paradigm of leadership

Since the early classification of leadership many leadership theories have been presented by scholars. In the past decades autocratic leadership evolved to theories such as classical and transactional leadership. Studies about employee's motivation and learning have led to development of transformational leadership and democratic leadership style has evolved to theories such as participative leadership. One of the most recent classification of leadership theories was presented by Avery (2004) who has classified the most used leadership styles into four paradigms (Avery, 2004; Jing and Avery, 2008): classical, transactional, visionary/ transformational and organic/ participative.

Classical leadership	**Transactional Leadership**
Transformational leadership	**participative leadership**

Table 1: Four Paradigm of leadership - Jing and Avery (2008):

In order to reach a clear understanding of the subject it is important to discuss the characteristics, advantages and disadvantages of each paradigm.

2.2.2.1 Classical leadership:

Figure 2: Classical Leadership

Classical leadership is probably the best-known paradigm that is still used today. In this style of leadership, the leader or a group of leaders dominate the regular followers. The followers do not question leader's actions because they either fear or respect the leader. The leader is power-retentive, decision-based, authoritarian and most importantly accountable for the outcomes. In this leadership style followers make relatively little contribution to the organization. These leaders make the final decision without no real internal dialog and they use command and control from top to down to manipulate employees the get the tasks done. The success of this leadership style is very dependent to the personal characteristic of the leaders themselves. The classical theory of leadership views leaders as supernatural, charismatic and dominant individuals. In these theory leaders are born as a leader with a certain set of characteristics. According to Gardner (1989) some of these characteristic include:

Classical leaders Characteristics
Physical vitality and stamina
Intelligence and action-oriented judgment
Eagerness to accept responsibility
Task competence
Understanding of followers and their needs

Skill in dealing with people
Need for achievement
Capacity to motivate people
Courage and resolution
Trustworthiness
Decisiveness
Self-confidence
Assertiveness
Adaptability/flexibility

Table 2: Gardner (1989): Classical leader's characteristics

It is obvious that these leadership qualities have been proven to be effective for some leaders in history. Charismatic leaders are usually leaders who have inherited or attained these qualities history is field with name like Gandy, Winston Churchill and Martin Luther King whom had change history with their leadership qualities. However the main problem with the early theories of classical leadership is that these set of qualities are very rarely found in one individual. Moreover, the classical theories of leadership try to minimize the effect of the situation and claim that there is definite set of qualities which works in every situation form the battlefield to the teams in organizations. Doyle and Smith (2001) argue that these qualities are not enough for every situation and some qualities might even hinder leader's success in certain situations. They argue that classical theories of leadership tend to mix very different characteristics. For example some of Gardner's qualities are aspects of a person's behavior, some are skills, and others can be considered intellectual ability. Furthermore, the list is not exhaustive and it is possible that individuals posses other 'leadership qualities' different form the list (Doyle and Smith, 2001).

2.2.2.2 Transactional Leadership:

Figure 3: Transactional leadership

The second paradigm is transactional leadership which represents the traditional influence model found within most human groups (Bass, 1990) and is mainly based on exchange between the leader and followers. These leaders have to recognize follower's needs and manage their internal and external environment to influence followers using rewards, punishment and agreement systems. These leaders are considered in a better position than the followers and they suppose to have information, skills and expertise that the followers might lack. Transactional Leaders are held responsible for rewards, monitoring, finding problems and taking corrective actions before the problem causes serious difficulties for the organization (Doyle and Smith, 2001). Transactional leadership has received a great deal of criticism over the years. One of its main problems is the low level of motivation of the employees. Organizations that use this leadership style usually face a high rate of absenteeism and problem employees. The main reason for these problems is that transactional leadership focuses on the base level of Maslow's (1954) hierarchy of needs and fails to recognize the importance of upper level of needs and this can prevent employees from growth. It is important to mention that while inspiration is not typically the goal in this type of leadership style, offering incentive can be helpful in raising employee's motivation. This

type of leadership style works best in task oriented relationships especially when the task is routine and has to be done as soon as possible. However, it is not a good match for a creative work place.

2.2.2.3 Transformational leadership:

Figure 4: Transformational Leadership

The third paradigm is visionary/transformational leadership. The modern motivational theories together with problems with transactional and classical leadership style convinced various organizations to move toward intrinsic motivational techniques (Chang, 2002) and this has led to emergence of leadership theories such as transformational Leadership. This style of leadership is mainly based on the emotional relationship between leaders and employees. Transformational leader inspires employees to see the bigger picture and follow the vision presented by the leader to perform beyond normal procedures. According to Burns (1978), "transformational leaders are looking into followers potential motivations by exploring common objectives and linking them to followers". In other words, transformational leaders try to satisfy Maslow's hierarchy of needs with focus on intrinsic needs rather than extrinsic ones. Yammarino and Dubinsky (1994) described transformational leaders as "individuals who increase confidence, awareness, interest and motivation in the followers by moving the follower's interest from their personal existence to the existence of

the organization/group". In order to gain the support of their followers, transformational leaders use four main characteristic which are described below:

1. Idealized influence: Transformational Leaders manifest idealized influence by improving their performance, maintaining consistency in their behavior, and participating in risks with their followers. (Kelloway et al, 2002).

2. Individual consideration: Transformational leaders pay individual attention to their followers by acting as coach and providing support to followers (Kelloway et al, 2002). Through the process of individual consideration followers are supported by leaders; meanwhile, leaders are concerned about their personal need and feelings (Podsakoff et al, 1990).

3. Intellectual simulation: Transformational leaders try to assist their followers to develop new ideas, motivate them to take alternative routes to problem (Kelloway et al, 2002).

4. Inspirational Motivation: "Transformational leaders try to motivate and arouse enthusiasm in followers by bringing significance and purpose to the work being done, introducing new challenges, and maintaining motivation" (Kelloway et al, 2002).

This leadership style solves most of the motivational problem caused by earlier leadership theories. This model can create an enthusiastic work atmosphere and it can increase the level of innovation in organizations. Another notable advantage is the potential of this leadership style to create future leaders from followers.

There are various disadvantages to the transformational leadership theory. Transformational leadership is very much based on the ability of the leader to inspire followers and to align their interest toward organizational goals. The problem is leaders may not have the force of character to achieve this. Another main problem of transformational leadership is its anti democratic characteristic because even though the leader's main focus is selling the vision to followers at the end of day followers have to follow leader's vision. According to air force colonel Homrig (2001) transformational leadership is a sharp, but double-edged sword. If the leaders have a potential immoral and unethical dimension it could have devastating effect on

naive and unsuspecting followers. One of the classical examples of this dilemma is Hitler. Hitler can be considered as a charismatic character which appealed to the values of the German people and offered a transcendent vision and frequently encouraged his followers. However, his goal led to the ruin rather than the betterment of his followers. The same problem applies to organization. It is important to realize that if the leader has a hidden agenda and tries to manipulate the followers it can destroy the trust which is necessary for this style of leadership (Hay, 2006). According to Czaja if the followers see the mission itself as immoral or even trivial, they may rebel or simply cease participation.

Another notable disadvantage is continuous reinforcement of vision. This requires frequent and close communication with followers to show that they are playing an important role for creation of something good that is bigger than they themselves. If followers begin to feel that their part is not important they might lose interest in the vision.

2.2.2.4. Participative leadership:

Figure 5: Participative Leadership

The fourth paradigm participative leadership also referred to as organic leadership is defined as leadership style which involves employees across different levels of the hierarchy in decision-making (Spreitzer, 2005). Participative leaders involve their subordinates in the decision making process. These leaders pay attention to subordinates values and seek their input on important decisions. In this leadership style there is no formal distinction between leaders and followers. Participative leader can be considered as a temporal coordinator for the group of like-minded people. Participative leader is a facilitator that shares the same vision and values with subordinates. According to Bass (1981) "participative leadership is

associated with consensus, consultation, delegation, and involvement". The main task of the Participative leadership is consulting with subordinates and evaluating their opinions and suggestions before making the final decision (Mullins, 2005).

The main vehicle for the success of participative leaders is their use of participative decision making (PDM) which allows employees across all levels in the organization to be involved in the final decision. Various studies suggest that participative decision-making (PDM) offers a variety of potential benefits some of these benefits are the following:

1. it can increase employee's Job satisfaction (Smylie, Lazarus, and Brownlee-Conyers, 1996)
2. it can increase the level of innovation in the organizations (Somech, 2006)
3. it can increase the quality of the decision (e.g., Scully, Kirkpatrick, and Locke, 1995)
4. it can contribute to the quality of employee's work life (e.g., Somech, 2002)
5. it can increase employees' motivation (e.g., Locke and Latham, 1990)
6. it can increase the level of employee's commitment (e.g., Armenakis, Harris, and Mossholder, 1993; Yammarino and Naughton, 1992),

Since this leadership style is the main focus of this study, the next two sections will provide a brief history of participative leadership together with recent development of this leadership style.

2.2.2.4.1 History of participative leadership style

Participation as a management style was first suggested in an experiment conducted by America's National Research Council at a large telephone-parts factory called the Hawthorne Plant near Chicago in 1924. The Hawthorne experiment also know as Hawthorne effect showed that small groups of workers had produced more and were more satisfied from their work when they felt their work environment is supportive (Economist, 2009). In the 1940s Fleishman expanded this view of supervisory. Fleishman study focused on how leadership behaviors affect small groups and the result led to the development of the concepts of employee orientation (Fleishman, 1953).

In 1950's Likert continued Fleishman work and conducted an empirical research on the state of Michigan using the leader behavior description questionnaire (LBDQ). He administered the questionnaire to samples of individuals in the military, manufacturing companies, student

leaders and college administrators (Likert, 1961). The main focus of the study was to determine the principles of leadership that led to productivity and job satisfaction. The studies resulted in two main leadership behaviors; employee orientation and production orientation. Leaders with an employee orientation showed more concern for interpersonal relations with subordinates. On the other hand leaders with production orientation focused more on the task or the technical aspects of the job. The conclusion of the study indicated that employee orientation delivers better results than close supervision (Helms, 2009). Building on Likert's findings, Davis (1968) developed the supportive model in which the manager's primary role is to provide psychological support rather than economic support to his employees at work to create growth. He concluded that when subordinates feel a sense of participation and task involvement, they will take responsibility, and try to contribute to the organization's objectives. Davis's research suggested that there is a tendency toward more democratic management styles within industry and participative models are replacing the authoritarian models in many types of organizations, including the military, business and government.

After 1960 various studies suggested that participative leadership style may correlate with productivity and organizational performance. These studies include Harbison and Myers (1960) research which concluded that a more democratic leadership style maybe necessary for managing productively in advanced industrial systems. An empirical study done by Heller (1971) on 15 large American companies (260 senior managers) concluded that power sharing between bosses and subordinates (in terms of delegation and participation) is necessary for organizations. Vroom and Yetton (1973) study which was focused on the situational approach leadership also suggested that there is likelihood that the participative style may increase productivity.

2.2.2.4.2 Modern Participative leadership

Since 1980 various scholars have studied the concept of participative leadership. Researchers argue that due to the complex changing environment previous styles of leadership seem to hinder organizational performance hence there is a need for new leadership styles based on participative principles to be able to cope with the rapid rate of changes (Trevino et al., 2003; Fulmer, 2005; Kakabadse et al., 2009). According to Rok (2009) in order to have effective leadership the leader should influence/ inspire people toward group goals through individual motivation rather than coercion. Therefore the Modern concept of leadership should be

conceived as a set of values and behaviors exhibited by the leader to encourage participation, commitment and development of the followers. Because openness to new ideas is an essential element in order to encourage participation of followers there is a growing need for more participative culture of leadership. The modern leader not only leads or involves, but also should be more responsive to feedback from others and should try to integrate the core sustainability agenda with ''hearts and minds'' of all followers (Rok, 2009).

The main reasons for the need for participative leaders are the changes in cultures, environment and politics. An interesting study done by Hay group (2011) claims because of factors such as globalization, climate change, demographic change, individualization and digital lifestyle, organizational principles such as leadership, corporate environment and organizational structures will dramatically change by 2030.
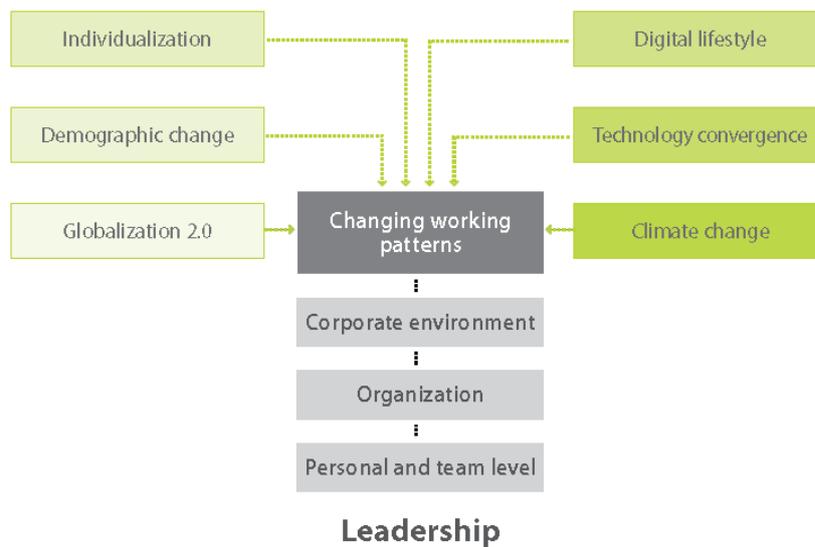
Figure 6: Hay Group (2011) - Leadership Changes by 2030

Fletcher (2004) argues that the principles of leadership are already changing and leadership paradigm has shifted from individual to collective, control to learning, self to self-in-relation and power over to power with. Jordan (2011) predicts that because of the regarded changed "future leaders of successful organizations should focus on cultivating a participative decision making environment".

The changes in leadership have impacted organizational structures as well. Eric Schmidt CEO of Google Inc in an interview with Washington post stated that the use of participative leadership has changed the traditional hierarchal organizational structure to a modern

structure called network based organization in which the structure is very non-hierarchal, organized from the bottom up and decisions are made collectively in groups (Schmidt, 2009)

Traditional hierarchal structure	Network Based organization
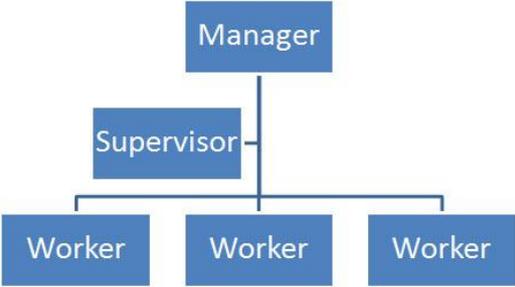
Table 3: changes in organizational structure (Clark, 2010)

Since the modern organization are moving toward organic structures such as network based structure, the way modern leaders should react to the new structure is to motivate followers from bottom up rather than top down. The rapid rate of changes in environment, leadership and organizational structures indicates that the use of participative decision making is a must for future organizations.

2.3 Horizontal and vertical leadership

According to Burns (1978) leadership can be categorized into vertical and horizontal leadership theories (shown in figure 7). Each of the regarded categories is explained below.


```
Leadership Theories

Vertical Leadership Theories          Horizontal Leadership Theories

Classical leadership                  Participative Leadership
Transactional Leadership              Laissez-faire
Transformational Leadership           Servant Leadership
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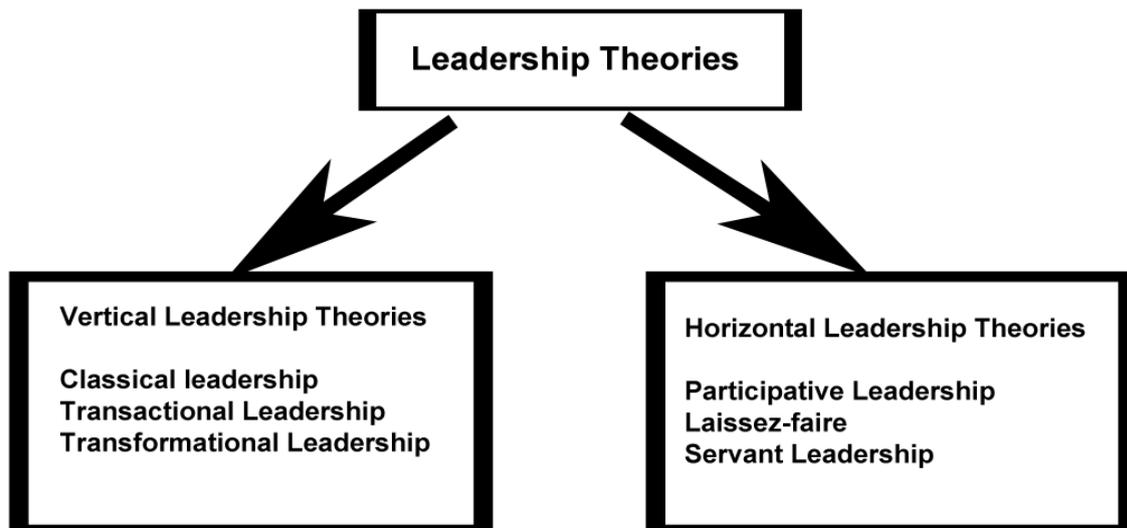
Figure 7: Vertical and Horizontal leadership theories

According to Yukl (2009) in vertical leadership, leaders take actions without considering follower characteristics and the relationship between the leaders and subordinates are organized from top to down (vertical). This paradigm has been the most dominant in the leadership studies for decades and most of the discussed theories and approaches of leadership such as classical, transactional and transformational leadership (Burns, 1978) are included in this category (Pearce and Conger, 2003).

Unlike vertical leadership theories, in horizontal leadership theories leadership is broadly distributed among members of the organizations and leaders make decisions only after consulting with group members (Kim, 2011). Even though fewer theories have appeared in this category only after 1970s, horizontal leadership theories such as participative leadership have been the focus of several studies since late 1990's.

According to Hirschhorn (1990) organizations need to shift to horizontal leadership theories which are based on collaboration, participative/ shared decision making and employee

involvement because the relationship between leaders and followers is changing. As mentioned before, the leadership paradigm has shifted from individual to collective, control to learning, self to self-in-relation and power over to power with (Fletcher, 2004) and one of the viable solutions to cope with these changes is to shift to horizontal leadership theories such as participative leadership.

As mentioned in the introductory chapter, Even though these factors have been realized by scholars in the recent years, and horizontal leadership theories have been used by very successful companies such as Google Inc and Cisco systems Inc, vertical leadership theories are still the dominant category in leadership field. Consequently, most of the comparative studies tend to compare vertical leadership theories such as transactional leadership and transformational leadership with each other and there are very limited comparative researches which compare a horizontal leadership style with a vertical one. In order to address this issue the researcher decides to compare transformational leadership with participative leadership. The variables chosen for the comparison are motivation, job satisfaction, and innovation which are arguably the most important factors impacted by leadership styles. The impacts of the selected leadership style on each of the regarded are described in the following sections.

2.4 Leadership and motivation

Employee's motivation plays a crucial role in leadership effectiveness. According to Rost (1993)," the effectiveness of leadership depends on a process of influence, whereby employees are inspired to work towards goals, not through coercion, but through individual motivation". Motivation can be considered as one of most important factors that can help an organization to achieve its goals. Motivation is defined as "the extent to which persistent effort is directed toward a goal" (Campbell et al, 1970). According to Nader (1988) "motivated employees usually believe that they are doing something worthwhile" and they believe that their participation is valued (group members depend on them and listen to their ideas). Since the 20[th] century various scholars have analyzed motivational; factors and presented various motivational theories. Since the main goal of a leader is to motivate employees toward a goal, motivational theories can be considered as a backbone of leadership theories. The early motivational theories such as Taylor's (1911) Scientific Management theory view organizations as complex social system in which employee's

behaviors should under strict control and isolated from other factors (Parsons and Broadbridge, 2006). These theories viewed money as a prime factor of employee's motivation and believed that the only way to motivate employees is through payment and incentives. Early motivation theories led to development of leadership style such as classical and transactional leadership.

The early motivation theories received a great deal of criticism at post industrial era and were accused of viewing people as machines. Consequently, extensive amount of research by many scholars showed the failure of leadership style such as classical and transactional leadership in motivating employees

The failure of early motivation theories have led to the development of modern motivation theories which are based on the assumptions that employees have individual needs and goals that motivate them. The most important theory of motivation was formed by Maslow (1954) who believed that people get motivated if they can climb up Maslow Hierarchy of Needs (Shown in figure 8).
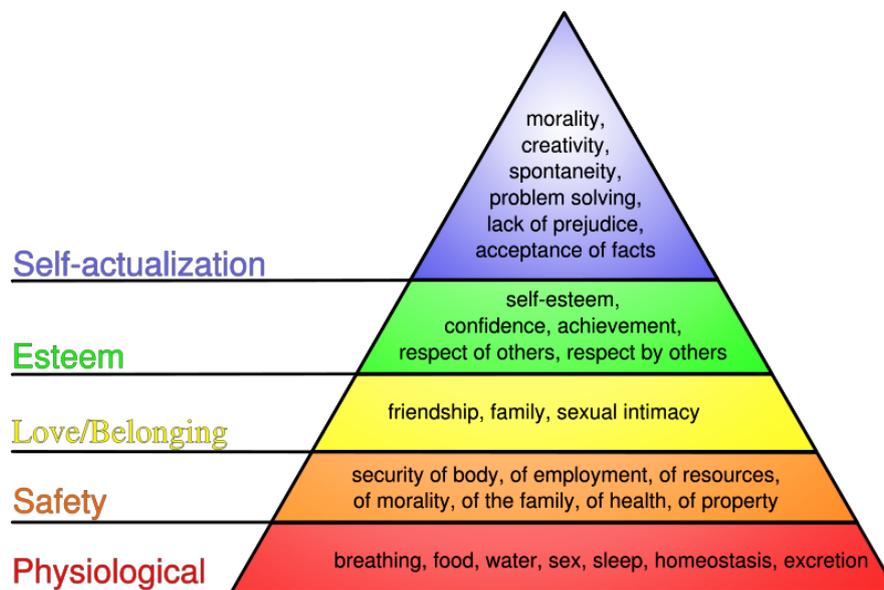
Figure 8: Maslow's hierarchy of needs, Finkelstein, (2006) adapted from Maslow (1954).

In the past three decades, scholars argued that other factors such as good relationship with supervisor (Lucas 1985) , task participation and decision making (Darden and Dorsch, 1989), communication (Gray and Laidlaw 2002), and Leadership style (Shim et al. 2002) greatly impacts employee's motivation.

2.4.1 Transformational leadership and motivation

The modern motivational theories persuaded organizations to move toward intrinsic motivational techniques (Chang, 2002). This led to the emergence of new leadership styles such as transformational leadership. In this leadership style the ideal leader is an individual who identifies follower's needs by asking questions and working toward satisfying follower's needs.

According to Burns (1978), transformational leaders are looking into followers potential motivations by exploring common objectives and linking them to followers. In other words, transformational leaders try to satisfy Maslow's hierarchy of needs with focus on intrinsic needs rather than extrinsic ones. Through the past decades many scholars suggested that there is a positive relationship between motivation and transformational leadership style. According to Shin and Zhou (2003) "intrinsic motivation partially mediates the effects of transformational leadership". There are many theoretical and empirical studies that support a link between leadership and intrinsic motivation (e.g., Eby et al. 1999). For instance, Coelgo, Augusto and Lagas (2011) quantitative research on three Portuguese public hospitals with a total of 2,279 frontline employees, including nurses, doctors, and health technicians, supports a link between transformational leadership and intrinsic motivation.

2.4.2 Participative leadership and motivation

Participative leadership style focuses on the intrinsic motivation of followers. According to Nader (1988) participation can contribute to intrinsic motivation by enriching subordinates jobs through autonomy, variety and empowerment. Recent literatures argue that participative leader take intrinsic motivation in to the next level. Transformational leaders have to constantly preach their vision into followers but since followers of the participative leaders are working toward a vision acceptable by the majority of followers, participative leaders can motivate employees much easier. Moreover, democratic decision making can help employee to understand that their ideas are respected and valued and this will make them feel connected with the organization. According to Gibbs (1995) anti democratic decision making can breed loneliness, low self esteem, isolation, low achievement, low motivation and low productivity.

According to Omolayo (2007) democratic decision making can give employees a sense of community. Communities consist of a group of interdependent individuals who participate in discussion and decision making. (Bellah et al. 1985). Researchers have shown that members of communities are highly motivated to work toward predefined goals.

As mentioned earlier, participative decision making is the main vehicle of participative leadership. According to Lowin (1968) there are a set of motives for both managers and employees for using participative decision making (PDM).

Employees Motives

Ego motivation: Participation in the design meets the ego-needs of the employees (Argyris, 1957; Likert, 1961; Maslow, 1943; McMurry, 1958). The structure of subordinate's ego is formed by factors such as achievement, autonomy, power, self-realization which are all addressed in the participative decision making (PDM) process.

Financial incentives: As discussed earlier participative leadership can increase organizational effectiveness. Because financial benefits can be assumed as an indirect outcome of increased organizational effectiveness, participative leadership can increase financial benefits for the subordinates.

Closure and the sense of participation: Employees who participate in participative decision making (PDM) are fully aware of their role in the complex system. Hence, they feel that their daily activities are more meaningful.

Leaders/Managers Motives

Organizational performance: The same ego and financial motives that were stated for employees also drive managerial behavior. The first concern of every leader/manager is maintaining a high level of organizational performance. Participative decision making (PDM) can contribute to organizational effectiveness by causing improvements in both technical and administrative systems. Scholars argue that in some instances employees can provide information to improve the quality of organizational decision-making. (Dubin , 1965; Rice, 1953; Tiffin and McCormick, 1965). Hence managers need to use participative decision

making (PDM) to retrieve employee's idea and use this information to improve organizational performance.

Public pressures for subordinates to conform to prior commitments: When productivity is increased incompatible behavior decreases. Moreover when employees participate in a decision-making session, they are under social pressure not to question the results..

Shared goals: The interdependence of perceived goals and the commonality of information can contribute to formation of shared organizational goals by employees and leaders/managers (Katz.and Kahn, 1966; March and Simon, 1958; Morse and Reimer, 1956; Vroom, 1960).

Changes in manager's behavior: participative decision making (PDM) can pressure management and employees to consider their decisions more carefully (Granick, 1960). Presumably, this can lead to more effective operations.

One of the best examples that made use of the regarded motives of a participative decision making (PDM) is Google Inc which is one of the most successful organizations in technology. Google is a company focused on innovation which is structured from bottom to up and it runs by its participative culture. According to an Eric Schmidt CEO of Google (Schmidt, 2009) Google is a company where people work on things that interest them the most and let the management to organize and plan what they are doing. The main reason for this is because it is much easier to manage an employee base that works on what they want every day because they are always excited and motivated.

Logically it is easier to motivate employees when they are working toward tasks that they prefer. Participative leader have to find individuals that are passionate about their job and place them in way that they move forward in Maslow's hierarchy of needs and ultimately reach self actualization.

Through the past decades various scholars have researched on the impact of participative leadership on motivation. Khotimah & Basuki (2005) survey on employees of millennium hotel in Jakarta showed that there is a significant relationship between participative leadership and motivation. Their research showed that employees want their bosses to discuss their decisions with them, to share responsibility and authority, and provide them with an

opportunity to share their ideas in decision-making. Wynn (2004) research on numerous open source projects confirmed that most of the studies have affirmed the significance relationship between participation and both external and internal motivation.

Garcıa-Goni, Maroto and Rubalcaba (2007) survey on health professionals in public health institutions located in six European countries (Ireland, Israel, Spain, Sweden, Netherlands, and United Kingdom), showed that it is crucial to make all types of professionals at public health institutions feel participative and motivated in order to foster innovation to maximize the benefits in the provision of health services.

2.5 Leadership and job satisfaction

Job satisfaction generally defined as "a person's evaluation of his or her job and work context" (McShane 2004). Since many organizational behavior scholars have argued the relationship between job satisfaction and job performance, job satisfaction has been a subject of empirical research for many years because (Brayfield and Crockett 1955; Petty, McGee, and Cavender 1984; Iaffaldano and Muchinsky 1985). Even though there is some disagreement between scholars about this relationship most scholars believe that job satisfaction and job performance are positively related (Kim, 2002).

Job satisfaction is a subjective matter and various factors such as pay, communication feedback, motivation, coworker relations, supervision style, leadership and many more can have a significant impact on it. Through the past decades many scholars have analyzed the effect of each of these factors on job satisfaction.

According to Clampitt & Downs (1993) factors that impacts job performance can increase the efficiency and effectiveness of organizations. Watson (2009) argues that even though factors such as pay and benefits are initially important, the most important determinant factor impacting continued job satisfaction is the positive relationship between employees and leaders (Wagner, 2006). According to Miles and Mangold (2002) job satisfaction is facilitated by leader's effective supervisory interaction with followers. According to Aon Consulting (2011) once employees feel that the work environment is safe, their job is secure and the pay is adequate, the relationships among peers and leaders affect job satisfaction and organizational commitment to a larger degree.

It is important to mention that motivation and job satisfaction are interrelated. As discussed earlier leadership styles influence employee's intrinsic and extrinsic factors and these factors influence both motivation and job satisfaction.

In the past decades organizational leader's realized that the human resource is the most valuable and indispensable factor in running an organization smoothly, effectively and efficiently (Mosadeghrad, 2003). Since having a motivated and satisfied workforce is crucial for every manager, leaders today have to choose the right approach in leadership and motivation in order to have satisfied employees.

2.5.1 Transformational leadership and job satisfaction

According to Cummings et al. (2010) transactional leaders that are only concerned with the outputs of the workers and do not care about their feelings fail to attain best efforts of the staff. On the other hand transformational leaders voluntarily help their followers and prevent the occurrence of work-related problems (Berson and Avolio, 2004), which ultimately enhances job satisfaction among followers (Scandura and Williams 2004; Nemanich and Keller, 2007).

In the past decades numerous studies have pointed out that transformational leadership has positive relationship with employee's job satisfaction. According to Bushra et al (2011) transformational leadership tends to show higher level of job satisfaction than transactional leadership. According to Miles and Mangold (2002) transformational Leader's capability to identify and solve the conflicts of employees is the key determinant of employee's job satisfaction. Al-Hussami (2007) proclaimed that transformational leadership positively correlated with employee's job satisfaction. Hamidifar (2009) study in Islamic Azad University in Tehran showed that Employees are more satisfied with transformational leadership than transactional leadership. Medely and Larochelle quantitative research on 122 nurses showed that transformational leadership and job satisfaction are positively correlated. Gill et al. (2010) research on 218 restaurant industry employees showed a positive relationship between job satisfaction and transformational leadership.

The result of these studies clearly shows that transformational leadership has a positive effect on job satisfaction. However the problem with most of the regarded studies is that they tend

to compare transformational leadership with transactional leadership. There is no question that transformational leaders can increase the level of job satisfaction and motivation better than transactional leaders. But the question is that is transformational leadership good enough for job satisfaction and motivation in our rapidly changing industries. In this modern era where the world has become a global village and the rate of change in technology is rapidly increasing, maintain highly motivated and satisfied human resources is a difficult task. (Bushra et al, 2011). In order to cope with the changes leaders need to constantly change their strategies in order to maximize organizational efficiency.

2.5.2 Participative leadership and job satisfaction

The increasing rate of dynamic changes inside and outside organization has encouraged leaders to shift the paradigm of their leadership style from traditional approaches to a humanistic based leadership with focus on employee's empowerment in order to achieve organizational goals (Brown, 2003; Rad and Yarmohammadian, 2006). Various scholars argue that participative leadership style is the only true humanistic approach to leadership (Amabile et al., 2004; Jong, and Hartog, 2007).These scholars argue that leader's ability to properly implement participative styles (i.e., general consultation, empowerment, joint decision-making and power sharing), together with consultative approaches (i.e., appreciation of follower's opinions and ideas in goal settings and task assignments) in planning organizational functions directly increase job satisfaction (Brown, 2003; Rad and Yarmohammadian, 2006).

It is important to mention that even though, participative leadership style, employee's motivation, employee's commitment and job satisfaction are distinct constructs, they are highly interrelated (Ismail, Zainuddin and Ibrahim, 2010). This means that leaders who are able to implement participative leadership style effectively will strongly motivate employees to commit to the organization (Brown, 2003; Rad and Yarmohammadian, 2006) and this may lead to higher job satisfaction in the organization (Yiing and Ahmad, 2009; Yousef, 2000).

Spreitzer, Kizilos, and Nason (1997) argue that the notion of empowerment which has shown significant relationship with Job satisfaction in many theoretical and empirical studies is in fact derived from theories of participative management. According to these authors, participative leadership is based on the assumption that manager's share their decision-

making power with employees (empowerment) to enhance performance and work satisfaction. They maintain that, the main concern for these leaders are enhancing employee satisfaction, improving intrinsic motivation, and helping employees to feel good about their work and jobs. Therefore, job satisfaction is the earliest anticipated outcomes of empowerment (Kim, 2002).

Theoretical literature indicates that participative decision making in organizations can increase job satisfaction significantly, via satisfying employees' higher-order needs (Maslow, 1954) and self expression (Miller and Monge, 1986). Empirical studies generally support this positive association as well (Alutto and Acito, 1974; Black and Gregersen, 1997; Morse and Reimer, 1956; Wright and Kim, 2004).

In the past decades the relationship between participative leadership and job satisfaction has been proven in many quantitative research such as Becker et al, 1996 study on 281 participants in US organizations, Bartolo and Furlonger (1999) study on 56 fire fighters in two fire stations in Victoria-Australia, Brown (2003) research on 361 employees from eight department in the city administration offices, Rad and Yarmohammadian (2006) research on 814 employees (first line, middle and senior managers) in Isfahan university hospitals in Iran, Lok and Crawford's (2001) study of 251 nurses in seven large hospitals, Watson's (2009) research on 388 registered radiologic technologists and many more. All of the mentioned studies suggest that properly implemented participative leadership can be a major determinant of job satisfaction in the organizations.

2.6 Leadership and innovation

The growth of firms in today's highly dynamic and competitive context depends critically on the firms' capacity to be innovative and creative (Rosing, Frese and Bauch, 2011). In today's fast-paced dynamic work environment, managers continue to realize that in order to remain competitive they need to motivate their employees to be actively involved in their work in order to generate appropriate and novel processes, products, and approaches (Zhang, Tsui and Wang, 2011). Due to the importance of innovation in 21[st] century the growth of firms in depends critically on the firms' capacity to be creative and innovative.

Most of scholars define innovation as "a new idea or a reformulation of old ideas, whether invented or discovered, though regarded as new by individuals within their organizations" (Mohr, 1969; Damanpour and Evan, 1984; Damanpour, 1991). West and Farr (1990) define innovation specifically as "the intentional introduction and application within a role, group or organization of ideas, processes, products or procedures, new to the relevant unit of adoption, designed to significantly benefit the individual, the group, organization or wider society". Before we discuss the concept of innovation any further it is important to distinguish creativity from innovation. Creativity can be considered as a part of the innovation process which is concentrated on mere generation of new ideas. However innovation requires implementation of the ideas, selling ideas within the organization to other stakeholders (Axtell et al., 2000) and proposing innovation for the market place. Thus, there is more to being innovative than just being creative and creativity can be considered as a part of the innovation process.

 An overview of innovation literature shows that few topics have enjoyed a greater consensus among researchers than the current importance given to innovation. This is mainly because innovation is considered as a strategic option for improving the organization and making it more competitive (Montes, Moreno and Morales, 2005). At the same time, innovation can open the doors to competitive advantage both in global and international markets (Hitt et al., 1997; Tidd, 2001) by

- Providing the marketplace with new or unique products/ services.
- Creating entry barriers that helps organizations to learn the necessary resources required for innovation.
- Creating new values that re-write the rules of competitive play.

Due to the importance of innovation managers and scholars have shifted their attention to factors which impact innovation such as leadership, employee involvement and learning. Since leadership is considered as one of the most important factors that can impact innovation the link between leadership and innovation has gained a lot of attention in the literature (Rosing, Frese and Bauch, 2011).Various scholars proposed that leadership is the most influential predictors of innovation (Manz, Bastien, Hostager, and Shapiro, 1989; Mumford, Scott, Gaddis and Strange, 2002). The main reason for this is because scholars believe that

leaders need to play and active role in fostering, encouraging, supporting and setting the culture for innovation (Shalley and Gilson, 2004). Leaders need to ensure that the structure of the work environment, the human resource practices (e.g., rewards, resources, goals, and expected evaluations) and the climate and culture are in place in a way that creative outcomes can occur is crucial. (e.g., Drazin, Glynn and Kazanjian 1999; Mumford, 2000; Mumford et al., 2002; Oldham and Cummings, 1996; Shalley et al., 2000).

2.6.1 Transformational leadership and innovation

A number of studies have shown that transformational leadership is positively related with organizational innovation (e.g., Jung et al., 2003). According to Kanter (1983) transformational leaders are more likely to encourage organizational innovation than transactional leaders. Scholars argue that these leaders create the ideal conditions for innovation by creating teams of innovative people, promoting mutual trust and creating shared vision among followers (Lefebvre and Lefebvre, 1992; Lei et al., 1999; Tushman and Nadler, 1986; Senge, 1990). According to Elkins and Keller (2003) Transformational leaders use intellectual stimulation and inspirational motivation to foster organizational innovation. According to Montes, Moreno and Morales (2005) ideal transformational leaders should possesses a series of transformational characteristics, (such as being a good designer, mentor, teacher, challenger and integrator, as well as having a clear shared vision), to be able to support and encourage innovation.

Various empirical researches has shown a positive relationship between transformational leadership and innovation such as Jung et al.(2003) quantitative research which found that transformational leadership was significantly related to organizational innovation as measured by R&D expenditures and number of patents obtained over three years. Khan, Rehman, and Fatima (2009) survey on 296 top and middle level managers from the top telecommunication organizations in Pakistan showed that transformational leadership had a significant and positive impact on organizational innovation. However despite the wealth of conceptual work which suggests transformational leadership and innovation are related, various empirical studies yielded contradictory results. Waldman and Atwater (1994) did not find a relationship between transformational leadership and R&D team performance nor did Wilson-Evered, Hartel and Neale (2001) find a relationship between transformational

leadership and team innovation. Jaussi and Dionee (2003) Study showed that transformational leadership has negative effect on innovation.

The main reason for the mixed results lies in the main disadvantage of transformational leadership which is its dependency on leader's ability. If the transformational leaders fail in intellectual stimulation, inspirational motivation or gaining support of his/her vision, he/she can have no or even negative impact on innovation. Moreover the anti- democratic nature of transformational leadership can have a negative effect on innovation (Avolio, 1999). The main reason for this issue is that when followers observe that their opinion is heard but the leader impose his/her own opinions for the final decision, followers might get frustrated, de-motivated and eventually their level of innovation declines.

2.6.2 Participative leadership and innovation

According to Larsen et al. (1991), "there is currently a wide consensus on the idea that a supportive and participative leadership style is more likely to encourage innovation". Slenker (1983) argues that participative decision making is the most suitable approach for managers because many people take part in the decision-making process, and by their participation, a large number of employees feel committed to the decision. This can led to the emergence of new ideas and tends to eliminate objections during implementation. Wide participation also ensures that fewer aspects are overlooked and tends to reduce the trauma of major changes. Review of the related literature also indicates that employee involvement and participative decision making is not only linked to but also necessary for innovation. Mumford (1983) argues that participative decision making can be considered as a base which shapes and organizes team innovation. According to White (1981) some form of participative management is a prerequisite to increased productivity and innovation. Due to this fact many modern technological firm such as the search giant Google Inc and Cisco Systems Inc have shifted to use this leadership style as the base for their innovation process. The reason for this phenomenon is that participative leadership is the only leadership style which truly involves employee in the decision making process and supports participative safety which is the ability to give input without being judged or ridiculed. According to Dreu, West, 2001 and O'Hara, 2001 Participative safety can improve group member engagement which directly impacts group creativity and innovation. Based on these facts and the wealth of the theoretical and empirical research done on the subject of participative leadership and innovation it would

seem that participative management techniques can offer us the best hope of achieving acceptable and workable integrations of new ideas to the social and motivational structure of the industrial institution (Abraham and Hayward, 1985). However the reason that participative leadership is not widely used in organizations is because managers will resist (and are resisting) a move towards this kind of decision-making procedure because, it will reduce their relative respect and power positions (White 1981). This is a serious problem which needs to be addressed and managers need to realize that the benefits that participative leadership can provide to managers, employees and organizations are far greater than the assumed fear of power loss.

In the past decade many scholars have linked participative leadership with innovation. According to Krause, Gebert, and Kearney (2007) there is a positive correlation between participative leadership and innovation. Somech (2006) also observed a positive correlation between participative leadership with team innovation. Oldham and Cummings (1996) quantitative research detected a positive correlation between participative leadership and individual innovation. Stoker et al. (2001) empirical study also indicated that participative leadership was positively related to R&D performance in a manufacturing.

2.7 Applying participative leadership

As discussed in the introductory chapter a major part of this research work is based on applying a set of guidelines for proper implementation of participative leadership using action research based methodology. For this purpose this section will provide a set of guideline together with common barriers for applying participative leadership.

2.7.1 Barriers of participative leadership

Even though most of the results from both theoretical and empirical research point to the success of participative leadership in organization and with the tendency of employees to be more involved in decisions that affect their welfare, it would seem that most organization would shift their leadership to supportive and participative styles. However researches shows that most of the organizations still concentrate decision making at the top level (Crane, 1976).

This problem can be due to cultural reason, or because executives are not aware or convinced that participation is a managerially sound approach.

2.7.1.1 Cultural issues

According to Nichols (1999) and Peck (1988) national culture and politics can have an impact on organizational leadership. The GLOBE Study (House et al., 2004) which reduced 62 national cultures to 10 clusters and analyzed the effect of culture on leadership style has shown that ratio of participative leadership is much higher in democratic countries than countries with autocratic political systems such as some countries in the Middle East. Moreover the study had revealed that countries with debatable democratic system based on corporate capitalism such as United States, United Kingdom and France (based on University of Zurich (2011) the quality of democracy of these countries are ranked 10^{th}, 26^{th}, and 27^{th} in the world) tend to use transformational and autocratic leadership more than participative style. However countries with strong democratic cultures such as Denmark, Finland, and Sweden (which are ranked first, second and fifth in the University of Zurich (2011) ranking), tend to strongly endorse the participative leadership. These nations emphasize on a high degree of individualism and a low degree of power distance. The GLOBE study has shown that these counties tend to have an unusual combination of highly successful corporations, entrepreneurial firms and a generous welfare system.

According to Spreitzer (2005) organizational system and cultures can also have an impact on national cultures and political systems. He suggests that in order to face with cultural barriers organizational leaders need to successfully use a participative approach to legitimize this style of leadership in the eyes of employees. Because when employees become familiar with the value of a more participatory leadership style, they may seek to legitimate participative leadership for civic and governmental leaders. Moreover, employees who have had a participative leader may be more supportive of governmental leaders who have a more participative style.

2.7.1.2 Managerial issues

The main hurdle for the success of participative leadership is the leaders/ managers themselves. As white (1981) pointed out managers resist participative decision making

because of their fear of power loss. According to Crane (1976) executives are not aware of the benefits of participative management or they are not convinced that participation leadership is a managerially sound approach. It is interesting to note that the majority of managers in Crane's study felt that participation was` effective and held a positive view of the approach. However, experience reveals that there big difference between "espoused theory" and "theory in practice" when it comes to human behavior (Haire et al, 1966). Some leaders see themselves as participative leaders however they behave like transformational leaders because they believed that it is a good idea to consult with subordinates, but that the ultimate responsibility for the decision must rest with the manager. According to Crane (1976), "when leaders do not fully subscribe to participative decision making, its implementation within the organization is apt to be sketchy or nonexistent". As a result employees are rarely can consider themselves privileged to make decisions.

Another reason for the lack of managerial support for participative leadership can be the possible difficulties and disadvantages of dealing with group decision making. It is expectable that conflicts occur especially when diverse interests are present in a group. Consequently, a consensus may be the product of the most vocal, but not necessarily the most knowledgeable, members (Crane, 1976). Another notable barrier of participative leadership lies with its main disadvantage. Mangers believe participative decision making is time consuming and the boss-centered approach yields quicker short-term results. In order to convince executive to support participative decision making wholeheartedly they have to view participative management as a mean that secures commitment to actions by providing an understanding of the "whys" of a decision before it is made. Even though participative decision making is time consuming, it tend to yield better results because the decision is made collectively, employees are aware of why the decision was made and employees tend to be more supportive of collective decisions.

2.7.2 Participative techniques

Since the emergence of participative leadership theory various scholars have provided guidelines for apply participative techniques. The following guidelines have been retrieved after reviewing literatures about applied participative techniques.

Setting the culture for participation

Setting the culture is the most crucial step for applying participative leadership, as stated by Schmidt (2009) "a company should run by its own culture not the leader". The role of the leader is to set the culture for participation by encouraging and using values such as empowerment, personal accountability, open access to information, commitment to continuous improvement, teamwork (Branch, 2002).it is important for the leader to set an example by encouraging employee participation, applying the regarded values and choosing approaches that are accepted by the majority.

Clear definition of objectives:

The participant involved in decision making should be fully aware of their group goals to be able to adjust their effort toward the goal (Crane, 1976). For example, if the group goal is a production unit, the leader should clarify the goal by stating how many unites under what timeline and based on what quality standards should be produced.

Creating a System of rewards*:*

Even though, participative leadership focuses on the intrinsic needs of employees the extrinsic need are equally important. Especially with production situations, economic rewards must be tied to the outcomes. Employees need to recognize that their efforts can result in tangible rewards so they can strive for optimum productivity (Crane, 1976). The reward can be economic in form of raise, promotion or gifts but it could be non economic such as being the employee of the month or receiving a day off. According to Lawler et al. (1998) participative leader should base rewards as an outcome to organizational performance and design rewards in a way which can encourage employees to add skills, obtain information, enhance teamwork, take more responsibility, and perform in ways that help the business.

Holding employees accountable for the decisions made:

Decision making groups should be held accountable for their actions within a reasonable time limit which they had agreed to operate. This can help to insure that problems don't lead to endless debates and timely actions will be taken to resolve problems (Crane, 1978). It is important that the leader hold every employee who agrees with a certain decision accountable without any exception so they are more careful and under moral obligation to fully commit to the decision made (Branch, 2002).

Information sharing

According to Lawler et al. (1998) participative leaders need to provide and share information about business performance, goals, plans and strategies, new technologies and competitors' performance. Information sharing through information disclosure and open communication is essential for employees because it can help them in making meaningful contributions to the organization (Branch, 2002). Landsdale (2000) argues that new information in technology should be shared through a two way communication between leaders and subordinates in order to increase the amount of participation.

Knowledge development and training

According to Ledford (1993) participative leaders needs develop knowledge development and training methods, to provide skills in group decision making and problem solving. Branch (2002) argues that "learning and training enables employees to contribute to organizational performance". Hence, leaders need to realize that everyone needs the skills and abilities to do their job and to participate effectively.

Power sharing

According to Branch (2002) participative leaders need to share the decision making power using a variety of methods and tools such as such as decision making meetings, quality circles, committees, survey feedback, or suggestion systems in order to enable employees to use and apply the information and knowledge effectively.

Leadership role

Just because the decision is made by the group it doesn't mean that task can be delegated to group members. Participative leadership is very different from laissez-faire leadership. Leaders need to actively participate in decision making and organizational task and should be considering as a part of the team. Moreover, participative leaders need to motivate and encourage all the subordinates to take the initiative and seek new responsibilities and solutions (Branch, 2002). According to Crane (1976) participative leader's need to organize employee's efforts based on economic conditions, organizational structure and physical

surroundings and have to make sure that the group decision is followed according to the quality standards established. According to John Chambers CEO of Cisco Systems Inc, participative leaders need to allow subordinates to make and implement their decisions but during the course of implementation the leader should use some sort of command and control to make sure that what the team has decided is implemented (Chambers, 2009). It is important that managers understand that intervention should be limited to certain situations because too much intervention could negatively impact employee's perception of participative leadership.

Chapter 3

Research methodology

Chapter Three: Research methodology

This chapter describes the qualitative research methodology, samples and procedures used to achieve the aims and objective of this research in details. For the purpose of this research, a comparative research method is used to analyze the effect of leadership style on employee's motivation, innovation and job satisfaction. In order to achieve this, a set of semi structured interviews were conducted to collect data from a sample of employees in both AAB and AAB WI. Additionally, an action research study is conducted in order to provide set of guidelines for proper use of participative leadership to AAB WI leader and in order to apply the reformed leadership style to a group of employees that are working on a specific task. Afterwards, the results of this leadership style are analyzed using action research methodology, interviews and performance measurement techniques. The researcher hopes that this study can assist organizations in all industry sector specifically organizations active in the water treatment field in the middle east to choose and use the right leadership style for motivation, job satisfaction and innovation.

3.1 Research methodology

After discussing research background and developing and understanding of the impacts of leadership styles on innovation, motivation and job satisfaction. The researcher intends to address the primary aim of the research which is addressing the problems of transformational leadership with innovation, motivation and job satisfaction through the use of participative leadership.

In order to address the aims, objectives and research questions of the study, a qualitative research method using a framework suggested by Leech and Onwuegbuzie (2006) is employed. This framework as exhibited in figure 9 divides the qualitative research into 13 different stages. The first 5 stages which are; determining the goal/aims of the study, formulating research objectives, determining research rationale, determining research purpose and determining research questions were previously described in the introductory chapter. This chapter will describe stage 6, 7 and 8 which are selecting sampling design, selecting methods of research design and collecting data are explained in this chapter and the rest of the stages are described in chapter 4 and 5.
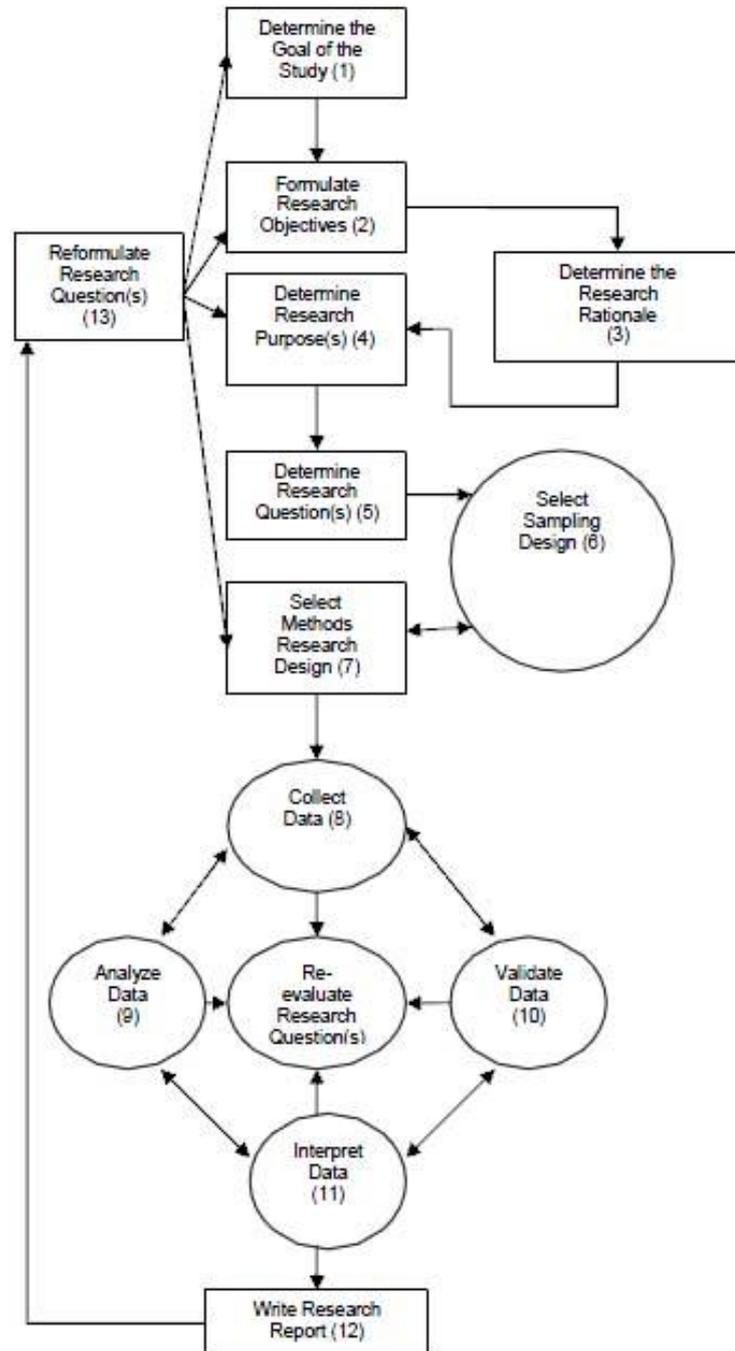
Figure 9: Qualitative research framework - Leech and Onwuegbuzie (2006)

According to McMillan and Schumacher (1993) "qualitative research is defined as an inductive process of organizing data into categories and identifying patterns (relationships) among categories". Essentially, quantitative research uses a collection methods (experimental, correlation, causal-comparative and survey research) to inquire into a problems, issues, questions and theories that the researcher finds interesting.

The main reason for choosing qualitative research method is the subject of participative leadership itself. As mentioned earlier, the concept of participative leadership is not common and relatively new in the Middle East. Since qualitative research methods aim to retrieve supporting data, meaning and results organically from the research context, it can assist scholars to a great extent when the subject of is unclear, relatively new (phenomenon) or changing over time. Because we are dealing with the same settings, the use of qualitative methods can provide narrative description of the researcher's understanding of leadership theories and provide a 'human side' of the leadership issue through employing a combination of observations, interviews, and document reviews.

3.2 Research design

Due to the complexity of variables effecting leadership styles and because of some limitations such as the low ratio of participative leadership usage (the limitations of this study will be described in detail in chapter 5), the research method is designed in two phase to address studies aim and objectives.

3.2.1 Phase 1: Comparative research method

This section will describe the comparative methodology together with the tools used for applying this methodology in details.

3.2.1.1 Comparative method - Description

The use of comparative method is encouraged by the primary aim of the research which is exploring the problems of transformational leadership with innovation, motivation and job satisfaction and addressing these problems using participative leadership style. Comparative method can help the researcher to compare the relative effect of theories across case. According to Ragin and Rubinson (2011) comparative methods can be portrayed as "a bridge between qualitative (case-oriented) research and quantitative (variable-oriented) research" because it can circumvent some of the limitations of both approaches. Using comparative methods not only can help researchers to provide answer to their research questions using concepts, variables, and cases that are relevant, but also, it can help researchers to develop and test theories through the analysis of reciprocal relationship between different cases.

In order to use the comparative methodology effectively it has to be done in the following stages:

Stage 1- Describing the core subject of comparative inquiry: in this stage we have to define what is exactly needed to be explained and how do we recognize a need for comparison. This study intends to compare transformational leadership with participative leadership. The comparison is needed because it is hypothesized that transformational leadership problems with motivation, job satisfaction and innovation can be resolved with the use of participative leadership.

Stage 2- Developing theoretical concepts (variables) that can 'travel' comparatively: in order to measure the impact of each leadership style variables such as motivation, job satisfaction and innovation are introduced.

Stage3- Developing a research design to answer research questions: The most important step for developing a valid comparative research design is selecting the right cases as a base for the comparison. In order to have a valid comparison between transformational leadership and participative leadership the researcher needed to find two company leaders who exhibit the regarded leadership style.

For this purpose a leadership survey (Appendix 1) was prepared to find two companies with transformational and participative leaders. In order to prepare the regarded leadership questionnaire, various leadership surveys were reviewed. Two of most commonly used leadership survey's were transformational leadership questionnaire (TLQ) prepared by Alimo-Metcalfe and Alban-Metcalfe (2001) and Multifactor leadership questionnaire prepared by Bass and Avolio, (2006). The multifactor leadership questionnaires look in to transformational factors (such as coaching people, encouraging innovation, inspiring others, building trust and acting with integrity), Transactional factors (such as monitoring mistakes , Rewarding achievements) , and passive factors such as avoiding involvement and delegating tasks. The transformational leadership questionnaire adds certain transformational factors such as being visionary and charismatic, having intellectual capacity and personal qualities to MLQ. The problem with both of the regarded questionnaire is that they fail to include common horizontal leadership style such as participative leadership and instead they categorized horizontal leadership theories as passive or laissez and faire. Perhaps one of the

most useful questionnaires reviewed before developing the survey is the path and goal questionnaire developed by Indvik (1988). The path and goal questionnaire assigns five questions for directive style, supportive style, participative style and achievement-oriented style. However these questions do not represent all the factors and fails to include transformational leadership style. Since none of the reviewed leadership surveys has compared transformational leadership with participative leadership style together, the researcher had to use the reviewed data to prepare a new questionnaire for the purpose of this research. The prepared questionnaire (shown in appendix 1) consists of 30 questions in which 10 statements for each leadership style (Autocratic, transformational and participative) are scored on a scale from 1 to 5 which ranges from always true to almost never true. This survey was presented to 6 company leaders and the result (as exhibited in table 4) showed that AAB and AAB WI exhibit the leadership styles required for study's comparison.

Company	Country	Field	Autocratic Leadership Score	Participative leadership Score	Transformational Leadership Score
AAB	Iran	Water treatment Contractor	22	19	41
AAB WI	Iran	Water treatment/ Manufacturing	19	37	31
VGA	UAE	Water treatment Contractor	32	23	22
VGA WI	UAE	Water treatment/ Manufacturing	36	17	24
PPC	UAE	Oil and Gas Contractor	33	15	26
SIR co	Iran	Water treatment Contractor	41	15	19

Table 4: Leadership survey results

After selecting the cases for comparison, a set of interview questions were prepared based on the knowledge built in the literature review. The questions (shown in table 5) consist of a set

of close and open ended questions that are designed in a way to address the effect of each leadership styles on study's selected variables (motivation, job satisfaction and innovation).

Interview Questions
Question 1: On the scale of 1 to 10 how do you rate the level of your motivation to perform daily tasks in the organization?
Question 2: a- What does your Manager do in order to motivate you? b- Please explain if there are any problems?
Question 3: How your manager can improve the level of motivation in you?
Question 4: On the scale of 1 to 10 how do you rate your level of job satisfaction in the organization?
Question 5: a- What does your Manager do in order to make your job satisfactory? b- Please explain if there are any problems?
Question 6: How your manager can improve the level of job satisfaction in you?
Question 7: On the scale of 1 to 10 how do you rate your level of creativity and innovation to perform daily tasks in the organization?
Question 8: a- What does your Manager do in order to make you more innovative? b- Please explain if there are any problems?
Question 9: How your manager can improve the level of creativity and innovation in you?

Table 5: comparative method's interview questions

In order to analyze the Impact of each leadership style on motivation, job satisfaction and innovation semi structured interviews were conducted on two different cases (AAB and AAB WI). The researcher intends to use the results of these interviews, to address study's aims, research questions and objectives.

3.2.1.2 Comparative study - Interview details:

- Population: Employees of AAB and employees of AAB WI.
- Sample size: 20 Employees (10 employees form AAB and 10 employees from of AAB WI).
- The interviews were conducted in person in Farsi language, the results are retrieved through the use of open coding (which helps the researcher to include the meaning of interviewee's statement) and are translated into English for the purpose of this research

- The interview is composed of two parts: The first part will ask about general information such as gender, age, number of years in the organization and position of the employees. The Second part will ask 9 questions (3 closed and 6 open questions) to retrieve the impact of each leadership style on motivation, Job satisfaction and innovation

3.2.1.3 Comparative study- Sample of the study

In order to complete this research, 20 interviews were conducted from full time employees of both AAB and AAB WI in 2011. For the purpose of this study, employees in different positions were chosen to select a representative sample for interviews. Details of the interviewees of each case are described in the table 6 below.

AAB					
No.	Position	Age	Gender	No. of yrs in Co	Education level
1	Sales Manager	28	Female	3 years	Bachelor Degree
2	Accountant	29	Female	8 years	Bachelor Degree
3	Mechanical Engineer	33	Male	5 years	Master Degree
4	Electrical Engineer	30	Male	3 Years	Bachelor Degree
5	Electrical Engineer	28	Female	3 Years	Bachelor Degree
6	Secretary	38	Female	3 Years	High school Diploma
7	Mechanical Engineer - Project Manager	46	Male	8 years	Master Degree
8	Mechanical Engineer	36	Male	6 years	Bachelor Degree
9	Civil Engineer – Senior Project Manager	60	Male	18 years	PHD
10	Marketing Manager	52	Male	5 years	Bachelor Degree
AAB WI					
No.	Position	Age	Gender	No. of yrs in Co	Education level
1	Electrical Engineer	32	Male	6 years	Bachelor Degree

2	Chemical Engineer	30	Female	2 years	Bachelor Degree
3	Electrical Technician	28	Male	1 years	Higher Diploma
4	Mechanical Technician	27	Male	3 Years	Higher Diploma
5	Mechanical Technician	35	Male	3 Years	Higher Diploma
6	Electrical Technician	30	Male	1 Years	Higher Diploma
7	Computer Engineer	25	Female	3 years	Bachelor Degree
8	Skilled labor	25	Male	1 years	High school Diploma
9	Skilled labor	28	Male	2 years	High school Diploma
10	Electrical Engineer – Project Manager	42	Male	6 years	Master Degree

Table 6: Comparative method's interview details

The presented sample for the comparative part of this study is analyzed in detail in chapter 4.

3.2.2 Phase 2: Action research method

Even though the casual comparative research method findings have showed the problems with transformational leadership and showed that the level of employees motivation, innovation and job satisfaction is better when participative leadership is used. Based on the interviews and observation the researcher was not convinced that AAB WI leader have used participative leadership appropriately. Hence, an action research study was used because it can help the researcher to address one of the main objectives of this research which is providing guidelines for applying participative leadership.

3.2.2.1 Action research - Description

In this action research study five employees who were working on a specific task (assembling series of submersible pumps) were selected. Prior to this study, these employees have managed to assemble and test 25 pumps per week. However in order to reach the deadline they needed to increase their performance to 35 pumps per month. The researcher suggests that through proper use of participative management it is possible to increase the level of motivation, job satisfaction and innovation in this selected group and ultimately increase their organizational performance. Therefore, a set of guideline for appropriate use of participative leadership was presented to AAB WI leader. Once the guidelines were applied the effect of

the reformed leaderships style were observed and analyzed using action research methodology which is explained in the next section

3.2.2.2 Action research - Analysis method

In order to analyze the conducted study various research framework were reviewed. One of the appropriate methods was applied research framework proposed by Holt (1998) (shown in figure 10). This framework can assist researchers to develop a model to improve the existing situation by observing the existing, establishing potential for improvement, applying the improved model and observing the impact of the changes.
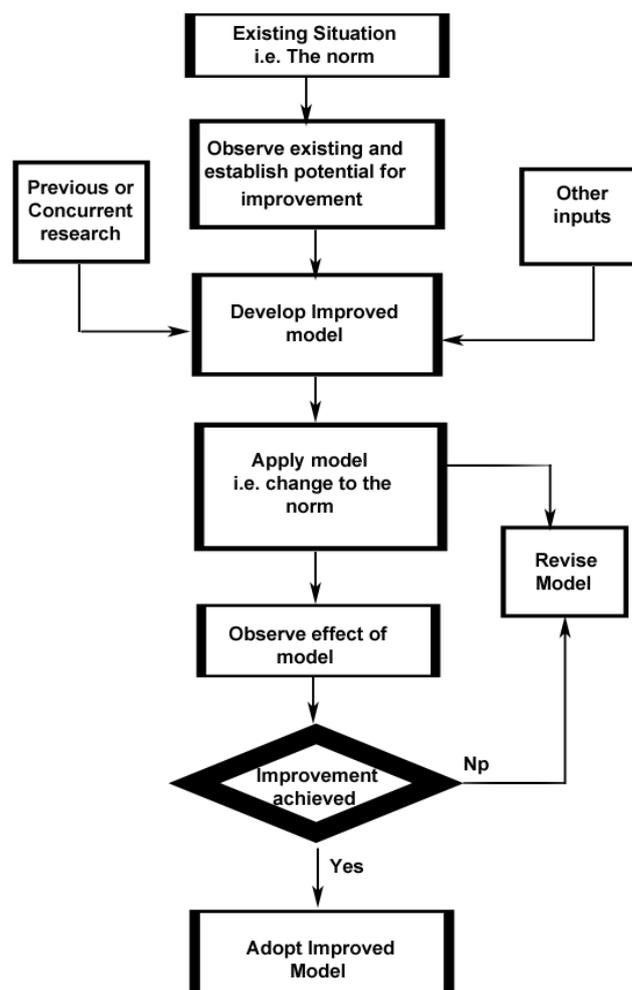
Figure 10: Applied Research Model (Holt 1998)

A similar but more commonly used method for analyzing pilot studies is action research. According to O'Brien (1998), action research also known as participatory research, can help a group of people to identify a problem, do something to resolve it, see how successful their

efforts were, and if not satisfied, try again to reach their desired outcome. According to McNiff (2002) scholars generally use action research methods through reviewing the current practice, identifying an aspect their want to improve, imagining a way forward, applying it and take stock of what happens, modifying his/her plan, continue with the 'action', monitor/ observe the effects, evaluate the modified action, and continue until they are satisfied with the results.

According to Zuber-Skerrit (1991) researcher can use action research by going through research cycles consisting of four major phrases: 'planning, acting, observing and reflecting'. The initial cycles of the regarded four activities lead to a second cycle in which the reflection of the previous cycle contributes to the plan of the next cycle. As the cycles progress the researcher develops a greater understanding through the continuous refining of methods, data and interpretation (Dick, 2002).
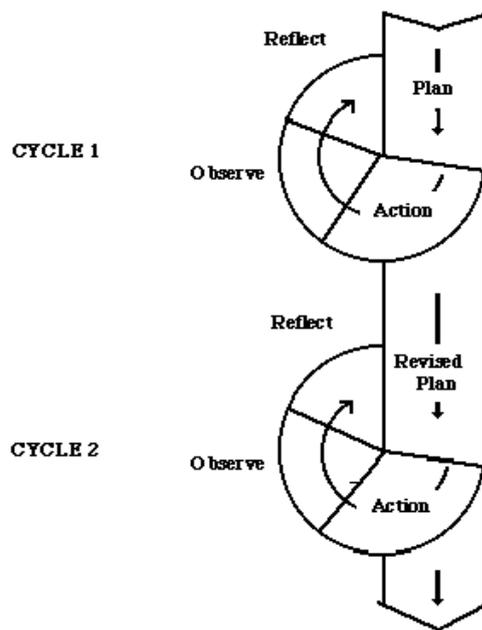
Figure 11: Simple action research model (MacIsaac, 1995)

Susman (1983) presented a more elaborated phases for research cycles. He distinguishes five phases for each research cycle (Figure 12) in which initially, the problems are identified using the data collected in the diagnosing stage. This is followed by a considering several possible solutions (action planning), after choosing the suitable solution an action plan will

emerges and is implemented (action taking). Afterwards data will be collected and the results of the action plan will be analyzed (evaluating), finally the findings about the success of the plan will be analyzed and if necessary the problem will be re-assessed and the process begins another cycle. This process continues until the problem is resolved (O'Brien, 1998).
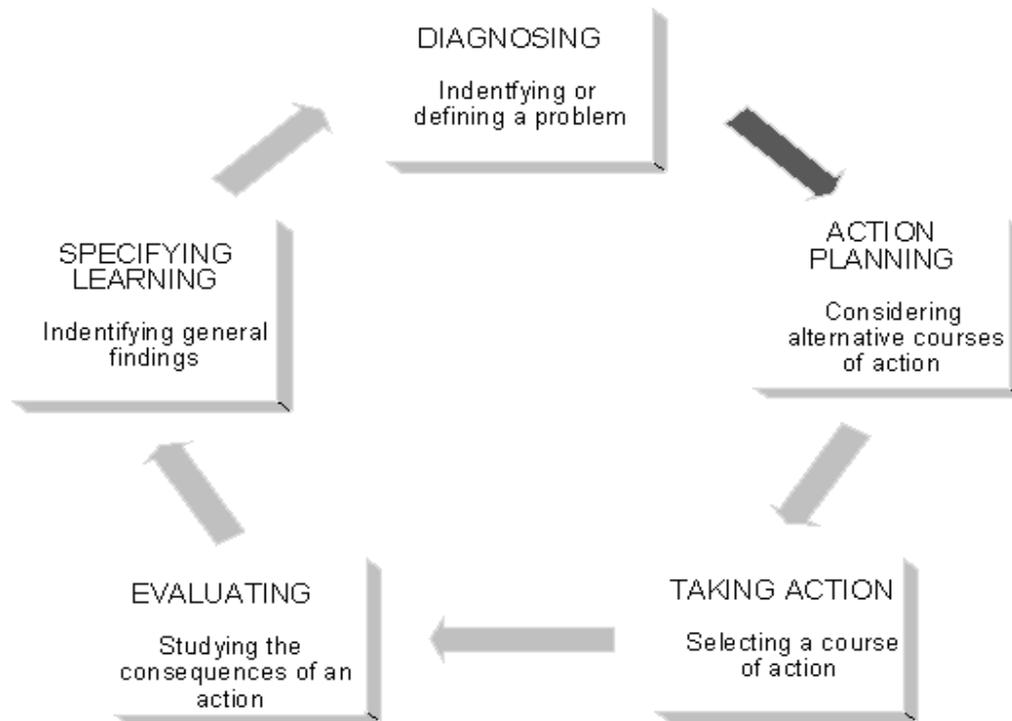
Figure 12: Detailed action research model (Susman, 1983)

Since the researcher's observation and the results from the comparative method has revealed that there is potential for improving the existing leadership style, and because the main aims of action research is to address, solve and improve real-world situations / problems, using action research can be the ideal approach for conducting this study. The process of using action research is explained in detail in the following section.

3.2.2.3 Action research - Design

In order to conduct the action research part of this study, the researcher has followed the action research methodology cycle by cycle and stage by stage. Each stage is described in details below:

Cycle 1 – Stage 1- Diagnosis stage:

The researcher has used the data collected from comparative analysis and literature review together with a set of interviews (shown in table 7) from a selected group of employees, to identify the problems with the existing leadership style.

Interview Questions
Question 1: Focusing on the task of assembling submersible pumps, on the scale of 1 to 10 how do you rate the level of your motivation to perform daily tasks in the organization?
Question 2: Focusing on the task of assembling submersible pumps, how your manager can improve the level of motivation in you?
Question 3: Focusing on the task of assembling submersible pumps, on the scale of 1 to 10 how do you rate your level of job satisfaction in the organization?
Question 4: Focusing on the task of assembling submersible pumps, how your manager can improve the level of job satisfaction in you?
Question 5: Focusing on the task of assembling submersible pumps, on the scale of 1 to 10 how do you rate your level of creativity and innovation to perform daily tasks in the organization?
Question 6: Focusing on the task of assembling submersible pumps, how your manager can improve the level of creativity and innovation in you?

Table 7: Selected group, preliminary interview questions

Since the data collected from comparative research and literature review indicated that there is room for improvement and the interviews showed that there are problems with the existing leadership behavior, it was hypothesized that proper model of leadership can improve employee's motivation, innovation and job satisfaction and this can ultimately increase organizational performance.

Cycle 1- Stage 2- Action planning stage

In this stage the researcher uses the data collected from comparative analysis and literature review together with the data retrieved from the interviews, to develop a modified model for participative leadership for AAB WI. The modified leadership model included a set of guidelines for proper use of participative leadership. These guidelines are described in details in the chapter 4.

Cycle 1- Stage 3- Taking action stage

Fortunately the leader of AAB WI has accepted the proposal and the suggested leadership guideline were applied for the period of two weeks. It is important to mention that the researcher suggested to the leader that if the guidelines are used employee's level of motivation, job satisfaction and innovation will increase and ultimately it is possible to reach to target production units (35 submersible pumps).

Cycle 1- Stage 4- Evaluating stage

The impacts of the changes are observed and employee's inputs are collected during a meeting after one week of implementation.

Cycle 1- Stage 5- Specifying learning stage

Based on observation and employee's inputs general finding of the experiment are indentified

Cycle 2- Stage 1- Diagnosis stage

Using the finding and data gathered from the meeting a set of problem with the action research study are identified.

Cycle 2- Stage 2- Action planning stage

Using the finding and data gathered from the meeting a set of improvements is presented to AAB WI leader.

Cycle 2- Stage 3- Action taking stage

The suggested improvements are applied and actions are taken to improve the existing conditions.

Cycle 2- Stage 4- Evaluating stage

Employee's performance is observed in the second week of implementation and finally a set of interviews (shown in table 8) is conducted to retrieve the final results of the action research study

Interview Questions
Question 1: Focusing on the task of assembling submersible pumps and after the changes made in the past two weeks, on the scale of 1 to 10 how do you rate the level of your motivation to perform daily tasks in the organization?
Question 2: Please state the factors (if any) which have improved your motivation?
Question 3: Focusing on the task of assembling submersible pumps and after the changes made in the past two weeks, on the scale of 1 to 10 how do you rate your level of job satisfaction in the organization?
Question 4: Please state the factors (if any) which have improved the level of your job satisfaction?
Question 5: Focusing on the task of assembling submersible pumps and after the changes made in the past two weeks, on the scale of 1 to 10 how do you rate your level of creativity and innovation to perform daily tasks in the organization?
Question 6: Please state the factors (if any) which have improved the level of your innovation/creativity?

Table 8: Selected group, final interview questions

Cycle 2- Stage 5- Specifying learning stage

In this stage the researcher uses the data gathered from observation together with the data retrieved from the final interviews, to present the final results and findings of the action research study.

3.2.2.4 Action research - Interview details:

- Population: Employees of AAB WI.
- Sample size: 5 Employees which were working on the task of assembling submersible pumps.
- The interviews were conducted in person in Farsi language, the results are retrieved through open coding and are translated into English for the purpose of this research
- The employees were interviewed twice for the purpose of the action research part of the research. Both of the interviews have two parts. The first part will ask about general information such as gender, age, number of years in the organization and position of the employees. The Second part of both of the interviews will ask 6

questions (3 closed and 3 open questions) to retrieve the impact participative leadership style on motivation, Job satisfaction and innovation

3.2.2.5 Action research - Sample of the study

In order to complete this research, 5 employees were interviewed twice in two weeks. In order to limit environmental and organizational impacts on the analysis a selected a group of employees which were working on a specific task were analyzed in isolation. Details of the interviewees described in the tables below.

AAB WI (Workshop)					
No.	Position	Age	Gender	No. of yrs in Co	Education level
1	Electrical Engineer	32	Male	6 years	Bachelor Degree
3	Electrical Technician	28	Male	1 years	Higher Diploma
4	Mechanical Technician	27	Male	3 Years	Higher Diploma
5	Mechanical Technician	35	Male	3 Years	Higher Diploma
8	Skilled labor	25	Male	1 years	High school Diploma

Table 9: Action research - Interview sample

The presented sample for the action research part of this study is analyzed in detail in the next chapter.

3.3 Ethical consideration

Following the ethical principles of this qualitative research, the researcher assured all the participants that the data gathered from the interviews are confidential, the participant will remain anonymous and the results of this paper are used for study purpose only. Moreover the name of the companies studied in this paper was changed for confidentiality and privacy reason.

Moreover, In order to verify the accuracy of the research all interviews were recorded in transcripts and audio format. Since the accuracy of any study is extensively influenced by the significance of its research objectives and research approach. The methodology of this paper

was designed in way to enable the researcher to carefully analyze the past researches and studies in order to introduce problems, objective, questions, findings and solutions in form of guidelines to help organizations in different industry sectors.

Chapter 4

Data Analysis, findings and discussion

Data analysis, findings and discussion

This chapter intends to provide a comprehensive analysis of the findings retrieved from the research method. Following the research methodology, the research findings are presented in two phases.

1- Comparative research analysis, which intends to propose the most appropriate leadership style for employee's motivation, job satisfaction and innovation. Additionally, it is intended to show the problems with transformational leadership style.

2- Action research study analysis, which intends to address the problems, found in the comparative analysis with proper use of participative leadership, additionally a set of guidelines are presented for participative leadership.

4.1 Comparative research - Data analysis, findings and discussion

As mentioned in the methodology section, the casual comparative part of the research starts with interviewing 10 employees from each case. Before presenting the data and findings retrieved from the interviews, study's sample is analyzed below.

4.1.1 Comparative research – Sample analysis:

This section intends to describe the sample of the comparative part of the study in details.

4.1.1.1 Comparative research sample - Gender analysis

As depicted in the table 10, out of the twenty interviewees six (30%) were females and Fourteen (70 %) were male. The respondents of AAB consisted of four (40%) female employees and six (60%) male employees. The interviewees of AAB WI consist of two (20%) female employee and eight (80%) male employees.

Gender analysis

Gender of all interviewees

■ female ■ male

30%

70%

Gender of AAB Interviewees

■ Female ■ Male

40%

60%

Gender of AAB WI Interviewees

■ Female ■ Male

20%

80%
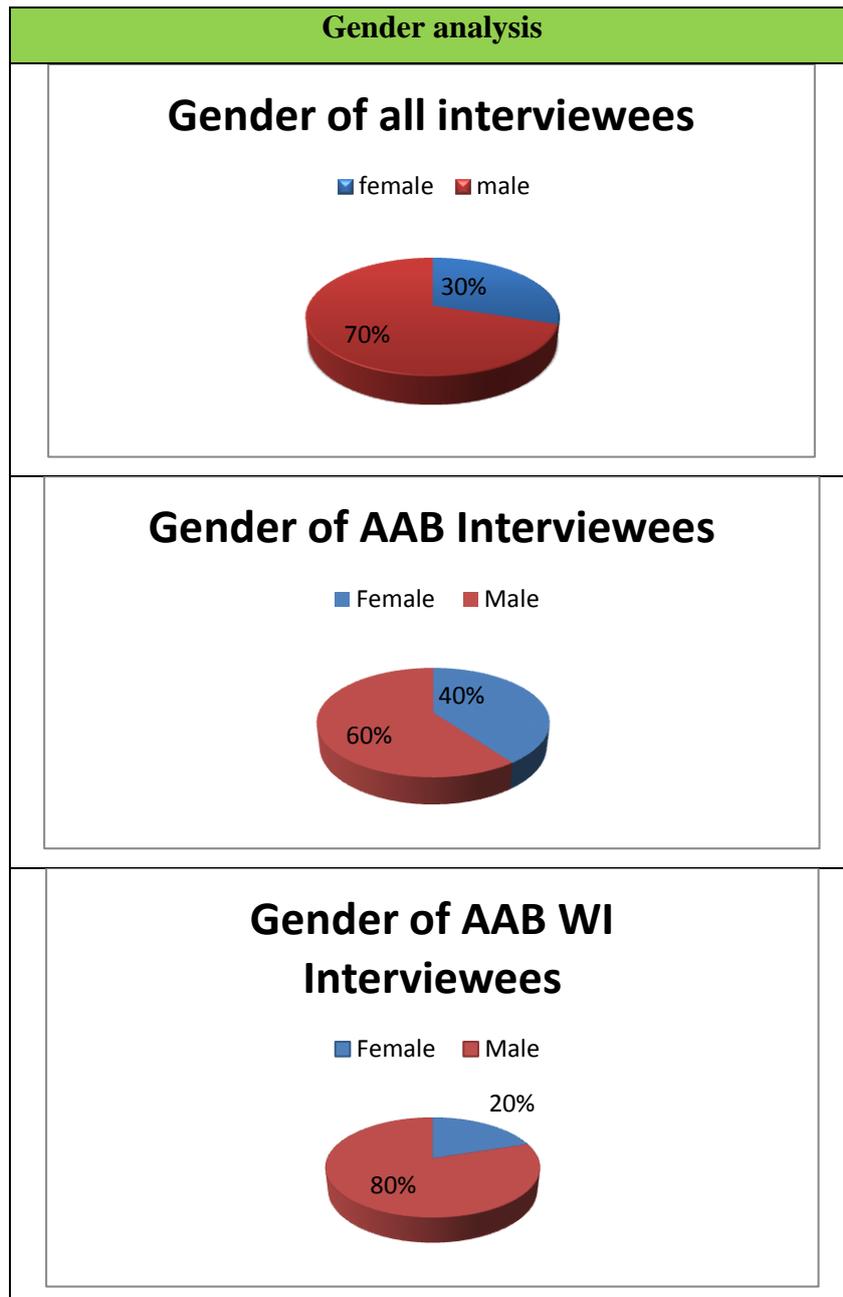
Table 10: Comparative research – Gender analysis

4.1.1.2 Comparative research sample – Age group analysis

As shown in the table 11, out of the total twenty interviewees thirteen (65 %) were between 25 to 35 years of age, five (25%) were between 35 to 50 years of age, and two (10%) were 50 to 65 years of age. The respondents of AAB main office consisted of five employees (50%) between 25 to 35 years of age, three (30%) between 35 to 50 years of age, and two (25%) between 50 to 65 years of age. The interviewees of AAB WI consisted of eight employees (80%) between 25 to 35 years of age, and two (20%) between 35 to 50 years of age.

Age group analysis	
Age group of All Interviewees ■ 20 to 35 ■ 35 to 50 ■ 50 to 65 10% 25% 65%	**Age group of All Interviewees** 13 5 2 50 to 65 35 to 50 20 to 35
Age group of AAB Interviewees ■ 20 to 35 ■ 35 to 50 ■ 50 to 65 20% 50% 30%	**Age group of AAB Interviewees** 5 3 2 50 to 65 35 to 50 20 to 35
Age group of AAB WI Interviewees ■ 20 to 35 ■ 35 to 50 ■ 50 to 65 20% 0% 80%	**Age group of AAB WI Interviewees** 8 2 0 50 to 65 35 to 50 20 to 35
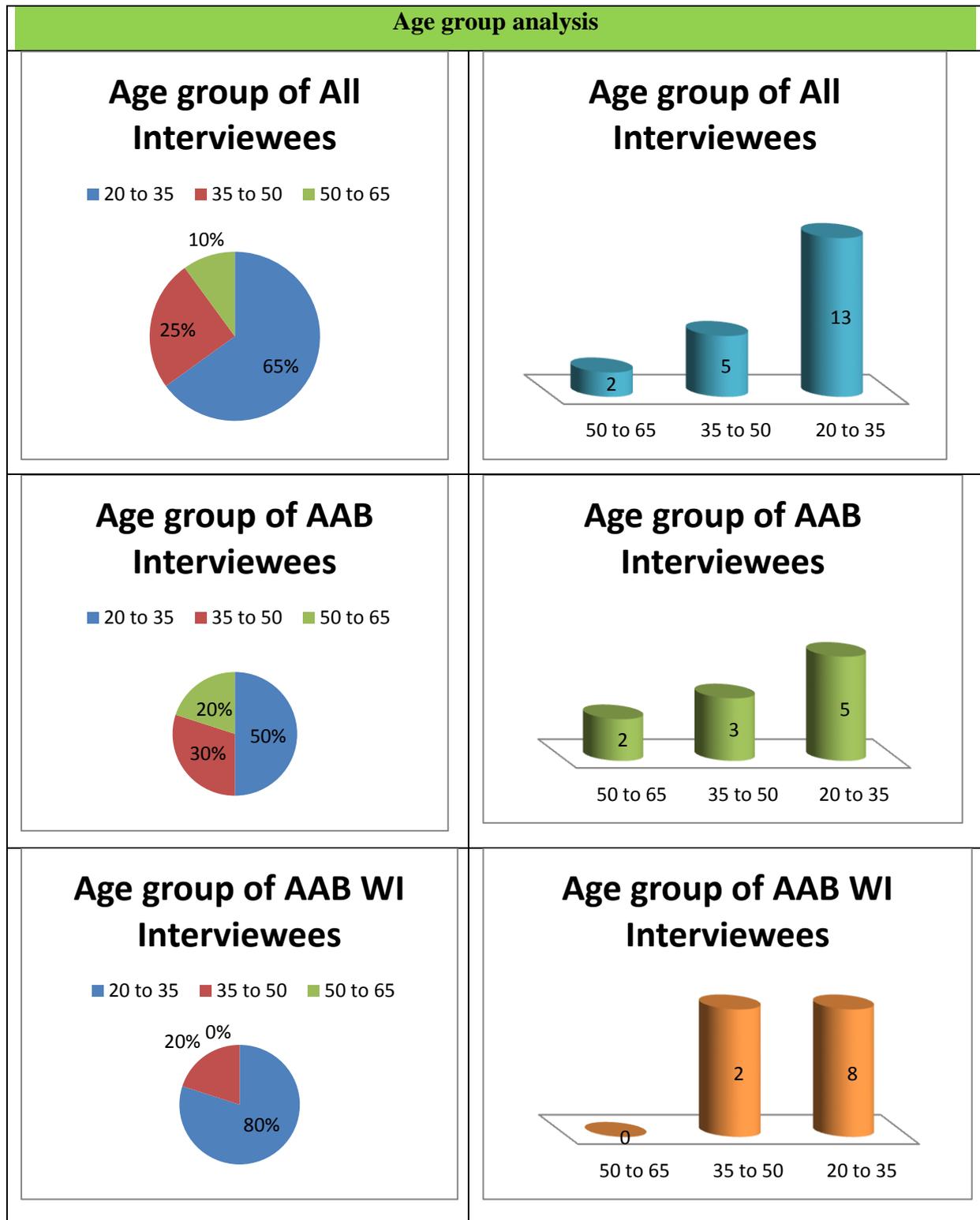
Table 11: Comparative research – Age group analysis

4.1.1.3 Comparative research sample – Number of years in organization analysis

As shown in table 12, the number of years that interviewees have worked for their organization. According to table below three employees (15%) have been working for 1 year

or less, eleven employees (55 %) have worked for 2 to 6 years, five employees (25%) have worked for 6 to 11 years, and one employee (5%) have worked more than 11 years for their company. Out of ten employees of AAB six employees (60%) have worked for 2 to 6 employees years, three (30%) have worked for 6 to 11 years, and one employee have worked more than 11 years for the organization. Out of ten employees of AAB WI three employees (30%) have worked for 1 years or less, five employees (50%) have worked for 2 to 6 employees years, and two (20%) have worked for 6 to 11 years.

Number of years in organization analysis

Number of years in the organiaztion

- 1 year or less 15%
- 11 year or above 5%
- 6 to 11 years 25%
- 2 to 6 years 55%

Number of years in the organization

| 11 years or above | 6 to 11 years | 2 to 6 years | 1 year or less |
| 1 | 5 | 11 | 3 |

Number of years in the organiaztion (AAB)

- 1 year or less 0%
- 11 years or above 10%
- 6 to 11 years 30%
- 2 to 6 years 60%

Number of years in the organization (AAB)

| 11 years or above | 6 to 11 years | 2 to 6 years | 1 year or less |
| 1 | 3 | 6 | 0 |

Table 12: Comparative research – Number of years in organization analysis

4.1.1.4 Comparative research sample – Education level analysis

As shown in table 13, the education level of interviewees. According to the ntable below three employees (15%) have high school diploma or less, four (20 %) hold higher diplomas, nine employees have bachelor degrees, and four employees have master degrees or above. Out of ten interviewees of AAB one employee (10%) has high school diploma, six employees (60%) hold bachelor degrees, and three employees have Master degrees or above (1 PhD). Out of ten interviewees of AAB WI two employees (20%) have high school diploma, four employees (40%) hold higher diplomas, three employees have bachelor degrees, and one employee holds a master degree.

Education Level AAB

High school Diploma or less 10%

Master Degree or above 30%

Bachelor Degree 60%

Higher Diploma 0%

Education Level AAB

3 — Master Degree or above

6 — Bachelor Degree

0 — Higher Diploma

1 — High school Diploma or less

Education Level AAB WI

Master Degree or above 10%

High school Diploma or less 20%

Bachelor Degree 30%

Higher Diploma 40%

Education Level AAB WI

1 — Master Degree or above

3 — Bachelor Degree

4 — Higher Diploma

2 — High school Diploma or less

Table 13: Comparative research – Education level analysis

4.1.2 Comparative Research – Interview data analysis and discussion

In order to address the study's aims, research questions and objectives, the data collected from the each question are presented together with research findings below.

Question 1: On the scale of 1 to 10 how do you rate the level of your motivation to perform daily tasks in the organization?

AAB
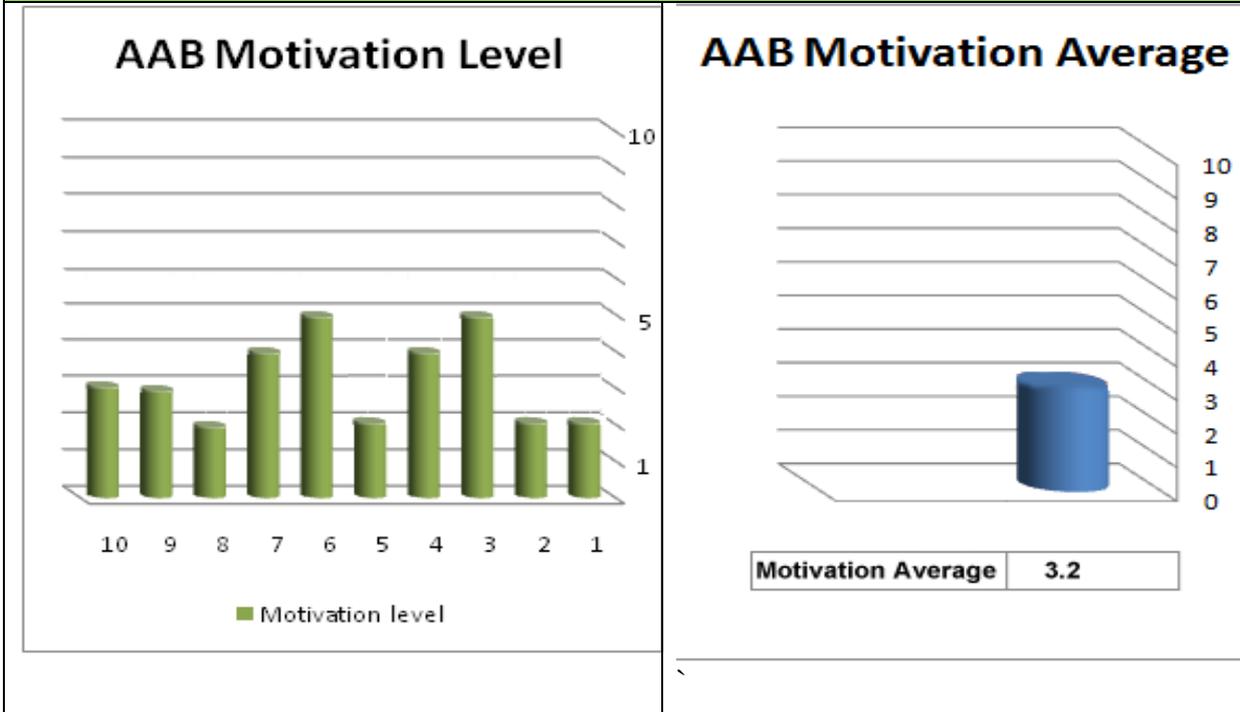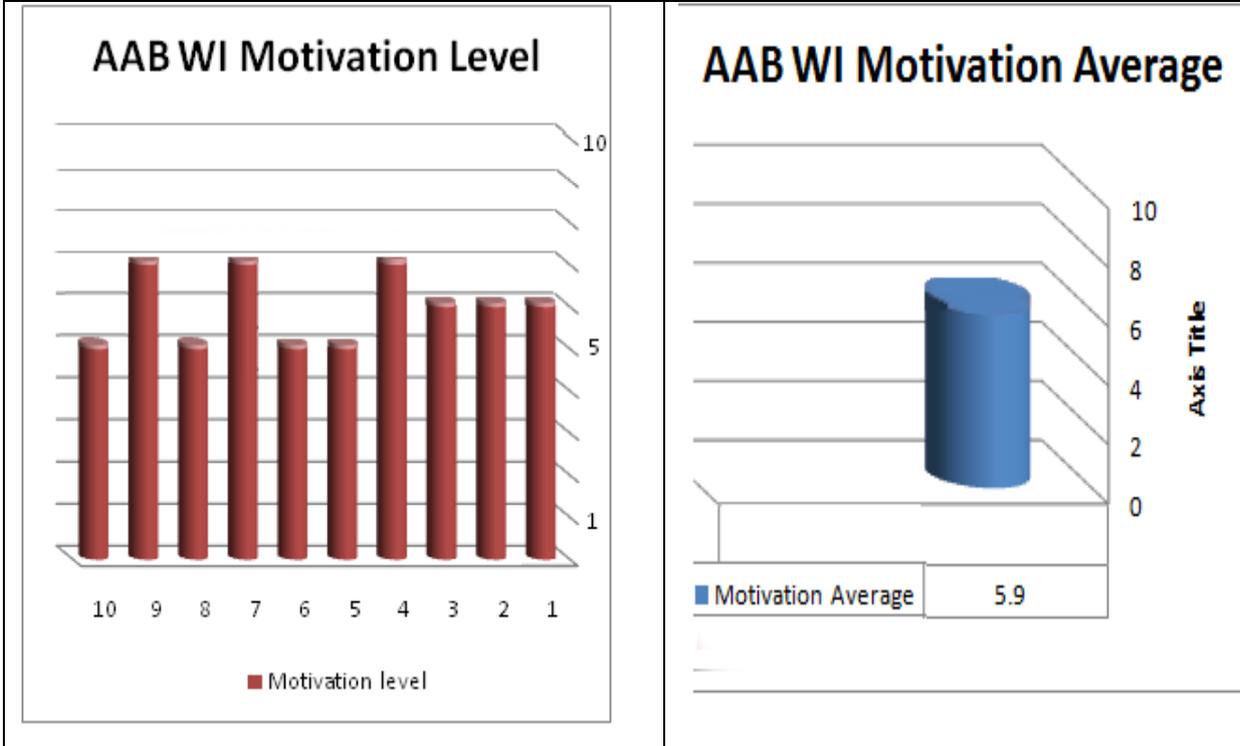
AAB WI

Table 14: Comparative research – Q1- Motivation level

The first question is a close question which intends to find the level of employee's motivation on a scale of 1 to 10. As shown in the table 14, most of the interviewees in AAB WI showed higher level of motivation than the employees in AAB. Based on the results the average level of employee's motivation in AAB WI is 5.9 (59%) and the average level of employee's motivation in AAB in 3.2 (32%). The results of this questions shows that employee's motivational level of AAB WI which uses participative leadership style is considerably higher (2.7 or 27%) than AAB which uses transformational leadership style. The reasons for this deviation are discussed in the next question.

Question 2: a- What does your Manager do in order to motivate you? b- Please explain if there are any problems?	
AAB	**AAB WI**
a) - He does nothing - He does teach us new skills (learning) - He does treat us in a kind and respectful manner - He does help employees when needed - He answers are work related questions - He does pay on time. - He tries to encourage employees sometimes - He did reward employees in very few occasion b) - He does not listen to employee suggestions - He does occasionally ask for employee suggestion but very rarely he act upon the	a) - He does work with us and we consider him as a part of the team - He does ask our opinion and acts upon are suggestion sometimes - He does reward us on some occasions - He does pay on time - He is enthusiastic about tasks - He answers our questions - He does help employees when he can - He does encourage employees - He does treat us with respect b) - He does ask for our opinions but sometimes he doesn't act upon them.

suggestions - He does not recognize employee efforts - He used to be better but after the financial crisis he does not pay attention to employees - He is gender based - He does not let new employees to work on challenging task - He does not appreciate what I do - I don't like the work environment. - He does not let you to express ideas - Employees suggest ideas to help but when they see that their effort is not appreciated they won't make any more suggestions	- He couldn't provide us with equipments or training we needed - He does not listen when the matter is financial - We haven't got paid for our extra work yet. - Our goal is not unclear (vision Unclear)

Table 15: Comparative research – Q2- Motivation factors and problems

The question above is an open ended question which intends to retrieve the factor which motivate or de-motivate employees in each leadership style. Table 15 provides a list of relevant answers which are retrieved from the interviews using open coding in order to support the previous question and objectives of this study. As shown in the table above, Even though factors such as pay, teaching and learning were mentioned as motivational factors, AAB employees (transformational leadership) were highly de-motivated from lack of participative decision making. As mentioned by AAB employees, they are not free to express

their ideas and even though they are occasionally asked to provide suggestions, their ideas are rarely acted upon. Therefore, the employees think that their effort for assisting the leader is not appreciated and eventually some employees have stopped suggesting their ideas. Similar findings were retrieved from the literature review. As discussed in the literature review, even though the many scholars such as Shin and Zhou (2003) or Coelgo, Augusto and Lages (2011) have shown a positive relationship between transformational leadership and motivation, because transformational leadership reserves the final decision for the leader it can be considered anti democratic and anti democratic decision making can result in low motivation (Gibbs, 1995).

Another factor which was mentioned by the interviewees is that the leader used to be better in recognizing employee's efforts and listening to employees ideas however, after the financial crisis his awareness of the regarded factor declined. The main reason for this problem lies in the main disadvantage of transformational leadership which is its dependency on leader's ability. As mentioned in the literature review if the transformational leader is de-motivated he/she is not able to motivate his employees.

The data collected from AAB WI interviews yielded different results. As shown in table 14 employees under participative leadership showed higher level of motivation. Based on the data collected from the interviews AAB WI employees considered their leader as a part of the team, because the leader did use participative/ democratic decision making (he asks for employees input and acts upon employees suggestions). Similar findings were retrieved from the literature review, according to Omolayo (2007) democratic decision making which is the base of participative leadership can give employees a sense of community and according to many empirical and theoretical studies communities tend to have members that are highly motivated.

Various other factors such as pay, rewards, being enthusiastic, encouragement and treating employees with respect were mentioned as motivational factor by AAB WI employees. However, as shown in the table above, even though the leader asked for employee suggestion, on some occasions (mostly whenever the matter was financial) he wouldn't act upon employee's input. This indicates that AAB WI leader is not fully committed to participative leadership and this has decreased the level of motivation in employees. Because of the regarded issue the researcher was convinced to use the action research for this study to be able to analyze the effects of appropriate participative leadership in action.

It is important to mention that other factors such as shortage of the necessary equipments and training, vague vision of the leader and not getting paid for extra work was mentioned by AAB WI employees as factors that decreased their motivation.,

Question 3: How your manager can improve the level of motivation in you?	
AAB	**ABB WI**
- The manager needs to set up meetings with the staff, ask for their opinion and act upon them. - Employees need to be involved in all the decisions - Salary increase and rewards - The manager need to appreciate employee inputs and efforts - Recognizing employee's efforts - Updating employees equipments - Providing reasonable answer s to employees question / problems - Clear definition of tasks - Improving work environment	- Manager needs to involve employee in all the decisions even financial ones - Salary increase and rewards - Paying employees as promised - Updating employees equipments - Providing training courses - Setting a clear goals and objective (vision)

Table 16: Comparative research –Q3- Motivation suggestions

Question 3 is an open ended question which intends the retrieve employee's suggestions for improving their motivation. As shown in table 16 employees of AAB wanted their manager to use participative decision making through involving them in all decisions, acting upon their ideas, and recognizing employee's inputs and efforts. In addition, other factor such as updating equipments, improving work environment, increase in salary and rewards and setting clear definition for their tasks were suggested by AAB employees as factors which can enhance their motivation level. The data retrieved from AAB WI employees shows that

even though they support their manager's use of participative decision making they require leader's full commitment to participative leadership by involving them in every decision and acting upon employees ideas. As stated in the literature review one of the most common problems with participative management implementation is that even though executive express their support for participative leadership, in reality they are not fully committed to participative management and still focus on making decisions at the top level (Crane, 1976). The results of the interviews shows employees of AAB WI require full commitment of their leader to group decision making. In addition, other factor such as updating equipments, paying employees as it was promised (trust), providing training courses and increasing the salary and rewards and setting clear definition of goals, objective and vision were suggested by AAB WI employees as factors which can enhance their motivation level.
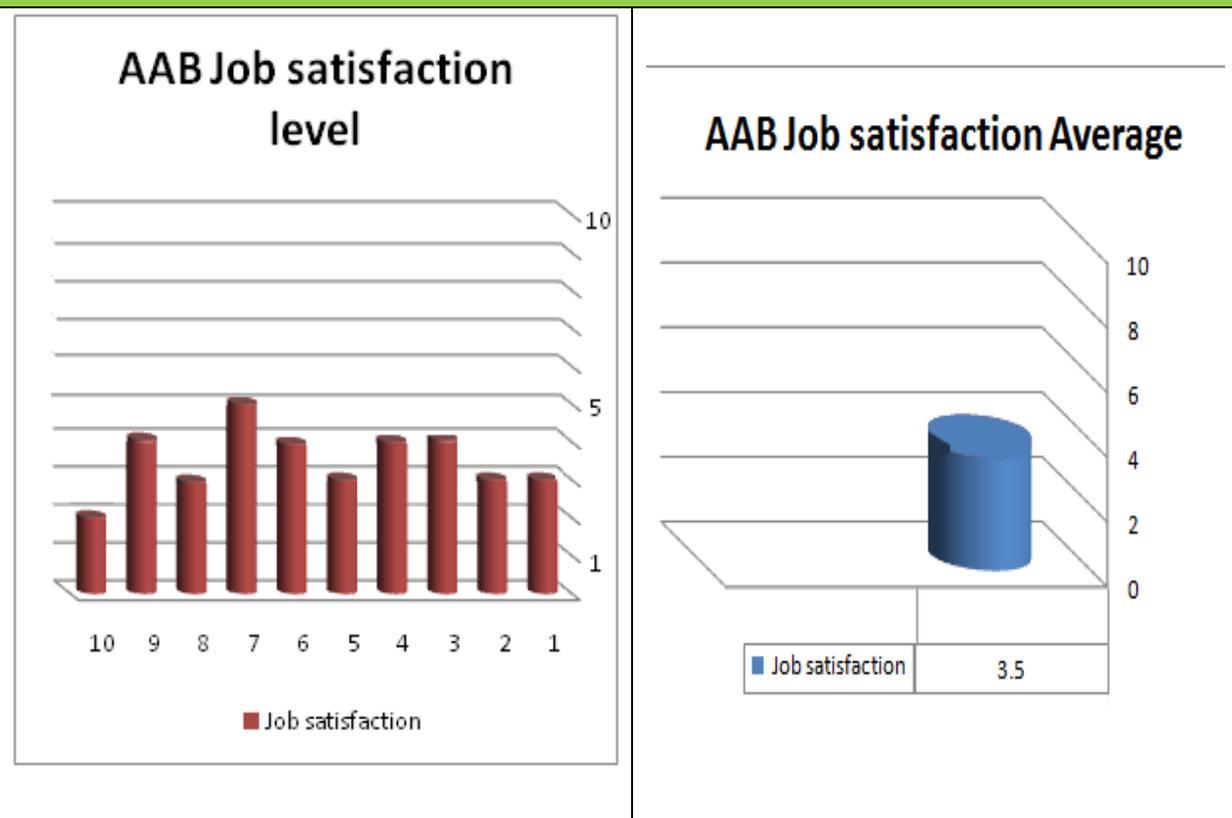
Question 4: On the scale of 1 to 10 how do you rate your level of job satisfaction in the organization?
AAB
AAB WI
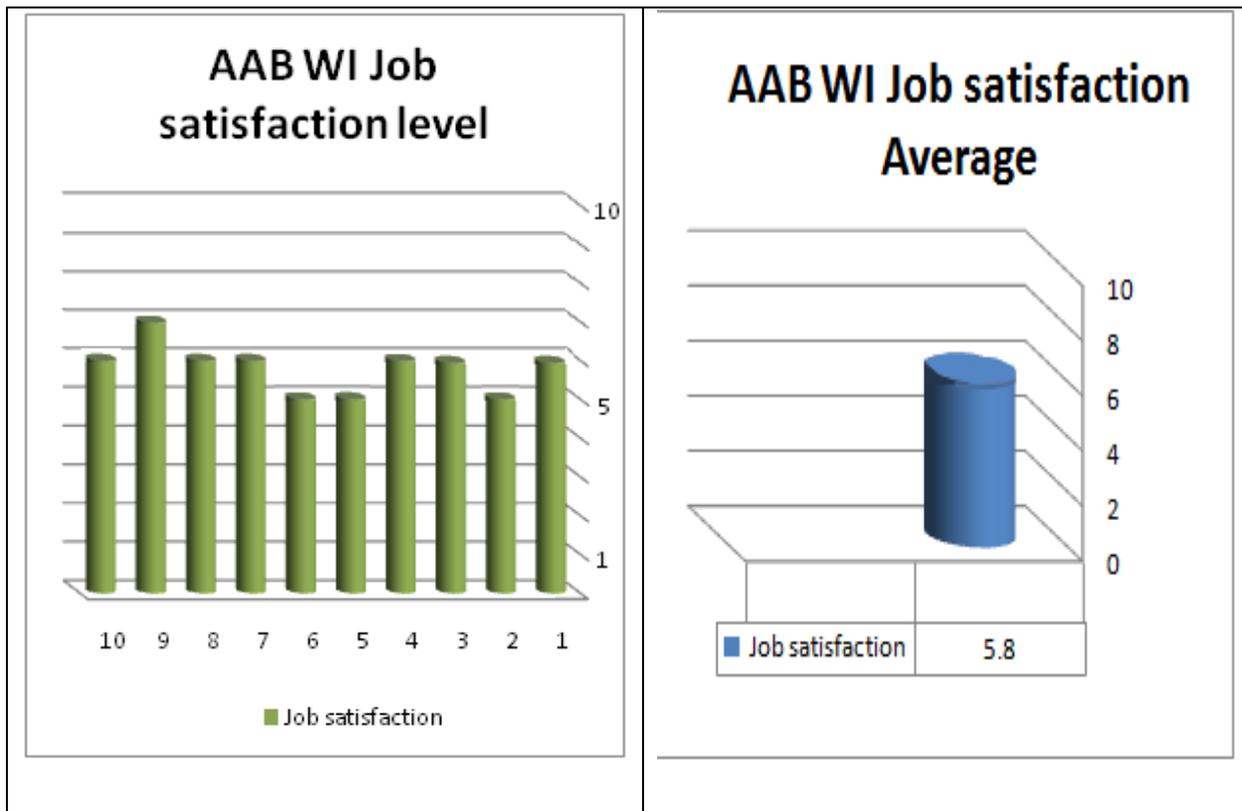
Table 17: Comparative research –Q4- Job satisfaction level

The fourth question is a close question which intends to find the level of job satisfaction on a scale of 1 to 10. As shown in the table 17, all of the interviewees in AAB WI showed higher level of Job satisfaction than the employees in AAB. Based on the results the average level of employee's job satisfaction in AAB WI is 5.8 (58%) which is slightly lower than their level of motivation (5.9 or 59%) and the average level of employee's job satisfaction in AAB in 3.5 (35%) which is slightly higher than their level of motivation (3.2 or 32%). The results of this questions clearly shows that employee's job satisfaction level of AAB WI which uses participative leadership style is considerably higher (2.3 or 23%) than AAB which uses transformational leadership style. The reasons for this deviation are discussed in the next question.

Question 5: a- What does your Manager do in order to make your job satisfactory? b- Please explain if there are any problems?	
AAB	**AAB WI**
a) - He does nothing	a) - He does involve us in making some decisions.

- He does treat us in a kind and respectful manner
- He does pay on time.
- He does try to be as role model for employees (as an engineer) by teaching us new skills
- He does help employees when needed
- He did try to improve working conditions
- He did reward employees in very few occasion
- He does try to resolve conflicts

b)

- He does not let us to make important decisions
- He does not assign challenging task to employees.
- He does not communicate well with the employees.
- He does not listen to employee suggestions.
- He does not recognize employee efforts.
- He does not appreciate or recognize employee ideas.
- He used to appreciate employees but after the financial crisis he does not pay attention anymore.
- My role in the organization is

- Since he works with us he understands how he can help us to improve our job satisfaction
- He does listen to most of our suggestion
- He does reward us on some occasions
- He does pay on time
- He does try to enhance our work environment
- He does communicate regularly with employees
- He answers our questions
- He does recognize and appreciate employees efforts and ideas
- He does treat employees with respect
- He does try to resolve conflicts

b)

- Sometime he make decisions without consulting us
- He does not listen when our suggestion require financial funding.
- He does not provide us with the latest training and equipments
- He does not pay us for our extra work as promised (payments for extra works are

not clear - There is no clear task deception - He does not update our equipments - He does not reward us often - We hardly get promoted	delayed) - He does not reward us often

Table 18: Comparative research – Q5- Job satisfaction factors and problems

The fifth question is an open ended question which intends to retrieve the factor that can increase/decrease the level of employee's job satisfaction. Table 18 provide a list of relevant answers which are retrieved from the interviews using open coding in order to support the results retrieved from question 4. It is important to mention, that many of the answers for job satisfaction were similar to the answers retrieved in question 2 about motivation. As stated in the literature review, even though employee's motivation and job satisfaction are distinct constructs, they are highly interrelated (Ismail, Zainuddin and Ibrahim, 2010).

As shown in the table above, AAB employee had mentioned factors such as being a role model, teaching and resolving conflicts which are transformational factors together with factors such as pay, rewards (transactional), treating employee in a respectful manner and improving working condition as factors which enhances their level of job satisfaction. However lack of participative decision making, was mentioned by most of the respondents as the number one factor which decreases their level of job satisfaction. Furthermore, the inherent disadvantage of transformational leadership which is its dependency to the ability of the leader was mentioned again by employees as a factor which decreases their level of job satisfaction. Other factors such as poor communication, lack of recognition/appreciation, not having clear definition for roles and tasks and low level of rewards and promotions was mentioned by AAB employees as factor which impacted their level of job satisfaction in a negative way.

As discussed in the literature review the main problem with most of the studies that analyzed the impact of transformational leadership on job satisfaction is that they compare transformational leadership with transactional leadership. Even though it's evident in both

theoretical and empirical studies that transformational leadership is better than transactional leadership when it comes to job satisfaction, based on the data retrieved from the literature and the results retrieved from question 4 and 5, transformational leadership is not good enough when its compared to participative leadership style.

As shown in table 18, the employees of AAB WI has mentioned the key factors of participative leadership such as participative decision making, employee involvement, regular communication and active participation together with other factors such as pay, resolving conflicts, recognizing and appreciating employees efforts as factors that enhanced their level of job satisfaction. Similar finding were retrieved from the literature review as Kim (2002) stated participative leaders share their power with employees (empowerment) to enhance performance and work satisfaction.

Even though the results of AAB WI were generally positive, similar to question two the results showed that AAB WI leader is not fully committed to participative leadership, as stated by interviewees he does make some decisions without consulting them and he does not listen when their suggestion requires reasonable financial funding, moreover, other factor such as lack of training, low level of rewards and delays in payments was mentioned as factor which decreased the level of job satisfaction in AAB WI.

Question 6: How your manager can improve the level of job satisfaction in you?	
AAB	**ABB WI**
- Involving employees in all decisions - Asking for our opinion - Setting up meeting before making major decisions and listening to our ideas - Salary increase and rewards - Creating a better work environment - Recognize and appreciate our work - Promotions	- involving employee in all the decisions even financial ones - Paying employees as promised - Salary increase and rewards - Updating equipments - Providing training courses - Providing resources for Researching on new technology

- Providing Clear role and task description - Updating equipments - Learning new/ modern technologies	

<p align="center">Table 19: Comparative research – Q6- Job satisfaction suggestions</p>

Question 6 is an open ended question which intends the retrieve employee's suggestions for improving their level of job satisfaction in the company. Since motivation and job satisfaction are interrelated the suggestions made were very similar to suggestions retrieved from question 3. As shown in table 19 employees of AAB suggestions emphasized their need to use participative decision making. Based on the data collected the AAB employees wanted their manger to set up meeting, ask for their opinion and take actions based on their suggestion. Moreover, they wanted their manager to involve their employee in all major decisions, and to recognize and appreciate their efforts for the company. Additionally factors such as increase in payment, rewards, promotion, clear role identification, clear task description, updating equipment, creating better work environment and learning new / modern technologies was mentioned as factors that can increase AAB level of job satisfaction.

The data collected from AAB WI interviews showed again that AAB WI employees require full commitment of their leader to group decision making. As shown in the table above they want to be involved in all decisions. Additionally factors such as paying employees as promised, increase in salary, increase in rewards, updating equipments, proving training courses and providing resources for researching on new technologies were mentioned as factors that can increase AAB WI level of job satisfaction.

Question 7: On the scale of 1 to 10 how do you rate your level of creativity and innovation to perform daily tasks in the organization?

AAB
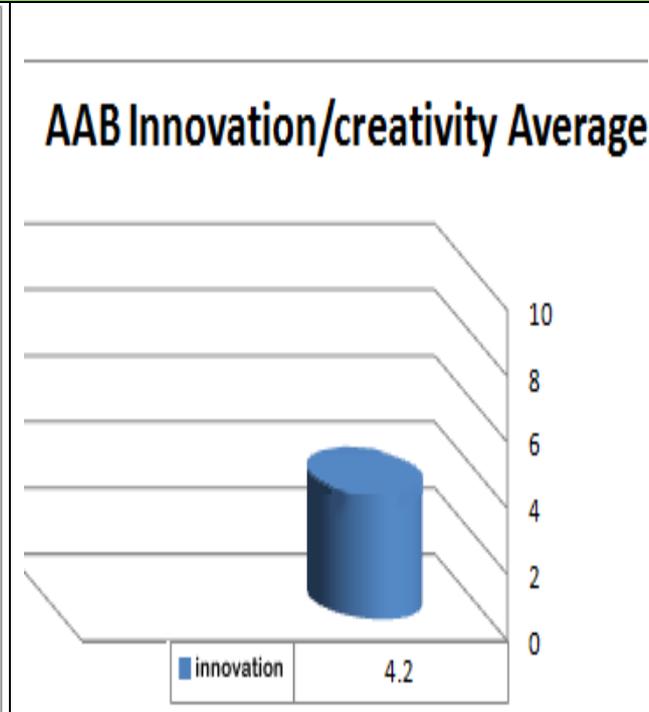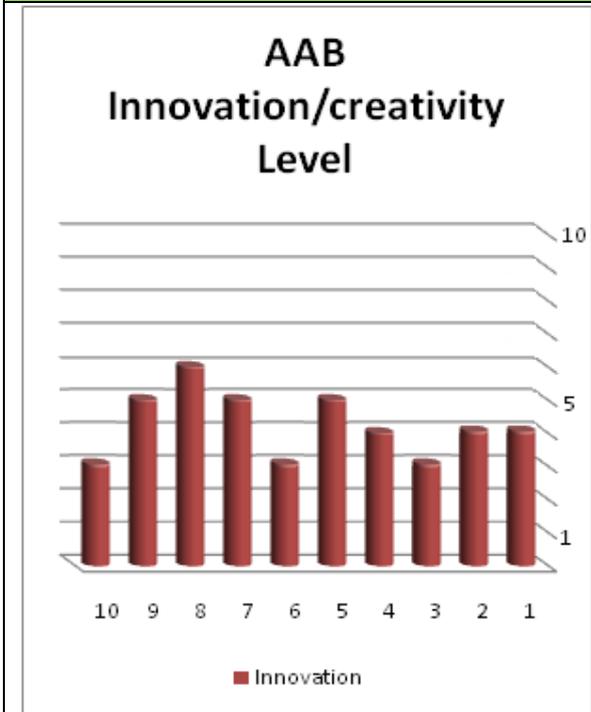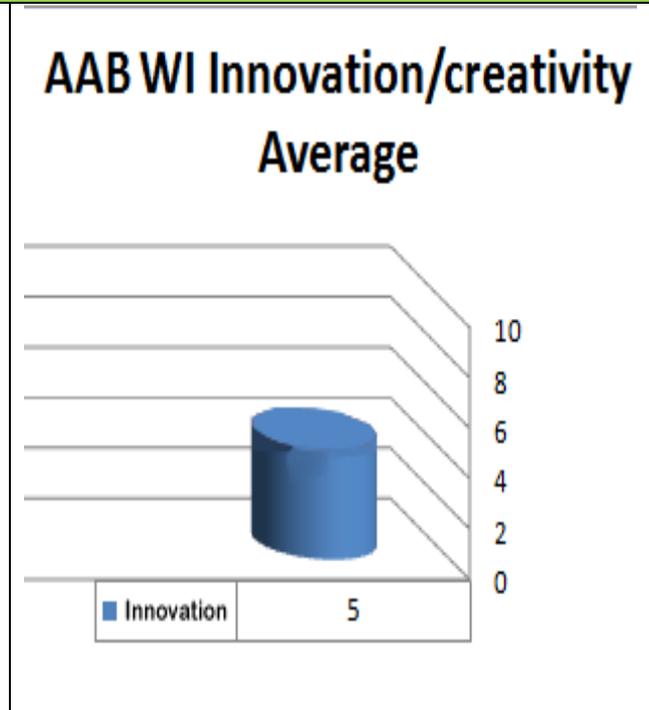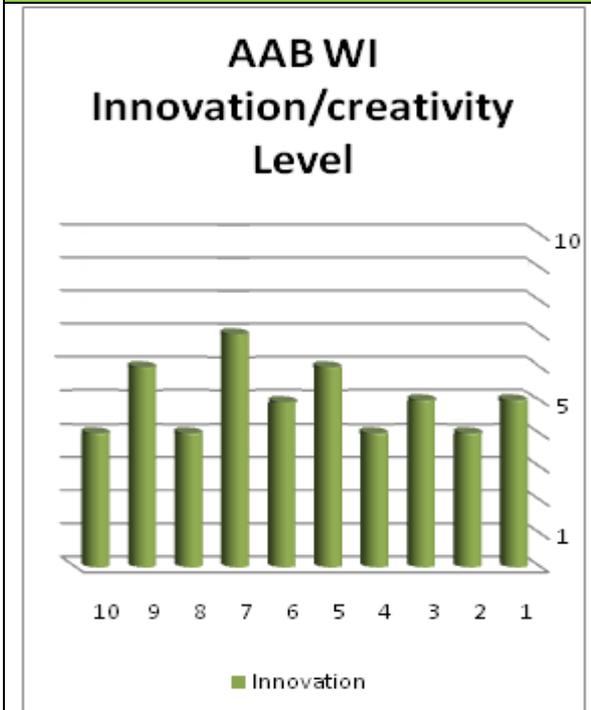
AAB WI

Table 20: Comparative research – Q7- Innovation level

The seventh question is a close question which intends to find the level of creativity/innovation on a scale of 1 to 10. As shown in the table 20 most of the interviewees in AAB WI showed higher level of creativity/innovation than the employees in AAB. Based on the results the average level of employee's innovation/creativity in AAB WI is 5 (50%) which is lower than their level of motivation (5.9 OR 59%) and job satisfaction (5.8 or 58%) and the average level of employee's motivation in AAB is 4.2 (42%) which is slightly higher than their level of job satisfaction (3.5 or 35%) and motivation (3.2 or 32%). The result of this question shows that employee's level of innovation and creativity is slightly higher (0.8 or 8%) in AAB WI which uses participative leadership than AAB which uses transformational leadership style. However the difference is not as much as it was expected. The reasons for this deviation are discussed in the next question.

Question 8: a- What does your Manager do in order to make you more innovative? b- Please explain if there are any problems?	
AAB	**AAB WI**
a) - Learning helps us to use innovative approaches and He does teach us new skills (learning) - He does funds training courses for our job - He does encourage and recognize our creativity and innovation on the tasks he assigned to us. - He does reward innovation when we cut spending b) - He does not listen to our ideas If it is against what he wants	a) - He does listen to our suggestions - He does ask and listen to most of our ideas - He does recognize and encourage innovation - He does reward innovation when we cut spending. - He does teach us as much as he is capable - He does assign challenging task which requires us to be creative and innovative.

	b)
- He reject any suggestion which requires funding.	- Sometimes he does not listen to our suggestion mostly when it requires funding
- He does not recognize our effort to be creative.	- We don't have the latest equipment or resources
- He does not involve us in decision making	- There is not enough training
- We need the latest equipments (updated software/ engineering equipments, etc)	- We need to learn and use new technologies to be more creative and innovative
- He does not let you to express ideas	
- We need to be motivated to be innovative	
- He does not assigning challenging task which requires innovation to us	
-	

Table 21: comparative research - Q8 - Innovation factors and problems

The eighth question is an open ended question which intends to retrieve the factor that can increase/decrease the level of creativity/innovation in the employee's. Table 21 provide a list of relevant answers which are retrieved from the interviews using open coding in order to support the results retrieved from question 7. It is important to mention that the results from the previous question has showed that the use of transformational leadership does have a more positive effect on innovation comparing to motivation and job satisfaction. As shown in the table above, AAB employees has mentioned factors such as learning form the leader, viewing him as a mentor, training courses, encouraging innovation as factors that increases their level of creativity and innovation. As mentioned in the literature review ideal transformational leaders use a series of transformational characteristic such as being a good designer, mentor and teacher to be able to support and encourage innovation (Moreno and Morales, 2005). The link between transformational leadership and innovation was shown in various empirical research such as Jung et al.(2003) quantitative research on R&D expenditures and number of patents obtained over three years or Khan, Rehman, & Fatima (2009) survey on 296 top and middle level manager.

However, as shown in table 21, employees of AAB mentioned lack of participative decision making by mentioning factors such as low employee involvement , rejection of any idea which requires funding or any idea which is against leader's will and not being able to express their ideas as factors which negatively influence innovation and creativity in AAB. As mentioned in the literature review the anti democratic nature of transformational leadership can have a negative impact on innovation (Avolio, 1999). The main reason for this issue is that when followers observe that their opinion is heard but the leader impose his / her own opinion for the final decision, they might get frustrated, de-motivated and eventually their level of innovation declines. Moreover as mentioned by AAB interviewees since their leader does not recognize their effort to be creative and because he does not involve employees in challenging task which requires creativity, the employees are not motivated to be creative and innovative. As mentioned in the literature review if the transformational leaders fail in intellectual stimulation and inspirational motivation his/her leadership style can have no or even negative impact on innovation.

As shown in table 21, the employees of AAB WI which has showed higher level of innovation (by 0.8 out of 10 or 8%) than AAB employees, has mentioned participative decision making, employee involvement, asking and listening to most of the ideas, recognizing and encouraging innovation and rewarding innovation on some occasions as factors which increased the level of innovation for employees. According to Larsen et al., (1991) participative leadership style is the most suitable leadership style to encourage innovation within the organization. The positive relationship between participative leadership and innovation in evident in many theoretical researched such as Krause, Gebert, and Kearney (2007) or Somech (2006) and empirical studies such as Oldham and Cummings (1996) or Stoker et al. (2001).

However based on the results AAB WI interviewees showed again that their leader is not fully committed to participative decision making by mentioning that he does not pay attention to ideas that requires funding. Moreover as mentioned by the interviewees AAB WI leader does not have the ability to teach them and there is not enough training for learning new technologies. Interestingly AAB leader (transformational leader) does pay more attention to these factors and because of this the gap between the levels of innovation in the two cases is smaller. As mentioned in the literature review, the ideal participative leader should use participative decision making together with factor such as training, knowledge development and rewards to be able to foster innovation in his/her organization.

Question 9: How your manager can improve the level of creativity and innovation in you?	
AAB	**ABB WI**
- Involving employees in all decisions - Assigning challenging tasks to us which requires creativity - Setting up meeting before making major decisions and listening to our ideas - Acting upon our ideas - Creating a better work environment - Recognize and appreciate our work - Updating equipments (software, engineering tools, etc) - Helping us to Learn new/ modern technologies	- Listening to all of our suggestion and acting upon them - Providing training course for employees - Assigning additional funding for researching on new technologies - Providing the latest equipments - Provide us with the latest learning material about new technologies.

Table 22: Comparative research - Q9- Innovation suggestions

The ninth question is an open ended question which intends the retrieve employee's suggestions for improving their level of creativity/innovation in the company. As shown in table 22 employees of AAB suggestions emphasized their need to use participative decision making. Based on the data collected the AAB employees wanted their manger to set up meeting, listen to employee's suggestions, take actions based on their suggestion and involve employee in all major decisions. Moreover they wanted their manager to assign challenging tasks which requires them to be creative and to recognize and appreciate their creativity for the organization. Additionally factors such as updating equipments (software, engineering tools, etc), helping employees in learning modern technologies and creating a better work environment was mentioned as factors that can increase AAB level of job innovation.

The data collected from AAB WI interviews showed again that AAB WI employees wanted their manager to be fully committed to participative decision making by listening to all of

their suggestions and involving them in all decisions. Interestingly factor such as learning from the leader and providing training courses was mentioned by most of AAB WI interviews. Additionally factor such as assigning additional funding for research on new technologies and providing employees with new and modern equipments were mentioned as factors that can increase AAB WI level of innovation.

4.1.3 Comparative research - Findings

- Based on the results of this part of the study the level of employee's motivation, job satisfaction and innovation is higher when participative leadership used. Hence this leadership style is better than transformational leadership when the regarded factors are in concern.

- Based on the results the main problem with transformational leaders is that they don't use democratic decision making. Based on employee suggestions leaders should listen to all employees' ideas and act upon them. The anti democratic nature of transformational leadership frustrates follower's and negatively impact employee's innovation, motivation and job satisfaction

- Based on the results another main problem with transformational leadership is the dependency of it on leader's ability, for example: if the leader is de-motivated, his ability to motivate employee will decline and employee's will be de-motivated. However participative leaders set a culture that can function even when there is decline in leader's ability.

- Based on the results, factors such as rewards, recognition, latest equipments, and work environment was mentioned as factors that can positively impact employee's motivation, job satisfaction and innovation in both cases (participative and transformational leadership).

- Based on the result, if participative leadership is used, the leader should be fully committed to this leadership style and should use participative decision making on every situation.

- Based on the result participative leaders should pay more attention to factor such as learning and knowledge development.

Additional finding

- Based on the interviews, the female employees of AAB assumed that their leader is gender biased.

4.2 Action research – Data analysis, findings and discussion

As shown in the previous section the results from the interviews showed that participative leadership has a more positive impact on innovation, motivation and job satisfaction than transformational leadership. However the data collected showed that even though AAB WI leader uses participative decision making he is not fully committed to participative leadership style hence the leadership style is less effective than expected. In order to analyze the impact of participative leadership style on innovation, motivation and job satisfaction accurately, we need to have a leader which uses the style properly. For this purpose, An action research study was designed to show how proper use participative leadership is different from the existing way. Through this study five employees who were working on assembling series of submersible pumps were selected. Before the experiment they have managed to assemble and test 25 pumps per week. The researcher suggests that through proper use of participative leadership it is possible to increase the level of motivation, job satisfaction and innovation in this selected group and ultimately increase their organizational performance. before presenting the finding of this part of the research, the sample of this study is analyzes in detail.

4.2.1 Action research - Sample analysis

This section intends to describe the sample of the action research part of the study in details.

4.2.1.1 Action research - Gender analysis

Unfortunately, as shown in the figure 13, all the participants of the pilot study were males (100%) and no female employee were involved in this part of the study.
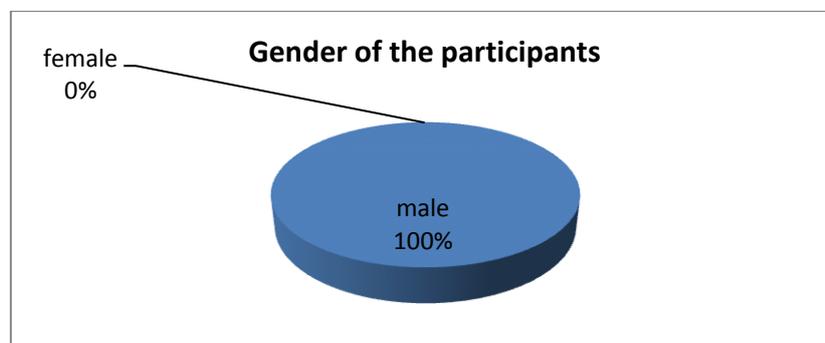
Figure 13: Action research - Gender analysis

4.2.1.2 Action research – Age group analysis

As shown in the table 21, out of the five participants four (80 %) were between 25 to 35 years of age, and one employee (20%) was between 35 to 50 years of age.

Age Group of participants

50 to 65
0%

35 to 50
20%

20 to 35
80%

Age Group of participants

4

1

0

50 to 65   35 to 50   20 to 35
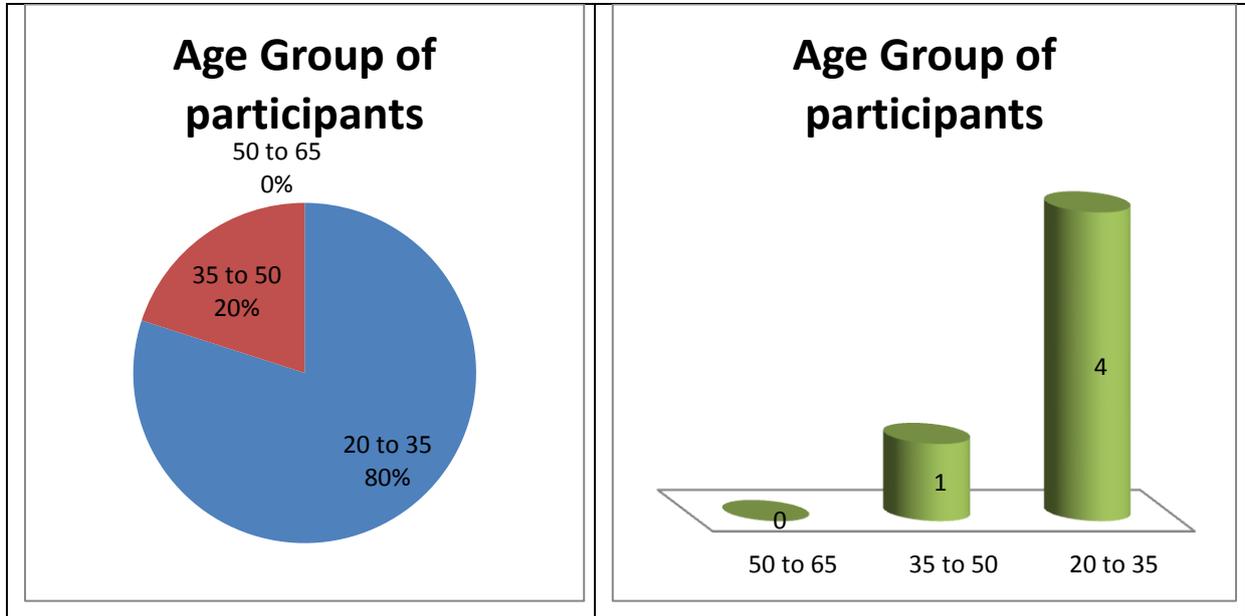
Table 23: Action research – Age group analysis

4.2.1.3 Action research – Number of years in organization analysis

Table 24 shows the number of years that participants have worked for their organization. According to table below two employees (40%) have been working for 1 year or less, two employees (40 %) have worked for 2 to 6 years, , and one employee (10%) have worked for more than 6 years for their company.

Number of years working for organization

11 years or above
0%

6 to 11 years
20%

1 year or less
40%

2 to 6 years
40%

Number of years working for organization

2   2

1

0

11 years or above   6 to 11 years   2 to 6 years   1 year or less
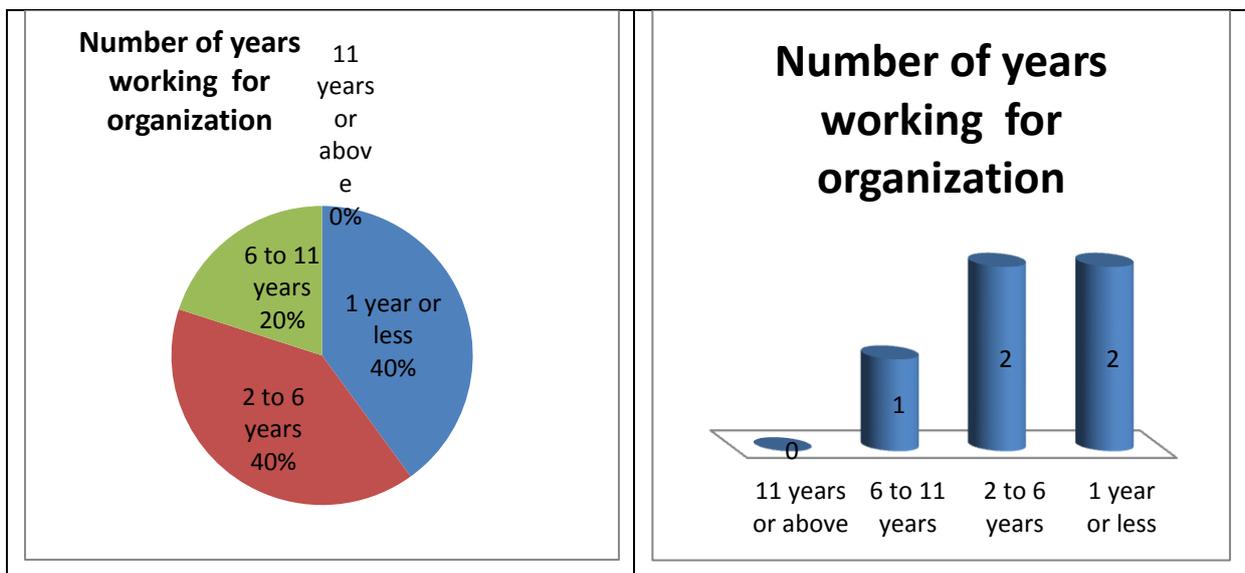
Table 24: Action research – Number of years in the organization analysis

4.2.1.4 Action research – Education level analysis

Table 25 shows the education level of participants. According to table below one participant (20%) has high school diploma, three (60 %) hold higher diplomas, and one employee (20%) has a bachelor degrees
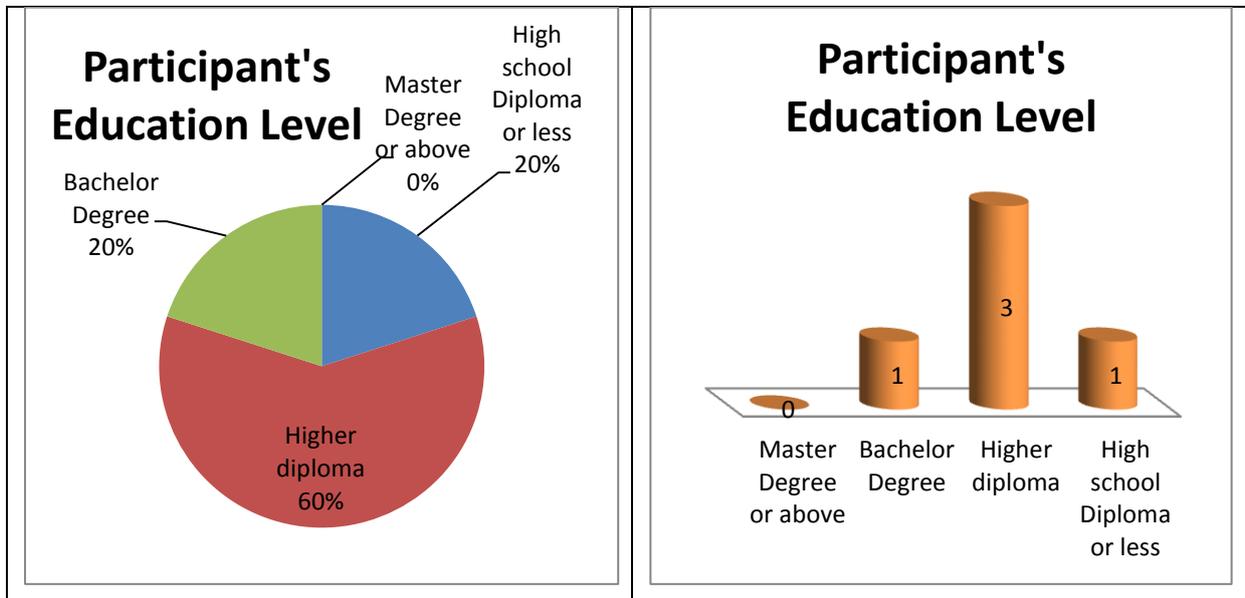
Table 25: Action research – Education level analysis

4.2.2 Action research – Data analysis and discussion

As mentioned in the methodology section in order to conduct this pilot study the researcher has followed the principles of action research methodology. Similar to the methodology section the data retrieved from the study is explained cycle by cycle and stage by stage in detail

Action research – Cycle 1- Stage 1- Diagnosis:

As stated in the methodology section in this stage the researcher uses the data retrieved from literature review, comparative analysis together with a set of interviews to identify the selected group's problems with motivation, job satisfaction and innovation. In order to complete this stage, the selected employees were asked to focus only on the task of assembling submersible pumps and answer a set of interview questions accordingly. The interview questions aim to retrieve employee's existing level of motivation, job satisfaction and innovation together with suggestion for improvements of the regarded factors. The results of each of the interview question are discussed below.

Question 1: Focusing on the task of assembling submersible pumps, on the scale of 1 to 10 how do you rate the level of your motivation to perform daily tasks in the organization?
AAB WI Selected Group
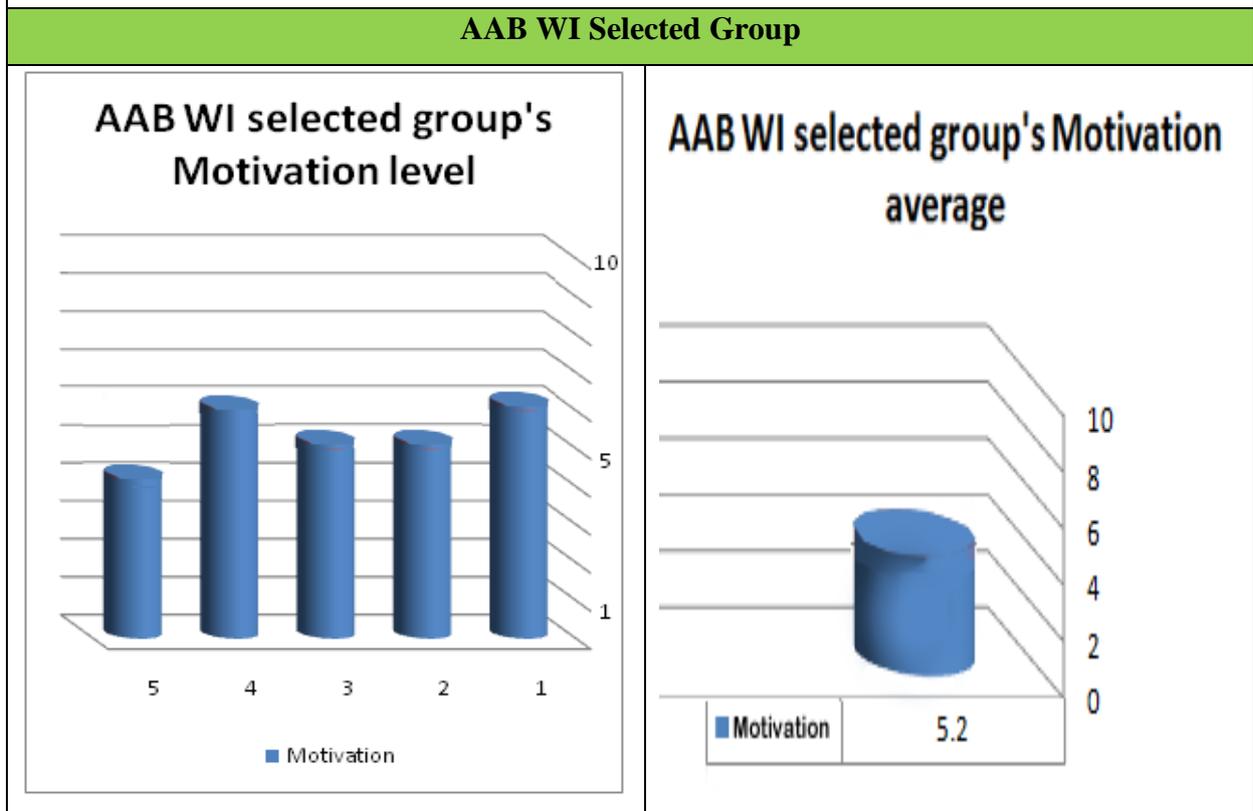
Table 26: Action research – Preliminary interviews - Q1- Motivation level analysis

As shown in the table 26 the average level of motivation of the selected group for the task of assembling submersible pumps is 5.2 out of 10 or 52%

Question 2: Focusing on the task of assembling submersible pumps, how your manager can improve the level of motivation in you?
AAB WI Selected Group
- Listening to all the ideas   - The decisions should be taken based on team suggestions (should be agreed by the majority)   - When everyone agrees that buying equipments can increase our performance the leader should consider paying for it.   - We need to know what benefits / rewards we can receive if we reach the target.   - We need the Manager to work with us and recognize our efforts

Table 27: Action research – Preliminary interviews –Q2- Motivation suggestions

As shown in table 27, the employees wanted their manager to fully commit to participative decision making by listening to all of their suggestion, involving them in every decision and taking action which are agreed by the majority. As shown in the table above, employees mentioned that their reasonable request for funding should be granted, a system for rewards should be in place and their manager should recognize their effort by working together with the team.

Question 3: Focusing on the task of assembling submersible pumps, on the scale of 1 to 10 how do you rate your level of job satisfaction in the organization?
AAB WI Selected Group
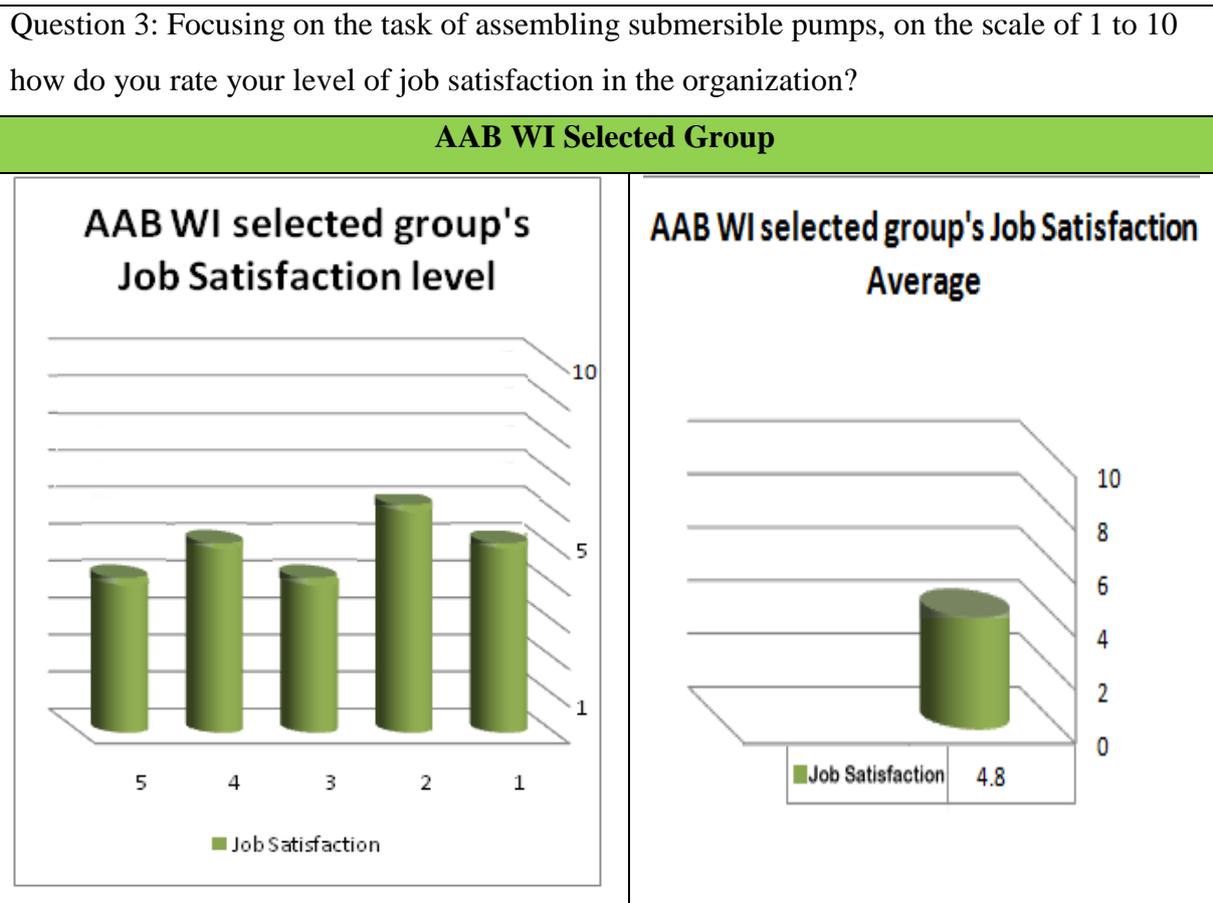
Table 28: Action research – Preliminary interviews – Q3 - Job satisfaction level analysis

As shown in table 28 the average level of job satisfaction of the selected group for the task of assembling submersible pumps is 4.8 out of 10 or 48% which is slightly lower than their level of motivation (by 0.4 or 4 %).

Question 4: Focusing on the task of assembling submersible pumps, how your manager can improve the level of job satisfaction in you?
AAB WI Selected Group
- Setting up meeting to discuss all of our ideas and acting upon what is accepted by the majority.
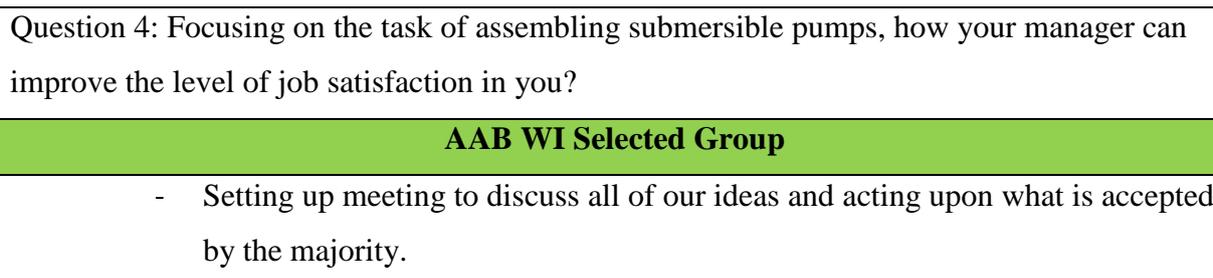
-	Paying us for our extra hours as promised
-	Reward us if we can reach the target
-	We need equipments for balancing and testing pumps
-	We need to know our target and objectives clearly.
-	The Manager should organize everyone to work as a group
-	The Manager needs to distribute tasks according to employees potential

Table 29: Action research – Preliminary interviews – Q4 - Job satisfaction suggestions

As shown in table 29 the employees wanted their manager to use participative decision making through setting up meeting to discuss all ideas and taking action about ideas that are acceptable to the majority. The employees also emphasized that the manger should have an active role in organizing tasks and employees, distributing tasks based on employee's potential and defining goals and objective clearly. In addition factors such as need for latest equipments, increase in pay, regaining trust, and establishing rewards was suggested by the interviewees.

Question 5: Focusing on the task of assembling submersible pumps, on the scale of 1 to 10 how do you rate your level of creativity and innovation to perform daily tasks in the organization?
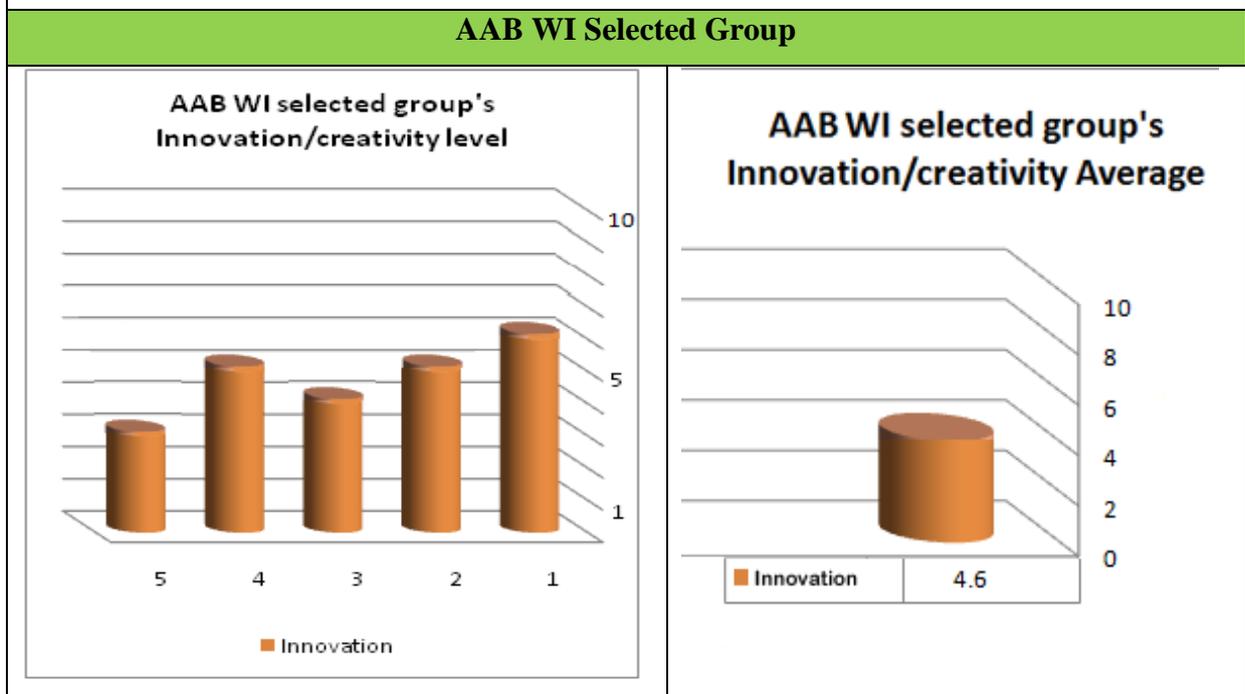

Table 30: Action research – Preliminary interviews – Q5 - Innovation level analysis

As shown in table 30, the average level of innovation of the selected group for the task of assembling submersible pumps is 4.6 out of 10 or 46% which is lower than their level of job satisfaction (by 0.2 or 2%) and lower than their level of motivation (by 0.6 or 6%).

| Question 6: Focusing on the task of assembling submersible pumps, how your manager can improve the level of creativity and innovation in you? |
|---|
| **AAB WI Selected Group** |
| - I need funding to make a device for balancing pumps

- We need to have access to the latest material and internet to be more creative

- The task is not clear and we are not well trained for it. We need appropriate training from a professional

- The manager needs to listen to all of suggestion no matter where the idea comes from a creative suggestion from a technician could be as effective or even more effective than a suggestion from an engineer

- The manager needs to reward and encourage innovation of all group members |

Table 31: Action research – Preliminary interviews – Q6 - Innovation suggestions

As shown in table 31 the employees wanted their manager to fully commit to democratic decision making by not being biased and by listening to all creative suggestion no matter where the ideas comes from. Interestingly one of the employees suggested that if the manager accepts to provide funding he can build an economic device which can help the organization to balance the shaft of pumps. Furthermore, the employee showed concern that they are not well trained for the task and they need to be trained by a professional. Other factors such as setting rewards for innovation, having access to the latest material through internet and encouraging innovation were suggested by the employees.

Action research – Cycle 1 – Stage 2- Action planning:

In this stage a set of guidelines for appropriate use of participative leadership were retrieved from the interviewees, comparative research and literature review. These guidelines (explained in table 32) were presented to AAB WI leader and because the researcher has assured the leader that using these guidelines may help the team to reach the target production units (35 submersible pumps per week), he has accepted to follow these guidelines for two weeks.

Participative leadership Guidelines
Setting the culture for participation: Perhaps the most crucial step for applying participative leadership is setting the culture for participation. as stated by Eric Schmidt CEO of Google Inc "a company should run by its own culture not the leader"(Schmidt, 2009), Hence it is important for the leader to set an example by encouraging employee participation and choosing approaches that are accepted by the majority. This can be achieved by establishing meetings were the entire participant are present. Since one of the possible disadvantages of participative is that the most out spoken members might always express their ideas, it is important for the leader to encourage participation of every member by trying to get inputs from more silent but possibly more influential people.
Clear definition of objectives: The participant involved in decision making should be fully aware of their group goals to be able to adjust their effort toward the goal. This means that the employees should know the target of production (which is 35 pumps per week) then the employees have to decide how they want to accomplish the goal using their resources. It is important to mention that employees should be free to make decisions about who is going to work on certain task and what resources should be used in order to accomplish tasks.
Creating a System of rewards: Even though participative leadership focuses on the intrinsic needs of employees the extrinsic need are equally important. Especially with production situations, economic rewards must be tied to the outcomes. Employees need to recognize that their efforts can result in tangible rewards so they can strive for optimum productivity. The reward can be economic in form of raise, promotion or gifts but it could be non economic such as being the employee of the month or receiving a day off. The important matter is that the reward should be defined as an outcome of the participative effort.
Holding employees accountable for the decisions made: Decision making groups should be held accountable for their actions within a reasonable time limit which they had agreed to operate. This can help to insure that problems don't lead to endless debates and timely actions will be taken to resolve problems. For example if a group suggest that investing in certain equipments can lead to increase in production but the results does not support their argument, the group need to figure out a way to return the investment. It is important that this principle is followed strictly and without any exception to ensure that

employees to consider their decisions more carefully.
Committing to participative decision making: The participative leader should seek suggestions and recommendations continuously and adopt reasonable proposals to succeed in participative management. The results from the interviews showed that employees were limited in making recommendations. Because group member can become frustrated when their recommendations are not followed. Because two ways communication is crucial to the success of participative leadership, all the suggestions should be listened and appropriate response should be provided by top managers.
Leadership participation Just because the decision is made by the group it doesn't mean that task can be delegated to group members. Leaders need to actively participate in decision making and organizational task and should be considering as a part of the team. Once the decisions are made it is the leader's job to organize employee's efforts based on economic conditions, organizational structure and physical surroundings. Moreover, leaders have to make sure that the group decision is followed according to the quality standards established and take actions together with group members to improve the situation.
Information Sharing Participative leaders need to provide and share information about business performance, goals, plans and strategies, about new technologies and competitors' performance. Information sharing through information disclosure and open communication is essential for employees because it can help them in making meaningful contributions to the organization new information in technology should be available (through the use of learning materials, internet, etc) and should be shared through two way communication between leaders and subordinates in order to increase the amount of participation.
Knowledge development and training Participative leaders needs develop knowledge development and training methods, to provide skills in group decision making and problem solving. Learning and training enables employees to contribute to organizational performance. Hence, leaders need to realize that everyone needs the skills and abilities to do their job and to participate effectively.

Table 32: Action research – Participative leadership guidelines

Action research – Cycle 1 - Stage 3 – Taking action:

Following the presentation of the guidelines to AAB WI leader, a meeting took place to retrieve employee's suggestion about how they can increase their performance to reach the target which is assembling 35 pumps per week. During the meeting various suggestions were presented and based on these ideas decisions accepted by the majority were made. Based on the decisions a series of actions were in made in the first week which are briefly described in table 33 below.

Week 1- Primary actions
- As suggested by the employees. The manager hired a professional head technician from a different firm for two days in order to train the employees.
- The necessary equipments were bought and given to the employees who suggested that he can build a device which can ease balancing pump's shaft. It is important to mention that it was clarified that if he cannot succeed he has to return the money invested.
- The target of 35 pumps per week was established by the group and the manager has promised to provide financial rewards to employees if they can reach the production target.
- As requested by employees the manager provided employees with documents and video's of the main manufacture's (German) assembly line.
- The group decided that all suggestions should be expressed to the manager and all team members. Moreover the manager is responsible to resolve conflicts in meetings together with all the team members.

Table 33: Action research – Preliminary actions

Action research – Cycle 1 - Stage 4- Evaluation

After the application of employee's suggestions and participative guidelines, the performance of the team is closely observed for the period of two weeks. During the first week of implementation the team spent the first 2 days on getting suggestions (idea generation in meetings), training, learning and building the device for balancing shaft and the remaining 3 days were used for assembling pumps. Even though the team did not actively work on the task for the first 2 days the team had managed to assemble 23 pumps in the first week.

Action research – Cycle 1 - Stage 5- specifying learning

Based on observation and employee's performance, the changes made in leadership had a positive effect on employee's motivation, job satisfaction, innovation and creativity and performance. However observation and employees suggestion indicates that there is still potential for improvements.

Action research – Cycle 2- Stage 1- Diagnosis

The second week of implementation started with a meeting to get suggestion for improvements from the employees. Employee's suggestion indicated that there are still problems and there is room for improvement. According to employees some of the tasks needed to be reassigned. Some roles needed to be modified to increase performance. In addition, employees mentioned problem such as not having internet access for learning purposes and not having received their wages for extra hours of work.

Action research – Cycle 2- Stage 2- Action planning:

AAB WI leader has reviewed and listened to employee's suggestion and complains and a set of actions/ improvement were planned.

Action research – Cycle 2- Stage 3- Taking Action:

Based on the suggestion and the planned improvements, the following actions were taken

Week 2- Improvements
- Since one of the main issues that slowed down team performance was dealing with parts damaged in the transportation. A group member was assigned to only work on identifying and fixing damaged parts.
- Based on employee suggestion some of the roles were changed and employees switched some tasks between themselves to increase the production speed
- In order to increase employee's motivation and job satisfaction, the manager assured employees that their salary for extra hours will be paid in this month.
- Based on employee's suggestion internet access for learning purposes was granted.

Table 34: Action research – Improvements

Action research – Cycle 2- Stage 4- Evaluation:

After the improvement the team worked full time on the task during the second week and managed to assemble 40 submersible pumps which have passed the target 35 pumps. Based on researcher observation the team members were highly motivated, creative and satisfied from their performance.

Action research – Cycle 2- Stage 5- Specifying Learning:

As stated based on observation changes in leadership behavior had a positive impact on employee's motivation, job satisfaction and innovation. In order to prove the regarded claim and the employees were interviewed again about their level of motivation, innovation and job satisfaction. The final results of this pilot study are retrieved from these interview questions which are described in detail below.

Question 1: Focusing on the task of assembling submersible pumps and after the changes made in the past two weeks, on the scale of 1 to 10 how do you rate the level of your motivation to perform daily tasks in the organization?
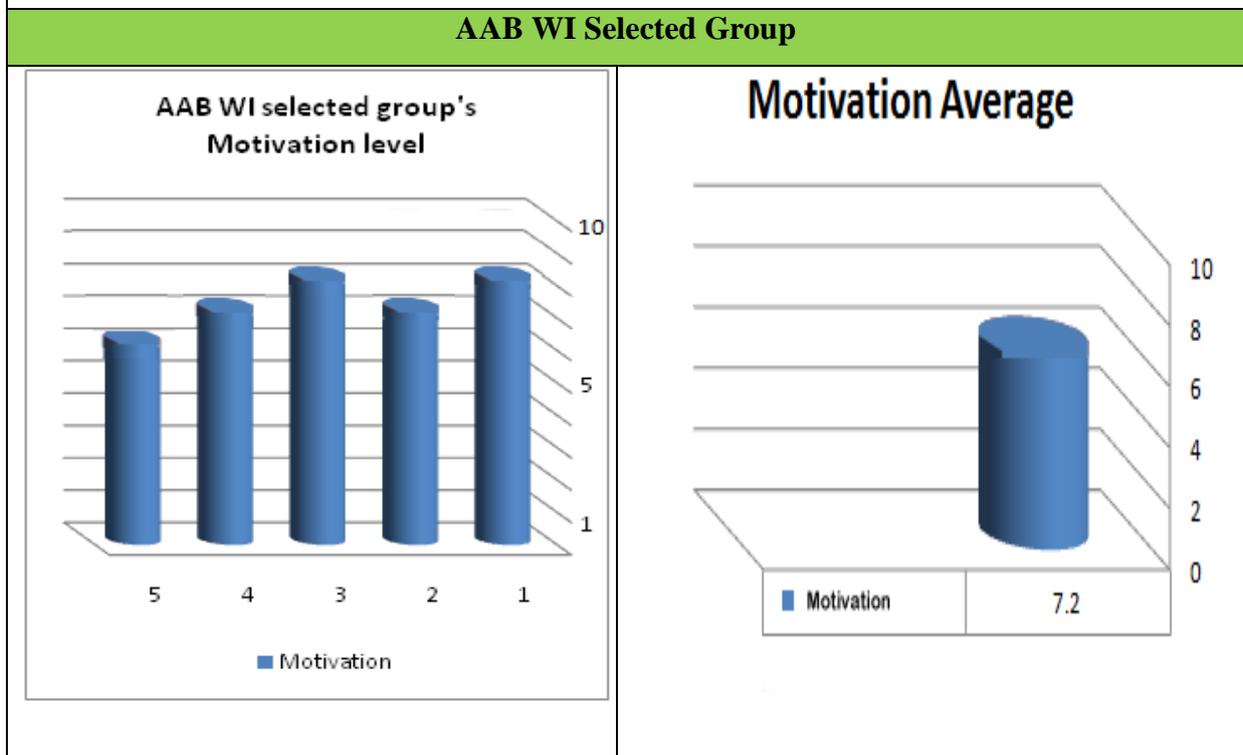
Table 35: Action research – Final interview – Q1 – Motivation level analysis

As shown in table 35, the average level of motivation of the selected group for the task of assembling submersible pumps after the changes made in the past two weeks is 7.2 (72%) which is 3 points higher than the group's motivation level prior to the action research study (5.2 or 52%). the results indicates that proper use of participative leadership has increased the level of motivation in employees by 30%.

Question 2: Please state the factors (if any) which have improved your motivation?
- In the past two weeks all of us including the leader worked together as a team and we got closer together, the work environment was more fun and I actually looked forward to go to work every day. - Because I was able to express my ideas and because I knew that my suggestions are being listened I was motivated to work harder and make suggestions for improving our performance - Because the decisions were made in groups I was more supportive of the final decisions and I taught I was working on something worthwhile, hence I was more motivated to perform better - The rewards and benefits did help me to be more motivated - For the first time our suggestion about equipments and learning were listened to, which motivated us a great deal. - Because I was held accountable (if my device didn't work I had to pay for the equipments) I was more motivated to perform as I promised. - Because the manager was actively involved in the task we know that our efforts are being recognized, hence we were motivated to perform better.

Table 36: Action research – Final interview – Q2 – Motivation factors

As shown in table 36 proper use of participative leadership has impacted employee's motivation significantly. Based on the answers the employee's were highly motivated because their ideas and suggestions were listened too, they had a sense of a community (team), they felt that they are working on something worthwhile. According to the employees, because they were held accountable, the decisions were made in groups, their request for funding equipments and learning was granted and because their efforts was recognized and rewarded, their level of motivation increased

.

| Question 3: Focusing on the task of assembling submersible pumps and after the changes made in the past two weeks, on the scale of 1 to 10 how do you rate your level of job satisfaction in the organization? |
|---|
| **AAB WI Selected Group** |
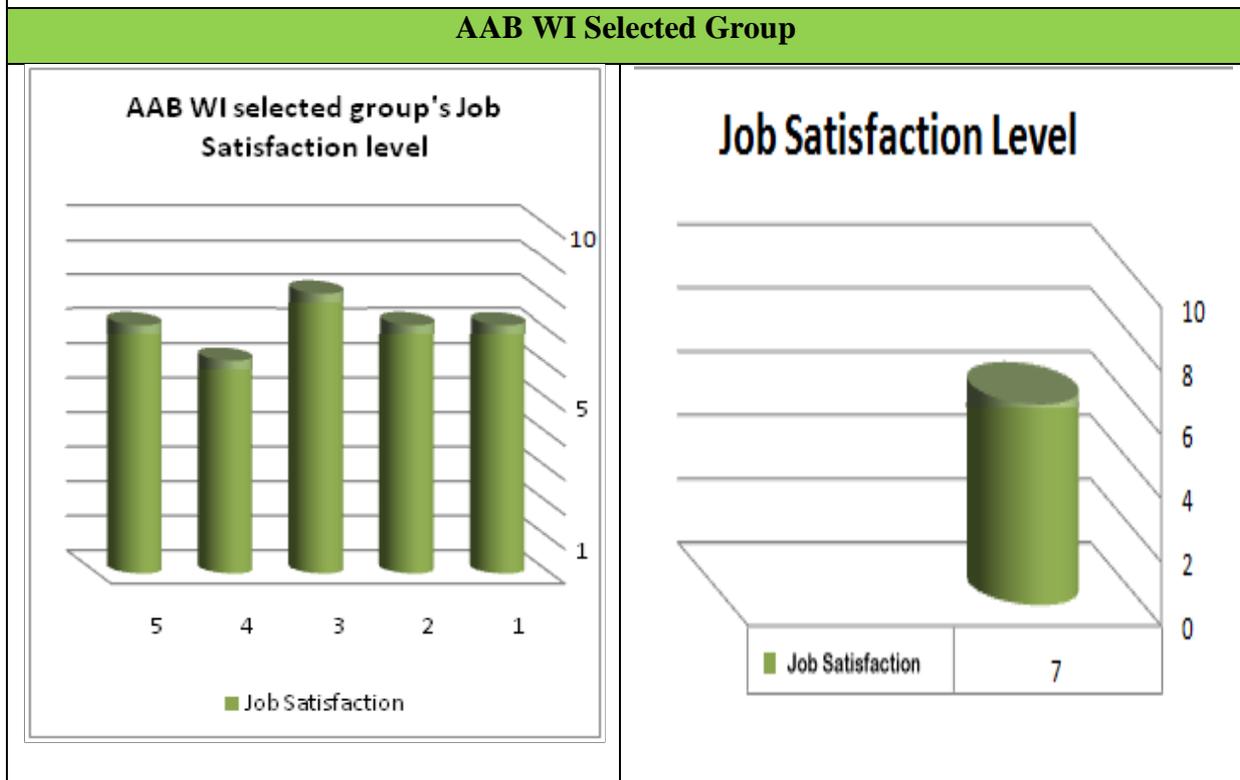
Table 37: Action research – Final interview – Q3 – Job satisfaction Level analysis

As shown in table 37, the average level of job satisfaction of the selected group for the task of assembling submersible pumps after the changes made in the past two weeks is 7 (70%) which is 2.2 points higher than the group's motivation level prior to the action research study (4.8 or 48%). the results indicates that proper use of participative leadership has increased the level of Job satisfaction in employees by 22%.

Question 4: Please state the factors (if any) which have improved the level of your job satisfaction?
- During the past two week I worked in an environment where I could express myself and my suggestion and efforts were recognized and appreciated, naturally in such environment my level of job satisfaction is higher. - I hope we stick to the same system of decision making (participative decision making based on group suggestion accepted by the majority) because it really made our job more satisfactory. - Rewards and payments for our extra hours made our job more satisfactory

- Having the latest equipments and learning materials made our job easier and more satisfactory.
- During the past two weeks the tasks and objective were well defined and distributed, this had made my work clearer, organized and easier which ultimately made my job more satisfactory.
- During the past two weeks we learned new skills, learning helps us to improve ourselves and makes or job more meaningful and satisfactory.

Table 38: Action research study – Final interview – Question 4 – Job satisfaction factors

As shown in table 38 proper use of participative leadership has impacted employee's job satisfaction significantly. Based on the answers the employee's were more satisfied from their job because they worked in an environment which their ideas and suggestions were listened to, recognized and appreciated. Moreover, employees mentioned that factors such as learned new skills made their job easier and more meaningful and helped them to improve themselves. Other factors such as clear definition of tasks and objectives also contributed to their level of job satisfaction.

| Question 5: Focusing on the task of assembling submersible pumps and after the changes made in the past two weeks, on the scale of 1 to 10 how do you rate your level of creativity and innovation to perform daily tasks in the organization? |
|---|
| **AAB WI Selected Group** |
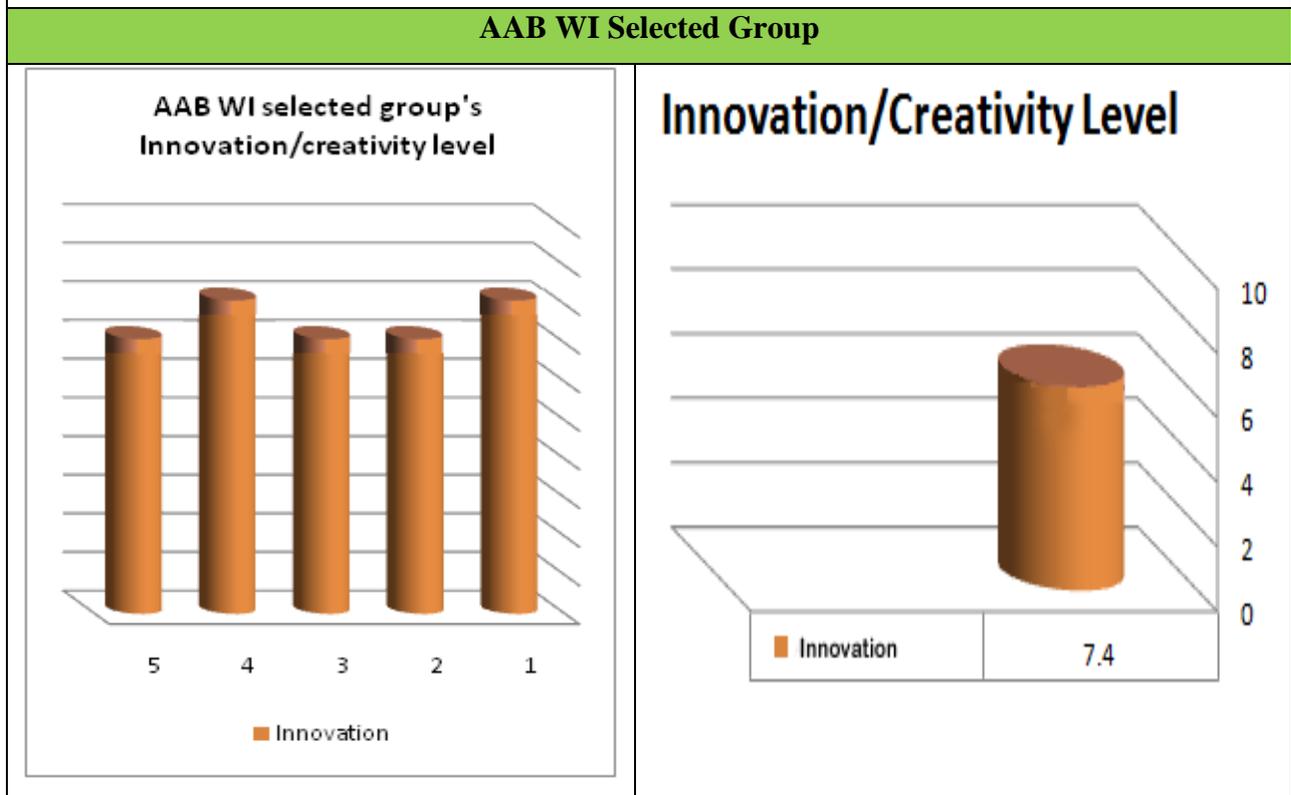
Table 39: Action research– Final interview – Q5 – Innovation Level analysis

As shown in table 39, the average level of innovation of the selected group for the task of assembling submersible pumps after the changes made in the past two weeks is 7.4 (74%) which is 3.8 points higher than the group's innovation level prior to the action research study (4.6 or 46%). the results indicates that proper use of participative leadership has increased the level of Job satisfaction in employees by 38%.

| Question 6: Please state the factors (if any) which have improved the level of your innovation/creativity? |
|---|
| - The leader did listen to my idea and provided funding for the device, this encouraged my innovation and help me to build a device which help us a lot
- Access to the latest learning material and internet helped us to be more creative and innovative
- Meetings, discussions and suggestion from the team and the leader helped us to be more creative and innovative
- Receiving rewards encouraged us to be more creative and innovative |

- The training course helped us to learn more and improve our knowledge about the task which help us to be more creative and innovative

Table 40: Action research – Final interview – Q6 – Innovation factors

As shown in table 40 proper use of participative leadership has impacted employee's innovation significantly. Based on the answers the employee's were more creative/innovative because the leader used participative decision making, listened to their idea and approved funding for their reasonable request, and because they had access to the learning material, internet and training courses which improved their knowledge about the task and made them more creative/ innovative. Moreover, factors such as rewards, meetings, discussions and idea generation also help them a lot in being more innovative.

4.2.3 Action Research - Findings

- Based on the results of the action research study proper use of participative leadership can have a significant impact on employee's motivation, innovation and job satisfaction.
- Based on the result the use of participative leadership has a positive impact on organizational performance.
- The guidelines presented in this study have proved to be useful in successful implementation of participative leadership. Based on the result factors, such as setting the culture for participation, clear definition of objectives, creating a system of rewards, holding employees accountable, full commitment to participative decision making, active involvement of the leader and employees, information sharing, knowledge development and learning, positively impacts employees motivation, job satisfaction, innovation and organizational performance and it can help the leader to implement participative leadership effectively. Hence these guidelines can be used by organizations that are dealing with similar problems with motivation, job satisfaction, innovation, organizational performance and participative leadership implementation.

Chapter 5

Final Discussion,

Conclusion and recommendation

Chapter Five: Final discussion, conclusion and recommendations

This chapter provides a final discussion about the findings of this study through detail discussion of research purpose, research question and the aims and objectives of this study. Afterwards, the limitation of this study is discussed together with studies conclusion and finally, a set of recommendations together with suggestions for future research are presented in this chapter.

5.1 Discussion of research purpose

As shown in the literature review many studies have explored the impacts of leadership style on organizational factors such as motivation, job satisfaction, innovation, organizational performance and many more. However, the majority of these studies focused on vertical theories of leadership such as transformational and transactional leadership. This problem is more apparent when comparative research methods were used. Even though, the researcher has reviewed nearly 200 articles (ranging from books, journals and online articles), very few of those studies had compared a horizontal leadership style such as participative leadership with a vertical leadership style. Moreover, even the few found studies have compared participative leadership with strictly autocratic leadership style such as transactional leadership and only one found study done by Kim (2011) based on followership has partially compared participative leadership with transformational leadership. Another notable problem is that, very few studies were found about participative leadership (only one by Dolatabadi and Safa, 2010) in the Middle-East. Even though the researcher understands the fact that political systems and culture issues has limited the amount of studies on democratic subjects in the Middle-East, the lack of scientific studies on participative/ democratic leadership in organizational context is alarming. The comparative part of this study was formed to address this issue by providing a valid comparison between participative leadership and transformational leadership. The comparative part of this research showed that there are problems with transformational leadership when it comes to motivation, job satisfaction and innovation. Moreover, the findings of comparative part of this research indicates that most of these problems can be resolve by the use of participative leadership

Another notable problem was formed during the course of the comparative research. During the interviews, employees of AAB WI whom were working under a participative leader showed concern that they leader is not fully committed to participative decision making. This

is issue was mentioned as a problem by Crane (1976), According to his study even though executive consider participative leadership effective they still concentrate on decision making on the top level. During this research various studies were found that tried to mix participative leadership with transformational leadership. These studies considered the use of participative decision making as a part of transformational leadership that can help leaders to increase the level of job satisfaction, innovation and motivation. Even though the results from these studies and the results from comparative part of the research showed that some level of participation does increase the level of job satisfaction, motivation and innovation. The finding from the comparative part indicates that employee's require full commitment to participative leadership. It is important to realize, that participative leadership (horizontal) transformational leadership (vertical) are distinct constructs form very different categories of leadership. Hence, the core factors of these leadership styles cannot be mixed and the partial use of participative decision making is neither effective enough nor logical when the employee's require their leader to be fully committed to participative decision making (PDM) process. The action research part of this study was formed to address the mentioned issue by applying a set of guideline for appropriate use of participative leadership. The findings from the pilot study clearly show that when participative leadership is used fully and appropriately the level of motivation, job satisfaction and innovation increases significantly compared to when participative leadership is used partially.

5.2 Discussion of research questions

The main purpose of any theoretical study is providing answer to its research question. This section will discuss the results and findings gathered from both used research methods to answer the presented research questions.

RQ1: What is the best suited leadership model to motivate employees?

Based on the results of the comparative part of the study participative leadership is the most suitable model for motivating employees. Even though many studies (such as Shin and Zhou, 2003; Eby et al., 1999; and Coelgo, Augusto and Lagas, 2011) supported the link between transformational leadership and intrinsic motivation. When transformational leadership was compared to participative the results of this study showed that even partial use of participative leadership can increase the level of employee's motivation significantly (by 27%). The action research part of this study showed that gap is even larger and when the

leader is fully committed to participative decision making the level of motivation is increased significantly.

According to the finding of the comparative research the anti democratic nature of transformational leadership can frustrate follower's and negatively impact employee's motivation. Based on the answers to question 2 (page 83) of the comparative part of this study, AAB employees (transformational leadership) were highly de-motivated from lack of participative decision making. As expressed by the employee's, their transformational leader does not let employees to express their ideas and even though they are occasionally asked to provide suggestions, their ideas are rarely acted upon. Therefore, the employees think that their effort for assisting the leader is not appreciated and eventually stopped suggesting their ideas. Similar finding was presented in the literature review, according to Gibbs (1995), anti democratic decision making can result in low motivation. Based on the finding the use of participative leadership can resolve this problem. The results of this study showed that the employees of AAB WI (participative leadership) exhibit a higher level of motivation, because they considered their leader as a part of the team, and because the leader did use participative/ democratic decision making (he asks for employees input and acts upon employees suggestions). Similar findings were retrieved from the literature review, according to Omolayo (2007) democratic decision making which is the base of participative leadership can give employees a sense of community and according to many empirical and theoretical studies communities tend to have members that are highly motivated.

Another notable factor that contributed to low motivation under transformational leadership was the dependency of this leadership style to the ability of the leader. The effectiveness of transformational leadership is based on the ability of the heroic leader who has the right vision, always takes the right action, inspires, teaches and motivates employee. The problem is, if leader's ability in any of the mentioned factors declines the level of motivation in employees will decline as well. This effect of the mentioned issue was visible in the comparative interviews, as mentioned by the employees of AAB the leader used to be better in recognizing employee's efforts and listening to employee's ideas however, after the financial crisis his awareness of the regarded factor declined and this has decreased the level of motivation in employees. This indicates that transformational leadership makes the followers dependent on their leaders. Consequently mistakes, low motivation or decline in leader's ability directly impacts employee's motivation and performance. This problem is addressed in participative leadership. Participative leadership is more about setting the culture

than leading or transforming employees. In this leadership style the decision are made not by one hero but by a group of people and the manger acts more as an organizer or facilitator rather than being responsible for all of the decisions. Consequently participants are more supportive of the final decision and they are always motivated to reach to what they believe is effective. As mentioned by Eric Schmidt CEO of Google Inc it is much easier to manage an employee base that are working on tasks that they decided to work on, because they are always motivated and interested (Schmidt, 2009).

Based on the results and findings of both comparative and action research study participative leadership is the most suitable style for motivating employees. Similar results were found in the literature review, Khotimah & Basuki (2005) survey on employees of millennium hotel in Jakarta showed that there is a significant relationship between participative leadership and motivation. Wynn (2004) research on numerous open source projects confirmed that most of the studies have affirmed the significance relationship between participation and both external and internal motivation. Garcıa-Goni, Maroto and Rubalcaba (2007) survey on health professionals in public health institutions located in six European countries (Ireland, Israel, Spain, Sweden, Netherlands, and United Kingdom) also indicated that there is positive relationship between participative leadership and employee's motivation.

RQ2: What is the best suited leadership model to enhance employee's Job satisfaction?

Based on the results of the comparative part of this study participative leadership is the most suitable leadership style for increasing the level of job satisfaction in employees. Even though many studies (such as Bushra et al, 2011, Al-Hussami, 2007 and Hamidifar 2009) have showed that transformational leadership and job satisfaction are positively related. The result of this study showed that when transformational leadership is compared to participative leadership, the level of job satisfaction is much higher (23%) when participative leadership style is partially used. The action research study showed that gap between transformational leadership and participative leader increases when the leader is fully committed to participative decision making.

Similar to the previous research question, the finding from question 5 (page 88) of the comparative part of this research indicated that the anti democratic nature of transformational leadership negatively impacts job satisfaction. As expressed by the employee's, their transformational leader does not let them to make important decision, does not assign

challenging task to employees, he rarely listens to employees suggestions. Furthermore, the inherent disadvantage of transformational leadership which is its dependency to the ability of the leader was mentioned again by employees as a factor which decreases their level of job satisfaction. As suggested by AAB employees the leader used to appreciate and recognize employee's efforts but after the financial crisis he does not pay attention to these factors anymore. Based on the data gathered from the interviews, employees of AAB wanted their manager to use participative decision making, involve employees in all decisions, act upon employee's ideas, and recognize employee's inputs and efforts. The results of the interviews indicate that the level of job satisfaction is higher in AAB WI when partial participative leadership was used. According to AAB WI employees, their leader listens to some of their suggestions, involves them in making some decisions and assigns some important task to employees. However most of AAB WI employees wanted their manager to be fully committed to participative decision making and involve them in all of the decisions.

The result from the comparative part of the research showed that partial use of participative leadership (AAB WI) has increase the level of job satisfaction significantly. Moreover, the result from the action research part of this study showed that full commitment and appropriate use of participative leadership can increase the level of job satisfaction much further. Similar result were retrieved from the literature review Bartolo and Furlonger (1999) study on 56 fire fighters in two fire stations in Victoria-Australia, Brown (2003) research on 361 employees from eight department in the city administration offices, Rad and Yarmohammadian (2006) research on 814 employees (first line, middle and senior managers) in Isfahan university hospitals in Iran, Lok and Crawford's (2001) study of 251 nurses in seven large hospitals, Watson's (2009) research on 388 registered radiologic technologists and many more have suggest that properly implemented participative leadership can be a major determinant of job satisfaction in the organizations.

It is important to mention that factors such as pay, rewards and work environment were mentioned by both AAB and AAB WI employees as factors that can improve their level of job satisfaction. This indicated that even though the focus of both participative and transformational leadership is on intrinsic factors, leaders need to pay equal attention to extrinsic factor for motivation and job satisfaction. According to Aon Consulting once employees feel that the work environment is safe, their job is secure and the pay is adequate,

the relationships among peers and leaders affect job satisfaction and organizational commitment to a larger degree.

The results from both comparative and action research part of this study may indicated that once factors such as pay, organizational environment and job satisfaction are taking care of, the use of participative leadership can increase the level of job satisfaction significantly. Hence, participative leadership style may be the most suitable style for increasing the level of job satisfaction in the employees.

RQ3: What is the best suited leadership style to increase the level of employee's innovation?

Based on the results of the comparative part of the study participative leadership is the most suitable leadership style for increasing the level of innovation and creativity in employees. Even though some studies (such as Jung et al., 2003 or Khan, Rehman, and Fatima, 2011) supported the link between transformational leadership and innovation, when transformational leadership was compared to participative the results showed that even partial use of participative leadership can increase the level of employee's innovation (by 8%). The gap between the level of innovation between transformational and participative leadership is smaller mainly because the participative leader (AAB WI) paid little attention to learning factors whereas the transformational leader (AAB) paid adequate attention to learning and knowledge development. The results from the action research part of this research showed that gap is much larger when the leader is fully committed to participative decision making, when participative leadership is used appropriately (according to the presented guidelines) and when factors such as learning and knowledge development (Ledford ,1993) are considered in implementing participative leadership.

Similar to previous research questions, the finding from question 8 (page 94) of the comparative part of this research indicated that the anti democratic nature of transformational leadership negatively impacts innovation. As expressed by AAB employees, their transformational leader does not let them to express their idea, does not assign challenging tasks to them, does not involve them in decision making and rejects any suggestion that requires funding or is against his will. Similar finding was presented in the literature review, as suggested by Avolio (1999) the anti democratic nature of transformational leadership can have a negative impacts on innovation and this together with dependency of transformational

leadership to the ability of leader could be the reasons for inconsistent results about the relationship between transformational leadership and innovation (Waldman and Atwater (1994) or Wilson-Evered, Hartel and Neale (2001) did not find a relationship between transformational leadership and innovation, Jaussi and Dionee (2003) Study showed that transformational leadership has negative effect on innovation).

It is important to mention, that even though the problem existed and lack of participative decision making was the biggest concern of AAB employee's, their leader paid adequate attention to learning and knowledge development and as stated by employees this has increase the level of innovation in employees

The level of innovation of AAB WI employees was slightly higher because some level of participative decision making was allowed. According to the employees of AAB WI, their leader listens to most of their suggestions, involves them in some major decision and assigns tasks that require innovation and creativity. However, most of the employees wanted their manager to be fully committed to participative leadership. Another major issue that negatively impacted employee's innovation in AAB WI was the lack of training and learning. Based on the interviews the employee's of AAB WI stated that there is not enough training and they need to learn new skills, technologies and approaches to be more creative and innovative.

Based on the result of the comparative research partial use of participative leadership had a more positive impact on innovation than transformational leadership. The action research part of the research also indicated that paying attention to knowledge development and learning, full commitment to participative decision making and appropriate use of participative leadership can resolve the existing problems and increase the level of innovation much further. Similar results were retrieved from the literature review, according to Mumford (1983) participative decision making can be considered as a base which shapes and organizes team innovation. White (1981) argues that some form of participative management is a prerequisite to increased productivity and innovation. Moreover, as mentioned in the literature review the positive relationship between participative leadership and innovation is shown in many theoretical and empirical studies (Krause, Gebert, and Kearney, 2007; Somech, 2006; Oldham and Cummings, 1996; and Stoker et al., 2001).

The results from both comparative and action research part of this study may indicate that the proper use of participative leadership can increase the level of innovation and creativity

significantly. Hence, participative leadership style may be the most suitable style for increasing the level of innovation in the employees.

5.3 Discussion of research's aims and objectives

As mentioned in the introductory chapter, the primary aim of this research is to explore the problems of transformational leadership and try to address these problems using participative leadership style. Based on the findings of both comparative part of the research, the main problems of transformational leadership is its anti democratic nature, its dependency on leader's ability. The results also indicate that there is a possibility that these factors can negatively impact employee's motivation, innovation and job satisfaction. Moreover, as suggested in both literature review and comparative study, negative impact of transformational leadership on motivation, job satisfaction and innovation can also impact employee's trust in leader's ability and organization performance. The discussion of research questions together with the results of both comparative and action research part of the study indicate that all of the motioned problems may be resolved if participative leadership is used.

In addition, through the use of both comparative and action research, this research has addressed its main objectives by studying the factors impacting study's variables (motivation, job satisfaction and innovation), and analyzing the effect of both transformational and participative leadership on each of the regarded variables. Moreover through the use of qualitative (comparative and action research) methodology, the main problems of both AAB and AAB WI motivation, job satisfaction and innovation were identified, participative leadership was chosen as the most suitable leadership model for addressing the regarded variables, and the action research part of the research has showed that guidelines such as setting the culture for participation (Branch, 2002), clear definition of objectives (Crane, 1976), creating a system of rewards (Lawler et al., 1998), holding employees accountable (Branch, 2002), information sharing (Landsdale, 2000), knowledge development and training (Ledford, 1993), power sharing (Branch, 2002), and active participation of the leader (Crane, 1976) could be useful in successful implementation of participative leadership. Since the implementation of the presented guidelines in the action research has increased the level of motivation, job satisfaction and innovation significantly, these guidelines can be used by organizations that are dealing with similar problems to implement participative leadership

effectively, and to improve motivation, innovation, job satisfaction and organizational performance successfully.

5.4 Limitations of this research

Even though this research was successful in addressing its aims, objective and research questions, it was accompanied with certain limitations. The first limitation was the limited data available on the concept of participative leadership. As discussed earlier, because vertical leadership styles are still considered as the dominant leadership category, there were very limited data available about horizontal leadership styles. Consequently, finding relevant data about participative leadership was a difficult task. Most of the comparative studies had chosen vertical leadership style such as transformational and transactional leadership style as the basis for their comparison and studies which had compared a horizontal leadership style such as participative leadership with a vertical leadership style such as transformational or transactional leadership were almost nonexistent. Because no relevant comparative study was found, the researcher was unable to find a standard leadership survey that could distinguish participative leaders from transformational ones. Hence the researcher had to develop his own set of questionnaire after reviewing standard leadership surveys about each leadership style. Even though the developed survey was effective, since the questionnaire is not widely accepted it may negatively impact the legitimacy of the study.

A further limitation is caused by limited usage of participative leadership in organizations. The problem was more apparent in the middle were horizontal leadership style are rarely used mostly because managers are not supportive of horizontal/ democratic leadership behaviors due to cultural reasons. Consequently, it was difficult to find a leader that uses participative leadership appropriately. Moreover, because it is possible that manager's show support about participative leadership but do not use it fully in practice (Crane, 1976), it is increasingly difficult to find companies that use participative leadership appropriately. It is important to mention that this study was initially intended to be a purely comparative research. However, because the result from the comparative study showed that AAB WI leader is not fully committed to participative leadership and he is not using this leadership style appropriately, the researcher had to use action research to be able to analyze the impact of appropriate participative leadership on motivation, innovation and job satisfaction.

A further limitation is caused by the small sample size and respondents' sensitivity to the disclosed information. Because, the company that used participative leadership (AAB WI) had a relatively small employee base (30 employees), conducting a comparative quantitative study was not possible. Moreover, because the researcher was a part of the company some employees refused to disclose sensible information. This has made the access to research data difficult and made the qualitative comparative study's (interviews) sample smaller than expected. Having a higher number of respondents could enhance research result's integrity and reliability.

Final limitation of this research is caused by the time constraints. It is important to mention that leadership style can impact various other variables such as communication, employee's commitments, work ethics, organizational performance and many more. However because of the limited time available the impacts of participative leadership were analyzed only on the selected variables (motivation, job satisfaction and innovation). Moreover, the comparative research data was collected at definite time and could only show employee's views at that point of time. Conducting longitudinal studies could give a better understanding of the research variables, the relationship between the variables and how long lasting this relationship is.

5.5 Conclusions

This research was designed to investigate and compare the impacts of transformational and participative leadership on variables such as motivation, job satisfaction and innovation through reviewing available literature on the subjects and using comparative research methods. The major aim of this research was to find existing problems with vertical leadership styles such as transformational leadership and try to address these problem using horizontal leadership styles such as participative leadership. Additionally, this study has provided a set of guidelines for appropriate use of participative leadership. This was undertaken by reviewing available literature about implementing participative leadership and by using action research methodology on selected group of employees.

 Fortunately the data gathered from the literature review was supported in both comparative and action research parts of this qualitative research. Returning to the study's research questions posed at the beginning of this study (page 17), it is now possible to state that the

participative leadership may be the most suitable leadership style for improving the level of motivation, job satisfaction, and innovation in employees.

Perhaps the most important finding of this study is that there are problems with vertical leadership styles such as transformational leadership and the anti-democratic nature of vertical leadership styles may negatively impact motivation, job satisfaction and innovation. It is important to realize that even though vertical leadership styles were considered effective in the past, it is possible that they are not as effective as they used to be. One possible reason might be changes in social, political and organizational values. It is important to note that whether the leader uses rewards and incentive to motivate employees (transactional leadership) or transform his/ her followers through relating and preaching his/her vision to subordinates (transformational leadership), the leader is still trying to manipulate supporters to act upon the will of top management. Even though this approach have been implemented effectively in the past, the current trend toward employees' involvements in organizational context and the current uprisings in political context may indicate that today's society may reject any form of manipulation or dominance of minority over majority. If we consider organizations as small social system its evident that as our societies move toward more democratic political system our organization are moving toward employee involvement and participation. As mentioned in the literature review studies such as Hay group (2011) claim because of factors such as globalization, social changes, demographic change, individualization and digital lifestyle, might dramatically change leadership in the future. Hence, future leaders of successful organizations should focus on cultivating a participative decision making environment and setting the culture for participation.

 All of the mentioned issues indicate that autocratic decision making or transforming employee through creating an illusion of democracy (by transforming the views of subordinates into the views of the leader) might fail in both political and organizational context in the near future. Hence organizational leaders need to adjust themselves with the rapid rate of changes and look into horizontal leadership styles that are based on democratic decision making not only because these leadership styles are supported by the majority of subordinates, but also because the result from the best cases (such as Google Inc and Cisco systems Inc) together with the findings of this study shows that appropriate use of a horizontal leadership style such as participative leadership yields better results comparing to

vertical leadership theories and can increase the level of motivation, job satisfaction, innovation and organizational performance significantly.

5.6 Recommendations of the Study

The finding of both comparative and action research part of this study together with data gathered in the literature review can provide a number of managerial implications for organization's that are dealing with similar problems with their leadership style, motivation, job satisfaction and innovation. This section of the chapter provides a set of recommendations to address the challenges recognized in this research.

1. Firstly, it is critical for managers to realize that they have to adjust their behavior to social and organization changes. As mentioned in the literature review the fast rate of changes in social and organizational values caused the leadership paradigm to shift from individual to collective, control to learning, self to self-in-relation and power over to power with (Fletcher, 2004). Because of these changes the "future leaders of successful organizations should focus on cultivating a participative decision making environment" (Jordan, 2011).

2. The finding from both comparative and action research part of this study together with the data gathered from the interviews indicate that participative leadership may be the most suitable style for motivating employees (Khotimah and Basuki, 2005; Wynn, 2004; Garcıa-Goni, Maroto and Rubalcaba, 2007), for improving the level of job satisfaction in employees (Rad and Yarmohammadian, 2006; Lok and Crawford, 2001; Watson, 2009) and for enhancing the level of innovation and creativity in employees (Krause, Gebert and Kearney, 2007; Somech, 2006; Stoker et al., 2001).hence, managers need to study horizontal leadership styles such as participative leadership and use these leadership styles were applicable in order to enhance the existing level of motivation, job satisfaction and innovation in their organization.

3. It is important to realize that participative leadership is mainly concerned with setting the culture for participation. This means that a company under this leadership style should run by its culture not by a single leader (Schmidt, 2009). This can help organization to address to main disadvantage of vertical leadership style such as transformational leadership (vertical leadership styles are dependent on the ability of their leaders) by

creating a culture in which every member across the hierarchy of the organization (top managers, project managers, supervisor, team leaders and subordinates) use participative decision making in order to reach the best possible solution that are supported by the majority. In order to create this culture managers/leaders need to encourage and use values such as empowerment, personal accountability, open access to information, commitment to continuous improvement, teamwork and two way communication (Branch, 2002) and set an example in using participative leadership for their subordinates.

4. The results from the comparative and action research part of this research indicated that training, learning and knowledge development plays an important role in the relationship between participative leadership and innovation. Because of the fast rate of technological changes and the importance of innovation in today's competitive market, participative leaders need to develop knowledge development and training methods, to provide skills in group decision making and problem solving in order to foster innovation and creativity in their employees.

5. The action research part of this study has shown that factors such as clear definition of objectives, creating a system of rewards, holding employees accountable, information sharing, knowledge development and training, power sharing and active participation of the leader are useful in the implementation of participative leadership. Hence manager needs to look in to this factor and research on other factors that can help them to implement participative leadership successfully. Furthermore, reviewing the examples and best cases such as Google Inc and Cisco systems Inc could be very useful in successful implementation of horizontal leadership styles.

6. Even though the results from the action research part of this study showed that participative leadership can be implemented successfully in a short period of time, this study was conducted on a small group of employees and organizations cannot expect to move from vertical leadership styles (such as transformational leadership) to a horizontal leadership style (such as participative leadership) over night. Although executive may be convinced of the effectiveness of this modern style, the transition should be made gradually (Crane, 1976). According to John Chambers CEO of Cisco systems it took six years for Cisco Systems Inc to move from the traditional command and control leadership to collaboration/participation and teamwork (Chambers, 2009). This is mainly because

managers are used to their former leadership style and it takes time for them to learn and allow others to participate in decision making. According to Crane (1976) the change to participative leadership will certainly be met with skepticism by mangers that had to function under the former leadership style. Consequently, the participative leadership style should be introduced gradually, preferably through training of both operative managers and employees.

7. It is important to realize that participative leaders might need to intervene and use command and control when the organization is dealing with crisis, severe conflicts, or when quality standards are not achieved. According to John Chambers participative leaders should allow the subordinate to make the decision and start implementing the decision but during the course of implementation the leader should use some sort of command and control to make sure that what the team has decided is implemented (Chambers, 2009). It is important for managers to understand that intervention should be limited to certain situations because too much intervention could negatively impact employee's perception of participative leadership.

5.7 Suggestions for future research

Since the concept of participative leadership is relatively new, further research on this category of leadership is necessary. This research has identified a number of suggestions for future research works on horizontal leadership styles such as participative leadership below:

- Because of the limited data available on the concept of participative leadership, further theoretical and empirical study on this leadership style is necessary. Researchers may need to look into the relationship between participative leadership and factors such as motivation, job satisfaction and innovation and use comparative and action research methods with larger sample size to identify the most suitable leadership style for improving the regarded factors.

- Quantitative research methods could be used in from of survey in order to retrieve managers and employees view point about participative leadership. Moreover, the use of qualitative and quantitative research method on organization which successfully implemented participative leadership style (Such as Google and Cisco) and organization in countries that strongly endorse the participative leadership (Denmark, Finland, and Sweden) may greatly assist organizations in successful implementation of participative leadership (house et al., 2004).

- Further research can be carried out on other factors (such as employee involvement, organizational commitment, trust, organizational performance, etc) that are potentially affected by participative leadership. Moreover, it is worth looking into the relationship between participative leadership and more flexible organizational structure such as organic or network based organizations.

- It is important to mention that some factor of vertical leadership styles such as creating a system of rewards (transactional), intellectual simulation (transformational) and intervention when necessary (situational) are proved to be effective in enhancing motivation, job satisfaction and innovation. Moreover, there are few theories available in horizontal leadership category (such as participative leadership, collaborative leadership, shared leadership, servant leadership, leadership from behind, etc) that may include some differences with each other, but are mostly based on the same idea of group decision making. This may suggest that there is need for a new leadership style which can generalize the horizontal leadership factors and combines these factors with effective factors of vertical leadership style in order to optimize the level of motivation, job satisfaction, innovation and other factors impacted by leadership styles.

- Since horizontal leadership styles such as participative leadership are almost nonexistent in the Middle East. It is crucial to conduct similar studies in the Middle East about these leadership styles in order to educate managers and employees about the possible benefits of horizontal leadership styles.

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Appendices

Appendix 1: Leadership style survey

This questionnaire consists of statements about leadership style. Next to each statement, you can choose the number that represents how strongly you feel about the statement by using the following scoring system:

- Almost Always True — 5
- Frequently True — 4
- Occasionally True — 3
- Seldom True — 2
- Almost Never True — 1

Leadership Style Questionnaire

No.	Questions	Scale				
1.	I always try to include one or more employees in determining what to do and how to do it. However, I maintain the final decision making authority.	5	4	3	2	1
2.	I and my employees always vote whenever a major decision has to be made.	5	4	3	2	1
3.	I ask for employee ideas and input on upcoming plans and projects. But I make the final decision.	5	4	3	2	1
4.	I ask for employee ideas and input on upcoming plans and projects. And accept the ideas approved by the majority.	5	4	3	2	1
5.	For a major decision to pass in my department, it must have the approval of the majority.	5	4	3	2	1
6.	I guide my employees to what has to be done and how to do it.	5	4	3	2	1
7.	I want to create an environment where the employees take ownership of the project. I allow them to participate in the decision making process.	5	4	3	2	1
8.	I allow my employees to determine what needs to be done and how to do it.	5	4	3	2	1
9.	I ask employees for their vision of where they see their jobs going and then use their vision where appropriate.	5	4	3	2	1

10.	I try to base my work on inspiring my workers.	5	4	3	2	1
11.	When something goes wrong, I tell my employees that a procedure is not working correctly and I establish a new one.	5	4	3	2	1
12.	I allow my employees to set priorities with my guidance.	5	4	3	2	1
13.	When there are differences in role expectations, I work with them to resolve the differences.	5	4	3	2	1
14.	Each individual is responsible for defining their job.	5	4	3	2	1
15.	Employees are held accountable but I have the responsibility in defining their job.					
16.	I like to use my leadership power to help subordinates grow.	5	4	3	2	1
17.	I like to share my leadership power with my subordinates.	5	4	3	2	1
18.	Employees have the right to determine their own organizational objectives.	5	4	3	2	1
19.	My employees can lead themselves just as well as I can.	5	4	3	2	1
20.	I Talks optimistically about the future to create a vision for my employees.					
21.	I Spend most of my time teaching and coaching.					
22.	I always retain the final decision making authority within my department or team.	5	4	3	2	1
23.	I do not consider suggestions made by my employees as I do not have the time for them.	5	4	3	2	1
24.	I tell my employees what has to be done and how to do it.	5	4	3	2	1
25.	When someone makes a mistake, I tell them not to ever do that again and make a note of it.	5	4	3	2	1
26.	New hires are not allowed to make any decisions unless it is approved by me first.	5	4	3	2	1
27.	I closely monitor my employees to ensure they are performing correctly.	5	4	3	2	1
28.	I like the power that my leadership position holds over subordinates.	5	4	3	2	1

29.	Employees must be directed or threatened with punishment in order to get them to achieve the organizational objectives.	5	4	3	2	1
30.	Employees seek mainly security.	5	4	3	2	1

Table 41: Leadership Survey Questionnaire

The table below is used to retrieve the score for each leadership style.

Item	Score	Item	Score	Item	Score
11	_____	2	_____	1	_____
22	_____	4	_____	3	_____
23	_____	5	_____	6	_____
24	_____	7	_____	9	_____
25	_____	8	_____	10	_____
26	_____	13	_____	12	_____
27	_____	14	_____	15	_____
28	_____	17	_____	16	_____
29	_____	18	_____	20	_____
30	_____	19	_____	21	_____
TOTAL	_____	**TOTAL**	_____	**TOTAL**	_____
	Authoritarian Style		Participative Style		Transformational Style

Table 42: Leadership Survey Result Calculation