

## CHAPTER 7

### CONCLUSIONS AND RECOMMENDATIONS

In this chapter, the major findings are first summarised and then a description of the contribution made by the present study is presented. Thereafter, a discussion of the theoretical and managerial implications of the research findings is provided. The limitations of the conceptual and methodological approach are then reviewed and finally some directions for future research are proposed.

#### 7.1 Summary of Major Findings

This section presents the major findings of the research into the role of leaders' downward influence tactics on the organisation behaviour of subordinates. One of the most pertinent aspect of the findings is the efficacy of the links among organisational constructs that have received very little attention by researchers previously on the scale that occurs in this study. In terms of the theoretical perspectives, seldom does one come across a comprehensive study incorporating leadership, organisational contexts, downward influence tactics, subordinates' competence, role ambiguity, OCB and satisfaction with supervision combined in a single study, particularly one that uses empirical methods. Moreover, the relationships among these relationships appeared to be both plausible and significant. A combination of leadership theory and influence theory has not only showed these to be mutually reinforcing but also that these two theories can

offer a more comprehensive understanding of the organisational conducts than either perspective by itself.

The benefit of the integration was also illustrated in the findings associated with the many contingent variables in this study. With the exception of organisational contexts, the present study concludes that leadership style, downward influence tactics, subordinates' competence and role ambiguity are strong predictors of subordinates' outcomes.

The present study confirms a significant linkage between leadership styles and the various downward influence tactics identified in the literature, and provides justification for integrating leadership theory and influence theory in studies of organisational behavioural studies. This study proposes that the leadership styles takes effect through the influence tactics that are predisposed by those styles.

It has been revealed in the study that the transformational leader tends to use inspirational appeals, consultation, and ingratiation tactics to obtain subordinates' OCB and satisfaction with supervision. Such an approach should be promoted in organizations since it can be seen to offer great practical significance. On the other hand, the transactional leader tends to use influence tactics that emphasise exchange, pressure and legitimating tactics. This suggests that the transactional leader tends to influence by reciprocation and the exchange of favours, having the inclination to be reward sensitive and to use the organisation's formal and legitimate channels to achieve goals.

The mediating effect of subordinates' competence was investigated in order to shed light on how this variable strengthens or weakens the interaction between leadership styles and downward influence tactics. The study also found support for the mediation

effect of subordinates' competence on the relationship between the transformational leader and consultation tactics. Specifically, the transformational leader tends to use more consultation tactics to deal with subordinates who exhibit higher levels of competence. The mediating effect of subordinates' role ambiguity serves to substantiate the supporting role of transformational leader in affecting the positive change. Specifically, the transformational leader will tend to use more of the inspirational appeals, consultation and ingratiation influence tactics on the subordinates with high role ambiguity.

The study also supports the contention that subordinates' role ambiguity has a direct and indirect effect on the outcomes, serving to increase the strength of transformational leadership on OCB and satisfaction with supervision. This result seems to support a widely held assertion that the effectiveness of leadership depends very much on the situation (Fiedler, 1967; House & Dessler, 1974; Weed et al., 1976).

Additionally, the study also lends support to claims for a mediation effect from the leaders' exercise of downward influence via inspirational appeals and consultation tactics on the relationship between the transformational leader and OCB and satisfaction with supervision. Although most previous researchers tend to attribute differences in subordinates' OCB and satisfaction with supervision to leadership styles, while confirming these arguments, this study also provides additional insight in this respect, that being, that apart from the direct effect of leadership styles on outcomes, the outcomes were also largely influenced by the appropriate choice and successful use of the downward influence tactics of inspirational appeals and consultation.

The observed results show that the superior who demonstrates a transformational leadership style promotes a significant positive increase in subordinates' organisational citizenship behaviour and in their satisfaction with supervision. On the contrary, subordinates who perceived their superior to be a transactional leader were found to be low in OCB and satisfaction with supervision. Among the downward influence tactics, inspirational appeals, consultation and ingratiation tactics were found to have a positive relationship with OCB and satisfaction with supervision. On the other hand, pressure and legitimate tactics were shown to have a negative effect on these constructs.

## **7.2 Contribution of This Study**

This research has made several contributions to knowledge. First, it stands as an empirical test of a more comprehensive model that comprises leadership styles, organisational contexts, downward influence tactics, subordinates' competence, role ambiguity and outcomes. This comprehensive model was developed to reconcile and explain some unequivocal results from previous research efforts. Although the empirical contributions of this research are modest, they are nevertheless believed to be important. This is the first study to examine the variables in such a large scale that involves the combination of various perspectives. Moreover, a more complex model developed in the study allows for the exploration of multi-interaction hypotheses.

Another contribution of this study is in its investigation of the mediating role of downward influence tactics between leadership styles and their outcomes (i.e. subordinates' OCB and satisfaction with leaders' supervision). This mediating role has largely been overlooked previously and little attention has been given to empirically

examining the extent of the mediation effect. For example, prior research in leadership styles has demonstrated that members' perceptions of their leaders' styles may differentiate their performance. In other words, previous research has only investigated the input and output components of the exchange process. Consequently, little, if any, explanation is offered on why different leadership styles tend to generate OCB and satisfaction with supervision in differing effects. By incorporating the leader's influence attempts and members' responses to such attempts, the present study constitutes a contribution to the literature in terms of providing a plausible explanation for the connection between leadership styles and subordinates' outcomes. Hence, leaders with different leadership styles are shown to exercise varied influence tactics to which members respond in different ways that are reflected in their OCB and satisfaction with supervision. In addition, subordinate's competence and role ambiguity were also found to mediate the transformational leadership styles and downward influence tactics.

The study contributes to the relevant and important domain of industrial administration outcomes such as OCB and satisfaction in several ways. First, the model provides a foundation for integrating a large and diverse body of research. By invoking managerial leadership and influence tactics, the model provides the theoretical grounding for studies that compare effectiveness of different leadership styles with OCB and satisfaction with supervision. Secondly, the study provides a clearer picture of the relative importance of numerous variables affecting the outcomes. This is clearly seen from the strength of various links in the model.

### **7.3 Theoretical, Methodological and Managerial Implications**

#### **7.3.1 Theoretical Implications**

At a higher level of abstraction, the research reported here can be viewed as a test of the idea that integrating relevant theories will provide better theoretical grounding of the research findings. A case in illustration is the combination of leadership theory and influence theory to analyse the outcomes of the organisation. The inter-relationships between leader and member are complex phenomena that influence or restrain their actions. As such, in reality, leaders do not always behave in such predetermined and rational ways as have often been described in theories. In a sense, each of these theories represents only a partial view of reality, so that together they provide a host of complementary ways to triangulate organisational phenomena. By integrating the theories, one is able to better account for the different roles and effects of the leadership, organisational contexts, role ambiguity, subordinates' competence as well as the role of managers in deciding the appropriate downward influence tactics for achieving desirable outcomes such as OCB and satisfaction with supervision. The inclusion of mediating variables such as downward influence tactics, subordinates' competence and role ambiguity, gives an insight into the complicity of the relationships and provides a coincidence support for the contingency theory of leaderships. Theoretically, these findings indicate that interpersonal relationships are an integral element in the social exchange process. One notable finding that may have theoretical implications concerns the utility and usefulness of the Yukl et al. (1996) typology of downward influence tactics. While the present result supports the robustness and thus the usefulness of the

Yukl et al. (1996) typology in linking the leadership styles, support is also found to extend its utility to describe the outcome implications of such typology.

### **7.3.2 Methodological Contributions**

Another important aspect of this research is its use of formal causal modelling to test complex relationships among multiple constructs. The path analysis technique has provided significant advantages in assessing and demonstrating the individual and overall relationships among the various constructs. It has facilitated the systematic evaluation and comparison of rather complex models and hence, might be of particular benefit in research involving numerous inter-related hypotheses and compound constructs. Specifically, the path analysis provides for the evaluation of the direct and indirect effects of mediation variables. The results presented earlier illustrate important relationships, which would not have been revealed if the analysis had stopped with the more popular regression and correlation coefficients. Additionally, this study also demonstrates the versatility of the path analysis in providing solutions to a large set of variables with many causal linkages. Hopefully this methodology will be considered more frequently by researchers in future studies of organisational theory when a large and more complex model is suggested for an overarching exploratory study.

### **7.3.3 Managerial Implications**

There are several specific managerial implications that can be derived from the present study. From a practical standpoint, the research findings suggest that when the superior has a choice in the leadership styles, he or she should place greater emphasis on the use

of transformational leadership in order to achieve greater OCB and satisfaction with supervision. Transformational leadership style seems to alter the ruinous influencing network created by fluctuating superior-subordinate power differences. Implications for fostering transformationally-oriented organisational cultures through training and development, job and organisational design as well as human capital decisions, seem important. Training in mentoring and recognising the varying development needs of employees can nurture transformational leader behaviour. The intellectual stimulation of transformational leadership in integrative problem-solving relationship should be promoted rather than the win-lose relationships that are inherently damaging. The transformational leadership style can be acquired through the learning of scenarios, role play and videotapes of actual cases in organisation. With suitable feedback, work productivity should increase. Similarly, organisations facing rapid environmental change would benefit from the flexibility cultivated by transformational leadership at all levels.

Similarly, understanding downward influence tactics has implications for the managerial behaviour. It appears that managers can elicit favourable outcomes using inspirational appeals and consultation tactics. On the other hand, while the use of pressure and exchange tactics may be effective to achieve pre-specified goals under certain situations (Soetjijto, 2002; Sparrowe et al., 2006), it fails to encourage employees to engage in OCB behaviour and also will not result in satisfaction with supervision. Secondly, although it may be premature to suggest a strict guideline as to how managers should combine influence tactics, it appears that managers are more likely to be effective by invoking inspirational appeals and consultation tactics. Moreover, it seems that managers can reduce the deleterious effects of the outcome by using a combination of



leadership styles and influence tactics. However, further study is warranted to ascertain the effects of various tactical combinations and to determine how their effects vary across contexts and tasks.

#### **7.4 Limitations of the Study**

There are a number of limitations in this study. First, attempts to integrate the contributions of wide-scoped disciplines requiring discussions at higher levels of conception that extend across various academic propositions. Consequently, one limitation of this study is the loss of focus that is inherent in wide-scoped efforts. However, this approach has provided the impetus for a wider exploration of perspectives and constructs in the organisational studies as it moves closer to the actual world reality.

Another limitation of this research that should be noted is that cross-sectional nature of the analysis. All the data were measured over the same period of time, the study using static data to test for what are undoubtedly dynamic relationships. Perhaps new insight could be gained if a study were to be designed in which the relationships among predictors could be examined more closely by postulating a causal sequence among them. For example, predictor variables could be measured as causally prior to outcomes. Longitudinal analysis would have been preferable, but unfortunately, the difficulty in obtaining such data from a large set of companies by means of repeated measures prevented the adoption of such an approach in the present case. Nevertheless, when time and resources permit, such a strategy would ensure a better quality of data and at the same time could capture the transitory adjustment process that may be rich in drama and random actions.

There is also a possible limitations associated with the use of questionnaires to gather data from key informants. The data for this study was collected from industries using self report measures. Although this procedure is very popular and acceptable for attitudinal studies, it is often criticised as what appears to be an ‘objective’ relationship (e.g. the transformational leader who relies more upon inspirational appeals and consultation tactics is likely to have more satisfied subordinate) may in fact be nothing more than ‘phenomenological’ effect (e.g. if a subordinate likes the superior, he or she will then perceive the superior as a transformational leader using inspirational appeals and consultation tactics which may quite different from the superior’s actual behaviour). A combination of internal self-reports, such as the present data and external observations either live or video-recorded, would add to our ability to understand the downward influence tactics used by managers in the organisation.

Moreover, the self-report taken from each respondent presents the problem of common method variance which is always a potential threat to validity in such situations. While this study tried to correct these drawbacks through the elimination of social desirability bias and the strain toward consistency in the scale construction, the drawbacks cannot be completely ruled out. The presence of this variance was checked through a principal component analysis and while such a test does not eliminate the common methods problem, the results indicate that it is not serious. Additionally, considering the multiple interactions hypotheses and the large number of constructs involved, it is unlikely that key informants have somehow ‘structured’ their responses to successive dependent variables to the multiple items that measured the predictor variables (e.g. Brockner, Siegel, Tyler, & Martin, 1997; Doty, Glick, & Huber, 1993).

Notwithstanding the above arguments and evidence, these possible limitations must be kept in mind and the causal relationships found in this study are to be viewed as only tentative.

It is necessary to mention that the study will not be able to address the issue of whether the superior's application of certain downward influence tactics e.g. inspirational appeals, is a result of the superior's own perceptions of subordinates' satisfaction or OCB etc. Even though the effects of variations in organisational employment opportunities, and structural differentiations may affect the subordinates' satisfaction or dissatisfaction, these effects cannot be generalised outside the present study, by virtue of the research design employed.

## **7.5 Suggestion for Future Research**

Future studies of leadership styles should focus on identifying other important respondent characteristics and more importantly, on understanding the processes by which such variables impact upon individual perceptions. In future studies, attempts should be made to incorporate additional endogenous variables such as motivation, compliance, and the objective performance of subordinates, which are more indicative of organisational outcomes. In addition, it may be useful to investigate whether the perception of superiors' leadership styles carries the same attitudinal and behavioural implication across the demographic variables such as gender, role status, race, etc. This will complicate the study but may offer richer explanation of the organisational behaviour.

Directions for further research are needed to enhance our understanding of the interrelationships of power, influence tactics and job performance. An important area of

future research is in the careful design and evaluation of the effects of intervention on supervisory power bases in enhancing positive influence management styles and performance. Field experiments are particularly useful in evaluating the effects of enhancements to the personal power base of supervisors on individual and organisational outcomes. There is also a need for scenario-based studies and laboratory studies that control some of the extraneous variables to better understand the effects of leaders' power. **A multi-source collection of data from both superiors and subordinates could improve the measurement accuracy and reduce bias.**

The applicability of this research is constrained to only superior-subordinate relationships in selected Malaysian industries. The industries selected comprise of major economic sectors such as service, manufacturing, mining and construction. Although this represents the Malaysian industry profile of high economic activity where productivity, job innovation and effectiveness are of central concern, the sample chosen may not fully represent the agglomeration of Malaysian industries. **Thus, future research should better reflect the composition of the Malaysian industry. In terms of type of organisations, future work may consider exploring firm ownership structure such as family business and non-family business as it is well established in the family business literature that leadership styles and influence tactics differ between family and non-family business. Another consideration for future research work would be on exploring paternalistic leadership styles instead of transformational-transactional leadership styles or investigating the leadership styles of Chinese family businesses in Malaysia comparing with transformational or transactional leadership styles.**

This study should also provide further encouragement to researchers to use elaborate models in the management and organisational theory research. Where scholarly contributions are littered with many simplistic and confirmatory approaches using under-represented models, researchers should make an effort to construct elaborate and real world models that can help in building a cohesive theory. Researchers should realise that their research model should dictate the methodological approach to be applied to disentangle the theoretical mysteries among the variables and not the other way round. The advent of multivariate analysis tools is seen as the main driver in the advancement of this cause.

As has often been highlighted, the strength of a particular theory is as good as its ability to consistently explain a certain phenomenon and is not expected to perform well in all possible situations. Thus, it would appear that complex models incorporating many interactions would call for diverse perspectives for credible explanations. Theory integration is still not widespread and it would take many research replications in different environmental conditions to confirm these findings. Thus, future researchers are encouraged to explore the organisational phenomena by trying to employ various theories to advance the knowledge and understanding of the causes and effects of the downward influence tactics.