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**LEADERSHIP STYLE AND DECISION MAKING MODELS OF NOT-FOR
PROFIT ORGANIZATION AND ITS IMPACT ON JOB PERFORMANCE
(Case Study: AIESEC in Indonesia)**

Undergraduate Thesis

Thesis Is submitted as a partial fulfillment of the requirement for an Undergraduate Degree



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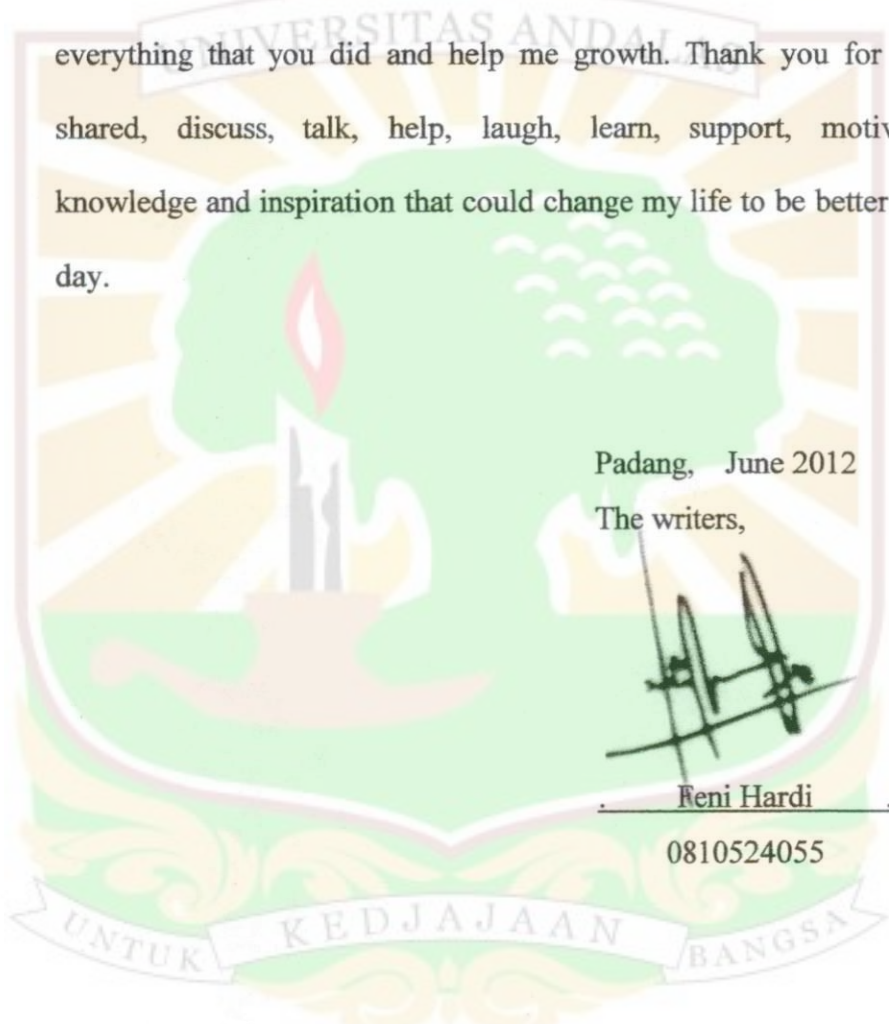


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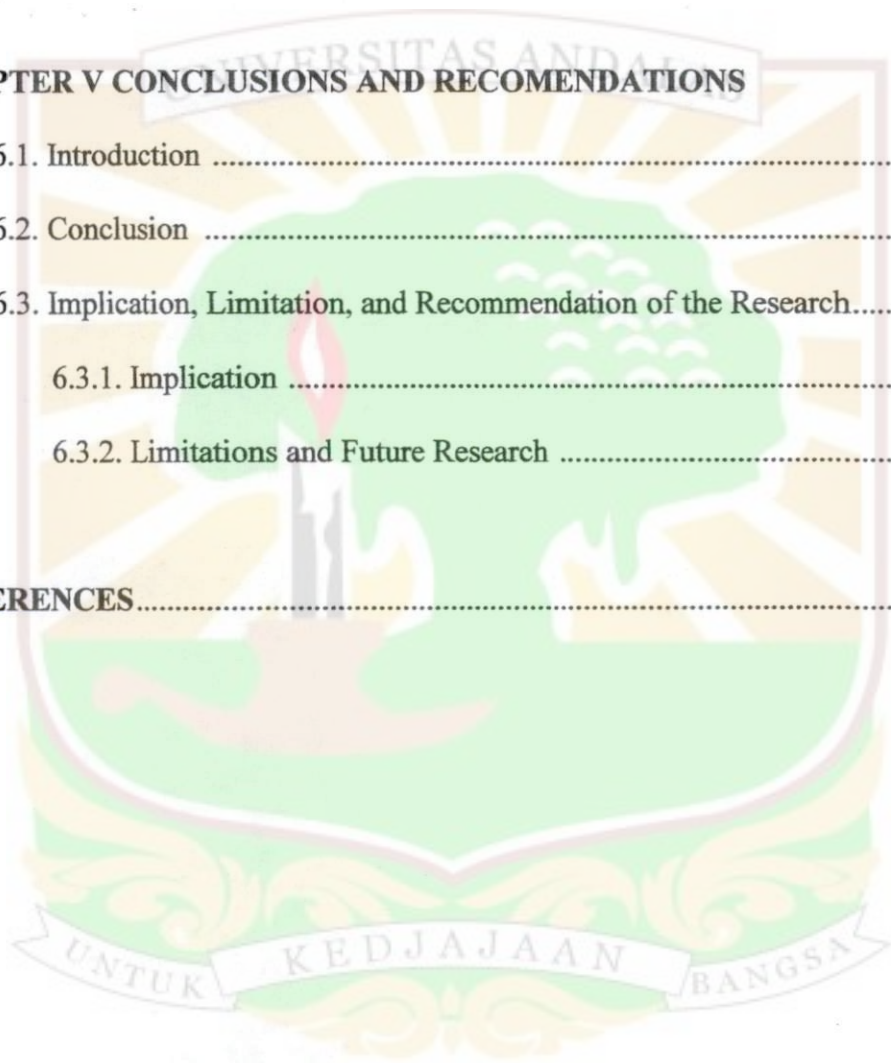
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CHAPTER I

INTRODUCTION

1.1 Background to the Research

The term leadership describes different people to different things. Leadership involves an influence process by the leader over followers, whether in a formal or an informal setting. In managerial context, leadership refers to the ability to influence individuals and groups to work towards attaining organizational objectives. Erven (2001) has been identified leadership as one of the ways that managers and leaders effectively manage change in a business environment.

Leadership can also be defined as a process by which one person influences the thoughts, attitudes, and behaviors of others. Leaders set a direction, help the follower to see what lies ahead, visualize what might be achieved, encourage and inspire their followers. Without leadership a group of human beings quickly degenerates into argument and conflict, because it makes people see things in different ways and lean toward different solutions.

Most researchers define leadership according to their individual perspective and the aspect of the phenomenon of the most interest to them. Stogdill (1974, p.259, cited form Yulk, 2008) concluded that “there are almost as many definition of leadership as there are persons who have attempted to define the concept.” Most definition of leadership reflect the assumption that it involves a process over people to guide, structure, and facilitate activities and relationship in a group or organization.

Effective leaders engage in both professional leadership behavior and personal leadership behavior. Professional leadership behavior refer to setting a mission, creating a process for achieving goals, aligning process and procedures, while personal leadership behavior involving building trust, caring for people and acting morally. These activities can be translated as referring to organizational business practice.

There are many ways to lead and every leader has their own style. Some of the common styles include autocratic, bureaucratic, democratic, transactional, transformational, participative, behavioral and laissez-faire. The important aspect of leadership is that providing direction, organizational vision and making related decision about resource allocation and distribution. Leaders achieve this in variety of ways depends on their leadership style. Leadership style can be considered as one of the important factors to determine the success or failure of organization.

Leadership style in managerial context, are the general ways a leader behaves towards subordinates in order to attain given objectives. Leadership has been identified as one of the ways that managers and leaders effectively manage change in business environment that is also represents an important aspect of leadership. At the heart of any successful nonprofit organization are effective leaders. These leaders must work as a team with vision, skill, and sufficient resources to accomplish the organization's mission.

Decision-making is usually defined as a process of identifying the problems and the possibilities for their solving, which includes the efforts before and after the decision is made.

Decision making model is learned, habitual response pattern exhibited by an individual when confronted with decision situation (Scott & Bruce, 1995, cited by Uzonwanne, 2007). Decision making also defined as the process of selecting alternative from among choices that are accessible. The decision usually depending on the complexity of the decision and other resource available. It is vary from highly structured and rational to unstructured and irrational decisions.

The quality of managers' decisions is a major factor in determining performance. To effectively manage change and adapt with a rapid evolving business environment, the decision that taken by the leaders and the way these decisions made are significantly impact the organization outcome. These responsibilities are affected by the leader's cognitive ability, time available for deliberation, and resources for gathering information.

Imagination and critical thinking are necessary, for solving most policy problems often requires a creative new alternative, not just choosing among givens (Janis, 1989 cited from Uzonwanne, 2007). Organizations, therefore, need highly performing individuals in order to meet their goals, to deliver the products and services they specialized in, and finally to achieve competitive advantage.

The structure of most organizations put the leaders as the front liners change management, business direction, and employee leadership. AIESEC as non profit organization that provides leadership opportunity for its member are having many potential leaders with different characteristic.

AIIESEC is a global, non - political, independent, not-for- profit organization run by students and recent graduates of institutions of higher education. Its members are interested in world issues, leadership and management. AIIESEC does not discriminate on the basis of race, color, gender, sexual orientation, creed, religion, national, ethnic or social origin.

Each organization is a unique combination of individuals, task and objectives. Each manager has a unique personality and set of ability. Thus, leadership is not set of permanent qualities enabling one person to suit best all occasions. Good leaders are made not born, and that becoming effective leaders requires desire and willpower, AIIESEC giving a platform for young people to explore and develop their potential as well as preparing them self to be a future leader. Every young leader have to know their own characteristic and style of leadership in order to be the effective leaders.

Different leadership style and behaviour is effective in different situation. Not only should leaders be able to select their behavior in changing situation, but also their decision making models should be selected appropriately. Quality decision will always associate to how leaders make decision. It is interconnected to their decision style hence determine their leadership style.

Three different leadership styles, especially transformational, transactional and laissez-fair have been shown to reflect the full range of leadership style (Bass & Avolio, 1995). Despite of leadership style, the preferred decision making models that is used by the leaders are also play an important rules on the effect of their job performance. Many typologies of decision making styles have been developed. The typology developed by Scott and Bruce (1995) appears to be the most

comprehensive, identifying five styles: rational, intuitive, dependent, avoidant, and spontaneous.

The researcher limits the discussion on transformational, transactional and laissez-fair leadership information about the type of leadership styles embraced by managers and how they take a decision, based on the typology of decision making develop by Scott and Bruce (1995) which is rational, intuitive, dependent, spontaneous, and avoidant, for executive in non-profit organization, AIESEC in Indonesia, and determine if the style adopted would significantly influence their job performance. Demographic used will include gender, education and years of experience in AIESEC.

The paper relies on extensive review of literature to make argumentative and content analyses of leadership styles, decision making models and job performance. The current research is purported to identify the leadership style and the preferred decision making models taken by leaders at decision levels and to investigate the relationship between their preferred decision making models with their performance.

The objects of the research are leaders, which are comprise of executive board, managers and team members, of AIESEC in Indonesia that spread into 8 entity, AIESEC University of Andalas, AIESEC University of Indonesia, AIESEC University of Diponegoro, AIESEC University of Brawijaya, AIESEC Bandung, AIESEC Surabaya, AIESEC Indonesia and Expansion Local Committee.

1.2 Problem Statements

Number of scholars have assumed a causal relationship between making decisions in the “right way” and achieving favorable outcomes. Executive leadership and decision-making style will ultimately affect the performance of the organization. It is important for the leaders to understand how their leadership style differ from other and how decision making models giving a contribution on performance as the developing growth in effective leadership and decision-making styles were experiencing by non-profit organizations.

AIIESEC in Indonesia as non profit organization run by student that creating the future leader in Indonesia should clearly identify their leadership style, how they taking a decision and understand its impact on the performance to achieving the effectiveness of the organization. So that, AIIESEC in Indonesia leader, as a youth, can bring a change in Indonesia by their experience and within the organization nowadays, they can succesfully compete with AIIESEC in other country to maintaining their position as Top Ten country in Asia Pasific region.

In relation to that problem statement, this study attempts to resolve the following research questions:

- i. What are the dominant leadership styles of AIIESEC in Indonesia leaders?
- ii. How does the leadership style relate to decision making models?
- iii. To what extent do decision making models of AIIESEC in Indonesia leaders influence Job Performance?

1.3 Research Objectives

In line with the above problem statement, this study will address the following research objectives:

- i. To identify leadership style of AIESEC in Indonesia leaders
- ii. To examine the relationship between leadership style with decision making models
- iii. To investigate the relationship between decision making models and job performance

1.4 Contributions of Research

The study on leadership style and decision-making models is important from both theoretical and practical perspectives. The result of this research will help AIESEC in performing better performance and effectiveness.

Understanding the relationships between leadership style, decision making models and its impact on job performance should provide the clues on how AIESEC Indonesia has the fast track of growth paths. It is hoped that the study can contribute to the effectiveness of AIESEC in Indonesia performance, producing high quality leaders and maintaining their position as Top Ten country in Asia Pasific in term of their Organizational Outcomes.

1.5 Significant of the Study

This research hopefully can extend the growing body of literature in leadership and strategic management and will invariably lead to effective used of leadership style and decision making models among AIESEC in Indonesia leaders and executives. Added to this, this research would draw more insight into the operational difficulties of establishing and running an effective non-profit organization, which is AIESEC, that will meet the demands of an ever changing environment.

1.6 Scopes of Study

This research focuses on discovering the relationship between leadership styles, decision making models and job performance of AIESEC in Indonesia.

The scope of this study covers the following criteria:

- The unit of analysis is at decision level that is, the decision made within leaders of AIESEC in Indonesia
- The leaders of AIESEC in Indonesia comprise from President, Vice President and managers with leadership role position term 2011-2012.
- The leaders of AIESEC in Indonesia from 8 entities, that is 1 National committee, 6 official local committee and expansion local committee

CHAPTER II

LITERATURE REVIEW

2.1 Introduction

The purpose of this chapter is to review and explore the existing literature about the history and development of leadership theory, leadership styles, decision making models and individual performance. This chapter also purposing to seek and explore the literature relevant to the relationship between leadership style and decision making models and also following by the relationship between decision making models and individual performance. The source of the existing literature were derived from books, journals, articles and research reports located in different media, electronic format and printed.

2.2 History and The Development of Leadership Theory

The great man theory of leadership was the first leadership theory to evolve from studying people who were already leaders in the mid 1920s. Leaders that fall under the umbrella of the great man theory are Churchill and Eisenhower. These two leaders were great during their time of leadership because of their leadership contribution, and their ability to rise to the occasion as leaders (Pollard, 2008).

According to this leadership theory, the leader is the greatest person in an organization because through his or her actions and behaviors, the organization is successful. The assumption of the great man theory is that certain people are born to lead, and in time of need these people can demonstrate their leadership ability through their behavior and action. Successive research on leadership indicates that the development of a person to be a great leader is possible (Burke, 1979). Successive research leading from the great man theory resulted in the identification of four other leadership theories: trait, style, behavioral, and contingency, which provides a point of reference today for organizations in terms of leadership selection and development.

Since existing literature indicates that leadership style, trait, and behavior are important to effective leadership, organizations now tend to use the qualities and characteristics of three approaches—trait, style, and behavioral—to identify and train leaders. The human resource department in an organization tends to disclose in their recruitment section certain expectations and requirements (qualifications) that they are looking for in the leader. Organizations also use the same characteristics and qualities as a guide for developing leadership standards and expectations, and in the development of leaders.

Extensive research data presented to date reveals that effective leaders have a combination of all three approaches in varying degrees. Research data indicates that an organization can use all three approaches to guide its inquiry for leaders in the organization and job scope fit.

A. Great Man Approach

According to Burke (1979), the great man theory of leadership was once good in the formation and development of leadership, but the theory is not applicable in modern organizations today. The theory was beneficial because from that theory evolved the trait theory of leadership and successive research leading to other leadership theories such as style, behavioral, and contingency approaches, which helped in the understanding of leadership in organizations. Today, because of extensive leadership research, a variety of other leadership theories have evolved, expanding the knowledge and understanding of leadership and improving leadership practice.

As a result of the great man theory of leadership, trait, style, behavioral, and contingency approaches to leadership; transactional and transformational leadership; path goal theory of leadership; situational leadership; team leadership; shared governance leadership; and a variety of other leadership models have evolved, which organizations all over the world as guides for leadership practice.

B. Trait Approach

The trait approach to leadership stemmed from the great man theory of leadership. According to Stogdill (1948) and Mann (1959), earlier research on trait approach to leadership revealed that how a person reacts to situations, conducts themselves in their personal and professional lives, communicates, interacts, and socializes with others helps determine whether the person is a follower or a leader. The height and weight of the person is an important factor, the relationship skill,

communication competency, their education, experience, knowledge, and whether the person is a self-starter, creative, motivated and innovative are other key factors that differentiate leaders from followers.

Some social background elements identified were the level of education completed, type of education, and the type of schooling, including geographic location of the school and the prestige associated with the school (Harvard versus University of Texas). Wood and Vilkinas (2005) identified social skills, such as the ability of the person to foster and engage in a trusting relationship with others or simply approach people as important human skills that support effective leadership in an organization.

According to Bass (1990), personality traits and task-related characteristics are definitely essential for effective leadership. A leader must be able to problem solve and make the right decisions, establish leadership integrity through relationships with others in the organization, be able to identify and lead change, and be able to deal with the emotions of others in the organization as well as their own emotions.

Additionally, the leader must have great desire and aspiration to be a successful leader; accept the leadership duties and scope; demonstrate how to develop and implement new ideas; develop and share the mission, vision, goals, and objectives of the organization; and work progressively, consistently, and collaboratively with others to achieve desired outcomes (Bass, 1990).

In addition to personality traits and task-related characteristics, the leader in an organization is responsible for making correct decisions, knowing what the needs of the organization are, and is willing to work with others in accomplishing the mission and vision of the organization. The ability of the leader to foster trust and respect with others, have the required knowledge base for the job, and know how to relate to others inside and outside of the organization is a must (Bass, 1990).

The ability of the leader to work hard in a consistent and deliberate manner day in and day out to achieve the mission and vision of the organization is a necessary requirement of leadership. According to Bass (1990), an organization should use testing and interviewing to select leaders because this approach will ensure the right job fit and matches for a leadership role. Although the trait theories have identified the traits to seek in the selection of successful leaders, this leadership approach is not a guarantee that the leader will be effective in his or her role.

Hence, this approach does not guarantee that the chosen leader will be effective in the identified leadership role. There must be other requirements beyond those qualities that promote and support effective leadership (Bass, 1990). Barker (1997) contends that leadership development programs that use traits and behaviors of leaders as their foundation is not always effective in developing leaders who are effective, since it is difficult to determine what behaviors are traits or which behaviors are learned.

Together all these trait qualities can, if identified and sorted out correctly, help organizations hire key people in leadership roles. Some specific qualities that organizations should look for in a leader are emotional intelligence, social skills,

decision-making ability, educational qualification, experience, appearance, and integrity. The person must have environmental scanning ability, be able to recognize and react efficiently and effectively to changes occurring in the business environment, and react quickly and accurately to changing demands in the organization on a consistent basis.

C. *Style Approach*

The style approach to leadership is the most common leadership approach that organizations use to identify leaders as compared to all the other leadership approaches (Northouse, 2004). According to the style approach, leadership either focuses on accomplishing the goals and objectives of the organization or focuses on establishing relationships with others in the organization.

Leaders that focus on the accomplishment of goals in the organization look at ways to get employees to perform certain task and functions. On the other hand, leaders with a focus on forming relationship tend to work closely with employees and others in the organization to create and foster the relationship necessary to gain the cooperation and support from employees in the organization (Northouse, 2004).

According to Northouse (2004), both types of leadership behavior, task and relationship, are essential in accomplishing the goals and objectives in an organization. Therefore, a balance of the two behaviors is necessary for effective leadership. Because the style approach to leadership is so widely used in organizations, the Blake and Mouton's Managerial Grid became a popular leadership tool for management in driving the selection, training, and development of leaders. In

the managerial grid, concern for task, concern for people, directive leadership, and participative leadership are the four leadership styles addressed by the leadership model.

Leaders who have concern for task usually emphasize ways and means to achieve organizational objectives. The major focus is on high levels of productivity, organization of people, and alignment of people with compatible work activities to meet company objectives. On the other hand, leaders who have concern for people usually have high interest in the personal and professional development of followers.

Leaders who use the directive leadership style expect followers or subordinates to follow instructions, and leaders who choose to use participative leadership involve others in the decision-making in the organization (Wright, 1996). Base on the grid, the leader can either show high interest in subordinates or concern for performance and organizational outcomes.

A similar view to that is the Ohio State dimensions, leadership focus and performance outcome as cited by Robbins (2003). Newborough (1999) identified five leadership styles in the managerial grid: impoverished, country club, produce or perish, middle-of-the road, and team.

The various leadership styles either entail a component of concern for people or task, or a combination of the two leadership approaches. A leader may choose to use either one of the styles or a combination approach. Choice of style varies and is dependent on the goals and objectives of the organization, the methods that are necessary to accomplish the goals, and outcome expectations.

D. Behavioral Approach

The behavioral theories of leadership focus on what leaders do in an organization to make them effective in their role. The assumption of the behavioral approach theory is that a person has the capability to learn leadership. The behavioral approach to leadership assesses the success of leadership, and the actions of leaders. Blake and Mouton's Managerial Grid of 1964 and 1978 became a very popular management activity tool for the training and development of leaders.

The grid is used to examine different types of leadership behavior ranging from concern for production to concern for people (Robbins, 2003). A leader who has concern for production works hard at getting the work done. The goal of the leader is to achieve the goals and objectives of the organization. A leader that has concern for people, on the other hand, shows high interest in forming strong relationship and association with employees.

The goal of the leader is to establish and sustain good relationship with subordinates. The Ohio State dimensions of consideration and initiating structure and the Michigan dimensions of employee-oriented and production-oriented portrays the two behavioral approaches (Robbins, 2003).

The Ohio State Studies

The Ohio State Dimensions of consideration and initiating structure has been studied repeatedly over the years by researchers and scientists in an effort to reach a clear understanding of leadership behavior and what it means in terms of outcomes in organizations (Robbins, 2003).

The study has helped tremendously in understanding leadership behaviors in organizations and the leader-subordinate relationship. In terms of initiating structure, leaders who exhibit the initiating structure component of leadership tend to expect compliance with standards and practice, expect group or team participation, set specific goals that are clear to subordinates, and set time-frames for work completion.

This type of leader is business oriented, and compliance with policies, standards, and practice in the organization is a priority of utmost importance. A leader who exhibits the consideration component of leadership, according to the behavioral leadership theory, tends to foster and engage in mutual trusting relationships with subordinates, and respect for all parties is a priority.

This type of leader seeks to identify and understand the personal and professional needs of employees, and encourages idea sharing. A leader with consideration for others pays special attention to feelings and concerns of subordinates and establishes ways and means for employees to feel valued. A leader high in consideration would be a leader who is friendly, kind, accepting of others, helpful, and views employees as partners.

Leaders who have high consideration for others are usually supportive of subordinates, will organize the work environment for higher efficiency, encourages strong working relationship, and their actions and behavior are directed towards goal accomplishment (Robbins, 2003).

The University of Michigan Studies

The University of Michigan Studies served to evaluate leadership behavior from two perspectives: employee and production. The studies revealed that leaders who are employee focused usually show high interest in employees. According to Robbins (2003), employee oriented leaders do things like making changes in the organization and work environment to benefit employees (Robbins, 2003).

They take personal interest in the personal and professional development and growth of employees. Leaders who have strong focus and interest on production tend to pay careful attention to the technical and task aspect of the job. According to Robbins (2003), a leader with strong focus and interest on production tends to emphasize the how-to aspect of the job with a major focus on performance without consideration for employees.

The main concern of the leader is using others in the organization to accomplish the organization's goals and objectives. This type of leader looks carefully at and is constantly working towards higher efficiency and effectiveness of workers. This leader is always looking for other ways to improve operating systems and processes for better organizational outcomes.

According to Robbins (2003), findings from the studies concluded that the more effective of the two leadership approaches is the employee-oriented approach, which showed higher performance and job satisfaction among subordinates.

E. Contingency Theory

According to Harris and Ruefli (2000), the performance of an organization is dependent on certain factors such as employees, the culture, structure, leadership, etc. The organization must take into consideration and ensure that the strategy of the organization is in alignment with capability of the organization in order to achieve measurable outcomes. To improve performance in an organization, contingency theory suggests that the organization must match the strategy with the structural capability of the organization, and only when there is proper alignment can the organization achieve desirable performance (Miller, 1987).

Contingency theory argues that the structure of an organization is not sufficient alone to achieve the desirable outcomes. Strategy and structure must exist and match if the organization is to achieve and sustain the desirable performance. Furthermore, contingency theory believes that the internal requirements in an organization must be compatible with the external environment for the organization to achieve higher performance (Miller, 1987). It would be safe to say that successful and effective operation of an organization is contingent on favorable or unfavorable conditions inside and outside of the organization. Favorable conditions can boost performance and unfavorable conditions can impede performance.

According to Boddewyn and Brewer (1994) from the perspective of contingency theory, the political environment may shape organizational strategy. Strategy, the political environment, and resources are all elements that support effective operation of an organization. The complete operation of an organization is contingent on other factors inside and outside the organization.

2.3 Leadership Styles in Organization

McCaffery (2004) explains the leader as someone who accompanies people on a journey, guiding them to their destination, and by implication hold the together as a group while steering them in the right direction. Leadership style as an important aspect of leadership has significant contribution to make organization's success. Gebert and Steinkamp (1991) argue that there is a close relationship between the economic success of an organization and leadership style used. McDonough and Barczak (1991) noted that leadership style influences the speed of product development. Leadership style also has a significant impact on organizational commitment.

There are many ways to lead and every leader has his or her own style. Some of the more common styles include autocratic, bureaucratic, democratic, and laissez-faire. The autocratic leadership style portrays that manager retains as much power and decision making authority as possible. Participative leadership motivates others to participate and contribute to make them more committed. Literatures on strategic management suggest that organizational viability or performance depends in part on effective leadership (Bass, 1981;; Hunt, 1991;; Yukl, 2002). Effective leaders engage in both professional leadership behaviors and personal leadership behaviors.

Professional leadership behaviors refer to setting a mission, creating a process for achieving goals, aligning processes and procedures, etc, and these activities can be translated as referring to the organizational business practices. The personal leadership behaviors, however, often refer to the leadership styles since they involve

building trust, caring for people, acting morally, etc. Bennis and Nanus(1985) argue that leadership style represents an important factor in the determination of the success or failure of organizations.

It is sufficient here to distinguish two important aspects of leadership. The first is that of providing direction, organizational vision and making related decisions about resource allocation and distribution. Leaders achieve this in a variety of ways. Some use autocratic or dictatorial means, while others utilize democratic or laissez faire approaches (Bernhard & Walsh, 1995; Marrelli, 1997). These leadership styles utilize different sources of power and impact differently on the levels and extent to which staff consider them as making a contribution to organizational decision making. Both the quality and extent of staff participation in decision-making tends to wane as we move across the continuum from laissez faire to autocratic leadership.

Three different leadership styles, specifically transformational, transactional, and laissez-faire, have been shown to reflect the full range of leadership styles (Bass 1990; Bass & Avolio, 1995). Research on these leadership styles has found that a transformational leadership style is typically more effective than transactional and laissez-faire leadership styles. Transformational leaders are consistently rated by subordinates as being more effective leaders and have been consistently linked with greater organizational performance and success.

A. Transformational Leadership

Daft (2005) states that transformational leadership is characterized by the ability to bring about significant change. Transformational leaders have the ability to lead changes in the organization's vision, strategy and culture as well as promote innovation in products and technologies. Burn (1978, cited by Yukl, 1994) identifies transformational leadership as involving shaping, expressing and mediating conflict among groups of people in addition to motivating individuals. Yukl (1994) maintains that transformational leadership refers to the process of building commitment to the organization's objectives and empowering followers to accomplish these objectives.

Some theories of transformational leadership also examine how leaders change the culture and structure of their organization to be consistent with management strategies for accomplishing organizational objectives. Further to this, Certo (1997) defines transformational leadership as involving inspiration of organizational success by profoundly affecting followers' beliefs in what an organization should be, as well as their values, such as justice and integrity.

The model of transformational leadership includes a continuum of transformational, transactional, and laissez-faire forms of leadership. Each form characterizes aspects of the dynamic process of interaction between leader and follower but identifies certain patterns and features to distinguish transformational leadership from transactional and laissez-faire styles (Avolio, 1999).

The transformational leader pays particular attention to others' needs, which, in turn, raises followers' levels of motivation (Bass, 1998; Avolio, 1999). Furthermore, a leader of this type encourages others to reach their full potential while

also adopting a strong ethical characteristic. Whereas, transactional leaders “approach followers with an eye to exchanging one thing for another” with the leader’s use of either reward or punishment contingent on the follower’s completion or non-completion of assigned tasks (Burns, 1978). Laissez-faire leadership involves indifference and avoidance as a leader with this profile will “avoid making decisions, abdicate responsibilities, divert attention from hard choices, and will talk about getting down to work, but never really does” (Bass, 1998).

Transformational leadership involves the ability to inspire and motivate followers. This approach posits that activating internal motivators influences a person. A process-based view of leadership involves the ability to motivate followers to act, recognizing that the ability to successfully influence others is the essence of leadership (Yukl, 1999). The successful, effective leader has the ability to have his or her vision accepted, as well as to motivate followers to work toward a common end (Chemers, 2001).

Effective leadership is enhanced when leaders can inspire their followers to accept change by communicating a compelling vision of the future and motivating willingness to work in the new manner. Transformational leadership is not a mutually exclusive utility employed by the leader.

Instead, the leader in different circumstances and intensities may use varying degrees of transformational leadership (Howell & Avolio, 1993). Furthermore, as there have been components of the transformational leadership style found among cooperative extension professionals (Paxson, Howell, Michael, & Wong, 1993; Sandrman & Vandenberg, 1995; Brown, Birnstihl, & Wheeler, 1996; Moore &

Jones, 2001), the literature also reveals arguments maintaining that transformational leadership is the most effective style for the acquisition of external funds as well.

Therefore, transformational leadership is thought to be critical to the success of extramural fund acquisition, whereby leaders articulate and communicate a vision, build a team, inspire and motivate that team, and reflect the articulated vision through their own personal practices (Grace, 1991; Rosso, 1996; Joyaux, 1997; Day, 1998). In turn, leaders employing the transformational style are also better able to cultivate beneficial relationships with funders (Grace, 1991; Joyaux, 1997; Day, 1998).

However, while the literature maintains that transformational leadership is the most effective style in resource development (Grace, 1991; Joyaux, 1997; Day, 1998), there is also a lack of empirical data with respect to the degree of success of the transformational leader.

Transformational leaders are oriented to changing both the individual and the organization, communicating a vision, and motivating both internal and external constituents of the organization (Bass, 1985; Kirby, Paradise, & King, 1991; Joyaux, 1997; Day, 1998; Kark, Shamir, & Chen, 2003).

The study concluded that transformational leadership characteristics positively correlate to personal qualities of the leader and desired organizational outcomes, such as job satisfaction and organizational effectiveness. The examination also concluded that studies of transformational leadership show great promise for the cooperative extension system, and that further studies should be utilized with larger samples to be more representative of the system as a whole (Brown, Birnstihl, & Wheeler, 1996).

Characteristic of Transformational Leader

There are four factors to transformational leadership, also known as the “four I’s”, is idealized influence, inspirational motivation, intellectual stimulation, and individual consideration.

1. *Idealized influence*

Idealized influence describes managers who are exemplary role models for associates. Leaders with idealized influence can be trusted and respected by associates to make good decisions for the organization. They are admired and respected by followers and serve as strong role models. They have high standards of ethical and moral conduct and provide followers with a vision and sense of mission. Followers want to emulate leaders, who exhibit idealized influence (Northouse, 2001).

2. *Inspirational motivation*

Inspirational motivation is displayed by a transformational leader when he/she inspires and motivates followers to demonstrate commitment to the shared vision of the organization. Leaders with inspirational motivation encourage team spirit to reach goals of increased revenue and market growth for the organization and clearly communicate high expectations to followers and increase enthusiasm (Northouse, 2001).

3. *Intellectual Stimulation*

Intellectual stimulation is demonstrated by a transformational leader when he/she supports followers to be creative and innovative, try new approaches, and challenge their own beliefs and values as well as those of the leader and the

organization. Leaders with intellectual stimulation promote critical thinking and problem solving to make the organization better, while followers engage in problem solving to find creative solutions (Northouse, 2001).

4. *Individual consideration*

Individualized consideration is displayed by a transformational leader when he/she provides a supportive climate, listens to followers, and acts as a coach and mentor. The leader pays attention to individual differences and treats individual employee in a caring and unique way. Leaders also help individuals achieve goals and grow personally (Northouse, 2001).

Each of the four components describes characteristics that are valuable to the transformational process. When managers are strong role models, encouragers, innovators, and coaches, they are utilizing the “four I’s” to help “transform” their associates into better, more productive and successful individuals.

B. *Transactional Leadership*

Transactional leadership provides pay and other benefits in return for work effort, including values, honesty, fairness, responsibility and reciprocity (Yukl, 2006). Yukl sees the exchange process as concerning rewards for compliance that aim to reduce any discrepancies that might occur in the organization. Transactional leadership also demanded the leaders to search for the best strategies to increase organizational and individual performance and at the same time, the leaders also need to find the best reward to retain their productivity level.

Components of this kind of transactional behavior consist of three factors referred to as: “contingent reward”; “active management by exception”; and “passive management by exception” (Bass, 1985; Yukl, 1994). On the other hand, Northouse (2004) describes components of transactional behavior as consisting of two factors: “contingent reward” and “management by exception”.

1. Contingent reward

Contingent reward refers to the engagement of leaders and followers in an exchange process in which effort by followers is exchanged for specific rewards. Objectives are agreed upon by both leaders and followers, and achievement of the objectives is positively reinforced (Northouse, 2004).

2. Management by exception

Management-by exception occurs when transactional leaders intervene to make some correction and generally involves corrective criticism and negative reinforcement. Management-by-exception can be active or passive.

Transactional leaders engage in active management-by exception when they closely monitor followers so they can detect mistakes and take corrective action and offer negative feedback. Transactional leaders engage in passive management-by-exception when they intervene with a follower only after standards have not been met or problems arise (Northouse, 2004).

The transactional leader works within the existing organizational culture of the group to recognize and clarify the roles and responsibilities of followers such that desired outcomes are achieved. These desired outcomes are achieved when the leader

negotiates with followers an exchange relationship of reward for compliance. In other words, transactional leaders explain to followers what is required of them and then negotiate the compensation followers will receive if they meet the requirements, either the promise of reward for good performance or the threat of punishment for poor performance (Bass, 1990).

In addition, Owens (2004) describes the heart of Burns' analysis of transactional leadership as two basic types of leadership involving the relationship between leaders and followers, based on quid pro quo transactions between them. Owen says that transactional educational leaders can and do offer jobs, security, tenure, favorable ratings and more in exchange for the support, cooperation and compliance of followers.

Previous research has shown transactional contingent reward style leadership to be positively related to followers' commitment, satisfaction, and performance (Hunt & Schuler, 1976; Podsakoff, Todor, Grover, & Huber, 1984; Bycio, Hackett, & Allen, 1995). Goodwin, Wofford, and Whittington (2001) reported a positive relationship between transactional contingent reward leadership and organizational citizenship behavior, distinguishing transactional leadership that was more recognition based from that based on setting basic expectations and goals.

Goodwin et al. (2001) showed that the recognition-based transactional leadership, which they labeled implicit contracting, was more positively related to followers displaying organizational citizenship behaviors than was a transactional leadership based on explicit contracts or a quid pro quo exchange between the leader and follower.

C. Laissez-faire Leadership

Subsequent research suggested that satisfaction of followers will be lower under laissez-faire leadership than under autocratic leadership if the latter is non-punitive, appropriate for the followers' levels of competence, or in keeping with the requirements of the situation. Most often, laissez-faire leadership has been consistently found to be the least satisfying and effective management style.

The original observations of Lewin, Lippitt and White (1939) have been supported in a variety of survey and experimental investigations of the impact of laissez-faire leadership on subordinates' performance. Laissez-faire leadership has the scales of Management-by-Exception (passive) and laissez-faire leadership. In this leadership style, the leader uses Management-by-Exception (passive), which is only intervening when goals have not been met or a problem arises.

The Management-by-Exception leader with a "passive" behavior would not intervene until problems become serious. The Management-by-Exception leader (passive) waits to take action until mistakes are brought to his or her attention. Laissez-faire behaviors are ones that delay decisions and give up responsibility. Laissez-faire leaders offer no feedback or support to the follower.

Laissez-faire leadership is a "hands-off" approach to leadership (Northouse, 2004). Laissez-faire leadership is also termed a "non-leadership" style. The laissez-faire leader avoids accepting responsibilities, is absent when needed, fails to follow up on requests for assistance, and resists expressing his or her views on important issues. The laissez-faire leader gives the majority of control in the decision-making process to the followers.

Laissez-faire leadership assumes that followers are intrinsically motivated and should be left alone to accomplish tasks and goals. The laissez-faire leader does not provide direction or guidance.

2.4 Decision Making Models

Decision-making can be considered at three main levels; at the personal level, the individual goes through a generic problem solving cycle to make choices about the personal issues for which they seek solutions. Depending on the complexity of the decision and on the time and other resources available, personal decisions fall within a continuum from highly structured and rational to unstructured and irrational (Foskett & Hemsley-Brown, 2001).

Decision-making define as the process of selecting an alternative from among choices that are accessible. It is the main element of an operation schedule, and effective decision-making relies on rational selection. The efficacy of a particular leader depends partly on his or her skill in handling the intellectual tasks involved in making decisions.

A. Decision-Making Theory

Decision-making is the process of selecting an alternative from among choices that are accessible. It is the main element of an operation schedule, and effective decision-making relies on rational selection.

The efficacy of a particular leader depends partly on his or her skill in handling the intellectual tasks involved in making decisions. These responsibilities are affected by the leader's cognitive ability, time available for deliberation, and resources for gathering information. Imagination and critical thinking are necessary, for solving most policy problems often requires a creative new alternative, not just choosing among givens (Janis, 1989 cited from Uzonwanne, 2007).

One of the theoretical schools of thoughts on decision-making focuses on Decision theory and this theory which is also known as Utility theory was developed by philosophers, mathematicians and economists as a normative theory to arrive at the optimal, rational behavior (Hastie & Dawes, 2001).

Utility Theory

Economic utility means the capacity of a commodity or service to fulfill or satisfy a human want (Kahneman & Tversky, 2002). Utility theory is based and founded on a set of truisms and the idea of maximizing the satisfaction of their preferences or utilities (Harrison, 1999).

Decision-making will continue to retain a factor of risk as long as there is an absence of perfect information but with finite knowledge of potential outcomes. Risk mitigation occurs because the decision maker assigns probabilistic payoffs to the acceptable alternatives available (Harrison, 1999).

Reviewing the most viable alternatives through effective comparison and contrasting will result in choosing the decision variables with the largest expected want-satisfying power. Utility measurements fall along nominal, ordinal, or cardinal

scales. Nominal scales offer a technique for contrasting among variables and choosing the one that provides the most utility.

In the circumstances whereby analyzing decision-making situations involving a large number of intricate alternatives in the presence of certainty, or a small number of uncomplicated options in which the outcomes appear highly uncertain, the ordinal measure of utility provides excellent assistance in making a decision (Harrison, 1999).

B. The Decision-Making Process

Every decision is the result of a strong process that is influenced by huge forces (Gibson, Donnelly, & Invancevich, 1997). It can be viewed as a chronological process involving several steps that enable executives and decision makers to examine each element in a normal progression that leads to a decision.

The executive or decision maker first establishes specific goals and objectives and measuring results, then identifies the problem(s). Next the decision maker develops alternatives or options, evaluates the alternatives, selects an alternative and then proceeds to implement the decision. Finally the executive or decision maker engages in controlling and evaluating the outcome of the selected decision (Gibson, Donnelly, & Invancevich, 1997).

To ensure effectiveness and completion in decision-making, leaders and managers should merge the normative and descriptive methods; leader's decision making process plays a significant role, regardless of the method of decision-making they select (Thierauf, 1988).

Robbins (2001) defined the six steps in the rational decision-making model which include defining the problem; a decision-maker should clearly define the problem, identifying the criteria; the decision-maker needs to determine what is relevant to make the decision. Also included is allocating weights to the criteria; the decision-maker should give each identified criterion a priority, and developing all alternatives; the decision-maker needs to list all possible alternatives to solving the problems successfully.

The fifth step is evaluating the alternatives; the decision maker should critically analyze and evaluate the alternatives, and the sixth step is selecting the best alternative; based on the evaluation, the decision-maker chooses the satisfactory and optimal solution to the problem.

Decision making style has been defined as the learning habit of decision making and as the individual characteristic mode of perceiving and responding to decision making tasks (Harren, 1979). Individuals are consistent in the way they make decisions, suggesting that individuals will have a primary decision making style, although they may not use it exclusively (Driver et al. 1990)

C. The Decision-Making Models

Rowe and Boulgarides (1992) identified a decision-making model that can be used to identify how individuals think about the environment, address information, and make decisions. The four proposed decision-making models include:

1. *Directive*

A person using this style is autocratic and wants more power. These people usually use few alternatives and too few resources because of their reliance on their own intuition. They do not communicate their reasoning with their followers. They have clear direction and require efficiency and results. They judge the value of information by their intuition, experience, and personal rules.

2. *Analytic*

A person using this style wants more information and considers alternatives to draw better conclusions and solve the problem. These people usually use logic to accomplish a goal or solve a problem. They collect data and carefully consider every detail to determine what information is valuable.

3. *Conceptual*

A person using the conceptual style is creative. These people use more information and prefer thinking to acting. They focus on people and look at the range of problems broadly. They obtain information from both intuition and discussing with people.

4. *Behavior*

A person using this style is concerned about people. They obtain information from communication with people. They accept recommendation easily and use little information. They obtain information by listening and interacting with others and attach importance to people when in the working environment and social activities.

Vroom and Jago (1988) also identified five decision-making models. These models reflect a different degree of participation by group members:

1. *Autocratic I (AI)*: An independent decision.

The leader solves problems and makes decisions by him or herself, using information that is readily available to the leader at the time.

2. *Autocratic II (AII)*

The leader asks individuals to respond with important information to specific questions, but makes decisions by him or herself. The leader obtains any additional and necessary information from group members, but sometimes the group members might not be informed.

3. *Consultative I (CI)*

The leader shares the problem with relevant subordinates in order to get suggestions from each group member. These suggestions are gathered one by one, and group members do not meet collectively. The leader makes decisions alone, and decisions may not reflect subordinates' influence.

4. *Consultative II (CII)*

The leader shares the problem, data, analysis of information, and ideas from the whole group collectively.

5. *Group II (GII)*

The leader meets with the group to discuss the situation. Group members share information, ideas, and analysis, and then reach a consensus. The leader focuses on direct discussion but does not impose his or her will or solution;

the leader's role is like that of a chairman. Group members make the final decision and the leader supports the entire group.

Scott and Bruce (1995) defined decision-maker style as the learned, habitual response pattern exhibited by an individual when confronted with a decision situation.

They proposed five decision-making models:

1. *Rational*: The thorough search for and logical evaluation of alternatives.
2. *Intuitive*: The reliance on hunches and feelings
3. *Dependent*: The reliance on research for advice and direction from others.
4. *Avoidant*: The attempt to avoid decision-making.
5. *Spontaneous*: A sense of immediacy and a desire to get through the decision-making process as soon as possible.

Five decision-making models by Scott and Bruce (1995)

1. *Rational*: The thorough search for and logical evaluation of alternatives.

The rational style is deliberate, analytical and logical. Rational decision maker assess the long term effect of their decision and have a strong fact-based task orientation to decision making. This style related to initiation of structure and internal control orientation. Both initiation of structure and a higher internal control orientation may be linked to higher performance.

2. *Intuitive*: The reliance on hunches and feelings.

Intuitive style are feeling oriented and based on an internal ordering of the information leading to “hunches”. Intuitive decision are made relatively quickly, with limited information and often changed if the intuition was in error. Intuitive decision makers are likely to be more error-prone and inconsistent, which may lead to uncertainty and loss of confidence in the manager by superiors and subordinates.

3. *Dependent*: The reliance on research for advice and direction from others.

A dependent style of decision making is characterized by the used of advice and support from others in making decisions. This behavior may produce favorable reactions from subordinates and superiors if it is viewed as participative. In the other hand, if this behavior seen as leaning on other, it may produce negative reaction.

4. *Avoidant*: The attempt to avoid decision-making.

The avoidant style is characterized by delay and denial, the opposite of decisiveness. The avoidance of decision making may be used by some individuals to reduce the anxiety associated with decision making. It may represent an aversion to the risk of making a wrong decision.

5. *Spontaneous*: A sense of immediacy and a desire to get through the decision-making process as soon as possible.

The spontaneous style is characterized by a strong sense of immediacy and an interest in getting through the decision making process as quickly as possible. Spontaneous decision makers report that they make decision on the spur of the

moment, without a lot of reflection. Spontaneous decision makers may be viewed as decisive or as impulsive, so it is not clear whether this will lead to high or low performance evaluation.

2.5 Individual Performance

The performance of employee is essential in accomplishing the goals and objectives of an organization. A variety of variables may affect the performance of employee directly or indirectly. According to Somers and Birnbaum (1998), when leaders focus on job performance, they must take into consideration acceptable and unacceptable performance, because acceptable performance behavior could benefit the organization, and those that are unacceptable can harm the entire organization.

Therefore, organizations need highly performing individuals in order to meet their goals, to deliver the products and services they specialized in, and finally to achieve competitive advantage. Performance is also important for the individual. Accomplishing tasks and performing at a high level can be a source of satisfaction, with feelings of mastery and pride. Low performance and not achieving the goals might be experienced as dissatisfying or even as a personal failure.

Moreover, performance, if it is recognized by others within the organization, is often rewarded by financial and other benefits. Performance is a one of the major prerequisite for future career development and success in the labor market. Although there might be exceptions, high performers get promoted more easily within an organization and generally have better career opportunities than low performers (VanScotter, Motowidlo, & Cross, 2000).

A. Performance Concept

Performance is a multi-dimensional concept. On the most basic level, Borman and Motowidlo (1993) distinguish between task and contextual performance. Task performance refers to an individual's proficiency with which he or she performs activities which contribute to the organization's 'technical core'. This contribution can be both direct (e.g., in the case of production workers), or indirect (e.g., in the case of managers or staff personnel).

Contextual performance refers to activities which do not contribute to the technical core but which support the organizational, social, and psychological environment in which organizational goals are pursued. Contextual performance includes not only behaviors such as helping coworkers or being a reliable member of the organization, but also making suggestions about how to improve work procedures.

Three basic assumptions are associated with the differentiation between task and contextual performance (Borman & Motowidlo, 1997; Motowidlo & Schmit, 1999):

1. Activities relevant for task performance vary between jobs whereas contextual performance activities are relatively similar across jobs
2. Task performance is related to ability, whereas contextual performance is related to personality and motivation
3. Task performance is more prescribed and constitutes in-role behavior, whereas contextual performance is more discretionary and extra-role.

Task Performance

Task performance in itself is multi-dimensional. For example, among the eight performance components proposed by Campbell (1990), there are five factors which refer to task performance (cf. Campbell, Gasser, & Oswald, 1996; Motowidlo & Schmit, 1999):

1. Job-specific task proficiency
2. Non-job-specific task proficiency
3. Written and oral communication proficiency
4. Supervision—in the case of a supervisory or leadership position—and partly
5. Management/administration

Each of these factors comprises a number of sub factors which may vary between different jobs. For example, the management/administration factor comprises sub dimensions such as (1) planning and organizing, (2) guiding, directing, and motivating subordinates and providing feedback, (3) training, coaching, and developing subordinates, (4) communication effectively and keeping others informed (Borman & Brush, 1993).

In recent years, researchers paid attention to specific aspects of task performance. For example, innovation and customer-oriented behavior become increasingly important as organizations put greater emphasis on customer service (Anderson & King, 1993; Bowen & Waldman, 1999).

Contextual Performance

Researchers have developed a number of contextual performance concepts. On a very general level, one can differentiate between two types of contextual performance: behaviors which aim primarily at the smooth functioning of the organization as it is at the present moment, and proactive behaviors which aim at changing and improving work procedures and organizational processes.

The 'stabilizing' contextual performance behaviors include organizational citizenship behavior with its five components altruism, conscientiousness, civic virtue, courtesy, and sportsmanship (Organ, 1988), some aspects of organizational spontaneity (e.g., helping coworkers, protecting the organization, George & Brief, 1992) and of pro social organizational behavior (Brief & Motowidlo, 1986). Contextual performance is not a single set of uniform behaviors, but is in itself a multidimensional concept (Van Dyne & LePine, 1998).

B. Performance Management

Performance management is the systematic process of: planning work and setting expectations, continually monitoring performance, developing the capacity to perform, periodically rating performance in a summary fashion, and rewarding good performance.

Performance Management's Five Key Components

1. Planning

In an effective organization, work is planned out in advance. Planning means setting performance expectations and goals for groups and individuals to channel their efforts toward achieving organizational objectives, getting employees involved in the planning process will help them understand the goals of the organization, what needs to be done, why it needs to be done, and how well it should be done.

The regulatory requirements for planning employees' performance include establishing the elements and standards of their performance appraisal plans. Performance elements and standards should be measurable, understandable, verifiable, equitable, and achievable. Through critical elements, employees are held accountable as individuals for work assignments or responsibilities.

Employee performance plans should be flexible so that they can be adjusted for changing program objectives and work requirements. When used effectively, these plans can be beneficial working documents that are discussed often, and not merely paperwork that is filed in a drawer and seen only when ratings of record are required.

2. Monitoring

In an effective organization, assignments and projects are monitored continually. Monitoring well means consistently measuring performance and providing ongoing feedback to employees and work groups on their progress toward reaching their goals. Regulatory requirements for monitoring performance include conducting progress reviews with employees where their performance is compared against their elements and standards.

Ongoing monitoring provides the supervisor the opportunity to check how well employees are meeting predetermined standards and to make changes to unrealistic or problematic standards. By monitoring continually, supervisors can identify unacceptable performance at any time during the appraisal period and provide assistance to address such performance rather than wait until the end of the period when summary rating levels are assigned.

3. *Developing*

In an effective organization, employee developmental needs are evaluated and addressed. Developing in this instance means increasing the capacity to perform through training, giving assignments that introduce new skills or higher levels of responsibility, improving work processes, or other methods. Providing employees with training and developmental opportunities encourages good performance, strengthens job-related skills and competencies, and helps employees keep up with changes in the workplace, such as the introduction of new technology.

Carrying out the processes of performance management provides an excellent opportunity for supervisors and employees to identify developmental needs, while planning and monitoring work, deficiencies in performance become evident and should be addressed. Areas for improving good performance also stand out, and action can be taken to help successful employees improve even further.

4. *Rating*

From time to time, organizations find it useful to summarize employee performance. This helps with comparing performance over time or across a set of employees. Organizations need to know who their best performers are. Within the

context of formal performance appraisal requirements, rating means evaluating employee or group performance against the elements and standards in an employee's performance plan and assigning a summary rating of record.

The rating of record is assigned according to procedures included in the organization's appraisal program. It is based on work performed during an entire appraisal period. The rating of record has a bearing on various other personnel actions, such as granting withingrade pay increases and determining additional retention service credit in a reduction in force.

5. Rewarding

Rewarding means recognizing employees, individually and as members of groups, for their performance and acknowledging their contributions to the agency's mission. A basic principle of effective management is that all behavior is controlled by its consequences. Those consequences can and should be both formal and informal and both positive and negative. Good managers don't wait for their organization to solicit nominations for formal awards before recognizing good performance.

Recognition is an ongoing, natural part of day-to-day experience. A lot of the actions that reward good performance don't require a specific regulatory authority. Nonetheless, awards regulations provide a broad range of forms that more formal rewards can take, such as cash, time off, and many recognition items. The regulations also cover a variety of contributions that can be rewarded, from suggestions to group accomplishments.

2.6 Review of Previous Study and Hypothesis

2.6.1 Leadership Styles and Decision Making Models

The quality of an organization's top leaders continues to be critical to the organization's existence, effectiveness, and ability to adapt to continuous changes in the economic environment. Several studies have offered convincing evidence showing how effective leadership enhances organizational performance and effectiveness. On the other hand, the primary job of manager is to make decisions. Therefore, a strong focus must be on the building of leadership styles and efficient decision making model that will bringing a strong competitive edge.

Type of leadership styles that are examined in this research are transformational leadership, transactional leadership, and laissez-faire leadership. According to Bass and Avolio (1990,1995), transformational leadership includes behaviors that are thought to activate followers' higher motivations, and lead them to act upon these motivations for exceptional performance and ethically-inspired goals. Transactional leadership is an influence process to exchange value reward for performance. Laissez-faire leadership refers to indifferent (or lack of) leadership.

This research seeks to determine a relationship between preferred leadership style and decision making models of executives in non-profit sector. Previous research has showed that the executives' leadership styles had significant relationships with their decision-making models. The previous research also concluded that non-profit executives typically expressed several different leadership styles and decision making models in different situations.

Therefore, the researcher hypothesize that:

H1: There is significant relationship between the leadership style of non-profit leaders (Transformational, Transactional, and Laizze-Faire) and their preferred decision making models (rational, intuitive, dependent, spontaneous, and avoidant).

2.6.2 Decision Making Models and Job Performance

A number of scholar and research have a causal relationship between making decision in “right way” and achieving favorable outcome: a ‘better’ process leads to a more adventageous result (Peterson, 1997, p.32). Driver et all (1990, cited from Russ, 1996) argued that individuals are consistent in the way they make decisions, suggesting that individuals will have primary decision making style and intercollerated with their job performance.

The typology developed by Scott and Bruce (1995) provides a comprehensive set of decision making styles, that is rational, intuitive, dependent, spontaneous, and avoidant. The rational style is deliberate, analytical and logical. Intuitive decision style are made relatively quickly, with limited information and often changed if the intuition was in error. A dependent style of decision making is characterized by the used of advice and support from others in making decisions. The avoidant style is characterized by delay and denial, the opposite of decisiveness. The spontaneous style is characterized by a strong sense of immediacy and an interest in getting through the decision making process as quickly as possible.

Based on the discussion on the typology of decision styles by Scott and Bruce, can be conclude that rational decision making will lead to higher quality decisions and that intuitive and spontaneous decision making will lead to lower quality decisions. Assuming that dependent decision making is viewed as participative, the impact of dependent decision making will be positive. Avoidant decision making will clearly have negative impact on performance.

Previous research has shown that managers or leaders who characteristically make decisions quickly and carefully are viewed as higher performance than those who delay or avoid decision making or ignore the facts. Other research also found that decision making styles is linked to performance. This research purposed to examine the relationship between the decision making taken by the leaders with job performance, therefore the researcher hypothesize that:

H2a: *The more a manager employs a rational decision making style, the higher the level of job performance*

H2b: *The more a manager employs a intuitive decision making style, the lower the level of job performance*

H2c: *The more a manager employs a dependent decision making style, the higher the level of job performance*

H2d: *The more a manager employs a avoidant decision making style, the lower the level of job performance*

H2e: *The more a manager employs a spontaneous decision making style, the lower the level of job performance*

2.6.3 Leadership Styles and Gender

There is general agreement that women face more barriers to becoming leaders than men do, especially for leader roles that are male-dominated. There is also an agreement that men and women behave differently in leadership roles, that being discussed in terms of leadership styles, while style is understood as relatively stable patterns of behavior that are manifested by leaders.

Many researchers have claimed that the leadership styles of women and men are different, mainly along the lines of women being less hierarchical, more cooperative and collaborative, and more oriented to enhancing others' self-worth (e.g., Book, 2000; Helgesen, 1990; osener, 1995). In contrast, social scientists have typically either claimed that female and male organizational leaders do not differ or minimized the importance of those differences that have been observed (e.g., Powell, 1990).

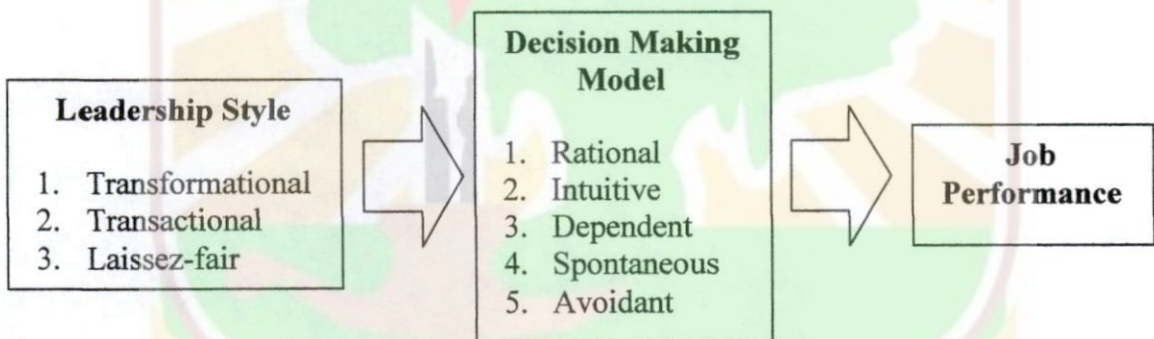
Earlier researchers investigated transformational and transactional styles are not obviously related to gender roles as the leadership styles. However, because of the constraining impact of leadership roles, any differences between women and men who occupy the same role are unlikely being discuss. For this research the researcher would like to focus on identifying the leadership style adopt by the leaders in non-profit organization that is classified by their gender. Therefore, researcher hypotesize that:

H3: There is significant difference in the leadership style used among non-profit leaders (Transformational, Transactional, and Laizze-Faire) based on their gender

2.7 Research Model

The theoretical framework of the research consists of Leadership Styles, Decision Making models, Job Performance and Demographic Characteristic (Gender) as the variable. Figure 2.1 below shows the theoretical framework for this study.

Figure 1 Theoretical Framework



CHAPTER III

RESEARCH METODOLOGY

3.1. Research Design

This study is a quantitative research using correlation analysis. The quantitative approach makes predictions, established facts and test the hypothesis that employed Pearson correlation coefficient and t-test analysis of variance. Each of leaders of AIESEC in Indonesia were asked to complete the questionnaire that consist of Multifactor Leadership Questionnaire and the General Decision-Making Style Scale. The data collected was analyzed using the SPSS (Statistical Package for the Social Science) version 19.

3.2. Variables and Measurements

The variables that were measured in this research consist of:

- *Independent Variables* : Leadership styles
- *Mediating Variables* : Decision Making Models
- *Dependent Variables* : Job Performance

Leadership styles were conceptualized based on three dimensions which are (1) Transformational leadership; (2) Transactional leadership; and (3) Laissez-faire leadership. Transformational leadership is measured by four factors: (a) Idealized

Influence, (b) Inspirational Motivation, (c) Intellectual Stimulation, and (d) Individualized Consideration.

Transactional leadership is measured by two factors: (a) Contingent Reward Leadership, (b) Management by Exception. Laissez-faire leadership is measured by one factor that is, Laissez-faire Style. Multi factor Leadership Questionair with 21 items for all seven factor of that three leadership styles were used to measured leadership style.

The leaders decision making styles was measured by five subscale (5 items each) from Scott and Bruce (1995): rational, intuitive, avoidant, dependent, and spontaneous. The General Decision Making Style Scale researched by Bruce and Scott (1995) contains twenty-five, behaviorly phrased items measuring decision making style. It is structured by 5-point Likert-type format.

Job Performance was assessed via six items. The following three items were assessed along a five-point scale ranging from “never” to “always”: 1) completed work in a timely and effective manner, 2) performed high quality work, 3) completed task in an unsatisfactory manner (reverse-coded). The remaining three items were as assessed along a five-point scale ranging from “unsatisfactory” to “extremely satisfactory”: 4) quality of work, 5) quantity of work, 6) overall performance.

3.3. Population and Sample

The Population of this study is AIESEC in Indonesia leaders, as noted the main interest of the study is to identify leadership style and their preferred decision making models and its impact on Job performance in all AIESEC in Indonesia.

The researcher however put a deliberate effort to obtain representative samples by involving all AIESEC entity in Indonesia and the leaders in decision level for one year period with leadership position for term 2011-2012 comprise of Executive Board, Manager and Team Members.

Moreover, this study used convenient sampling with total population 221 leaders from 8 AIESEC entity in Indonesia. AIESEC entity in Indonesia comprise of 1 National Committee of AIESEC Indonesia, 6 Official Local Committee - AIESEC University of Indonesia (Jakarta), AIESEC University of Andalas (Padang), AIESEC University of Diponegoro (Semarang), AIESEC University of Brawijaya (Malang), AIESEC Bandung and AIESEC Surabaya – and Expansion Local Committee.

3.4. Data Collection Method

The researcher obtain the data for analysis purpose from the primary data. Primary data is information obtained firsthand by the researcher on the variables of interest for the specific purpose of study (Sekaran, 2003). In collecting data, the researcher had conducted survey through distributed the questionnaires.

Questionnaire formulated contains set of questions to which respondents record their answers, usually within rather closely defined alternatives (Sekaran, 2003). The questionnaire in this research is adapted from Multifactor Leadership Questionnaire to identify the leadership style and General Decision Making Style Scale by Bruce and Scott (1995) to identify the preferred decision models taken by the leaders.

3.5. Operational Definition

Operational definition defined as a process of identifying the object by distinguishing it from its background of empirical experience and describes the definition of each variable. In this research the operational definition refers to variables, dimensions and the items measurements. Table 3.1 below describe operationalization variables used in questionnaire.

Table 3.1 Operational Definition

No	Variable	Dimension	Item	Scale
1	Leadership Styles	Transformational Leadership Style (Idealized Influence)	1. good environment created 2. complete faith and trust 3. proudness to be associated with the leaders.	Five-point Likert-type format
2		Transformational Leadership Style (Inspirational Motivation)	1. express simple words to motivate 2. provide appealing images about what they can do to the followers. 3. help followers find meaning on their work.	Five-point Likert-type format
3		Transformational Leadership Style (Intellectual Stimulation)	1. enable followers to think about old problem in new ways. 2. provide new ways of looking at puzzling things 3. get the followers to rethink ideas	Five-point Likert-type format
4		Transformational Leadership Style (Individual Consideration)	1. developing followers 2. open and honest 3. personal attention	Five-point Likert-type format
5		Transactional Leadership Style (Contingent Award)	1. tell the followers how to be rewarded 2. provide recognition/rewards 3. call followers attention to accomplishment	Five-point Likert-type format
6		Transactional Leadership Style (Management by Exception)	1. Satisfaction on followers if they meet agreed-upon standards. 2. do not try to change anything 3. standards work	Five-point Likert-type format
7		Laizze-Faire Leadership Style (Laizze-Faire)	1. working in the same way as always 2. careless 3. ask only absolutely essential things	Five-point Likert-type format

8	Decision Making Models	Rational Decision Making	<ol style="list-style-type: none"> 1. plan important decision carefully 2. decision in a logical and systematic way 3. careful thought 4. double-check information sources 5. various options in term of a specific goals 	Five-point Likert-type format
9		Intuitive Decision Making	<ol style="list-style-type: none"> 1. instincts 2. intuition 3. decision which feel right to them 4. feeling right on the decision 5. trust on inner feelings and reactions 	Five-point Likert-type format
10		Dependent Decision Making	<ol style="list-style-type: none"> 1. assistance in making important decisions. 2. consulting important decision 3. support from others 4. advice 5. steered 	Five-point Likert-type format
11		Avoidant Decision Making	<ol style="list-style-type: none"> 1. avoid making important decisions 2. postpone decision making 3. procrastinate 4. decisions at the last minutes 5. Leaders put off making many decision 	Five-point Likert-type format
12		Spontaneous Decision Making	<ol style="list-style-type: none"> 1. The desicion spur at the moment 2. Snap decision 3. Quick decisions 4. The decisions natural at the moment 5. Impulsive decision 	Five-point Likert-type format
13	Job Performance	-	<ol style="list-style-type: none"> 1. Completed work in timely and effective manner 2. Performed high quality work 3. Completed task in an satisfactory manner 4. Quality of work 5. Quantity of work 6. Overall performance 	Five-point Likert-type format

3.6. Data Analysis

The data collected were analyzed using Correlation Method. Researcher used SPSS version 19 for windows to process the data. The analysis is to obtain:

3.6.1. Goodness of measures

Goodness of measures consists of the response rate; sample profile in terms of demographic information and other profiles, validity, reliability and normality test.

3.6.1.1. Validity Test

According to Ghozali (2001) validity test is a tool which is used to measure validation of questioner. Validity testing used factor analysis in which showing the component of each items in one variables. Based on Hair et al. (1998) (p.111), if the factor loading greater than ± 0.3 are considered to meet the minimal level; loading value of ± 0.40 are considered more important; and if the loading are ± 0.50 or greater, they considered practically significant.

3.6.1.2. Reliabilities Test

Reliability is a measure of the ratio of the true score variance to the observed score variance (Nunnally, 1978, cited from Uzonwanne, 2007). Reliabilities according to Ghozali (2001:41) defined as measuring instrument to measure a questioner which represent indicator of construct variable. The most popular test of inter item consistency reliability is the Cronbach's coefficient alpha (Cronbach's alpha; Cronbach, 1946; cited from Sekaran 2003).

3.6.1.3. Normality Test

Normality test purposed to see whether the independent variables and the dependent variable have a normal distribution or not. A simple test can be conducted to identify the distribution score of each variable. Normality test can be done by looking at the graph and also can be process trough Kolmogorov Smirnov test, whereby if the sign value > 0.05 , then it can be concluded that the data variables were tested with the normal spread.

3.6.2. Inferential Analysis

Inferential analysis, including the descriptive analysis and the results of the hypothesis testing, using t-test and Pearson Product Moment Correlation.

3.6.2.1. Descriptive analysis

The major objective of the research was to examined the dominant leadership style used among AIESEC in Indonesia leaders and the preferred decision making models that they used. This research also purposed to have an overview of how decision is impacted by the leadership styles adopted by the leaders. Based on the data collected from the questionnaire survey, descriptive statistics were computed. Descriptive statistics computed include the means, standard deviations and rank orders of the study population's responses on the principal independent and dependent variables.

3.6.2.2. Hypothesis Testing

Hypothesis in this research was examine by survey result that process by SPSS version 19. Test of difference was used to explore of leadership styles differ across profiles of the respondents and decisions, as well as how decision style significantly impact performance. Statistical techniques used to evaluate these differences were t-test and Pearson Product Moment Correlation.

Hypothesis one that examined the relationship between leadership styles and decision making models were test using Pearson Product Moment Correlation. Hypothesis two that examined the relationship between decision making models and job performance were test using the same approach, Pearson Product Moment Correlation. Hypothesis three that examined the difference of leadership style used based on demographic variable (gender) were test by using t-test.

CHAPTER IV

ANALYSIS OF DATA AND DISCUSSION

4.1 Organizational Profile

AIESEC is global youth organization that develops leadership capabilities through their internal leadership programs and engaged students and graduates in international student exchange and internship programs for profit and non-profit organizations. The acronym stands for "*Association internationale des étudiants en sciences économiques et commerciales*" or "**International Economic and Commercial Sciences Students Association**". Nowadays, the french acronym AIESEC is no longer used by the organization, since in the history AIESEC expanded to other backgrounds different to Economic and Commercial Sciences. AIESEC become simply as it is. Its international office is in Rotterdam, Netherlands.

As of July 2011, the AIESEC network includes over 60,000 members in 110 countries and territories, it is one of the largest student run organizations in the world. It is present in over 2,100 universities across the globe, provides more than 20,000 leadership experiences to its members and sends students and graduates on 16,000 international exchanges yearly. AIESEC is supported by over 4000 of partner organizations around the globe that look to AIESEC to support the development of youth and to access talented individuals keen on personal growth.

AIESEC in Indonesia

AIESEC in Indonesia was established in year 1984. AIESEC Indonesia now exists in 8 cities and 16 Universities:

1. AIESEC LC Bandung (ITB, Universitas Padjadjaran, Universitas Parahyangan and more)
2. AIESEC LC Surabaya (ITS, UBAYA, UC, Universitas Airlangga)
3. AIESEC LC Universitas Andalas, Padang
4. AIESEC LC Universitas Brawijaya, Malang
5. AIESEC LC Universitas Diponegoro, Semarang
6. AIESEC LC Universitas Indonesia, Jakarta
7. AIESEC Expansion IPB, Bogor
8. AIESEC Expansion UPN and UGM, Jogjakarta
9. AIESEC Expansion Universitas Bina Nusantara, Jakarta

AIESEC Vision and Mission

AIESEC is global by nature, value based and non-political by identity and run by students and recent graduates from institutions of higher education in spirit and by passion. It forms a platform for students interested in world issues and leadership to work with exchange of people and ideas as a means to achieve the organization's vision.

Vision:

“Peace and the fulfillment of humankind’s potential” is the vision that drives the organization. AIESEC believes that the best way to achieve this is by first developing talent in individuals and thus inside companies, organizations and the communities. Every individual who will positively impact society and create the change will bring AIESEC as organization closer to their vision for the world.

AIESEC’S Scope:

AIESEC is global, non-political, independent, not for profit, organization run by student and recent graduates of institutions of higher education. Its members are interested in world issues, leadership and management

AIESEC Approach/Means:

AIESEC provide its members with an integrated development experience comprised of leadership opportunities, international traineeships and participation in a global learning environment.

Values:

1. *Activating leadership*

AIESEC member lead by example and inspire leadership through their activities. They take full responsibility for developing the youth leadership potential of its members.

2. *Demonstrating integrity*

AIIESEC member are consistent and transparent in their decisions and actions. They fulfill commitments and conduct themselves in a way that is true to their ideals.

3. *Living diversity*

AIIESEC member seek to learn from the different ways of life and opinions represented in multicultural environment. They respect and actively encourage the contribution of every individual.

4. *Enjoying participation*

AIIESEC member create a dynamic environment created by active and enthusiastic participation of individuals. They enjoy being involved in AIIESEC.

5. *Striving for excellence*

AIIESEC member aim to deliver the highest quality performance in everything they do. Through creativity and innovation they seek to continuously improve.

6. *Acting sustainably*

AIIESEC member act in a way that is sustainable for the organization and society. The decisions they take into account the needs of future generations.

4.2 Survey Results

The survey instruments were distributed to 120 leaders of AIESEC in Indonesia, 89 data was return, 55 were returned physically and 34 others were returned via online questionnaire. 89 data used for analysis.

Table 4.1 Survey Result and Questionnaire Response

Survey	Number of Questionnaire
Distributed	120
Returned	89
Analyzed	89

Source: Processed from questionnaires using SPSS

4.3 Questionnaire Response

From 120 questionnaires distributed to AIESEC in Indonesia leaders, 89 questionnaires was returned to the researcher, therefore the respond rate is 74,1%. Some of the questionnaire failed to be return to researcher because of the limitation from both researcher and respondent to meet upon schedules. Spreading the questionnaire through two media, physical and online questionnaire, was one of the way to increase the response rate of the questionnaire.

After checking all of the return questionnaires, researcher continued to analyze the questionnaires. For detail information, this chapter will continued to explain about the review of respondent descriptive, analysis and the impact of relationship between variables and testing, hypotheses and discussion.

4.4 Descriptive Analysis of Respondent Characteristic

The purpose of descriptive analysis is to describe the characteristic of the respondents such as age, gender, education background, current position in AIESEC, tenure, local committee and experience.

4.4.1 Respondent Characteristics Based on Age

The age ranges for AIESEC in Indonesia leaders are 18 to 23 years old. Based on questionnaire's result in table 4.2 found that from 89 respondents, 55 (61.8%) respondent were 18-20 years old and 34 (38.2%) respondents were 21-23 years old.

Table 4.2 Respondent Characteristics Based on Age

Age	Frequency	Percentages
18 – 20 years old	55	61.8
21 – 23 years old	34	38.2
Total	89	100

Source: Processed from questionnaires using SPSS

4.4.2 Respondent Characteristics Based on Gender

Based on questionnaire's result in table 4.3 showed that male respondent was 31 and female respondent was 58. Female respondent take majority of 65.2% person of the respondent from 89 total respondents.

Table 4.3 Respondent Characteristics Based on Gender

Gender	Frequency	Percentages
Male	31	34.8
Female	58	65.2
Total	89	100

Source: Processed from questionnaires using SPSS

4.4.3 Respondent Characteristics Based on Education Background

The majority education background of 89 respondents was Economics (56.2%) while others education backgrounds are spread to the rest of 43.8%. Based on questionnaire result showed in table 4.4, respondent with economic as their education background was 50 (56.2%), 14 respondents (15.7%) with Political and Social Science education background, 4 respondent (4.5%) having Humanities and 5 respondent (5.6%) having Natural Science as their education background. While 18% others have difference education background, such as astronomy, communication and others.

Table 4.4 Respondent Characteristics Based on Education Background

Education Background	Frequency	Percentages
Economics	50	56.2
Political and Social Science	14	15.7
Humanities	4	4.5
Natural Science	5	5.6
Others	16	18
Total	89	100

Source: Processed from questionnaires using SPSS

4.4.4 Respondent Characteristics Based on Years of Study

Based on questionnaire's result in table 4.5 showed that only 1.1% of respondents are freshmen in their university, followed by 21,3% respondents was 2nd year student that take 4th semester, 46,1% enroll their 6th semester, 20,2% enroll their 8th semester, 3.4% having more than 8th semester for their study in the university that stated as others and 7.9% of 89 respondents was graduated. It can be seen in table 4.5 below:

Table 4.5 Respondent Characteristics Based on Years of Study

Years of Study	Frequency	Percentages
2 nd semester	1	1.1
4 th semester	19	21.3
6 th semester	41	46.1
8 th semester	18	20.2
Others	3	3.4
Graduated	7	7.9
Total	89	100

Source: Processed from questionnaires using SPSS

4.4.5 Respondent Characteristics Based on Position

Based on questionnaire's result in table 4.6 showed that 40.4% respondents was Executive Board, the highest leadership position hierarchy in one entity of AIESEC, then followed by 48.3% managers respondents, middle level leadership position and 11.2% team members.

Table 4.6 Respondent Characteristics Based on Position

Position	Frequency	Percentages
Executive Board	36	40.4
Managers	43	48.3
Team Members	10	11.2
Total	89	100

Source: Processed from questionnaires using SPSS

4.4.6 Respondent Characteristics Based on Tenure

Of 89 total respondent, 15 of them (16.9%) having 1 year experience in joined AIESEC in Indonesia, 40 of them (44.9%) have had joined AIESEC in Indonesia for 2 years, 27 of them (30.3%) have had joined AIESEC in Indonesia for 3 years, 5 of them (5.6%) have had joined AIESEC in Indonesia for 4 years and 2 of them (2.2%) have had joined AIESEC in Indonesia for more than 4 years. It can be seen from table 4.7 below:

Table 4.7 Respondent Characteristics Based on Tenure

Years of Joined	Frequency	Percentages
1 year	15	16.9
2 years	40	44.9
3 years	27	30.3
4 years	5	5.6
>4 years	2	2.2
Total	89	100

Source: Processed from questionnaires using SPSS

4.4.7 Respondent Characteristics Based on Committee

Of 89 total respondent, 20 of them (22.5%) are from AIESEC Universitas Andalas, 4 of them (4.5%) are from AIESEC Universitas Indonesia, 23 of them (25.8%) are from AIESEC Universitas Brawijaya, 18 of them (20.2%) are from AIESEC Universitas Diponegoro, 11 of them (12,4%) are from AIESEC Bandung, 6 from AIESEC Surabaya, 2 from AIESEC Indonesia and 5 of them (5.6 %) are from Expansion local committee. It can be seen from table 4.8 below:

Table 4.8 Respondent Characteristics Based on Committee

Committee	Frequency	Percentages
AIESEC Universitas Andalas	20	22.5
AIESEC Universitas Indonesia	4	4.5
AIESEC Universitas Brawijaya	23	25.8
AIESEC Universitas Diponegoro	18	20.2
AIESEC Bandung	11	12.4
AIESEC Surabaya	6	6.7
AIESEC Indonesia	2	2.2
Expansion	5	5.6
Total	89	100

Source: Processed from questionnaires using SPSS

4.4.8 Respondent Characteristics Based on Experience

Questionnaire's result in table 4.9 showed balance experience between 89 respondents. 45 of the respondent (50.6%) ever went abroad as AIESEC in Indonesia delegation and 44 of the respondent (49.4%) never went abroad as AIESEC in Indonesia delegation. It can be seen in table 4.9 below:

Table 4.9 Respondent Characteristics Based on Experience

Ever Went Abroad	Frequency	Percentages
Yes	45	50.6
No	44	49.4
Total	89	100

Source: Processed from questionnaires using SPSS

4.4.9 Respondent Characteristics Based on Overseas Activities

Of 89 total respondent, 35 of the respondents (39.3%) were involving in Global Community Development Program, 14 of the respondents (15.7%) ever involving in international conference and 40 of the respondent (44.9%) were involving in many others opportunity provided by AIESEC in Indonesia. It can be seen from table 4.10 below:

Table 4.10 Respondent Characteristics Based on Overseas Activities

Type of Activity	Frequency	Percentages
Global Community Development Program	35	39.3
International Conference	14	15.7
Others	40	44.9
Total	89	100

Source: Processed from questionnaires using SPSS

4.5 Descriptive Analysis of Items Respond Each Variable

Descriptive analysis of each items obtained from field survey is demonstrated in the following sections. The scores reflect the level of perceived overall respondents for each item. The items are measured using 5 point likert's scale. The higher the score means the more positive respond of the respondents.

4.5.1 Item Respond for Leadership Style

Based on the survey results, it is reflect that the highest respond of respondent's answer is the item 1 "I make others feel good to be around me" with mean 4,11 out of 5. Meanwhile, the lowest score can be seen on the item 14 with mean 2,83 which is respondent will be OK with whatever others want to do.

Table 4.11 Mean of Leadership Styles

No	Items	Mean
1	I make others feel good to be around me.	4,11
2	I express with a few simple words what we could and should do.	3,65
3	I enable others to think about old problem in new ways.	3,71
4	I help others develop them self	4,07
5	I tell others what to do if they want to be rewarded for their work	3,62
6	I am satisfied when others meet agreed-upon standards.	4,06
7	I am content to let others continue working in the same way as always	3,21
8	Others have complete faith in me.	3,66
9	I provide appealing images about what we can do.	3,70
10	I provide others with new ways of looking at puzzling things	3,51

11	I let others know how i think they are doing	3,66
12	I provide recognition/rewards whenn others reach their goals	3,97
13	As long as things are working, i do not try to change anything	3,03
14	Whatever others want to do is OK with me	2,83
15	Others are proud to be associated with me.	3,62
16	I help others find meaning in their work.	3,94
17	I get others to rethink ideas that they had never questioned before	3,73
18	I give personal attention to what others can get for what they accomplish	3,94
19	I call attention to what others can get for what they accomplish	3,67
20	I tell others the standards they have to know to carry out their work	3,83
21	I ask no more of others than what is absolutely essential	3,31

Source: Processed from questionnaires using SPSS

4.5.2 Item Respond for Decision Making Models

Survey result have shown that the highest respond of respondent's answer is the item 1 with mean 4,16 out of 5 which is the respondent planed their important decision carefully. While, the lowest score can be seen on the item 17 with mean 2,58 which is respondent will postpone decision making whenever possible.

Table 4.12 Mean of Decision Making Models

No	Items	Mean
1	I plan my important decision carefully	4,16
2	I make important decision in a logical and systematic way	3,92
3	My decision making requires careful thought	4,02
4	I double-check my information sources to be sure i have the right fact before making decisions	3,87

5	When making a decision, i consider various options in term of a specific goals	4,02
6	When making decision, i rely upon my instincts	3,64
7	When i make decision, i tend to rely on my intuition	3,54
8	I generally make decision which feel right to me	3,61
9	When i make a decision, it is more important for me to feel the decision is right than to have a rational reason for it	3,10
10	When i make a decision, i trust my inner feelings and reactions	3,52
11	I often need the assistance of other people when makingg improtant decisions.	3,66
12	I rarely make important decision without consulting other people	3,13
13	If i have the support of others, it is easier for me to make important decisions	4,13
14	I used the advice of other people in making my important decisions	3,75
15	I like to have someone steer me in the right direction when i am faced with important decisions	2,98
16	I avoid making important decisions until the pressure in on	2,75
17	I postpone decision making whenever possible	2,58
18	I often procrastinate when it comes to maiking important decisions.	2,65
19	I generally make important decisions at the last minutes	2,78
20	I put off making many decisions because thinking about them makes me uneasy	2,64
21	I often make desicion on the spur of the moment	2,80
22	I generally make snap decision	2,71
23	I make quick decisions	3,09
24	When making decisions, i do what seems natural at the moment	3,38
25	I often make impulsive decision	2,94

Source: Processed from questionnaires using SPSS

4.5.3 Item Respond for Job Performance

The table below, shows that item 2 “I performed a high quality work” as the highest respondent’s answer and item 3 “I completed task in unsatisfactory manner” as the lowest respond of respondent’s answer with the score 3,89 and 2,38.

Table 4.13 Mean of Job Performance

No	Items	Mean
1	I completed work in timely and effective manner	3,71
2	I performed a high quality work	3,89
3	I completed task in unsatisfactory manner	2,38
4	In my opinion, my quality of work as AIESEC member	3,84
5	In my opinion, my quantity of work as AIESEC member	3,79
6	In my opinion, my overall Performance as AIESEC member	3,78

Source: Processed from questionnaires using SPSS

4.6 Descriptive Analysis of Leadership Style and Decision Making models of AIESEC in Indonesia Leaders

4.6.1 Observation of Leadership Style

Data of Leadership Style of AIESEC in Indonesia leaders were collected using Multifactor Leadership Questionnaire (MLQ), which divided into three dimensions, Transformational leadership, Transactional leadership, and laizze-faire leadership. Table 4.14 shows the descriptive statistics of mean and standard deviation of the observation of three dimension of leadership style.

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Table 4.15 Observation of Leadership Styles

Dimension	Mean	Standard Deviation
Idealized Influence	3,7975	0,48371
Inspirational Motivation	3,7638	0,42715
Intellectual Stimulation	3,6479	0,52789
Individual Consideration	3,8912	0,51885
Contingency Award	3,7534	0,58956
Management by Exception	3,6398	0,50041
Laizze-Faire	3,1201	0,56211

Source: Processed from questionnaires using SPSS

4.6.2 Observation of Decision Making Models

Data of Decision Making models of AIESEC in Indonesia leaders were collected using General Decision-Making Style Scale (GDMS), which was divided into five dimensions, rational, intuitive, dependent, avoidant, and spontaneous models. Question 1-5 represented the rational models, question 6-10 represented the intuitive models, question 11-15 represented the dependent models, question 16-29 represented the avoidant models, question 21-25 represented the spontaneous models.

Rational decision making models appear to be the most decision making model used by AIESEC in Indonesia leaders with the highest mean (19,99) and Avoidant decision making models has the lowest mean score (13,40) means only few of the leader that used this models in their decision making process. Table 4.16 shows the descriptive statistics of mean and standard deviation of the observation of AIESEC in Indonesia leader decision making models and their total.

Table 4.16 Observation of Decision Making Models

Dimension	Mean	Standard Deviation
Rational	19,99	2,778
Intuitive	17,40	3,029
Dependent	17,66	3,130
Avoidant	13,40	3,810
Spontaneous	14,92	2,785
Total	83,38	9,599

Source: Processed from questionnaires using SPSS

4.7 Checking for Data Entry

4.7.1 Validity Testing

According to Ghozali (2001) validity test is a tool which is used to measure validation of questioner. Based on Hair et al. (1998) (p.111), factor loading greater than ± 0.3 are considered to meet the minimal level; loading value of ± 0.40 are considered more important; and if the loading are ± 0.50 or greater, they considered practically significant.

The variable used in this research was measure by multiple items: Leadership styles (21 items), decision making models (25 items), and job performance (6 items). Every item of each variable tested by factor analysis with factor loading must be more than 0.30. Point ± 0.30 are taken as the cut-off point for all items of the variable, factor loading lower than ± 0.30 will be drop in result and analysis.

4.7.1.1 Leadership Styles Validity Testing

Table 4.17a below shows that all items of leadership style have factor loading greater than 0.50, means all items of leadership style is significant and valid. The factor loading was test based on every dimension of leadership style LS 1, LS 8 and LS 15 are item for idealized influence, LS 2, LS 9, and LS 16 are item for inspirational motivation, LS 3, LS 10, LS 17 are item for intellectual stimulation, and LS 4, LS 11, and LS 18 are item for individual consideration, four of it was dimension of Transformational Leadership Style.

LS 5, LS 12 and LS 19 are item for contingency reward, LS 6, LS 13 and LS 20 are item for management by exception, both of it was dimension of Transactional Leadership Style. Laizze-Faire leadership style, with one dimension that is laizze-faire, the items are LS 7, LS 14 and LS 21.

Table 4.17a Validity Testing for Leadership Style

Dimension	Item	Factor Loading	Validity
Idealized Influence	LS 1	0,708	Valid
	LS 8	0,628	Valid
	LS 15	0,753	Valid
Inspirational Motivation	LS 2	0,536	Valid
	LS 9	0,743	Valid
	LS 16	0,685	Valid
Intellectual Stimulation	LS 3	0,683	Valid
	LS 10	0,790	Valid
	LS 17	0,712	Valid

Individual Consideration	LS 4	0,669	Valid
	LS 11	0,775	Valid
	LS 18	0,597	Valid
Contingent Award	LS 5	0,729	Valid
	LS 12	0,732	Valid
	LS 19	0,697	Valid
Management by Exception	LS 6	0,674	Valid
	LS 13	0,536	Valid
	LS 20	0,743	Valid
Laizze-Faire	LS 7	0,665	Valid
	LS 14	0,714	Valid
	LS 21	0,746	Valid

Source: Processed from questionnaires using SPSS

4.7.1.2 Decision Making Models Validity Testing

Decision Making Models have 5 dimension that are rational decision making model, with item DMM 1, DMM 2, DMM3, DMM4, and DMM5. The entire factor loading are greater than 0,50 means that all item in rational decision making model are valid.

Intuitive decision making model items are DMM 6, DMM 7, DMM8, DMM9, and DMM10, have variety factor loading. DMM 6 and DMM 7 with factor loading greater than 0,50, DMM 8 has factor loading greater than 0,30, DMM 9 and DMM 10 with factor loading greater than 0,40. All items in intuitive decision making models are valid, because the items at least meet the minimal level.

DMM 11, DMM 12, DMM 13, DMM 14, and DMM 15 are the items for dependent decision making model. All items are valid, because have factor loading greater than 0,40 that consider more important for DMM 12 and practically significant with factor loading greater than 0,50 for DMM 11, DMM 13, DMM 14, and DMM 15.

Avoidant decision making model items are DMM 16, DMM 17, DMM 18, DMM 19, and DMM 20 and the factor loading of all the items greater than 0, 05 means that all item are valid and practically significant.

Spontaneous decision-making model items, DMM 21, DMM 22, DMM 23, DMM 24, and DMM 25, with variety factor loading are valid for all items. DMM 21 and DMM 22 have factor loading greater than 0,50, DMM 23 factor loading is greater than 0,40, and DMM 24, DMM 25 factor loading are greater than 0,30 that considered meet the minimal level. This result reflected on table 4.17b

Table 4.17b Validity Testing for Decision Making Models

Dimension	Item	Factor Loading	Validity
Rational Decision Making	DMM 1	0,780	Valid
	DMM 2	0,768	Valid
	DMM 3	0,788	Valid
	DMM 4	0,693	Valid
	DMM 5	0,583	Valid
Intuitive Decision Making	DMM 6	-0,594	Valid
	DMM 7	-0,546	Valid
	DMM 8	0,329	Valid

	DMM 9	0,471	Valid
	DMM 10	0,474	Valid
Dependent Decision Making	DMM 11	0,786	Valid
	DMM 12	0,467	Valid
	DMM 13	0,706	Valid
	DMM 14	0,762	Valid
	DMM 15	0,607	Valid
Avoidant Decision Making	DMM 16	0,784	Valid
	DMM 17	0,824	Valid
	DMM 18	0,736	Valid
	DMM 19	0,718	Valid
	DMM 20	0,737	Valid
Spontaneous Decision Making	DMM 21	-0,595	Valid
	DMM 22	-0,505	Valid
	DMM 23	0,498	Valid
	DMM 24	0,354	Valid
	DMM 25	0,365	Valid

Source: Processed from questionnaires using SPSS

4.7.1.3 Job Performance Validity Testing

Job Performance has 6 items, JP 1, JP 2, JP3, JP 4, JP 5 and JP 6 are all valid because having factor loading greater than 0,05 (JP 1, JP 2, JP 4, JP 5 and JP 6) that consider valid and practically significant and JP 3 has factor loading 0,342 are valid and consider meet the minimal level.

The data of job performance factor loading are presented on table 4.17c as follows:

Table 4.17c Validity Testing for Job Performance

Item	Factor Loading	Validity
JP 1	0,653	Valid
JP 2	0,668	Valid
JP 3	0,342	Valid
JP 4	0,785	Valid
JP 5	0,669	Valid
JP 6	0,760	Valid

Source: Processed from questionnaires using SPSS

4.7.2 Reliability Testing

Reliabilities according to Ghozali (2001:41) is measuring instrument to measure a questioner which represent indicator of construct variable. The most popular test of inter item consistency reliability is the Cronbach's coefficient alpha (Cronbach's alpha; Cronbach, 1946; cited from Sekaran 2003).

Reliability is a measure of the ratio of the true score variance to the observed score variance (Nunnally, 1978, cited from Uzonwanne, 2007). Table 4.18 provides the Cronbach's coefficient alpha score and the meaning of reliability.

Table 4.18 Cronbach's Coefficient Alpha

a	Meaning
$0.00 < a < 0.30$	Not Reliable
$0.30 < a < 0.50$	A little Reliable
$0.50 < a < 0.70$	Reliable
$0.70 < a < 0.90$	Very Reliable
$0.90 < a < 1.00$	Extremely Reliable

In Table 4.19 below can be seen that the overall value of cronbach's alpha for leadership styles is 0.786 with meaning "very reliable", the overall value of cronbach alpha for decision making models is 0.818 with meaning "very reliable", and the value of cronbach alpha for job performance is 0.610 that meaning "reliable" as well.

Based on that data, the cronbach alpha for three variables exceeding 0.6 and the instruments were regarded as reliable. Table 4.19 also provides reliability testing for each dimension of variable. It can be seen that the value of cronbach alpha for Transformational leadership style is 0,739 which mean very reliable, for Transactional leadership style the value of cronbach alpha is 0,608 and Laizze-Faire leadership 0,502 which is mean reliable. Decision making models dimension, rational, intuitive, avoidant and spontaneous, cronbach alpha value greater than 0,07 that means all the dimension are very reliable, and dependent decision making models value of cronbach alpha is 0,693 that means reliable.

Table 4.19 Reliability Testing

Variables	Dimensions	Cronbach's Alpha	Item
Leadership Styles	Transformational	0.739	12
	Transactional	0.608	6
	Laizze-Faire	0.505	3
	Overall	0.786	21
Decision Making Models	Rational	0.773	5
	Intuitive	0.702	5
	Dependent	0.693	5
	Avoidant	0.817	5
	Spontaneous	0.733	5
	Overall	0.818	25
Job Performance	-	0.610	6

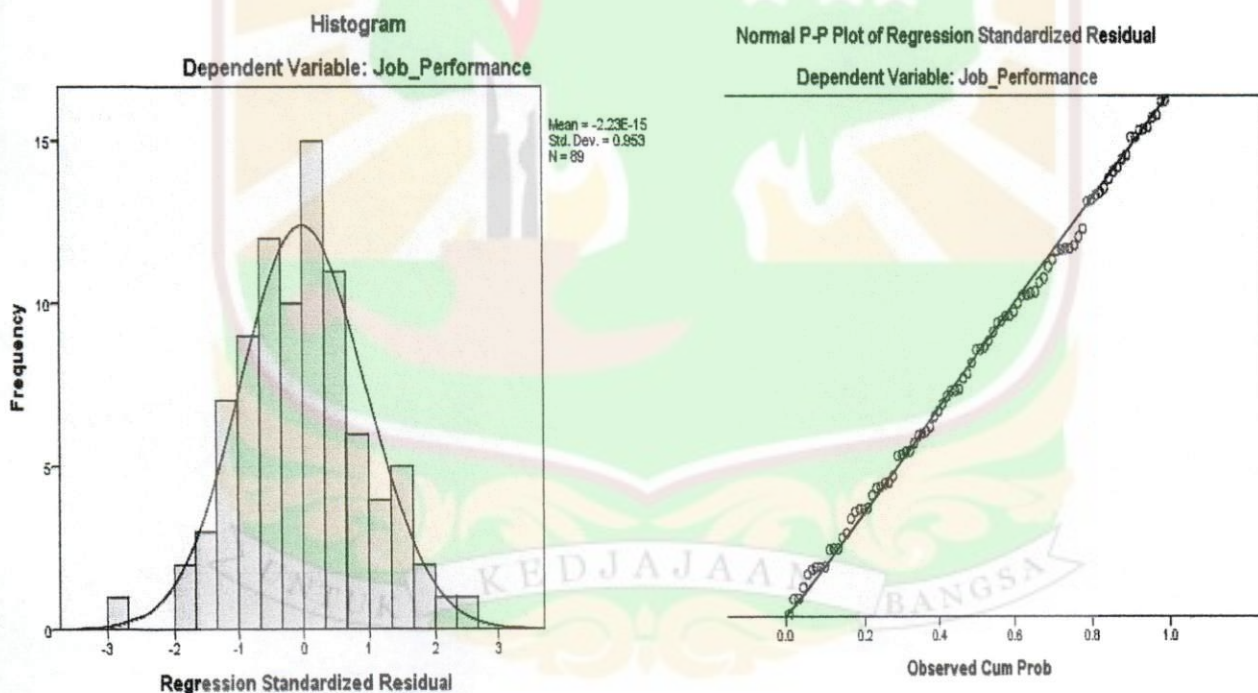
Source: Processed from questionnaires using SPSS

4.7.3 Normality Testing

The most fundamental assumption of multivariate analysis is normality (Hair et al. 1998, p. 70). Normality test purposed to see whether the independent variables and the dependent variable have a normal distribution or not. A simple test can be conducted to identify the distribution score of each variable.

Normality test can be done by looking at the graph and also can be process trough Kolmogorov Smirnov test, whereby if the sign value > 0.05 , then it can be concluded that the data variables were tested with the normal spread.

Figure 2 Normality test



From the figure 2 can be seen that the histogram shows the normal distribution and in the graphic normal plots, the data was followed the diagonal line that can be conclude that all the data normally distributed. The normality of can be check further more by using Kolmogorov-Smirnov Test. Table 4.20 provide the result of normality test using One-Sample Komlogorov-Smirnov Test. The result showed all the significant value are greater than 0,05, than it can be conclude that the data was normally distributed.

Table 4.20 Kolmogorov Smirnov Test

Variables	Dimensions	Kolmogorov-Smirnov Z	Sig
Leadership Styles	Transformational	0,689	0,729
	Transactional	1,193	0,116
	Laizze-Faire	1,381	0,044
Decision Making Models	Rational	1,070	0,202
	Intuitive	0,908	0,382
	Dependent	0,988	0,284
	Avoidant	0,957	0,319
	Spontaneous	1,007	0,262
Job Performance	-	1,057	0,214

Source: Processed from questionnaires using SPSS

4.8 Hypothesis Testing

4.8.1 Analysis of correlation between Leadership Style and Decision Making Models

Hypothesis One : There is significant relationship between the leadership style of non-profit organization leaders (Transformational, Transactional, and Laizze-Faire) and their preferred decision making models (rational, dependent, and avoidant).

The relationship between leadership style of AIESEC in Indonesia leaders (Transformational, Transactional, and Laizze-Faire) and their decision making models (rational, intuitive, dependent, spontaneous, and avoidant) were tested in hypothesis one. The hypothesis was tested using the Pearson product-moment correlation, represent in Table 4.21.

The result, presented in Table 4.21 shows a significant positive correlation between transformational leadership style and rational decision making ($r = 0,480^{**}$; $p < 0,01$). Transformational leadership styles also shows positive significant correlation with spontaneous leadership styles ($r = 0,246^{**}$; $p < 0,01$).

The results also showed significant positive correlation between transactional leadership style and rational decision making ($r = 0,492^{**}$; $p < 0,01$), transactional leadership style and intuitive decision making ($r = 0,270^{*}$; $p < 0,01$), and also between transactional leadership style and dependent decision making ($r = 0,221^{*}$; $p < 0,01$). Laizze-Faire leadership style appears to be significant correlate with intuitive decision making ($r = 0,428^{**}$; $p < 0,01$).

Table 4.21 Pearson Product-Moment Correlation of Leadership Style and Decision Making Models of AIESEC in Indonesia Leaders

Variable	1	2	3	4	5	6	7	8
Transformational								
Transactional	0,572**							
Laizze-Faire	0,111	0,313**						
Rational	0,480**	0,492**	0,166					
Intuitive	0,071	0,270*	0,428**	0,199				
Dependent	0,098	0,221*	0,061	0,183	0,241*			
Avoidant	-0,144	-0,124	0,184	-0,112	0,398**	0,227		
Spontaneous	0,246*	0,142	0,172	0,095	0,423**	0,078	0,467**	

** . Correlation is significant at the 0,01 level (2-tailed)

*. Correlation is significant at the 0,05 level (2-tailed)

Source: Processed from questionnaires using SPSS

Therefore, Hypothesis one is supported, because the result shows there is significant relationship between leadership styles and their preferred decision making models.

4.8.2 Analysis of correlation and the impact of Decision Making Models on Job Performance

Hypothesis Two: The more a manager employs a rational decision making style, the higher the level of job performance. The more a manager employs a intuitive decision making style, the lower the level of job performance. The more a manager employs a dependent decision making style, the higher the level of job performance. The more a manager employs a avoidant decision making style, the lower the level of job performance. The more a manager employs a spontaneous decision making style, the lower the level of job performance

The relationship between decision making models (rational, intuitive, dependent, spontaneous, and avoidant) of AIESEC in Indonesia leaders and its correlation and/or impact on job performance were tested in hypothesis two. This hypothesis was divided into five sub hypothesis. The hypothesis was tested using the Pearson product-moment correlation. Table 4.22 provides the result for the correlation of decision making models and job performance of AIESEC in Indonesia leaders.

Table 4.22 Pearson Product-Moment Correlation of Decision Making Models and Job Performance of AIESEC in Indonesia Leaders

Variable	1	2	3	4	5	6
Job Performance						
Rational	0,482**					
Intuitive	0,050	0,199				
Dependent	-0,002	0,183	0,241*			
Avoidant	-0,093	-0,112	0,398**	0,227*		
Spontaneous	0,171	0,095	0,423**	0,078	0,467**	

** . Correlation is significant at the 0,01 level (2-tailed)

*. Correlation is significant at the 0,05 level (2-tailed)

Source: Processed from questionnaires using SPSS

The result presented in Table 4.22 shows a significant positive correlation between Rational decision making and Job performance ($r = 0,482^{**}$ $p < 0,01$ or $0,001$). This is can prove that the more a manager employs a rational decision making style, the higher the level of job performance. Therefore, hypothesis two point *a* (H2a) supported.

The results in Table 4.22 showed a positive correlation on Intuitive decision making model ($r = 0,050$ $p > 0,01$), and the positive sign of r value shows that the more a manager employs a intuitive decision making style, the higher the level of job performance, therefore hypothesis two point b (H2b) not supported.

The significant negative correlation appears on the correlation between Dependent decision making style and job performance ($r = -0,002$ $p > 0,01$), the negative sign of r value shows that the more a manager employs a dependent decision making style, the lower the level of job performance, therefore hypothesis two point c (H2c) not supported.

The same cases also happen on the correlation between Avoidant decision making style and job performance ($r = -0,093$ $p > 0,01$), the negative sign of r value shows that the more a manager employs a avoidant decision making style, the lower the level of job performance, therefore hypothesis two point d (H2d) supported.

Hypothesis two point e (H2e), the more a manager employs a spontaneous decision making style, the lower the level of job performance was not supported because there is positive correlation on Spontaneous decision making model with job performance ($r = 0,171$ $p > 0,01$), and the positive sign of r value show the contrast argument for the correlation.

4.8.3 Analysis of Demographic Variable (Gender) on Leadership Style of AIESEC in Indonesia Leaders

Hypothesis Three : There is significant difference in the leadership style used among non-profit leaders (Transformational, Transactional, and Laizze-Faire) based on their gender.

Hypothesis three required the analysis of the leadership style which was used by AIESEC in Indonesia leaders (Transformational, Transactional, and Laizze-Faire) based on their gender (demographic variable).

This hypothesis was tested by using t-test. The t-test was used to test for significant relationship between leadership styles which were used (Transformational, Transactional, and Laizze-Faire) based on their gender. Table 4.23 provide the result of differences on leadership style used among AIESEC in Indonesia leader based on their gender.

Table 4.23 Differences on Leadership Style by Gender

Leadership Style	Gender	Mean	T	Sig
Transformational	Male	3,8090	0,648	0,960
	Female	3,7574	0,662	
Transactional	Male	3,6661	-0,452	0,570
	Female	3,7124	-0,470	
Laizze-Faire	Male	3,0865	-0,411	0,966
	Female	3,1381	-0,393	

Source: Processed from questionnaires using SPSS

The result found there no statistical significant difference in gender based on leadership style. Transformational leadership style shows $p = 0,960$ or $p > 0,05$, transactional leadership style $p = 0,570$ and laizze-faire leadership style $p = 0,966$. All the significant level are greater than $0,05$ means that there is no significant difference on leadership style based on their gender. Therefore, hypothesis one is not supported.

Table 4.23a provides more detail data on differences in gender based on 7 factor of leadership style in Multifactor leadership questionnaire. From table 4.23a, found that Individual Consideration $p = 0,086$ appears to be the only factor that shows the significant difference based on Gender, and mostly occupied by female leaders.

Table 4.23a Differences on Leadership Style Factor by Gender

Leadership Style	Gender	Mean	T	Sig
Idealized Influence	Male	3,7958	-0,024	0,871
	Female	3,7984		
Inspirational Motivation	Male	3,8055	0,671	0,127
	Female	3,7416		
Intellectual Stimulation	Male	3,8061	2,108	0,979
	Female	3,5633		
Individual Consideration	Male	3,8281	-0,838	0,086 *
	Female	3,9250		
Contingency Award	Male	3,8281	0,873	0,938
	Female	3,7134		
Management by Exception	Male	3,5045	-1,891	0,185
	Female	3,7121		
Laizze-Faire	Male	3,0865	-0,411	0,966
	Female	3,1381		

*. Significant at $p \leq 0,1$ (2-tailed)

Source: Processed from questionnaires using SPSS

4.8.4 Summary of Hypothesis Testing

Based on the hypothesis testing above, we can summarize the result that can be shown in table 4.24 below.

Table 4.24 Summary of Hypothesis Testing

	Hypothesis	Result
H 1	There is significant relationship between the leadership style of non-profit organization leaders (Transformational, Transactional, and Laizze-Faire) and their preferred decision making models (rational, intuitive, dependent, spontaneous, and avoidant).	Supported
H 2a	The more a manager employs a rational decision making style, the higher the level of job performance.	Supported
H 2b	The more a manager employs a intuitive decision making style, the lower the level of job performance.	Not Supported
H 2c	The more a manager employs a dependent decision making style, the higher the level of job performance.	Not Supported
H 2d	The more a manager employs a avoidant decision making style, the lower the level of job performance.	Supported
H 2e	The more a manager employs a spontaneous decision making style, the lower the level of job performance	Not Supported
H 3	There is significant difference in the leadership style used among non-profit leaders (Transformational, Transactional, and Laizze-Faire) based on their gender.	Not Supported

4.9 Discussion of Research Findings

4.9.1 Analysis of correlation between Leadership Style and Decision Making Models

The researcher found significant relationship between leadership style of AIESEC in Indonesia leaders and the preferred decision making models employed by the leaders. This finding, aligned with Uzonwanne (2007) on his dissertation about leadership style and decision-making models among corporate leaders in non-profit organizations. Uzonwanne indicates that there is a significant leadership styles (selling, telling, delegating, and participating) with decision making models (rational, intuitive, dependent, avoidant and spontaneous). This research examined other type of leadership style that is transformational leadership, transactional leadership and laissez-faire with decision making models.

The researcher found there is significant positive correlation between rational decision making models with both transformational and transactional leadership style. It can be concluded that leaders with transformational and transactional leadership style are used rational styles as their preferred decision making models. This is aligned with type of rational decision making models that is deliberate, analytical and logical in taking decision and may linked to higher performance.

The negative correlation found between avoidant decision making models with transformational and transactional leadership style, because avoidant style is attempt to delay, denial and avoid decision making that is contradictory with transformational and transactional leadership style.

While, Laizze-faire leadership style did not show any significant correlation with every decision making style observed. It is related with the characteristic of laizze-faire leadership style that avoids accepting responsibilities, absent when needed, and resists expressing his or her views on important issues. Laizze-faire leaders gives the majority control in the decision making process to the followers, means this leaders almost didn't take any decision.

Dependent decision making models shows positive correlation with all three leadership style yet not significant. Dependent style reliance on research for advice and direction from others, therefore none of specific leadership style prefer used this decision making models.

It is can be summarize that transformational and transactional leadership styles are preferably used rational decision making models. Dependent decision making models having positive correlation with all three leadership style, but didn't take as the preferred models. It is used upon request by situation and type of decision that will be made. Avoidant decision making model with negative correlation with transformational and transactional leadership style defines as the decision making models that never be used by that's leaders.

Laizze-faire leadership style with its characteristics didn't have any significant correlation with all decision making models dimension (rational, intuitive, dependent, spontaneous and avoidant), because laizze-faire leaders almost didn't make any decisions. This summarizes also support by the correlation score for every characteristic of leadership style that examine in this research.

Therefore, it is concluded that there is a significant relationship between leadership style and their preferred decision making models.

4.9.2 Analysis of correlation and the impact of Decision Making Models on Job Performance

Overall job performance is impacted by the decision made by the leaders and achieving favorable outcome having a causal relationship with making decision in “right way”. It has been discussed before that rational decision making will lead to higher quality decision, avoidant decision making will have negative impact on performance and dependent decision making models, assuming as participative, will give a positive impact on performance.

This research findings are linking with previous research by Russ (1996) that found rational decision making models having significant positive correlation with job performance with conclusion that the more the leaders employ rational decision making models, the higher the level of job performance. Rational decision making style related to initiation of structure and internal control orientation that may be linked to higher performance, rational decision makers also assess the long term effect of their decision and have a strong fact-based task orientation to decision making.

Avoidant decision making models, in this research findings, shows significant negative correlation with job performance which means the more a leader employs avoidant decision making style, the lower the level of job performance. Avoidant

decision making models with its characteristic that delay, deny, and avoid decision making will lead to the lower quality of its decision and impact the performance.

Different cases happen in the result findings of correlation between dependent decision making models with job performance that contradict with some of the previous research (Kohli, 1989; Bagozzi, 1980, Janis & Mann, 1977, cited from Russ, 1996). The result finding shows negative correlation that means the more the leaders employs dependent decision making models, the lower the level of job performance. Dependent decision making models is characterized by the used of advice and support from others in making decision.

In case of AIESEC in Indonesia leaders, it might be seen as leaning on others and may produce negative reaction. AIESEC in Indonesia leaders with their values tent to be independent on their decision making process. That is why dependent decision making models impacting to lower job performance.

Intuitive decision making models and Spontaneous decision making models also appears contradictory with the previous research. In this research finding, intuitive and spontaneous decision making models that employed by AIESEC in Indonesia leaders lead to higher performance. AIESEC in Indonesia as non-profit organization run by students suggest that intuitive decision making models were decision made relatively quickly and reliance on feelings linked with higher performance. It is support by AIESEC in Indonesia leaders that is students and still in the learning process to be the future leaders.

Similarly, spontaneous decision making models lead to higher performance on AIESEC in Indonesia practice. This case may linked with the leadership term of AIESEC in Indonesia leaders that quite short, 1 year, so the leaders with desired to get through the decision making process as soon as possible linked to higher the performance.

This finding enriches the theory that states every leadership styles and decision making models are effective in different situations. Situation of AIESEC in Indonesia put rational decision making models as the most effective decision making models used by the leaders followed by Intuitive and Spontaneous decision making models that lead to higher the performance. While, Dependent and Avoidant decision making models appears to be the ineffective decision making models employed by AIESEC in Indonesia leaders.

4.9.3 Analysis of Demographic Variable (Gender) on Leadership Style of AIESEC in Indonesia Leaders

AIESEC in Indonesia leaders are occupied leadership style based on the value on them self and it is not significantly differ based on their gender. The result finding shows that there is no statistical difference in gender based on leadership style that occupied by the leaders.

This finding was intercorrelated with previous research findings by social scientist that claims female and male organizational leaders do not differ on minimized the importance of those difference that have been observed (e.g., Powell,

1990). Although leadership style are not obviously related to gender roles, the researcher investigated leadership style used among male and female leaders to provide the dominant characteristic and styles of every leaders.

As shown in Table 4.23, transformational leadership style were tend to used more by male leaders, while female leaders are dominant from male in the degree of occupied transactional and laissez-faire leadership styles. The researcher also break it down into each characteristic of leadership style, and the reseacher conclude that female and male leaders are in the same degree of idealized influence. They are not differ on how they can be trust and respected to make good decision for organizations. The leaders always communicated values, purpose and the importance of mission wheter they are female or male.

On the characteristic of inspirational motivation, male exceeded female score, that reflect male are exhibits more optimism and excitement about goals rather that female. It is also can be concluded male supports followers to be creative and innovatives, try new approached and challenges their belief more that female leaders, that reflected on the inspirational motivation and intellectual stimulation characteristics. On the other hand, female Managers provides more supportive climate, listen and act as a coach and mentor, also treat individuals in a caring and unique ways.

In the characteristics of Transactional leadership style, male leaders are dominant on contingent reward, while female leaders dominant on management by exception. It is concluded that male leaders more likely to exchanges rewards for

satisfactory performance by follower, while female leaders tend to intervene to make correction and involve corrective criticism.

Based on the discussion above, male leader's higher score on transformational leadership characteristic (Inspirational motivation and intellectual stimulation) and contingent reward and female leader's higher score on individual consideration, management by exception and laizze-faire characteristics suggest that the male leaders of AIESEC in Indonesia are more effective.

4.9.4 Summary of Result Findings

This research examined the relationship between the leadership styles (Transformational, Transactional, and Laizze-faire) and Decision Making Models (Rational, Dependent and Avoidant) of AIESEC in Indonesia leaders and its impact on Job Performance. Four variables were examined: Leadership Style, Decision Making models, Job Performance and demographic characteristic (Gender).

Data for analysis were collected from questionnaire completed by AIESEC in Indonesia leaders, comprise of Executive Board, Managers and Team Member in decision level. The questionnaire distributed to 120 leaders, 55 were returned physically and 34 were returned via online questionnaire. Total questionnaire returned was 89 and all of them used for analysis. The return rate was 74,1%. In this study, the results were computed engaging descriptive and inferential statistical analysis, in SPSS Statistic version 19.

Based on the result of descriptive analysis, the respondents are 18 to 23 years old and mostly having economic as their education background. The female respondents are quite dominant with 65% from total respondent. Most of the leaders of AIESEC in Indonesia leaders are studying on their 6th semester in 16 different University in Indonesia. The leaders are managers and executive board with 2 years experience in AIESEC.

There is balance number between the leaders that ever went abroad with the one who never, many of them that ever went abroad are taking Global Community Development Program and for those who never went abroad as AIESEC in Indonesia delegation are taking other opportunity provided by AIESEC in Indonesia.

The observation of leadership style used among AIESEC In Indonesia leaders shows that Transformational Leadership as the dominant leadership style used, Transactional leadership style appears in the moderate level and Laizze-Faire leadership style as uncommon style used by AIESEC in Indonesia leaders.

Multifactor leadership questionnaire as the instrument to collect this result, divided into 7 factor of leadership style. Individual Consideration appears as the highest factor, that mean most of the leaders of AIESEC in Indonesia are provides a supportive climate, listen to followers, and treats others in a caring and unique way. And Laizze-Faire as the lowest factor of leadership style adopt by AIESEC in Indonesia leaders, which can be conclude that it is very infrequent for the leaders to avoids accepting responsibilities, do not provide direction or guidance and resist expressing his or her views on important issues.

The observation of decision making models employed by AIESEC in Indonesia leaders were observed by using General Decision-Making Style Scale (GDMS). Rational Decision Making models appears to be the dominant decision making models employed by AIESEC in Indonesia leaders that means that most of the leaders are analytical and logic in taking the decision. They also assess long term effect of their decision and having a strong fact-based task orientation to decision making. Contradictory, Avoidant decision making models appears to be the most infrequent models used. It may represent the leaders of AIESEC in Indonesia rarely attempt to avoid decision making.

Validity testing for this research was test using factor analysis. Based on Hair et al. (1998) (p.111), factor loading greater than ± 0.3 are considered to meet the minimal level; loading value of ± 0.40 are considered more important; and if the loading are ± 0.50 or greater, they considered practically significant. The result of validity testing are vary form factor loading greater than ± 0.50 , greater than ± 0.40 and only meet the minimal level on factor loading greater than ± 0.30 . Point ± 0.30 are taken as the cut-off point for all items of the variable, factor loading lower than ± 0.30 will be drop in result and analysis.

All items in leadership style (21 items) having factor loading greater that 0,05 and considered significant and valid. 11 items out of 25 items of decision making models are consider important and meet the minimal level, while 14 others having factor loading greater than 0,05. Job Performance with 6 items is valid for all items as well with factor loading greater than 0,05.

The Cronbach alpha coefficient of the questionnaires were all greater than 0,05 which means that all items were believable and regards as reliable. In Kolmogorov Smirnov Test all the significant value also greater than 0,05 which means all the data was normally distributed. It is also presented in the graphic normal plots and histogram of normality test.

Hypothesis one examined the relationship between the leadership style of non-profit organization leaders (Transformational, Transactional, and Laizze-Faire) and their preferred decision making models (rational, dependent, and avoidant). This hypothesis was tested using the Pearson product-moment correlation. The result shows a significant positive and negative correlation between Leadership Style and Decision Making Models. The result present Variety correlation based on the style that they adopt, some are having positive correlation while others showing negative correlation. Hypothesis one is supported.

Hypothesis two examined the correlation and impact of Decision Making Models (rational, intuitive, dependent, avoidant and spontaneous) on Job Performance. This hypothesis was tested using the Pearson product-moment correlation. The result shows a significant positive correlation between Rational Decision Making Models with Job Performance, therefore hypothesis H2a is supported, positive correlation between intuitive Decision Making Models with Job Performance, therefore hypothesis H2b is not supported, not significant negative correlation between Dependent Decision Making Models with Job Performance, therefore hypothesis H2c not supported, a significant negative correlation between Avoidant Decision Making Models with Job Performance, therefore hypothesis H2d

is supported and positive correlation between Spontaneous Decision Making Models with Job Performance, therefore hypothesis H2e is not supported

Hypothesis three examined the differences between the leadership style used among non-profit leaders (Transformational, Transactional, and Laizze-Faire) based on their gender. This hypothesis was tested using t-test. The result found there is no statistical difference in gender based on the leadership style used, therefore hypothesis one is not supported.

The result of hypothesis testing shows some different result with the previous research that has been done. This provide a clue that leaders of AIESEC in Indonesia are different, because they are student, young leaders, that force to lead for effectivity of non-profit organization performance. It can be conclude that AIESEC in Indonesia leaders are differ on the way they are taking decision based on their leadership styles. Rational, Intuitive and Spontaneous decision making models used by AIESEC in Indonesia leaders bringing the higher level of job performance. While, Dependent and Avoidant decision making models lead to lower job performance. AIESEC in Indonesia leaders not differ based on gender to the way they lead their followers.

The finding of this research that explored the relationship between the leadership styles (Transformational, Transactional, and Laizze-faire) and Decision Making Models (Rational, Dependent and Avoidant) of AIESEC in Indonesia leaders and its impact on Job Performance are indicating significant relationship between leadership style and decision making models as well as its positive and negative impact to Job performance based on the decision making models that occupied by the leaders.

CHAPTER V

CONCLUSION AND RECOMMENDATION

6.1 Introduction

This research consists of five chapters, chapter one represents a picture of the overall study, preceded by background of the research. Chapter two contains the literature review, followed by the study on previous research and the development of the hypotheses of the research. Chapter three discuss the models and methodology used in collecting and analysing the data to gather the information and examine the hypothesis.

Data analysis, result performed and the discussion on the result findings are presented on chapter four, and this chapter were conclude the research and provides implication, limitation as well as the recommendation for further research. As noted, this research explore the relationship between the leadership styles (Transformational, Transactional, and Laizze-faire) and Decision Making Models (Rational, Dependent and Avoidant) of AIESEC in Indonesia leaders and its impact on Job Performance.

6.2 Conclusion

According to data analysis, the result performed and the discussion within this research, Researcher concludes that:

1. The type of leadership style that dominantly used by AIESEC in Indonesia leaders is Transformational leadership style and transactional leadership style appears in the moderate level.

2. The dominant decision making styles employed by AIESEC in Indonesia leaders is rational decision making models.
3. Leaders with transformational and transactional leadership style preferable to used rational decision making models in taking their decision.
4. There is significant relationship between leadership style of AIESEC in Indonesia leaders (transformational, transactional and laissez-faire leadership style) and their preferred decision making models (rational, intuitive, dependent, avoidant and spontaneous).
5. The more AIESEC in Indonesia leaders employs rational, intuitive and spontaneous decision making models, the higher the level of job performance. The more AIESEC in Indonesia leaders employs dependent and avoidant decision making models, the lower the level of job performance.
6. There is no statistical significant difference in gender based on leadership style used among AIESEC in Indonesia Leaders.

6.3 Implication, Limitation, and Recommendation for Future Research

6.3.1 Implication

The result of the study contribute to existing understanding of leadership style and its relationship with the preferred decision making models used among non-profit organization leaders. This research also adds to the body literature on the relationship between leadership style, decision making models and its impact on job performance.

1. This study help AIESEC in Indonesia leaders to know their leadership style, their decision making models and how it is impacted their job performance. It is provide more data on how they could improve their job performance by taking suitable decision making models and ideals characteristic of a good leaders with appropriate leadership style.
2. The result of this research and analysis will contributed to the increasing of AIESEC in Indonesia performance as a whole organization, as the leaders know how to take a good decision by adopting an appropriate decision making models and improving their job performance.
3. This research also provides a clue on how AIESEC in Indonesia has a fast track on growing performance within other entity in Asia Pasific. This research, furthermore, could enlarged the leadership capacity of AIESEC in Indonesia leaders to grow even more.
4. This finding also assist new leaders to understand more on how to make better decision with good quality in the future and improving their performance to achieving organization goals.
5. This research also providing a clue of leaders behavior based on characteristic of leadership style and how male are differ from female in the type of their leadership style. In which characteristic male are dominant from female and the other way. This finding also helps upcoming leaders to create a good leadership style and helps the followers to have a right expectation on how they will be lead.

6. This research enhances the importance of previous theories such as leadership theory, decision making theory and others in producing good performance.

6.3.2 Limitations and Future Research

As a result of the analysis, conclusion of the research and review of literature, the following limitations and recommendations are made to facilitate future research:

1. This research only focus on AIESEC in Indonesia leaders that comprises on executive board, managers and team member for period 2011-2012 only. Future research could focus on other non-profit organization or can extend the population and sample into the past three year leaders, and/or extended the research into AIESEC in South East Asia leaders.
2. The questionnaire used in this research adopts from Multifactor Leadership Questionnaire and General Decision Making Style Scale that consist some ambiguous question and hard vocabulary that may confuse the respondent and affect their responds. Future research may translate the questionnaire into bahasa or give a guideline to the respondent in filling the questionnaire.
3. The researcher used three types of leadership style that is Transformational Leadership, Transactional Leadership, and Laizze-faire leadership style. Future research may use other type of leadership style, such as situational or behavioral leadership style to get wider view on how actually leaders in AIESEC behave.

4. The decision making models used for analysis in this research are rational, intuitive, dependent, spontaneous and avoidant decision making models. Future research may use another type of decision making that commonly used by non-profit organization leaders.
5. Future research may narrow the research to one particular leadership style and one decision making models used by non-profit organization on middle level managers or other scope of studies.
6. This research only focus on leadership style differences among gender, future research could examine also the decision making models differences among age, educational background, tenure and other.
7. This research also only focuses on the impact of decision making models on job performance. Future research could analyze the impact of leadership style used to job performance, and/or the impact of leadership style and decision making models to job performance and/or organization performance.
8. This research focuses on leadership style, decision making models and job performance. other variable that could be explored with future research would include organizational culture, organizational climate, followers/member motivation, member satisfactions, etc. Demographic variable used could be exploring more to age, education background, tenure, and so on.
9. Future research could adopt other statistical method in processing and analyzing the data in order to gather more accurate result of the research.

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