The Influence of Transformational Leadership on the Effectiveness of Decision Making in Startup Companies in Surabaya

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Abstract: The focus of this study is to see how leadership affects how effective teamwork decision-making is. Effective leadership is essential to achieving common goals in dynamic and competitive organizations. This study uses a descriptive-correlational approach and a quantitative survey. Respondents are work teams from various organizations. The results of the study indicate that participative leadership style affects decision quality, time efficiency, and team satisfaction. Leaders who are able to communicate well, manage conflict, and set clear goals have the ability to create an environment that encourages creativity and cooperation. To improve the decision-making process in work teams, this study suggests a more participative leadership style and improved communication skills.

Keywords: Leadership, Decision-Making Effectiveness, Participative Leadership Style, Work Team, Quantitative Survey Method

Introduction

In an ever-changing and competitive organizational environment, the role of leadership is one of the key factors that determine the direction, quality, and overall success of the organization. Leadership is not only limited to a title or position in a hierarchical structure, but also to the ability to direct, motivate, and empower individuals and teams to achieve common goals. In this context, effective decision-making is an important aspect that reflects the quality of leadership in the organization.

Decision-making is a complex process that involves various considerations, including situation analysis, identification of alternatives, and selection of the best solution. The success of an organization often depends on the ability of its leaders to make strategic, quick, and targeted decisions. However, the quality of these decisions is inseparable from the leadership style applied. Leadership styles, such as authoritarian, democratic,

transformational, and transactional, have a significant influence on the way decisions are made and their impact on organizational performance.

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This study aims to analyze the effect of leadership on decision-making in management teams. More precisely, the objectives of this study can be as follows:

1. Identifying the Influence of Leadership Style

This research aims to identify how leadership styles, such as authoritarian, democratic, transformational, transactional, laissez-faire, and situational leadership, influence the decision-making process in teams. By understanding the characteristics of each leadership style, it is expected to find patterns that indicate which style is most effective in a particular context.

2. Evaluating the Effectiveness of Decision Making

This research also aims to evaluate the extent to which decision-making by work teams can be considered effective. This effectiveness will be measured based on criteria such as the speed of decision making, the quality of the decisions made, and the impact on the overall performance of the team.

3. Determine Supporting Factors

In addition, this research will seek to identify other factors that may influence the relationship between leadership and decision-making effectiveness. These factors may include aspects such as communication between team members, the level of trust that exists within the team, as well as an organizational culture that supports collaboration.

4. Providing Practical Recommendations

Based on the findings, this study aims to provide practical recommendations for leaders and managers. These recommendations will focus on ways to improve the effectiveness of decision-making in work teams through the application of leadership styles that better suit the needs and characteristics of the team.

5. Improving Theoretical Understanding

Finally, this study is expected to contribute to the development of theoretical understanding of the relationship between leadership and decision-making in an organizational context. Thus, this research is not only useful for managerial practice, but can also serve as a reference for future academic studies.

With these objectives, it is hoped that this research can provide deeper insights into the dynamics of leadership and decision-making, as well as assist organizations in creating more effective and productive teams.

Literature Review

A. Concepts and techniques for decision-making and leadership

This journal covers the theoretical basis relating to leadership and decision-making, which are essential components of organizational management. Many different leadership styles are discussed, which include authoritarian, democratic, transformational, transactional, laissez-faire, and situational. Each of these leadership styles has different traits and different places to be applied. They also vary in the degree of success depending on the situation faced by the leader. The journal also discusses the decision-making process, which includes the systematic procedures to be undertaken to select alternatives as well as the types of decisions made by organizations, both routine and non-routine.

In addition, the journal discusses different ways to make decisions, such as experience, intuition, facts, authority, and logic or rational. These methods help leaders use multiple sources of information to make good decisions. In addition, the journal introduces a decision-making style model that includes value orientation and tolerance for ambiguity; this model results in four decision-making styles: directive, analytical, conceptual, and behavioral. Each of these styles indicates the way leaders communicate and process data with their teams.

The journal also discusses various decision-making strategies, such as SWOT analysis, cost-benefit analysis, decision trees, and Pareto analysis. These strategies help leaders analyze situations and choose the best option to achieve company goals. Overall, the theoretical basis presented in this journal provides a broad framework for understanding how leaders can work well in an organization and how they can make the right decisions based on the situation at hand to support the success and sustainability of the organization.

B. Explore how leadership styles influence the performance of work teams in organizations and provide an understanding of the process of teamwork and leadership

Leadership factors and work team performance greatly influence the success of a business unit. In this situation, leadership is defined as the ability of a leader to motivate, direct, and influence his subordinates to achieve the goals set by the organization. A leader, according to Marudut Marpaung, must be able to function as a figure who encourages his subordinates with initiative and decision-making intelligence. This is in line with the opinion of Faisal Afif, who emphasizes that the sustainability and growth of an organization is highly dependent on the participation of leaders who are able to mobilize their team. In their role as important actors in the organization, leaders play an important role in determining how well organizational goals are achieved. Cooperation between workers, work teams, and leadership is essential.

A good leader does not only have power; they must also know how to make the team work together and talk to each other. Handoko (2001) states that leaders can influence the level of satisfaction, comfort, security, and trust of team members. All of these have an impact on the organization's level of achievement. Leadership, according to Davis (1996), is the ability to influence others with passion to achieve goals. As described by Winardi (2000), various leadership styles can affect organizational performance; the most suitable style can increase the effectiveness of the work team.

According to Robbins (2004), in the context of work team effectiveness, effective teams are characterized by confidence, productivity, and member satisfaction. Team production, work appraisal by managers, and team member satisfaction are all indicators that can be used to measure team effectiveness. According to the Input-Process-Output Model (Hackman, 1987), good inputs will affect team output, and good intragroup processes will increase team effectiveness. Variables such as team cohesiveness, communication, and workload sharing can affect intragroup processes.

Leadership style and team performance are very important. A democratic leadership style, which gives team members the freedom to contribute and voice their opinions, can improve team performance. Therefore, leaders are expected to apply appropriate leadership styles and establish good communication with their subordinates to build a productive and collaborative work environment.

Methodology

The influence of leadership on the effectiveness of work team decision-making can be studied through quantitative survey methods. This study can be planned as a descriptive-correlational study with the aim of finding the relationship and impact between the independent variable of leadership and the dependent variable of decision-making effectiveness. The first step is to determine the sample and population, for example a work team from a non-profit organization or a company. Purposive sampling can be used to ensure that respondents have relevant experience with making decisions and managing their teams. Researchers can also use the validated Leadership Multifactor Questionnaire (MLQ) to measure leadership style (transformational, transactional, or laissez-faire). They can also use additional scales to evaluate decision-making effectiveness, which includes factors such as speed, quality, and team satisfaction with the decision.

For data analysis, statistical methods such as linear regression tests or correlation analysis can be used to determine how much influence leadership has on the decision-making effectiveness variable. In addition, descriptive analysis can be used to identify trends in leadership styles within the team under investigation. In addition, this research can be supplemented with observation or interview methods to gain additional understanding of decision-making dynamics that cannot be explained quantitatively. Interview results can reinforce or explain survey findings by showing the processes and issues that teams face every day when making decisions. These methods provide a deeper understanding of narratives and numbers, which can lead to relevant findings for building better work team leadership strategies.

Result and Discussion

Studies on how leadership affects the decision-making efficacy of work teams have achieved significant results. Many studies show that effective leadership improves decision quality, time efficiency, and team satisfaction from the decision-making process. This is because a leader is the team's director, decision-maker, and motivator. How a team deals with challenges in the decision-making process is influenced by leadership traits, such as communication skills, empathy, conflict management, and specific leadership styles. Studies show that participative leadership styles, where leaders involve team members in decision-making, tend to make better decisions compared to authoritarian leadership styles. The participative style encourages team members to share ideas, share opinions, and take responsibility for the outcome of decisions. This not only improves the quality of the decision, but also increases team members' sense of involvement and commitment to implementing the decision.

For example, a study at a technology company found that teams led by participative leaders came up with innovative solutions more often than teams led by authoritarian leaders. This is due to the fact that an inclusive conversation process allows people to share new ideas. In addition, good leadership also has to do with how a leader handles conflict within the team. These conflicts often arise during the decision-making process, especially when team members disagree about the most important things. Leaders who are able to manage conflict well can prevent polarization and create a good environment for conversation. In contrast, leaders who fail to do so often make the situation worse, resulting in poor or even blocked decisions. Studies show that leaders who are adept at interacting with others are better able to maintain a positive team spirit when decision-making. A leader's ability to set clear goals and ensure that they are understood by every team member is another factor that influences decision-making effectiveness. When a leader is able to set clear and measurable goals, team members will have a clear guide in presenting ideas or solutions. This allows the team to concentrate on what matters most, reducing the chances of making irrelevant or factually uninformed decisions.

An empirical study in healthcare shows that medical teams led by leaders who communicate well have the ability to make faster and more informed decisions in emergency situations compared to teams led by unstructured leaders. However, organizational circumstances and work culture also affect the quality of decision-making. Leaders can use flexible leadership styles to encourage adaptive decision-making in work environments that are open to innovation. In contrast, in hierarchical work environments, they are often faced with bureaucratic issues that can slow down decision-making. Therefore, good leadership must be able to adapt their ways and approaches to the team and the organization. Thus, work team decision-making is strongly influenced by leadership.

Effective leaders can not only manage team dynamics, but they can also create an environment where people work together, create new ideas, and focus on a single goal. The success of the decision-making process in a work team depends on participative leadership style, the ability to manage conflict, and good communication skills. To find out how different leadership styles can function in various situations, such as in a crisis or in highly competitive industries, additional research is needed.

Conclusion

This study shows that how well decision-making in work teams is affected by good leadership. In this case, when team members actively participated in the decision-making process, a participative leadership style was shown to improve the quality of decisions

made, increase the efficiency of time spent reaching agreements, and improve overall team member satisfaction.

Leaders who are able to communicate well, manage conflict wisely, and set clear and measurable goals can create a work environment that supports innovation and cooperation. This condition makes every team member feel valued and motivated to do the best of their abilities.

Also, keep in mind that work culture and organizational context affect how well decision-making is done. Effective leadership and a supportive organizational culture are critical to improving the quality of work team decision-making. Therefore, organizations that have a collaborative work culture and are open to every member's opinion tend to produce better and faster decisions.

Advice:

1. Adopt a Participative Leadership Style: To increase engagement and commitment in the decision-making process, leaders should involve team members in the process.
2. Improving Communication Skills: Training leaders in conflict management and communication skills can help improve workplace efficiency.
3. Setting Clear Goals: Leaders must ensure that the team's goals are well understood by everyone, so that they can focus on the things that matter.
4. Flexibility in Leadership Style: To encourage adaptive decision-making, leaders should be able to adapt their leadership style to the culture and conditions of their organization.
5. Conduct Additional Research: Further research is needed to find out how various leadership styles can function in situations such as highly competitive industries or in crisis situations.

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