Transformational leadership and decision-making in organizations of the Colombian Caribbean

Liderazgo transformacional y toma de decisiones en organizaciones del caribe colombiano

Abstract

The objective of the research was to analyze transformational leadership and decision-making in organizations in the Colombian Caribbean, based on a methodology with a quantitative, descriptive, non-experimental, cross-sectional, and field design, through non-probabilistic sampling, intentional to address a sample of 165 business organizations, using Scott and Bruce's Decision-Making Style Instrument (GDMS) (1995), finding that there is a significant correlation between transformational leadership and some leadership styles on the Colombian Caribbean coast. Concluding that there is a level of correlation between transformational leadership, with a predominance of rational and dependent styles.

Keywords: Administration, Business, Colombian Caribbean coast, Decisions, Management, Leadership, Organizations, Transformation.

Resumen

El objetivo de la investigación fue analizar el liderazgo transformacional y toma de decisiones en organizaciones del caribe colombiano, sustentándose en una metodología con enfoque cuantitativo, de tipo descriptivo, diseño no experimental, transversal y de campo, mediante un muestreo no probabilístico intencional para abordar una muestra de 125 organizaciones empresariales, utilizando el Instrumento Estilo de Toma de Decisiones (GDMS) de Scott y Bruce (1995), encontrando que existe una correlación significativa entre el liderazgo transformacional y algunos estilos de liderazgo en la costa caribe colombiana. Concluyendo que se presenta un nivel de correlación entre el liderazgo transformacional predominando los estilos racional y dependiente.

Palabras clave: Administración, Costa caribe colombiana, Decisiones, Empresas, Liderazgo, Negocios, Organizaciones, Transformación.


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Introduction

The role of leadership in organizations is crucial, particularly when it comes to sound decision-making. As outlined by Barragán, Salazar, and García (2020), decision-making is a vital component of planning, a core function of managers, and a way to foster collaboration among team members, while also contributing to organizational learning. Both Paz, Harris, and García (2015) and Barragán et al. (2022) stress the importance of leadership in decision-making processes, as it impacts the organization's relationship with its internal and external environment, highlights areas for improvement in expected behavior and performance, and guides the analysis of events, identification of alternatives, and implementation of new courses of action.

In their recent study, Candelo, and Gonzalez (2022) highlight the significance of providing business leaders with the necessary resources to assess how external elements affect an organization's performance. Successful decision-making and leadership are essential in attaining the best outcomes by efficiently planning, executing, and monitoring processes. Additionally, these skills are pivotal in addressing conflicts that may arise due to varying viewpoints among management (Bracho, García, & Jiménez, 2012).

According to studies conducted by Paz, Harris, and Garcia (2015) and Candelo and Gonzalez (2022), decision-making involves considering multiple scenarios to minimize uncertainty. To enable this process, effective management should adopt a transformational leadership style and engage team members in the decision-making process (Bracho, García, and Jiménez, 2012). Access to comprehensive information is crucial for organizations to fulfill this responsibility (Bárzaga et al, 2019), as it helps in making informed decisions (Barragán et al, 2022).

In accordance with Gallagher and Watson's (2009) research, decision-making is a deliberate process carried out by transformational leaders to logically solve problems by considering options that offer the most optimal solutions. This involves carefully evaluating the advantages and disadvantages of each choice, and being open to taking calculated risks (Galindo, 2015). As a crucial element of transformational leadership in businesses, effective decision-making enhances competitiveness while mitigating potential risks and uncertainties.

This research aims to examine the correlation between transformational leadership and decision-making styles in 165 business organizations located in the Colombian Caribbean. The study will focus on their impact on business competitiveness, drawing from the perspectives of Bass (1995), Bracho and García (2012), Scott and Bruce (1995), and Robbins and Coulter (2018). The research will employ a quantitative approach and descriptive statistics, utilizing a non-probabilistic intentional sampling method to select the organizations studied.

Transformational leadership

According to the research conducted by Bracho and García (2013), transformational leadership is a crucial theory due to its extensive conceptual development and widespread study (Dinh et al., 2014). This leadership style is associated with the charismatic movement and has been supported by substantial empirical evidence, which, according to Lowe et al. (1996), leads
to better individual, group, and organizational competitiveness. The theoretical foundation of transformational leadership is based on various perspectives, including proposals by Bass (1985), ideas by Conger and Kanungo (1987), research by Podsakoff, Mackenzie, Moorman, and Fetter (1990), findings by Shamir et al. (1993), and insights by Rafferty and Griffin (2004).

Leithwood et al. (2009) highlight the significance of transformational leadership in fostering group participation within organizations, with the goal of imbuing tasks with meaning. This form of leadership encourages worker awareness and encourages them to commit to achieving the organization's mission (Bracho, García, and Jiménez, 2012). It has the potential to motivate individuals to surpass their expectations and drive change within groups and organizations (Bracho et al, 2012; Fabregas, 2020; Mosquera, 2021).

Effective leaders possess the ability to ignite change by forging authentic connections with diverse members of their organization. This fosters a shift in individual attitudes and behaviors, as individuals begin to prioritize the greater good over personal interests. Such a multiplier effect, as outlined by Bass and Avolio (2006), has the power to propel individuals and transform teams. The leader's traits, style, and capacity to assess outcomes are all instrumental in this transformative process.

Decision-making styles

As noted by Dyches (1998), decision-making is a ubiquitous aspect of management spanning all levels. Nevertheless, how decisions are reached can vary greatly depending on factors such as context and the decision-maker's personal, professional, and academic background. To achieve optimal outcomes, Gonzalez et al (2011) recommend that issues be carefully validated as either generic or unique problems, thereby enabling effective decision-making.

González et al (2011), resolving a generic problem involves creating guidelines, policies, or principles using systematic models of information, like decision tables or trees. However, addressing a specific challenge requires the decision maker to offer criteria, evaluation, and perspectives to accurately define the problem.

O’Connor, Jacobsen, and Stacey (2002), discuss the role of uncertainty in decision-making, highlighting its impact on decision conflicts. Such conflicts arise from the uncertainty associated with decisions, which can involve risks, losses, and conflicts with personal values. Robbins and Coulter (2018) further expand on this by identifying four key decision-making styles: managerial, analytical, conceptual, and behavioral. Meanwhile, Espinoza’s (2018) research underscores the importance of examining the several types of leadership and decision-making styles, as they can significantly impact organizational performance. Overall, understanding the relationship between these factors is crucial for organizations seeking to make informed decisions.
Table 1. In agreement with Espinoza's (2018) research on decision-making styles, several models have been presented and are recognized for their conceptual foundations and empirical evidence.

<table>
<thead>
<tr>
<th>Author</th>
<th>Decision-making style</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robbins &amp; Coulter (2007)</td>
<td>Managerial Style</td>
<td>They tolerate little ambiguity, and their way of thinking is rational, efficient and logical. They make decisions quickly, focused on the short term.</td>
</tr>
<tr>
<td></td>
<td>Analytical style</td>
<td>They are more tolerant of ambiguity than the managerial style. They need more information before deciding. They want to have certainty and security when planning.</td>
</tr>
<tr>
<td></td>
<td>Conceptual style</td>
<td>This conceptual style is not satisfied with one option, so the decision maker decides to look for several alternatives.</td>
</tr>
<tr>
<td></td>
<td>Behavioral style</td>
<td>This style accepts suggestions, listens, and is interested in the achievements of others. Interacts with the group in which he/she works, interested in common goals and group work.</td>
</tr>
</tbody>
</table>

Source: Own elaboration adapted from Robbins and Coulter (2007).

According to Espinoza's (2018) research on decision-making styles, various models have been presented that are acknowledged for their conceptual foundations and empirical evidence. These models include the Thinking Styles model (McKenney & Keen, 1974), Decision Style Theory (Driver & Mock, 1975), the decision-making model based on Conflict Theory (Janis & Mann, 1977), decision-Making Styles (Rowe & Bougarides, 1983), and the General Decision-Making Style model (Scott & Bruce, 1995). The General Decision-Making Style (GDMS) model, developed by Scott and Bruce (1995), amalgamates components of previous models and identifies five distinct decision-making styles: rational, intuitive, dependent, avoidant, and spontaneous. The rational style considers alternatives comprehensively and logically, while the intuitive style relies on emotions and feelings. The dependent style seeks advice and guidance, whereas the avoidant style endeavors to evade making decisions. The spontaneous style prioritizes immediacy and acknowledges the significance of a quick decision-making process.

Material and methods

Per Pelekais et al (2012), researchers who use measurements, graphs, and statistical data to present their findings are working within a quantitative paradigm and taking a positivist approach. The study used a descriptive typology, non-experimental cross-sectional design, and field design, focusing on business organizations located on the Colombian Caribbean coast. The researchers used a non-probabilistic intentional sampling method due to time constraints, geographical dispersion, and financial limitations, selecting specific cities within the region, including Barranquilla, Cartagena, Soledad, Santa Marta, Valledupar, Monteria, Sincelejo, Riohacha, Aguachica, and Apartadó.

Similarly, the mentioned reason led to the selection of a voluntary sample of 125 business organizations, enabling their participation in the research; to contact the participants, we used databases of chambers of commerce within the different territories studied, the sample was composed of managers and area coordinators, therefore they have a high component of decision
making to their credit, in terms of details and details of the application of the instrument, except for the city of Barranquilla, were applied virtually or online, for this, taking a time close to 3 months.

To measure the variable of transformational leadership, an eight-item instrument was designed, featuring an attitudinal scale and five response options, duly validated by experts, and its reliability was calculated. The Decision-Making Style Instrument (GDMS) of Scott and Bruce (1995) was employed as well.

Table 2. Study population.

<table>
<thead>
<tr>
<th>City</th>
<th>Number Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barranquilla</td>
<td>39</td>
</tr>
<tr>
<td>Cartagena</td>
<td>12</td>
</tr>
<tr>
<td>Soledad</td>
<td>8</td>
</tr>
<tr>
<td>Santa Marta</td>
<td>29</td>
</tr>
<tr>
<td>Valledupar</td>
<td>8</td>
</tr>
<tr>
<td>Montería</td>
<td>9</td>
</tr>
<tr>
<td>Sincelejo</td>
<td>5</td>
</tr>
<tr>
<td>Riohacha</td>
<td>6</td>
</tr>
<tr>
<td>Aguachica</td>
<td>4</td>
</tr>
<tr>
<td>Apartadó</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>125</strong></td>
</tr>
</tbody>
</table>

Source: Own elaboration (2022)

Results

As per Espinoza's (2018) citation of Rehman and Waheed's (2012) research, a study was conducted to assess the impact of transformational leadership on decision-making styles. The results indicated that rational and dependent styles exhibited the highest positive correlations, whereas the avoidant style demonstrated the lowest correlation. Additionally, the intuitive and spontaneous styles showed relatively lower correlations.
According to our analysis, the majority of participants (with an average score of 2.81) displayed a clear inclination towards a rational and analytical decision-making process. Additionally, the narrow standard deviation of 0.75 suggests a high degree of uniformity in this preference amongst the individuals studied.

The Intuitive style displays a moderate preference, implying that while some people do rely on intuition to make decisions, it is not as widespread as the rational approach. The standard deviation is marginally higher than that of the rational style, indicating a slightly greater range of responses. This style boasts a high mean, which may suggest a proclivity towards seeking input or validation from others in the decision-making process. The standard deviation is moderate, indicating a reasonable range of variability in preference for this style.

The avoidant style exhibits the lowest mean and highest standard deviation compared to other styles. This implies that although it is not the most favored style, individuals have varying degrees of inclination toward it. While some may deliberately avoid making decisions, others may not exhibit such tendencies. The style ranks second to last in terms of mean, indicating a lower preference for impulsive or spontaneous decision-making. Additionally, the standard deviation is low, signifying that most individuals maintain a consistent level of preference for this style.

Table 4. Correlation between transformational leadership type with rational, intuitive, dependent, avoidant, and spontaneous decision-making styles in three previous studies.

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Transformational</td>
<td>Rational</td>
<td>0.07</td>
<td>0.67 **</td>
<td>0.38 **</td>
</tr>
<tr>
<td>leadership</td>
<td>Intuitive</td>
<td>0.14</td>
<td>0.33 **</td>
<td>0.23</td>
</tr>
<tr>
<td></td>
<td>Dependent</td>
<td>-0.09</td>
<td>0.76 **</td>
<td>0.16</td>
</tr>
<tr>
<td></td>
<td>Avoidant</td>
<td>-0.24</td>
<td>0.17 *</td>
<td>0.04</td>
</tr>
<tr>
<td></td>
<td>Spontaneous</td>
<td>0.00</td>
<td>0.30 **</td>
<td>0.09</td>
</tr>
</tbody>
</table>

Source: Adapted from Espinoza Méndez (2018).

A noteworthy similarity between Espinoza's (2018) research and Rehman and Waheed's (2012) study is the substantial correlation observed between transformational leadership and the dependent decision-making style ($r_{xy} = 0.24**$ and $r_{xy} = 0.76**$, respectively). This implies that the dependent decision-making style within the GDMS model shares characteristics with the participatory and collaborative decision-making approach proposed by Vroom and Yago (1988).
Taken together, this evidence supports Zulfqar et al.'s (2016) argument regarding the connection between participatory decision-making and effective organizational management.

Table 5. Correlation between transformational leadership type and decision-making styles.

<table>
<thead>
<tr>
<th>Transformational Leadership and decision-making styles</th>
<th>Correlation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rational</td>
<td>0.72 **</td>
</tr>
<tr>
<td>Intuitive</td>
<td>0.26 **</td>
</tr>
<tr>
<td>Dependant</td>
<td>0.23 **</td>
</tr>
<tr>
<td>Avoidant</td>
<td>-0.27 **</td>
</tr>
<tr>
<td>Spontaneous</td>
<td>-0.12 *</td>
</tr>
</tbody>
</table>

Note. * p < 0.05; ** p < 0.01
Source: Own Elaboration (2023)

The robust positive correlation between transformational leadership and a rational approach to decision-making is evident. This approach is characterized by a logical analysis and systematic evaluation of alternatives, which perfectly aligns with transformational leadership's emphasis on intellectual stimulation. Bass (1985) noted that transformational leaders encourage followers to explore innovative solutions and critically analyze problems, which is a hallmark of rational decision-making.

The correlation between intuitive decision-making and transformational leadership, while not exceptionally strong, suggests that leaders with this approach appreciate the importance of intuition in their decision-making procedures. This method, which depends on instinctual feelings and experiential knowledge, harmonizes with the inventive and visionary qualities of transformational leadership. As Sadler-Smith and Shefy (2004) emphasized, the fusion of intuition and analysis is essential when dealing with intricate decision-making situations.

The positive data suggests a moderate inclination among transformational leaders to elicit input or guidance from others in their decision-making process. This discovery is consistent with the collaborative and inclusive ethos of transformational leadership, as articulated by Avolio, Walumbwa, and Weber (2009). It highlights the significance of participative decision-making in transformational leadership, where leaders appreciate the perspectives and contributions of their team members.

The negative correlation observed with the avoidant style implies that transformational leaders are inclined to take charge of decision-making responsibilities. Typically, avoidant decision-making, which entails avoiding or postponing decisions, does not align with the initiative-taking and engaging approach of transformational leadership. This discovery reinforces the idea that transformational leaders are resolute and accountable for their decisions, as emphasized by Bass and Bass (2008).

The slight negative correlation between spontaneous decision-making and transformational leadership suggests that these leaders tend to avoid impulsive actions when making decisions. Although they highly regard creativity and innovation, they are less inclined to make hasty
decisions without carefully weighing the options. This approach is consistent with the strategic and visionary traits of transformational leaders, who strike a balance between taking calculated risks and fostering innovation.

**Discussion**

After analyzing data from 125 companies, we discovered that transformational leadership is highly associated with the rational decision-making style, and moderately linked to the intuitive and dependent styles. However, it shows a negative correlation with both avoidant and spontaneous styles. We also investigated the relationships between the five decision-making styles and found that they are all moderately linked to each other (ranging from 0.20 to 0.40), except for the dependent and spontaneous styles which do not correlate. Among the strongest associations were those between the spontaneous style and the intuitive and avoidant styles, followed by the correlation between the avoidant and dependent styles.

The tables above provide empirical evidence that comprehensively analyzes the correlation between transformational leadership and various decision-making styles. This discussion synthesizes these findings, drawing upon relevant theoretical frameworks and prior research to contextualize the results. The data indicates a strong inclination towards rational decision-making among subjects, as evidenced by the highest mean score (2.81) and a low standard deviation (0.75). This preference aligns with the principles of transformational leadership, which often emphasizes logical and analytical approaches to problem-solving. As Bass and Riggio (2006) suggest, transformational leaders are adept at encouraging rational and critical thinking among followers, which could explain the prevalence of this style.

Notably, the styles of intuition and dependence also display significant correlations with transformational leadership, albeit not as strongly as the rational style. The moderate average scores of 2.28 for intuition and 2.57 for dependence suggest a balanced approach to decision-making that combines intuitive insights with input from team members. This finding aligns with Yukl's (2009) argument that effective leaders often blend intuition with analytical reasoning, particularly when confronted with complex and unpredictable situations.

The styles of avoidance and spontaneity were not as favored among the participants, as evidenced by their lower average scores and correlations with transformational leadership. This discovery supports the perspective proposed by Judge and Bono in 2000 that transformational leaders typically exhibit traits such as taking initiative and being steadfast, characteristics that do not align well with hasty and evasive decision-making.

A fascinating discovery has been made regarding the connection between transformational leadership and the dependent decision-making style. This outcome aligns with the model proposed by Vroom and Yago in 1988, which emphasizes the importance of shared and participative decision-making in leadership. It highlights the crucial role of transformational leaders in creating a cooperative atmosphere that values input from all stakeholders, as suggested by Zulfqar et al. (2016).

Upon examination of numerous studies (Russ et al., 1996; Rehman & Waheed, 2012; Verma et al., 2015), the strength of correlations between transformational leadership and
decision-making styles can vary. This variability may be due to differences in sample characteristics, cultural contexts, or methodological approaches. Therefore, it is important to exercise caution when generalizing these findings. The analysis suggests a strong connection between transformational leadership and rational, intuitive, and dependent decision-making styles. These correlations reinforce the notion that transformational leaders are versatile and skilled in their decision-making approaches, utilizing a combination of analytical, intuitive, and collaborative methods. The implications of these findings are significant for leadership development programs, which should prioritize the enhancement of decision-making competencies to cultivate effective transformational leaders.

**Conclusions**

Based on the results obtained, we can conclude that transformational leadership is intricately linked to rational, dependent, and spontaneous decision-making styles within the business organizations that were studied. The Decision-Making Style Instrument (GDMS) by Scott and Bruce (1995) was utilized to reach this conclusion. Adequate levels of internal consistency were observed for the five styles studied, including rational, intuitive, dependent, avoidant, and spontaneous. The reliability index values were above 0.70 for the first four styles and 0.69 for the fifth, indicating that this instrument enables reliable estimates of the measured attributes.

Similarly, the findings from the descriptive analysis reveal that the leaders of the 125 business organizations exhibit a preference for transformational leadership, as well as rational and dependent decision-making styles, which is indicative of a reliance on information in the decision-making process. These results confirm Vroom and Yago's (1988) model, which categorizes decision-making as autocratic, consultative, or participative. The dependent decision-making style aligns with consultative and participative decisions, which involve incorporating information into the decision-making process.

It has been noted that the avoidant and spontaneous decision-making styles are utilized less frequently. This observation prompts consideration of Mintzberg's (2009) theoretical perspective that decision-making is an essential aspect of a manager's role. Therefore, managers who do not make decisions may be perceived as ineffective and at risk of hindering their professional growth within their organization. Conversely, the spontaneous decision-making style is not prevalent among the analyzed managers, as it prioritizes speed in the decision-making process. Lastly, the intuitive style falls between the two styles, as managers who use this approach base their decisions on their intuition and emotional response to the situation.

Furthermore, we explore the potential of utilizing this resource to gain insights into decision-making and leadership styles within organizations. Our study has revealed that rationality is a crucial element for successful decision-making. Therefore, it is imperative to extend the use of these instruments beyond their current scope, be it sector-specific or geographic, to pave the way for further research and the development of training programs for organizational leaders. By integrating these findings into the core of corporate strategy, we can leverage them as a potent tool for competitive advantage.
Conflicts of interest

The authors declare no conflict of interest in this section.

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