PARTICIPATIVE LEADERSHIP AND TRUST IN THE UAE

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Abstract - Employees' trust on their leaders and managers and how their performance would be influenced - The study picked a sample size of 31 leaders employed across various sectors and companies in the United Arab Emirates and collected information through quantitative means i.e. a questionnaire which included a total of 15 statements addressing the employees' perspective of the impacts of participative leadership on them. From this a total of 6 statements were for the participative leadership, which was the independent variable in the study while 4 statements for employee trust and 5 for employee performance, both of them being independent variables. Using linear regression (method of least squares), it was discovered that participative leadership was indeed associated with employee performance, and that participative leadership was also found to positively influence affective and cognitive trust among employees. The study concludes with a thorough understanding and explanation of the possible areas future studies could delve into and provides recommendations for doing the same.

Index Terms - Participative leadership; trust.

I. INTRODUCTION

Project Definition

The element of trust is vital for a successful form of leadership to be established in any organization. The relative number of studies performed in the Middle East on trust and leadership are, however, insufficient, as claimed by (Saracer, Karacay-Aydin, Asarkaya, &Kabasakal, 2012). Due to the various cultural differences in the organizational context of the Middle East and that of the West, the multitude of studies performed in the West by various researchers such as (Daly &Chrispeels, 2008), (Wong, Spence, & Cummings, 2010), (Pendleton & King, 2002), and (Rubin, Munz, &Bommer, 2005) cannot be easily and directly applied to the Middle East scenarios (Bellin, 2004). Hence, that justifies the requirement for a study to further contribute to the existing body of literature in the Middle East, and more specifically, the UAE. The research is aimed at benefitting leaders, decision makers and academia.

II. REVIEW OF LITERATURE

Participative Leadership

The participative leadership is known as democratic leadership style, because much like the options in a democratic governance, a participative leader encourages other members to participate in the discussion and then based on the collective opinion takes a decision. According to (Lam, Huang, & Chan, 2015), participative leadership is important because in any organization it is the easiest kind of leadership to execute and one that incurs minimum expenditure or effort on the manager's or company's end.

Self – Interested Trust

Self – interested trust is known as the willingness of an individual to trust another even when there is little to no evidence for doing the same. The main factor in this case is the mutual advantage that they (the individual who trusts) gain from the relationship and there are no feelings of deeper level interpersonal elements. Self – interested trust usually exists in client – project manager relationships and usually is short – term, because the element of trust is generally over the moment both their needs and requirements have been met (Washington, 2013).

Socially – Oriented Trust

Contrary to self – interested trust, socially – oriented trust is generated from the societal obligations an individual has to face in a network of relationships. However, socially – oriented trust is a stronger level of trust than self – interested trust, as the main question asked by the individual is, what can they do for the other person? Unlike self – interested trust, socially – oriented trust is based on the feelings of altruism and the possibility of value addition to a certain matter through their effects. in the organizational context (Washington, 2013).

Employee Trust

Employee trust is the most important factor that is affected by leadership. In fact, leadership itself revolves around the process of getting and winning the trust of the employees of the organization. Employee trust in their leaders is a major sign of progress for the organization because it is supposed to be able to reduce the number one problem in companies today which is employee attrition. Thetwo main types of employee trust include cognitive – based trust and affective – based trust.

Cognitive – Based Trust

Cognitive – based trust is the kind of "impersonal" trust wherein individuals who do not know each other will still trust as long as there is a logical reason to do so. This is primarily when an individual takes a decision trusting all the knowledge they have with regards to the topic or subject at hand

Affective – Based Trust

Affective – based trust is developed solely by the interaction of two individuals as they work and collaborate to achieve mutually beneficial objectives. Thus their decision is based on interpersonal bonds of emotional stimuli.

Leadership Practices in the UAE

The UAE houses a culturally diverse population of professionals from every part of the world. Therefore, it contains organizations from the East and West, and they all have their different styles of leadership as per the cultural basis of the organizations. For example, Western companies in the UAE may prefer to follow a transformational style of leadership in order to develop their employees into visionary leaders to create mega market cap companies in the future or just boost their own standing in the market. Examples of this include SundarPichai's training under Larry Page and Sergey Brin at Google, Inc., or Tim Cook's training under Steve Jobs and hence these companies' cultures have well – carried over to the EMEA (Europe, the Middle East and Africa) regional branches.

Research Methodology

Data was collected from the participants using convenience sampling technique. A total of 31 leaders were interviewed using a structured questionnaire. The data has been analyzed using least squares method of regression.

III. RESEARCH HYPOTHESES

H1: Participative leadership is associated with employee performance

Participative leadership is associated with employee performance as per (Dulewicz& Higgs, 2005). When employees think for themselves they are more effective contributors to the company's developments and hence more valuable of an asset to them. employees under the participative leadership have a positive opinion of their leaders which is also likely to impact their performance positively, according to research by (Limsila&Ogunlana, 2008), (Mulki, Jaramillo, &Locander, 2006), and (Schnake, Dumler, & Cochran, 1993). Hence, participative leadership indirectly serves as a catalyst in the helping employee performance improve.

H2:Participative leadership positively influences affective trust among employees

As previously mentioned, affective trust is developed between individuals upon the continuous engagement between them and the collective efforts of theirs that hence pave the way for their trust with each other. According to research by (Huang, Iun, Liu, & Gong, 2010), participative leadership gives leaders and their employees (and subordinates) a chance to work together directly, and as per (Miao, Newman, Schwarz, & Xu, 2013), working or collaborating on even grounds promotes affective trust, which is the concept of participative leadership.

H3: Participative leadership influences cognitive trust among employees.

According to (Johnson & Grayson, 2005), employees especially in the service sectors (example: banking, insurance, etc.) are found to be more effective when they possess both cognitive and affective trust.

IV. ANALYSIS

Leader's Demographics – Gender

Findings show 48.39% of the leaders of the respondents were male and 51.61% of the leaders were female.

Leader's Demographics – Age

The age of the leaders would be in some way related to their experience and hence leadership skills from prior managerial expertise. It was found that most of the leaders fell in the 40 – 50 years' age group.

Leader's Demographics – Education

From the questionnaire, it was found that the majority of the leaders had at least a graduate degree (53.06% or 12 out of 31) while the second highest percentage (24.49% or 7 out of 31) had a terminal degree in their respective areas of interest and expertise.

Leader's Demographics – Experience

With experience, an individual gains a new perspective of how the organization's resources may be better optimized and used in the most efficient way towards the fulfillment of its shareholders' requirements and objectives of the company. . In the study, it was found that there was no lack of experience among the leaders of the respondents, because the majority of the respondents (38.71% or 12 out of 31) reported that their leaders possessed experience of 15 years and more, whereas the second highest percentage of respondents (25.81% or 8 out of 31) stated that their leaders had 10 – 15 years of experience. Therefore, it is clear that the respondents were under the guidance of experienced leaders.

Respondent's Demographics -Gender

In the study, it was figured that most of the respondents were male (54.84% or 17 out of 31) while female constituted to about 45.16% (or 14 out of 31). While there are no major implications of these numbers in this case, it simply tells us more clearly about the respondents' statistics.

Respondent's Demographics – Age

Much like that of their leaders, the ages of the respondents were collected in order to better understand the profile of the participants of the survey. The majority of respondents reported to be from the age group of 30 – 40 years (41.49% or 13 out of 31). Most employees were also young to middle aged (30 – 40 years) and about 13 out of 31 (41.94%) reported the same.

Respondent's Demographics – Education

Education is likewise an important characteristic for the employees as they are for their leaders. In this case, the majority of the employees were graduated with a bachelor's level degree (which is 35.48% or 11

out of 31), followed by master's or postgraduate level degree (which is 29.03% or 9 out of 31). To a shorter and perhaps more specific range, some doctoral employees were found (at 12.90% or 4 out of 31). Due to these figures, it is clear that the respondents focus on their education.

Respondent's Demographics – Experience

It was found during the study that most of the participants were moderately experienced, because the majority of the participants reported to having only 5-10 years of experience in the relevant sector/industry although a second highest number of participants mentioned to having 15 years of experience or more. The majority i.e. 0-5 years was reported at 35.48% (11 out of 31) while the second highest number was at 25.81% or 8 out of 31 respondents.

Independent Variable – Participative Leadership

Since it was already determined in the literature review that participative leadership is indeed associated with increased trust (both cognitive and affective trust) among employees and their leaders, it was the main independent variable of the study. In this case, there were about 6 different statements which together constituted the participative leadership section of the questionnaire. The statements were included in order of their increasing significance. For example, the first statement mentioned that the leaders of the employees also included their subordinates while making decisions and offering suggestions, to which the majority (32.26% or 11 out of 31) strongly agreed to, the second highest percentage (32.26% or 10 out of 31) agreed to their leaders actively involving them for decisions and their suggestions while about 8 out of 31 (25.81%) were not exactly sure about the same.

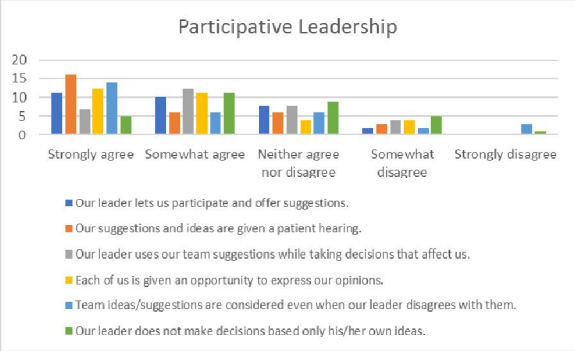


Figure1:Independent Variable - Participative Leadership

Therefore, they did not either agree or disagree, but only the minority (2 out of 31 or 6.45%) somewhat disagreed to the same. This explains that the majority of the employees are happy with their leaders as their leaders make an effort to regularly include them in any kind of decision making that goes on in the team or is relevant to the same. The second statement was that whether the team's leaders actually cared to listen about whatever their subordinates or employees had to say, because it is equally important to give a patient hearing to your employees as it is to give them a chance in the first place. To the same the majority, which was 51.61% or 16 out of 31 employees strongly agreed while 19.35% or 6 out of 31 employees agreed and only 9.68% or 3 out of 31 employees somewhat disagreed with. So, while there is a minimal level of disapproval, on the overall it seems that they are very well suited for their employees. The third statement was that the team leaders implemented the suggestions of their employees, to which the majority also said yes (which means they agreed) at 38.71% or 12 out of 31 employees and only 6 out of 31 employees or 6.45% of the total respondents disagreed. In the last 3 statements, 45.16% of the employees (14 out of 31) agreed that their opinions and suggestions were considered even if the leader did not agree with them, while 38.71% strongly agreed to the fact that their opinions were given equal consideration and only 3.23% disagreed that their leaders did not make their decisions only based on their own ideas and experience only.

Dependent Variable #1 – Employee Trust

The second variable and the first dependent variable was trust. In this case, we hypothesized that participative leadership indeed had an impact on the cognitive and affective trust of the employees under the guidance and leadership of their mentors. A total of 4 statements were selected in this section which were used to determine how far would the respondents agree as to participative leadership being important. The first statement mentioned that the leaders of their groups of employees displayed an emotional attachment with the work done by their team members under them. 48.39% or 15 out of 31 respondents strongly agreed to that, while 22.58% or 7 out of 31 respondents agreed and only 12.90% (4 out of 31 employees) somewhat disagreed. About 41.94% of the employees (13 out of 31) strongly agreed that they had the liberty to express their opinions and views without fearing their supervisors or managers, while 19.35% agreed to the same (6 out of 31). About 48.39% or 15 out of 31 employees strongly agreed that their leaders have worked hard to win the trust of their employees, and lastly, also 48.39% or 15 out of 31 employees strongly agreed that their leaders believed in their abilities and thought that they did a good job at their work.

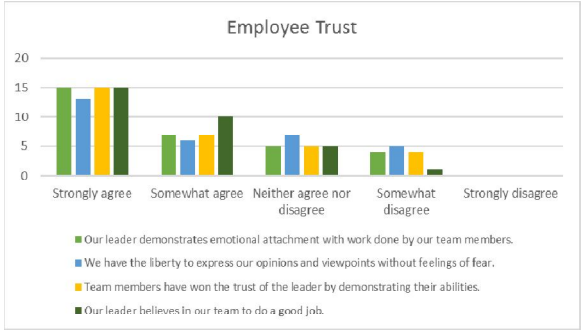


Figure 2: Dependent Variable #1 - Employee Trust

Dependent Variable #2 – Employee Performance

The third and most important variable in the study which is also the focus is the employee performance, which is the third variable and second dependent variable of the study. A total of 5 different statements were selected for the respondents to answer as to whether they believed participative leadership would affect or impact employee performance or not. The first statement was that each of the employees were willing to contribute new ideas in order to improve their performance and contribution to the teams they were the part of – to which 15 out of 31 (48.39%) strongly agreed, 11 out of 31 (35.48%) agreed, 2 out of 31 (6.45%) were neutral and other 2 disagreed while 1 strongly disagreed (3.23%). It appeared that there was a clear coordination between the employees of the team and their leaders, because 41.94 % or 13 out of 31 employees agreed that they could deliver on the KPIs they were set for and 35.48% or 11 out of 31 agreed that it would not be a challenge for them. 61.29% or 19 out of 31 strongly agreed that they could or at least were capable of continuously improving their performance at work while 22.58% or 9 out of 31 employees agreed to the same.

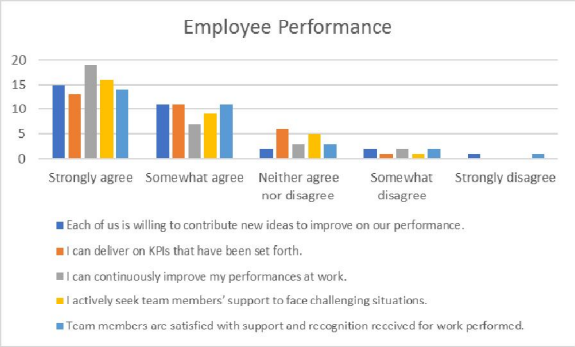


Figure 3: Dependent Variable #2 - Employee Performance

RESEARCH SUGGESTIONS

A number of research suggestions can be provided to the target audience from this study. The most important step is to ensure that participative leadership is followed across the organizations and across departments or functionalities of the companies, because employees must trust their employers if they are to succeed and collaborate successfully. Emiratis and UAE Nationals do not lack creativity and talent, but they just need to be supported and encouraged by their superiors and leaders to discuss the same and even promote them to help them grow both as professionals and as people in general. Since it was discovered that the respondents of the survey already have a fairly good level of understanding with their leaders, the same should be continued. Some of the areas for which the suggestions can be provided include the following – firstly, 9.68% of the individuals strongly disagreed that their team leaders considered their opinions and suggestions even if they did not like the sound of that, so the suggestion would be to thoroughly listen to the same in order to figure whether they would be viable for the selected scenarios or given context. Another area on which there could certainly be improvement is where there is a disagreement of 16.13% about leaders of teams taking decisions solely based on their own experience. Leaders need to seriously consider the alternatives suggested by their team members even if they are superior to them both in terms of age and experience. In terms of cognitive and affective trust, the leaders of teams must demonstrate that they care for their employees or at least encourage them to come up with creative solutions to complex problems without any kind of judgment. Although it could be said that the trust element is strong between the respondents and their supervisors, so there is not much that requires strict improvement. However, an overall warm and caring approach by the leaders of any team would perhaps be the most effective manner to ensure that their team members develop successful professional relationships which could help them later achieve organizational goals. In terms of employee performance, the employees should be more open to new ideas and should not be egoistic about their performance and past records (since 3.23% strongly disagreed to being willing to contribute new ideas to help improve team performance). Since there was 3.23% who strongly disagreed to team members receiving the due recognition for their hard-work and efforts, team leaders must always make every possible effort to ensure that credit is given where it is due.

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