Explaining the relationship between the accountability, decentralized decision-making and exchange leadership (Case Study of the Social Security Organization)

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Abstract

The aim of this research is to investigate the relationship between the accountability, decentralized decision-making and the exchange leadership in the organization. The statistical populations in this research are 230 individuals of the employees of the Social Security Organization. The sampling method of present research is the simple random method and the Cochran formula by using the sample size is equal to 144 individuals. The data required for present research was collected by using a questionnaire that its validity was tested. To determine the validity and reliability of questionnaire, we used the content validity and the Cronbach’s alpha coefficient. The reliability coefficient was calculated of the questionnaire accountability that is equal to 0.89 and for the questionnaire of the decentralized decision-making, it is equal to 0.81. For the exchange leadership questionnaire of the organization, it is equal to 0.87. In this research, structural relations model was used to analyze the data. For data analysis and the hypothesis testing, we used the statistical software Lisrel. The results showed that there is a significant relationship between the accountability and the decentralized decision-making and exchange leadership.

Keywords: Accountability, Decentralized decision-making and the exchange leadership.
Introduction

The complexity of today's business environment has forced the organizations to increase their capabilities to respond to the environmental changes. On the other hand social changes, fast and challenging technologies and development of new mission the organization, made the need for flexibility and readiness to cope with the new situation inevitable. So in modern ages in order to survive and thrive or even maintain the status quo, there should a continued innovation in organizations to prevent the stagnation and ruin. Reaching this important target requires good leadership style, increase the accountability and decentralization of decision-making of staff (Dong, Zhongfeng and Dongtao, 2011). The organizational leadership is a very important and complex issue. Researchers and scientists in many countries developed efforts to understand and improve those managerial concepts. According to the researchers, the manner in which the leader or manager influences was his staff to obtain the purposes of the organization is called leadership style. Every social organization designs to achieve the objectives and with respect to its structure needs a kind leader.

In recent years, considerable research has been done about the leadership behavior. A leader needs to use local actors to perform the necessary tasks of organization to achieve its objectives. According to the researchers, productivity in organizations increases only with respect to the use of the maximum capabilities of staff by encouraging their creativity, enhancing motivation and use of the correct leadership styles. So workers’ satisfaction becomes possible. On the other hand making decision is one of the key processes of the organization and it is considered as the main task of managers at all levels (Loizos, 1996). Some experts believe that all management is a matter of making decisions. In recent years, several studies have been conducted in various areas about making decision as their focus. So multiple categories, in terms of style and models of decision-making, have been proposed by experts (Oliveira, 2007). Each of these categories involved different individual and organizational and environmental factors on the way of reaction and behavior of individuals when faced with situation of the decision making (Pamela, 1996). The introduced modifications aim to increase the efficiency and effectiveness the organization. Often, through making changes, increased responsibility of accountability and decision-making structures and leadership styles are possible. This is because the most important feature of decentralization is the participation of individuals and groups at various levels and stages. So today, participation in decision making in various areas of the organization is a key concept for motivation, commitment and evolution. Therefore, organizations should seek to create the perfect contexts for the implementation of optimization of the system of decentralization in decision-making of the administrative structure (roadster, 1998). The aim of this study is to investigate the relationship between accountability, decision making of decentralized and transactional leadership.

Accountability:

Accountability is one of the necessary keys of the public management in the current and democratic governance. Those who hold the power are accountable to the citizens. Accountability is a key element of the state management and the image of justice, equality,
trust and fairness. Accountability can be used to improve the conditions and effectiveness of state management (Bouenez, 2005).

- Accountability is commitment against those who have been transferred responsibility (plyometric, 1988)
- Accountability is the basis of legitimacy for decisions taken by the general Assembly; the decision will be legitimate when the rational reasons for its being can be provided at a certain point (Jensen, 2000).
- Anyone who in the name of a person or group acts. You should also report to the same person or group or to kindly be responsible for them (Hughes, 2009).
- Accountability is the driving force that pushes the key players to render good performance and reliability of its responsibility (Paul, 1999).
- Accountability means that the individual blame or praise is due to taking a decision or an action (Hughes, 2009).
- Accountability: the obligation of a person to respond relating to the done activities, the responsibilities that have been entrusted to him.

Express the concept of accountability:

Accountability is a complex and multifaceted term (Megan, 2000). In all the available literature on the subject of accountability, we cannot find a definition or common vision of accountability (Ertl et al., 2001). In fact, the concept of accountability has been converted from one meaning and became a synonym of many political demands (Bavns, 2007). So to reach a common understanding of this concept is hard. Several experts attempted to select and provide a comprehensive view.

Explaining the objectives of accountability:

1. Accountability as an instrument of the power control: Most governments are living in the conditions accountable of the growing demands of the citizens, organizations, stakeholder groups, social movements, press and media. Today the accountability forms the regulatory aspects in all political systems and has central role. Politicians have demanded that the executive branch of the unlimited government threatens of power misuse. So in all systems, processes and mechanisms to supervision over the executive branch of government power are predicted.

2. Accountability as ensuring the proper use of public resources: The most important aspect of the accountability is that people ensure that agents use optimally public resources and do not deviate from laws and values of public service. Therefore, people elected representatives in the legislature on their behalf on to use national resources but under their supervision.

3. Accountability as tool for improving government services: Monitors on the power ensure the proper use of public resources and with accountability such use will be done in the
best possible ways. Accountability is an instrument of progress and continuous improvement of public services. This aspect of accountability is seen as a kind of learning process (Aucoin, 2000).

**A variety of accountability in the public sector:**

Accountability is divided into political, legal, organizational and professional types. Figure 1 shows the four species of the accountability. In this figure, accountability of two dimensions of source monitoring (internal and external) and the degree of independence (low and high) are shown (Romzek, 2000). Organizational accountability is called internal controls in organization. In this kind, accountability is based on the basis of superior and inferior. Managers on the performance of employees, who often have little authority, have monitor. Direct supervision and periodic monitoring on the functions are the clear instances of organizational accountability.

<table>
<thead>
<tr>
<th>Resource Monitor</th>
<th>internal</th>
<th>low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Degree of independence</td>
<td>organizational</td>
<td>Legal</td>
</tr>
<tr>
<td></td>
<td>professional</td>
<td>Political</td>
</tr>
</tbody>
</table>

The codification of the rules, organizational regulations and other regulatory mechanisms that limit the authority of employees are among these types of accountability. Legal accountability involves external monitoring of performance. Its aims are to match the performance with legal requirements and the basic rules. The legal accountability is based on the relationship between the principal and agent. The question is whether the lawyer has provided original expectations. In this accountability the legislation controls, financial audits and program and inspections will be carried out to address the complaints of employment. Two other species of the accountability are professionalism and political accountability. The first has the internal aspect and the latter has the external aspect. The difference between the professional and political accountability can be found in the source of performance standard. In other words we have to see the standard performance as the basis for judging accountability. The judge's one's personal employee will determine the professional accountability and the resource of the standard performance. However, in the political accountability the source is others and not oneself. In the professional accountability systems are independent from individuals for decisions making. Their professional performance is judged. The political accountability is the owners monitoring of organizations on the performance of managers (Campman, 1993). In each of the four types of accountability the values and the particularly behavioral expectations are emphasized. Table 1 the accountability in terms of emphasis values and behavioral expectations are shown:
Table 1: systems of accountability in terms of values and expectations behavioral (Romzek, 2000)

<table>
<thead>
<tr>
<th>Kind of accountability</th>
<th>Individual expectations</th>
<th>Emphasizing values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational</td>
<td>Obey the organizational rules</td>
<td>Efficiency and productivity</td>
</tr>
<tr>
<td>Legal</td>
<td>Compliance rules outside the organization</td>
<td>Law enforcement</td>
</tr>
<tr>
<td>Professional</td>
<td>Respect for the judgment and expertise individuals</td>
<td>Specialized knowledge</td>
</tr>
<tr>
<td>Political</td>
<td>Accountability to the owners of the organization (Peoples, assembly)</td>
<td>Accountability</td>
</tr>
</tbody>
</table>

Decentralized the make decision:

Mac Kami stated that "Reaching a decision is a form of management Pillar and the other features of the related management process are intertwined and are vertical to the decisions” (Afjeyi, 1994). Simon's thinks that the decision is synonymous with the handle (Behrangi, 1992) Barnard wrote that the decision is in the process of necessary adaptation in the organization and physical, biological, social and personal factors needs in order to provide a special elected blend. Thus decisions influence the all management process. They involve not only decision but also is affected all the way organizations’ work. The decision is a kind of reaction that the individual shows against a problem (Hosseini, 2001). Status or a process during which a particular mode of operation is to resolve the issue or special problem is selection. In the system analyzing of the decision-making, the following steps are yielded:

1. Identify the nature of the problem.
2. Determine possible solutions.
3. Analyze each solution and compare them with the each other.
4. Select the solution of existing alternative.
5. Implementation or application of the selected solution.
6. Determine the effectiveness of efficiency.

In principle a problem arises when the status quo is different with the desired or anticipated status. Factors such as understanding the goals, plans, acceptable performance standards, and personal values in the areas of intellectual and individual past experiences can identify the problem. Decisions can be made the. Decisions scheduled are the routine work that could be the form of the targets, standards, policies, procedures, methods and rules (written or oral regulations) announced by the organization.

The role of participation in decision-making:

In order to participate in a management system members of the organization have influential decisions taking. Commission meeting, the council, group discussions collect
opinions and suggestions that refer to the general thoughts and beliefs including mechanisms and measures. (Alvani, 2014).

Many behavioral scientists believe that the organization will be more valuable if more democracy is established and less emphasis is laid on hierarchy with its reliance on formal power and authority.

Democracy is inevitable in the organization and traditional concepts such as the model bureaucracy are not suitable for modern organizations. As a result of wide study that the "Likert" and his research team have done, four management styles has been detected in terms of the employee participation in decision-making system (Bliss, 2013). In the one system, the manager takes all decisions and the basic decision is to protect and serve the interests of decision-makers, but in the four systems that the Likert calls participatory management system, each member of the organization is active and constructively involved in the decision-making related to their work.

In the system, the manager trusts his staff in all matters and has full confidence in his employees. The employee suggests ideas which contribute constructively to the organization. A manager based on employee participation in the group is effective in sharing the activities. He is the manager that succeeds in creating a team work and make decision making a shared task (Hakimi Poor, 2010). Now, it can be concluded that the decision in the management system should be made based on the collective wisdom and plural democracy, not individual democracy.

**Transactional leadership:**

In the management literature, different styles of leadership are recognized and defined. The significant point in the review of these styles is that there is no ideal or prescribed a certain style for all organizations. Selecting a leadership style in an organization depends on the organizational maturity and the nature of the business of the organization. Leadership and management in the workplace are affected through a variety of mechanisms, the shape behavior and perceptions of employers. Leadership of the organization, planning, and organization control are considered an important and necessary task of the manager and have a key role in the management of the organization. It is important that the administrators consider the organizational leaders (Robbins, 2011). So to remain successful, the organization, the existence of the leadership is essential; even the best employees need to know how to achieve organizational goals (Cho & Tseng, 2009). Leadership style is a set of attitudes, traits and skills of managers that are based on four factors of the system values, trust in employees, interests’ leadership and sense of security. In general the leadership style determines the atmosphere, culture and strategies governing the organization (Rovold, 2009). According to Bass & Avolio (2000), the leadership style is divided into three sections: transformational, exchangeable and non-interference. According to Burns (1978), the transactional leadership is based on exchange between leader and follower so that individual interests of both are provided and met. (Shoghi, A Shoghi B, 2012).
James MacGregor (1978) was the first to use the transactional leadership and transformational terms. These terms were used to speed in the areas of organizational management (Dulewicz & Higgs, 2005). The problem in applying the transactional leadership style is the process of exchange between leader and follower. They are proportional to the benefits from the mutual exchange which can have influence on each other. In other words, the leaders do what their followers want and expect obey their demands. In this exchange both sides are totally interdependent and help each other until fulfilling the demands of each other. According to Bronze (1978), the transactional leadership is a leadership based on the exchange between leader and follower to satisfy individual desires of both parties (Shoghi, A Shoghi B, 2012). Burns (1978), thinks that about the transactional leadership are states that occur when a person enters the exchange process with the others. This exchange can be economic, political and even psychological. These leaders are aware of the overall goal of the organization and its relationship with individual goals of its followers (Humphreys, 2003). The theoretical basics of leadership styles are derived from the Vroom’s expectancy theory (1964), the theory of path - goal (Havs, 1971; Havs and Mitchell, 1974) equity theory (Adams, 1963; Homanz, 1958) and the theory of reinforcement (Luthans Krytenr, 1985; Scott and Podsakoff, 1982). And somewhat are similar to the theory leaders’ desire to maximize outcomes (Pierce et al., 2003).

![Figure 1. Conceptual Model](image)

**The research hypotheses:**

1. There is a significant relationship between accountability and transactional leadership.
2. There is a significant relationship between accountability and decentralized decision making.
3. There is a significant relationship between transactional leadership and decentralized decision making.
4. There is a significant relationship between accountability and decentralized decision-making through transactional leadership.

**Research method:**

The data required for present research was collected by using a questionnaire that its validity was tested. To collect data, the researcher used the questionnaire that consists of 32 questions that are all questions for five-item Likert spectrum. This data is analyzed by LISREL.
software. The statistical population in this research is 230 individuals of the employees of the Social Security Organization. The sampling method of present research is the simple random method and the Cochran formula by using the sample size is equal to 144 individuals. To determine the validity and reliability of questionnaire content validity was used along with and Cronbach's alpha coefficient. The coefficient reliability calculated the questionnaire accountability that is equal to 0.89 and for the questionnaire of the decentralized decision-making it is equal to 0.81 and for the exchange leadership questionnaire of the organization it is equal to 0.87. In the present research after drawing the analytical model of research is based on data that used the Path diagram program with the Perlis program of software LISREL. In this model by using the coefficients B and t test, the hypotheses are tested. Meanwhile the models of fit indices also are calculated automatically with the performances the Perlis program for the model.

The data analysis:

Table 1: of fitness indexes of the research model

<table>
<thead>
<tr>
<th>Fit index</th>
<th>Standard values</th>
<th>Estimated values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Degrees of Freedom</td>
<td>--------</td>
<td>461</td>
</tr>
<tr>
<td>Chi-Square</td>
<td>Due to the dependence the sample size is not a suitable criterion</td>
<td>1069.34</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.05</td>
<td>0.081</td>
</tr>
<tr>
<td>NFI</td>
<td>0.90</td>
<td>0.91</td>
</tr>
<tr>
<td>NNFI</td>
<td>0.90</td>
<td>0.95</td>
</tr>
<tr>
<td>CFI</td>
<td>0.90</td>
<td>0.96</td>
</tr>
<tr>
<td>RMR</td>
<td>0.05</td>
<td>0.056</td>
</tr>
<tr>
<td>GFI</td>
<td>0.90</td>
<td>0.75</td>
</tr>
<tr>
<td>AGFI</td>
<td>0.90</td>
<td>0.71</td>
</tr>
</tbody>
</table>

Table 1 is a consideration the indication of the compliance or goodness of fit that are relatively at acceptable level.

Structural models test:

In this research, the model of confirmatory factor analysis (to test the measurement models and path analysis) was used to confirm the structural model of the research. The following two figures show the general models of LISREL software's output that at the same time involved the structural model and measurement models.
Chart 1: The base model with T amounts

\[ \text{Chi-Square}=1069.34, \text{df}=461, \text{P-value}=0.00000, \text{RMSEA}=0.081 \]
Chart 2: The base model with the path coefficients

Chi-Square=1069.34, df=461, P-value=0.00000, RMSEA=0.061
**The findings and analysis of results:**
First hypothesis: there is a significant relationship between accountability and transactional leadership.

Table 2: Results of the first hypothesis test

<table>
<thead>
<tr>
<th>the hypothesis</th>
<th>Result</th>
<th>Statistics</th>
<th>coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a significant relationship between accountability and transactional leadership.</td>
<td>Accept</td>
<td>6.43</td>
<td>0.77</td>
</tr>
</tbody>
</table>

Based on the results shown in Table 2, the influence of the independent variable on the dependent is supported by data and the way that these two variables are made related to each is a positive and meaningful (at the level of 5% significance) ($t = 6.43, \beta_{22} = 0.77$). As a result, we can say with 95% confidence, that there is a significant relationship between accountability and transactional leadership.

The second hypothesis: there is a significant relationship between accountability and decentralized decision making.

Table 3: Results of the second hypothesis test

<table>
<thead>
<tr>
<th>the hypothesis</th>
<th>Result</th>
<th>Statistics</th>
<th>coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a significant relationship between accountability and decentralized decision making.</td>
<td>Accept</td>
<td>6.04</td>
<td>0.96</td>
</tr>
</tbody>
</table>

Based on the results shown in Table 3, the influence of the independent variable on the dependent one is supported by data and the way that these two variables are made related to each is a positive and meaningful (at the level of 5% significance) ($t = 6.04, \beta_{22} = 0.96$). As a result, we can say with 95% confidence that there is a significant relationship between accountability and decentralized decision making.

The third hypothesis: there is a significant relationship between transactional leadership and decentralized decision making

Table 4: Results of the third hypothesis test

<table>
<thead>
<tr>
<th>the hypothesis</th>
<th>Result</th>
<th>Statistics</th>
<th>coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td>there is a significant relationship between transactional leadership and decentralized decision making.</td>
<td>Accept</td>
<td>6.56</td>
<td>0.14</td>
</tr>
</tbody>
</table>

Based on the results shown in Table 4, the influence of the independent variable on the dependent one is supported by data and the way that these two variables are made related to each is a positive and meaningful (at the level of 5% significance) ($t = 6.56, \beta_{22} = 0.14$). As a
result, we can say with 95% confidence that there is a significant relationship between transactional leadership and decentralized decision making.

The fourth hypothesis: there is a significant relationship between the accountability and decentralized decision making due to transactional leadership.

Table 4: Results of the fourth hypothesis test

<table>
<thead>
<tr>
<th>the hypothesis</th>
<th>Result</th>
<th>Statistics t</th>
<th>coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a significant relationship between the accountability and decentralized decision making due to transactional leadership.</td>
<td>Accep t</td>
<td>0.77×0.14=0.10</td>
<td></td>
</tr>
</tbody>
</table>

The results of hypothesis 4 according to table (5) will be examined. We examine the role of mediator between transactional leadership accountability and decentralized decision making so that if a direct impact of the accountability on the transactional leadership is confirmed and also the direct impact of transactional leadership on decentralized decision-making is confirmed, the intermediate effect of the exchange leadership between accountability and decentralized decision making is confirmed.

The path coefficients of the latent exogenous variables of accountability on the endogenous variable of the transactional leadership are 0.77 and the T value is equal to 43.6 and the error level of 05/0 with reliability of 95/0 is significant. The path coefficients of the endogenous latent variable of transactional leadership on the endogenous variable of the decentralized decision making 0.14 and the T value is equal to 6.56 and the error level of 05/0 with reliability of 95/0 is significant. The required statistic, the influence of the mediating role of transactional leadership between accountability and decentralized decision making is equal to 0.77 × 0.14 = 0.10 and the researchers’ claim is confirmed.

**Conclusion:**

Results of the first hypothesis indicated that amount of path coefficient between accountability and transactional leadership is equal to 0.77 and the amount of the T corresponding is 1.96 <6.43 that is according to t-test, with the critical value 0.05. The confidence level95% can reject the null hypothesis. As a result, the researchers’ claim is confirmed and we can say with confidence level95% that there is a significant relationship between accountability and transactional leadership.

Results of the second hypothesis indicated that amount of path coefficient between accountability and decentralized decision making is equal to 0.96 and the amount of the T corresponding is 1.96 <6.04 that is according to t-test with the critical value 0.05. The confidence level 95% can reject the null hypothesis. As a result, the researchers claim is confirmed and we can say with confidence level 95% that there is a significant relationship between accountability and decentralized decision making.
Results of the third hypothesis indicated that the amount of path coefficient between transactional leadership and decentralized decision making is equal to 0.14 and the amount of the T corresponding is 1.96 < 6.56 that is according to t-test with the critical value 0.05. The confidence level 95% can reject the null hypothesis. As a result, the researchers claim is confirmed and we can say with confidence level 95% that there is a significant relationship between transactional leadership and decentralized decision making.

Results of the fourth hypothesis indicated that the amount of path coefficient between transactional leadership and accountability is equal to 0.77 and the amount of the T corresponding is 1.96 < 6.43 and the amount of path coefficient between transactional leadership and decentralized decision making is equal to 0.14 and the T corresponding is 1.96 < 6.56 that is according to t-test with the critical value 0.05. The confidence level 95% can rejected the null hypothesis. As a result the impact of the mediator role of the transactional leadership between accountability and decentralized decision making is equal to 0.77×0.14=0.10 and the fourth claim of researcher is confirmed.
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