Leadership and Organizational Climate in the Decentralized Governments of Ecuador: Case Study of GAD San Miguel de Bolívar

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Abstract

Strategic leadership allows organizations to have personnel with the necessary skills to deal with crisis situations, as well as the ability to improve productivity and efficiency through the focus of actions towards common goals. Organizational climate has been defined as a more tangible way of assessing the characteristics and practices of an organization that influence employees' work attitudes and behaviors. The methodology used is quantitative, applying two validated scales to evaluate leadership and work environment. The results show that democratic leadership is the most commonly perceived by employees, followed by "Non-intervention" leadership. Also, a significant correlation was found between the variables studied. These findings highlight the importance of promoting effective and participatory leadership to create a favorable work environment in the GADs in Ecuador.

Keywords: *Leadership and Organizational Climate , Decentralized Governments, Ecuador*

Introduction

It is now recognized that the application of strategic leadership within organizations is a fundamental factor, as this is a tool that facilitates the organizational management of institutions regardless of their type or function. (Keränen et al., 2023; Singh et al., 2023). Strategic leadership allows organizations to have personnel with the necessary skills to deal with crisis situations, as well as the ability to improve productivity and efficiency through the focus of actions towards common goals. (Krier, 2022).

The role of leaders within institutions has evolved over time, from being just supervisors to being a key element in the strategic management of companies. Having the responsibility of directing the productive processes and ensuring the efficient use of the strategic resources of the organizations (Fernandes, et al, 2022).

Leaders in an organization require leadership skills to improve attitude and work performance through the implementation of innovation and mental transformation (Yang et al., 2023). The ability to generate new ideas and attitudes, considered as attributes of dynamic capacity, is promoted through leadership capacity. In addition, organizational leadership must seize

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opportunities and apply innovative strategies to improve the sustainable performance of the organization in both the short and long term. (Tabassum et al., 2023).

Another function of leaders in organizations refers to the ability to manage and deal with difficulties or crises that may arise, this in view of the fact that usually those who play the role have the ability to recognize the signs of crisis, manage tasks according to priorities, manage resources under high levels of uncertainty or threat, in addition to possessing the ability to recognize opportunities for effective and timely decision-making (Bhardwaj et al., 2020; Schaedler et al., 2022).

As expressed (Klein, 2023) Leadership is of importance and plays the role of stimulating employees by improving their performance, exerting an influence on employee behaviors by fostering highly competitive environments. They recognized that leaders play a crucial role in how employees behave during difficult periods and crises, making it necessary to understand in greater detail how leadership behaviors affect intrapreneurial behaviors in high-competition situations.

It is for this reason that organizations are challenged to develop leaders who meet these skills, helping to think strategically in the business, solving systemic problems, having the ability to look beyond tactics to see broader opportunities and enable strategic impact. (Jodi Detjen, 2017). Management literature suggests that organizational effectiveness is considered a reflection of the cognitive foundations and values of key decision makers in organizations. (Shao, 2019). In particular, the specific backgrounds of senior managers, demographics, and leadership behaviors make all the difference in strategy formulation and company performance. Since power can emanate from a senior manager's leadership, it is necessary to understand the role that senior management behaviors play in formulating strategic alignment and organizational development. (Mayfield et al., 2015).

As observed, strategic leadership is directly related to organizational development processes, because it intervenes in the approach and strategic alignment of institutions, these being the central axis of the operations of any organization. (Ding et al., 2014). Organizational climate, an essential component of organizational development, reflects employees' collective perception of aspects such as policies, practices, structures, and processes in an organization. (Pomirleanu et al., 2022).

These perceptions influence employee behavior, satisfaction and engagement, directly impacting organizational performance and effectiveness. Communication, leadership, labor relations, human resources policies and practices, and organizational structure and processes are factors that determine organizational climate. (Peacock et al., 2023). A positive organizational climate facilitates the implementation of changes and the achievement of objectives, while a negative one can hinder the development and growth of the organization. (Akrong et al., 2022). Therefore, organizational climate management is a key task for leaders and managers who seek to promote organizational development and the long-term success of their institution.

Experts in organizational behavior have long employed the concept of organizational climate as a more tangible way to assess the characteristics and practices of an organization that influence

employees' work attitudes and behaviors. (Akrong et al., 2022; Huang et al., 2022).

Leadership and organizational climate are two fundamental aspects in the functioning of any organization, and their impact on the effectiveness and efficiency of public institutions is no exception. (Wu et al., 2022). In the Ecuadorian context, Decentralized Autonomous Governments (DAGs) face significant challenges in terms of decision-making, implementation of public policies and provision of services at the local level. These challenges are directly related to the quality of leadership and the organizational climate within these institutions.

In the case of non-profit or governmental organizations, the implementation of leadership is more complicated since there is no perceived gain by the management lines, so leadership actions focus more on volunteering. Studies carried out within the framework of the governmental institutions of the Autonomous Decentralized Governments indicate that despite being non-profit institutions, the implementation of leadership is essential to guarantee the achievement of strategic objectives. That is why the professional knowledge of a leader in local public management is required to avoid the current controversies regarding the correct management of public resources. (Zambrano-zambrano et Vegas-Meléndez, 2020).

The axis of any institution is the organizational climate, because this is the model to follow and the direction of the company from the goals that are expected to know based on the strategic and human resources that make it up. In general, due to the constant changes in business environments and at the level of internal dynamics of companies, it is necessary to make organizational changes that allow institutions to adapt to the variable conditions. Regardless of the type of causes that motivate change, organizations must be very clear about why they want or require it, what are the factors that drive them to do so and what are the expected results. (Duke, 2014).

In the specific case of the San Miguel canton, in the province of Bolívar, Ecuador, it is presumed that leadership and organizational climate could be influencing the performance of the Decentralized Autonomous Government. However, there is a gap in the academic literature and in practical knowledge about how the leadership style adopted by leaders and managers affects the organizational climate and, ultimately, the effectiveness and efficiency of the GAD in decision-making and the implementation of public policies.

This problem is of great relevance, since inadequate leadership and an unfavorable organizational climate can generate inefficiencies in the use of resources, job dissatisfaction and lack of commitment on the part of staff, which in turn affects the quality of public services provided to the population. Therefore, it is crucial to investigate how leadership and organizational climate affect the functioning of the GAD in San Miguel and, based on the findings, propose solutions that contribute to improving public management and the quality of life of the citizens of the canton.

The research aims to know how is the current type of leadership perceived in the workers of the decentralized Autonomous Governments, as well as the present organizational climate and thus determine their interrelationship.

Methodology

The research follows a quantitative methodology, where descriptive statistics were applied to achieve knowledge of the type of work environment and the leadership perceived by a group of workers of the Decentralized Autonomous Government of San Miguel, Bolívar province.

The information collection process was performed using two previously validated scales. These scales facilitated the diagnosis from the human talent of the variables studied.

Scale for assessing the type of leadership: Questionnaire on leadership styles (Northouse, 2015), structured with 18 Likert-type questions, of 5 levels (totally disagree, disagree, neutral, agree and totally agree), which allows to recognize if the leadership style was autocratic, democratic or non-intervention policy. The type of leadership arises after the process of adding each of the dimensions according to the scale.
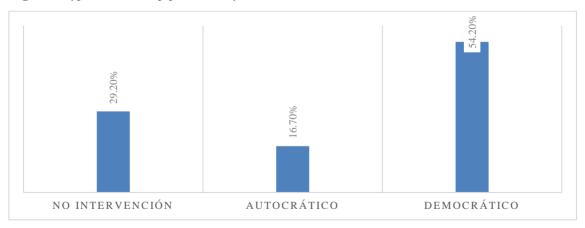
Scale to evaluate the type of Work Environment: OCQ-Litwin-Stringer Questionnaire (1968) which is structured by 53 questions with Likert scale, 4 levels (strongly disagree, disagree, agree and strongly agree) that allows to recognize if a climate is very favorable, favorable, unfavorable or very unfavorable. This scale measures the dimensions of the work environment and after an evaluation process by averages generates a diagnosis of the type of climate

To establish if there was indeed some kind of relationship between the study variables, IBM SPSS v.25 software was used, using Pearson's correlation function for a significance level of 95%.

Results and Discussion

After the application of the instruments analyzed, the following results were obtained;

Figure 1 Type of leadership perceived by GAD workers

Prepared by the author, resulting from the evaluation of the type of leadership perceived by GAD workers according to the response of the Leadership Styles Questionnaire (Northouse, 2015).

In terms of the type of perceived leadership, a variety of responses were observed from the participants. A sizeable group of employees, representing 29.2% of respondents, indicated that they perceived leadership characterized by "Non-intervention". This type of leadership suggests an approach in which leaders adopt a more passive stance, allowing subordinates to make decisions and largely self-manage. (Ali et Ullah, 2023). It is interesting to note that this leadership style was mentioned by a significant number of participants, which could indicate the existence of an organizational culture that encourages autonomy and self-responsibility.

On the other hand, a smaller percentage of respondents, at 16.7%, reported that they experienced autocratic leadership in their work environments. This type of leadership is characterized by centralized decision-making and strict control by leaders. The presence of this leadership style in some decentralized organizations could suggest the existence of a more traditional hierarchical structure, in which leaders maintain greater control over activities and decisions. (Harms et al., 2018).

However, the most significant result refers to leadership perceived as "Democratic", which was mentioned by the majority of participants, with 54.2%. In a democratic leadership system, it seeks to create a work environment in which the ideas and perspectives of all team members are respected. The leader encourages subordinates to express their opinions, discuss ideas, and contribute their knowledge and experience. (Butt et al., 2023). This finding indicates that employees of decentralized governments in the canton of San Miguel, Bolívar-Ecuador, tend to perceive a leadership style that encourages participation, collaboration and shared decision-making. This democratic approach can contribute to a favorable organizational climate, where employees feel valued, motivated and empowered to actively contribute to the achievement of organizational goals.
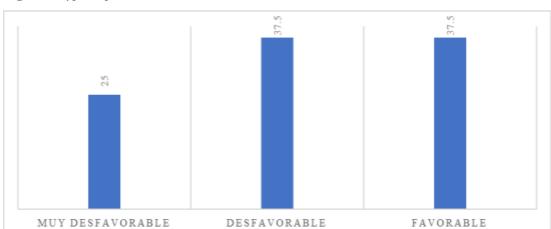
Figure 2 Type of perceived work environment

Prepared by the author, resulting from the evaluation of the type of work environment perceived

by GAD workers according to the response of the OCQ-Litwin-Stringer questionnaire (1968).

In relation to the type of work environment perceived, a diversity of responses from the participants was observed. A group of employees, representing 25% of respondents, indicated that they perceived a very unfavorable work environment in their organizations. This result suggests the existence of an adverse work environment, in which employees may experience tensions, conflicts and lack of support. A very unfavorable work environment can have a negative impact on the motivation, commitment and well-being of employees, as well as on the effectiveness and efficiency of organizational activities.

As explained (Burbano et Cumandá, 2022) In public organizations, several elements that influence the work environment, known as the work environment, stand out. How management style is managed and applied are crucial factors, setting out policies, planning, strategies, controls, budgets, and other aspects that shape employee perception.

On the other hand, a higher percentage of respondents, at 37.5%, reported that they experienced an unfavorable work environment in their work environments. This indicates that, although it is not perceived as extremely negative, there are aspects of the organizational climate that can generate dissatisfaction, lack of collaboration or barriers in communication. An unfavorable work environment can affect productivity and quality of work, as well as employee satisfaction and engagement.

In a similar study by (Muñoz et al., 2020) it has been observed that the way in which work is divided in the Municipal GAD is not adequate to create an optimal working environment in which public servants can carry out their activities effectively. As a result, the lack of necessary resources has led to a decrease in the productivity of many employees. This study has shown a statistically significant relationship between the work environment and the satisfaction of public servants in the Municipal GAD of the Palestinian Canton.

However, it is encouraging to note that another group of participants, also representing 37.5%, reported that they perceived a favorable work environment in their organizations. This indicates that there are positive aspects to the work environment that encourage collaboration, mutual support, open communication, and job satisfaction. A favorable work environment can have a positive impact on employee motivation, engagement and well-being, as well as on the effectiveness and efficiency of organizational activities.

According to the study of (Soza et Herrera, 2022) Organizational climate derives primarily from observable behaviors within an organization and the various leadership styles that exist. This climate encompasses aspects such as communication networks, reward systems, leadership approaches and the techniques used to achieve the established objectives.

Table 1 Correlational study between climate and perceived leadership type

	Type of perceived work environment

Type of perceived leadership	Pearson correlation	,441*
	Sig. (bilateral)	,031
	N	24

Prepared by the author, resulting from the evaluation of the relationship between the types of perceived leadership (Non-intervention, Autocratic and Democratic) and the perceived work climate (Very unfavorable, Unfavorable and Favorable). Considering a significance level of 0.05 as an acceptance criterion.

The correlation analysis performed between the type of perceived leadership and the type of perceived work climate presented in **Table 1** reveals a significant positive correlation, with a Pearson correlation coefficient of 0.441 and a significance value of 0.031 (bilateral). This indicates that there is a moderate relationship between the type of leadership and the type of work environment perceived by the study participants.

The positive correlation suggests that as employees perceive more favorable leadership, they also tend to perceive a more favorable work climate. This implies that the leadership style adopted by leaders of decentralized governments can have an impact on the work environment and employees' perception of that environment. The fact that the correlation is significant at a confidence level of 0.05 indicates that the relationship identified is not the product of chance, but that there is a real association between the type of leadership and the type of perceived work environment.

These findings suggest the importance of effective leadership in creating a favorable work environment in Ecuador's decentralized governments. Leadership that promotes participation, open communication, mutual support, and collaboration can contribute to a more positive and fulfilling work environment for employees. (Alcázar, 2020).

The case study conducted in the canton of San Miguel, Bolívar-Ecuador, examined the impact of leadership on the organizational climate of decentralized governments. It was found that the type of leadership perceived by employees varied, with democratic leadership being the most mentioned (54.2%), followed by leadership characterized by "Non-intervention" (29.2%) and autocratic leadership (16.7%). In another study carried out to know the leadership present in the GAD of the Chone canton identifying that Some employees believe that their superiors in the departments are competent leaders, who, thanks to their extensive experience, manage to effectively manage the municipal GAD (Quiroz-Figueroa et al., 2021).

Regarding the perceived work environment, the results showed that there was a diversity of perceptions among the participants. Some employees reported a very unfavorable work environment (25%), while others mentioned an unfavorable (37.5%) or favorable (37.5%) work environment in their organizations. In a similar study carried out in local governments in a city in Peru, it measured the work climate among its workers, recognizing that 70% of workers in the government context recognize the work climate as terrible (López et Coral, 2021).

In addition, a significant correlation was identified between the type of perceived leadership and the type of perceived work environment. The results showed a moderate positive correlation (0.441), indicating that as employees perceived more favorable leadership, they also tended to perceive a more favorable work environment.

These findings highlight the importance of leadership in shaping the organizational climate in decentralized governments. Democratic and participatory leadership can contribute to a favorable work climate, promoting collaboration, open communication and mutual support among employees. These positive aspects of the work climate can have an impact on employee satisfaction, engagement and effectiveness in decentralized organizations. For its part in the study of (Estherwenw et al., 2020), mention that according to their study the leadership styles in the selected government agency have definitely affected the organizational climate. Autocratic, bureaucratic and destructive leadership styles demotivated employees and this type of leadership is no longer popular among public officials. These types of leadership destroyed trust between leaders and employees. The lack of trust, the excessive focus on rules and procedures as a checkpoint has created a distance in the leader-employee relationship, which has generated a disunited climate in the organization.

In summary, the study shows the importance of leadership in shaping the organizational climate in decentralized governments. Democratic leadership was found to be the most commonly perceived, and a significant correlation was identified between the type of leadership and the type of perceived work climate. These findings highlight the need to promote effective and participatory leadership to create a favorable work climate in Ecuador's decentralized governments.

Conclusion

Based on the findings of the case study on the impact of leadership on the organizational climate of decentralized governments in the canton of San Miguel, Bolívar-Ecuador, the following conclusions can be drawn:

Most employees perceived democratic leadership in their organizations. This suggests that a leadership approach that encourages participation, collaboration and shared decision-making is valued and contributes to a favorable work environment. Leaders who adopt a democratic style can motivate and empower their employees, generating a more satisfying and productive work environment.

Although some participants reported a favorable work environment, a significant percentage mentioned an unfavorable or very unfavorable work environment. This indicates the presence of problems in the work environment, such as tensions, conflicts and lack of support. These negative aspects need to be addressed to improve employee well-being and increase organizational effectiveness.

The results revealed a significant positive correlation between the type of perceived leadership and the type of perceived work environment. This suggests that the leadership style adopted by leaders

of decentralized governments influences the perception and quality of the work environment. Favorable leadership is associated with a more positive work environment, while unfavorable leadership can contribute to an adverse work environment. These findings highlight the importance of promoting effective and participatory leadership to create an enabling work environment.

In conclusion, the study highlights the relevance of democratic leadership and its impact on the work environment in the decentralized governments of the San Miguel canton. It also highlights the need to address problems in the unfavourable working environment and to foster a satisfactory working environment. These findings can serve as a basis for implementing leadership actions and strategies that promote a favorable organizational climate and contribute to the success of decentralized governments in Ecuador.

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