

Print ISSN: 2288-4637 / Online ISSN 2288-4645
doi:10.13106/jafeb.2021.vol8.no7.0613

Mediating and Moderating Mechanism in the Relationship Between Blue Ocean Leadership Style and Strategic Decision Making: A Case Study in Malaysia*

Wan Noordiana WAN HANAFI¹, Salina DAUD²

Received: March 05, 2021 Revised: May 08, 2021 Accepted: June 17, 2021

Abstract

This study aims to identify the effect of blue ocean leadership style on strategic decision making and it also aims to examine the mediating role of organizational politic and moderating role of emotional intelligence in the Government Link Companies (GLCs) in Malaysia. In order to achieve the objective of the study, a research framework had been developed to establish a relationship among the variables of the study based on resource-based view theory. Questionnaire method was used to collect the data from middle to top level employees in GLCs. All the items in the study's variables were assessed using the 5-point Likert scale. A stratified random sampling technique was used to identify the sample for this study. Data was derived from 135 middle to top level employees, which were involved in decision making process. The data was analyzed using the SPSS and the SmartPLS 3.0 software. This supplemented the theory surrounding blue ocean leadership styles and strategic decision making. The study also identified several avenues for further research by using different research methods and examining the impact of strategic decision making in different contexts.

Keywords: Blue Ocean Leadership Style, Emotional Intelligence, Organizational Politics, Strategic Decision Making, Structural Equation Model

JEL Classification Code: M10, M12, M14

1. Introduction

In recent years, research on strategic decision making and leadership styles have attracted considerable attention. The interest in undertaking research in this field is particularly noticed in the context of Government Link Companies (GLCs) since the Malaysian government has

given considerable attention to leadership effectiveness in attaining high performances of GLCs. The organization is undoubtedly a systemic network that is both complex and dynamic. Like any other organization, quality strategic decision-making is the dominant element and essence of leadership for GLCs (Ejimabo, 2015). For this reason, this study is conducted to examine how important it is for an organization to practice the blue ocean leadership style by implementing the appropriate emotional intelligence and managing organizational politics that occurs when making strategic decisions for the organization.

Organizational politics, leadership styles and strategic decision making are widely studied variables in management literature (Bergmann et al., 2011; Hu, 2010; Jam et al., 2011; Vigoda-Gadot, 2000). However, even though a wide range of theories has been developed, there are still more unexplored challenges, and there is a gap to be filled in the academia on how to think about leaders for the next generation (Dinh et al., 2014). Other than that, leadership style, strategic decision making, organizational politics, and emotional intelligence are one of the major contemporary business

*Acknowledgements:

The authors are grateful to UNITEN who has funded this research through BOLD Refresh Publication Fund 2021.

¹First Author and Corresponding Author. Post-Doctoral, College of Business Management and Accounting, Universiti Tenaga Nasional, Malaysia [Postal Address: Universiti Tenaga Nasional, Kampus Sultan Haji Ahmad Shah, Muadzam Shah, Pahang, 26700, Malaysia] Email: diana.hanafi@uniten.edu.my

²Professor, College of Business Management and Accounting, Universiti Tenaga Nasional, Malaysia. Email: salina@uniten.edu.my

© Copyright: The Author(s)

This is an Open Access article distributed under the terms of the Creative Commons Attribution Non-Commercial License (<https://creativecommons.org/licenses/by-nc/4.0/>) which permits unrestricted non-commercial use, distribution, and reproduction in any medium, provided the original work is properly cited.

topics. They are the important factors for business survival in this global competitive market environment. Research related to these topics can be found in many professional journals, yet, lack of study has examined the relationships among these four variables.

In the rigorous environments, valuable strategy has become a significant tool that helps firms survive and sustain (Phornlaphatrachakorn & Na-Kalasinthu, 2020). Leadership is a highly complex phenomenon. Leadership theories are the explanations of how and why certain people become leaders (Nausad, 2021). Following this managers who are in a decision-making position in an organization will be able to make plans in an even more conscious way in the effective use of related resources and increasing efficiency in general (Nguyen et al., 2020). Thus, an improved understanding of the effect of blue ocean leadership style on strategic decision making could help to contribute to the better performance of GLCs in Malaysia. This will make GLCs competitive with developed and developing countries. This study, which consist of widely studied variables in the management literature, will provide insights into how strategic decision making, leadership styles, organizational politics, and emotional intelligence could contribute to GLCs.

2. Literature Review

2.1. Theoretical Background

The current study was underpinned and guided by resource-based view theory (RBV). RBV was put forth originally by Wernerfelt (1984) and popularized by Jay Barney (1991). According to RBV theory, organization can achieve sustainable competitive advantage when they effectively manage the resources owned or obtained (Jay Barney & Hesterly, 2019). As applied to this study, the RBV theory provides the conceptual lens to understand how the organization factors that strategic decision making, blue ocean leadership style, emotional intelligence and organizational politic, may contribute to the organization success, as it is viewed as organizational unique resources. On the grounds of this theory, the study attempted to developed context-specific models for evaluating the contribution of capabilities and competencies to a leader in his or her efforts to perform strategic decision-making in GLCs.

2.2. Hypotheses

2.2.1. Blue Ocean Leadership Style and Strategic Decision Making

Leadership is what leaders do to influence a group to achieve some defined goals. In order to successfully perform

the activities, leaders must make decisions at every step to achieve the desired results. Thus, effective decision making is one of the attributes of an efficient leader as per Eberlin and Tatum (2008). Study by Carmeli et al., (2012), shows that there are not many findings on how leadership influences strategic decision making. The study of strategic decision making remains very important and much more empirical research is required before any definitive conclusion can be reached (Shafie et al., 2017). However, there is still a limited number of studies, including empirical studies, which examines the effect of blue ocean leadership style on strategic decision making. Jamian et al., (2011) also noted that numerous studies have been conducted in the areas of leadership and management which indicate that decision making style is a prime factor that contributes to the success of leaders. Besides that, different variables are considered to determine the choice of one's leadership style. In accordance with these studies, it is possible to see that individuals' choice of leadership style can influence strategic decision making. As for this study, it will be focusing on strategic decision making. Based on the literature, this study hypothesizes the following.

***H1:** There is a significant effect of blue ocean leadership style on strategic decision making.*

2.2.2. Blue Ocean Leadership Style and Organizational Politics

Political skills are particularly vital for managers and leaders. There is an increasing call for politically aware and politically skilled leaders, whether it comes to dealing with external policies, formal politics, organizational strategies or internal politics (Hartley & Branicki, 2006). Effective leaders who possess political skills have the ability to moderate and minimise the negative effects of organizational politics (Robb, 2012). Saleem (2015) recommends the use of different leadership styles, as these may also affect the organizational politics in the organization. According to the literature, over the past years, organizational politics has been widely studied. Nevertheless, researchers have argued for the need for further examination of the issue (Bodla et al., 2012), Blickle et al. (2013) also stated that even a growing body of research demonstrates that organizational politics is associated with leadership, the field still lacks understanding on how organizational politics makes leaders more effective. However, findings from studies conducted by Amirkabiri et al., (2006), show that there is no significant relationship between leadership style and organizational politics. Based on the literature, this study hypothesizes the following:

***H2:** There is a significant effect of blue ocean leadership style on organizational politics.*

2.2.3. Organizational Politics and Strategic Decision Making

Organizational strategic decision making also opens a new dimension of politics, and politics is described as a module that prevents organizational decision making from being rational. Some studies reveal that organizational politics prevents achieving organizational goals because it causes functional difficulties which occurs because of external authorities (Ullah & Kamal, 2017). Findings by Abbas et al. (2014) suggest the need for further research on the relationship in organizational politics in different settings as this relationship is suggested to vary. Khairy (2019), highlight that politics has a lot of potential consequences on work outcome and can affect organizational processes such as decision making, promotion, and rewards either positively or negatively. However, in contrast, there is an assumption that organizational politics could not show strong effects on strategic decision making (Ejimabo, 2015). Usually, employees may involve in more political activities when they are given involvement in decision making (Riaz & Akbar, 2013). Based on literature, this study hypothesizes the following:

H3: *There is a significant effect of organizational politics on strategic decision making.*

2.2.4. Mediating Role of Organizational Politics

Organizational politics, leadership styles and strategic decision making are widely studied variables in management literature (Bergmann et al., 2011; Hu, 2010; Jam et al., 2011; Vigoda-Gadot, 2000). Organizational politics is found to be partially mediating the relationship between leadership styles and organizational citizenship behaviour, and employees' performance and commitment (Islam et al., 2013; Vigoda-Gadot, 2007). Kimura (2012) examines the mediating role of organizational politics between transformational leadership and job satisfaction in the Japanese context. However, according to Child et al. (2010), very little information is available on the influence of organizational politics on strategic decision making. Vigoda-Gadot (2007), found that organizational politics is a partial mediator between leadership styles and employee performance. Some authors have emphasized the potential positive effects of political behaviour (Gotsis & Kortezi, 2010). It has been argued that decision makers need to be aware of political tactics and sometimes use them to defend their firms' interests and overcome the negative effects of other people's political tactics (Ejimabo, 2015). Based on the literature, this study hypothesizes the following:

H4: *Organizational politics mediates the relationship between blue ocean leadership style and strategic decision making.*

2.2.5. Emotional Intelligence and Strategic Decision making

Considering the crucial role of decision making in management, studies have revealed that there is a strong role of emotions in decision making process (Westaby et al., 2010). Similarly, Kasapi and Mihiotis (2014), state that emotional intelligence supports the whole decision making process, leadership effectiveness, and strategic and technical outcomes. Past studies that have been carried out by different researchers on emotional intelligence, focused on the impact of emotional intelligence on leadership and decision making skills (Erenda et al., 2014; Richard & Sumathi, 2015). Based on previous literature, there was no past research on the relationship between emotional intelligence and strategic decision making. Emotional states become, therefore, an essential and predictable element in understanding the decision making process as well as in unveiling the most relevant behavioral and emotional competencies involved (Bouzguenda, 2018). Based on the literature, this study hypothesizes the following:

H5: *There is a significant effect of emotional intelligence on strategic decision making.*

2.2.6. Moderating Role of Emotional Intelligence

It has been well established in empirical literature that emotional intelligence and organizational politics positively and negatively influence employee outcome (Shrestha & Baniya, 2016). Study by Zibenberg (2017), shows that the association between emotional intelligence and employees' work outcomes might be moderated by organizational politics. Several studies have been carried out among public sector employees, which reported the moderating role of emotional intelligence in the relationship between organizational politics and job satisfaction as well as between organizational politics and employees' absenteeism (Shariq et al., 2019; Vigoda-Gadot & Meisler, 2010). It is proposed that emotional intelligence will moderate the negative relationship between organizational politics and job satisfaction and a positive relationship between organizational politics and counterproductive work behaviours. Yet, despite two recent meta-analyses the effects of organization politics on several outcomes, the variables are still inconclusive (Hochwarter et al., 2020; Kapoutsis & Thanos, 2016). Based on the findings by Shkoler and Tziner (2017) and Raman et al., (2016), emotional intelligence plays a moderating role for organizations with job satisfaction, employee absenteeism as well as counterproductive work behaviours. However, no study has yet been attempted to examine the relationship between organizational politics and strategic decision making with emotional intelligence

as a moderating variable. Based on the literature, this study hypothesizes the following:

H6: *Emotional intelligence moderates the relationship between organizational politics and strategic decision making.*

3. Research Methodology

3.1. Sample and Data Collection

Sample taken for this research comprises of all those employees who are involved in decision making process which is usually from middle management to the top management and they also involve in the decision making at the Malaysian 20 largest Government Link Companies (GLCs) which were recognized by the Khazanah Nasional. For this study, the selection of respondents for each organization, by using systematic sampling. Firstly, list of employees from middle to top level is requested from the Human Resource Department in all the selected sectors. Next, a random starting point need to be selected and then picking every n th element from the list. The sampling interval is obtained as: $757/135 = 5$. Then a random number between 1 and 5 was selected as 4 by way of simple random sampling methods. Therefore, from the name list received from the Human Resource Department, all the 5th numbers from the list is selected. From the population, based on the calculation of G-Power, by using 0.15 effect size, and 14 predictors, the minimum sample size of this research is 135. In order to obtain 135 samples for this study, each selected sector will be presented by 7 to 11 middle to top level employees which are selected by systematic random sampling.

A total of 151 survey questionnaire were distributed, out of which 148 responses were collected back, however, thirteen of the surveys were not usable as either only part of questionnaire was attempted Hence, only 135 questionnaires are usable for analysis. Thus, given that

the sample size examined in this thesis is 135, indicating an 89.0 percent of useable questionnaire. The study analyses the data with a 135-sample respondent out of which 75 respondents are female (55.00%) and male with 60 respondents (44.40%). As for age, most of the respondents are aged between 31–40 years old (68.15%). One hundred and eight (80.00%) are Malay respondent which holds the highest number of respondents. Majority of the respondents are married (73 respondents, 54.10%). In terms of job position, highest number of respondents are from the general manager/manager with 108 respondents (80.00%). For number of years working in the present position, most of the respondent have worked for less than 5 years which is a total of 68 respondents (50.40%). Lastly, for number of years working in the current industry, highest number is for less than 5 years with 50 respondents (37.00%).

3.2. Research Instrument

There are four variables in this study namely, blue ocean leadership style as the independent variable, strategic decision making as the dependent variable, emotional intelligence as the moderating variable and organizational politics as the mediating variable. The variables were constructed based from the existing scales in the literature. Likert scale 1–5 is used, where; 1 (strongly disagree), 2 (disagree), 3 (neutral), 4 (agree) and 5 (strongly agree). Items which are presented in the questionnaires has been adopted from the previous studies as they have been illustrated in Table 1.

4. Results and Discussion

4.1. Measurement Model

Using two-stage approach suggested by Henseler and Fassott (2010) and Ringle et al., (2012), the second-order reflective blue ocean leadership styles; strategic

Table 1: Measurement Items

Variables	Sample of Items	Sources
Strategic decision making	"In my organization there are scheduled/ planned meetings to discuss important decisions in the organization"	Mkalama (2014)
Blue ocean leadership style	"I identify and encourage opportunities for collaboration across or within the group"	Nur Lyana, Salina, Aerni, and Yunus (2015)
Organizational politics	"In my organization, there has always been an influential group that no one ever crosses"	Ferris and Kacmar (1992)
Emotional intelligence	"I am sensitive to the feelings of others"	Bar-On (2004)

decision making; emotional intelligence; and organizational politics is measured by using construct scores derived from the first-order constructs (Becker et al., 2012). For the second order construct the validity and reliability of the measurement is also assessed.

Validity is assessed by examining the construct validity, convergent validity and discriminant validity. Table 2 below confirms that the loadings of the first-order variable on the second-order variable (blue ocean leadership style, strategic decision making, organizational politics and organizational politics) are more than the cut-off value of 0.70, with reference to (Hair et al., 2019). The results also confirmed that the AVEs of the second-order model is greater than 0.50.

Thus, the results proved that convergent validity exist for the second-order constructs of this study.

Next, discriminant validity is assessed using the heterotraitmonotrait ratio (HTMT). Henseler et al. (2015) have suggested the assessment of the HTMT correlations to examine the discriminant validity. This recent approach shows the estimation of the true correlation between the two latent variables. A threshold value of 0.90 has been suggested for HTMT (Henseler et al., 2015). Above 0.90 shows a lack of discriminant validity. Furthermore, the confidence interval of the HTMT should not involve the value of 1. Table 3 shows that HTMT criterion has been fulfilled for this research.

Table 2: Validity and Reliability Results

Second Order Variable	First Order Variable	Loading	AVE	CR
Blue ocean leadership style	Visionary	0.83	0.61	0.87
	Contingent reward	0.83		
	Courage	0.84		
	Idealized influences	0.83		
	Inspiration	0.87		
	Intellectual stimulation	0.85		
	Passion	0.87		
	Strategic thinking	0.80		
	Focus	0.78		
	Collaborate	0.82		
	Innovative	0.83		
	Willingness to change	0.92		
	Communication	0.87		
	Conventional	0.71		
Strategic decision making	Comprehensiveness	0.77	0.57	0.83
	Formalization	0.83		
	Co-ordination device	0.86		
	Hierarchal decentralization	0.77		
	Internal politicization	0.82		
Emotional intelligence	Intrapersonal	0.89	0.64	0.91
	Interpersonal	0.85		
	Stress management	0.75		
	Adaptability	0.80		
	General mood	0.77		
Organizational politics	General political behaviour	0.70	0.52	0.92
	Go along go ahead	0.91		
	Pay and promotion	0.71		

To analyze the reliability of the second order construct, tests were conducted on composite reliability (CR) as suggested by (Hair et al., 2019). Measurement model has satisfactory internal consistency reliability when the CR of each variable exceeds the threshold value of 0.7. Table 2 shows that the CR of each variable for this study ranges from 0.81 to 0.97 and it is above the recommended threshold value of 0.70. The results indicate that the items used to represent the variables have satisfactory internal consistency reliability (Table 3). Therefore, the conditions of reliability and validity has also been met for the second stage model.

4.2. Structural Model

The following subsections discuss the tests used to assess the validity of the structural model for this study. The validity of the structural model is assessed, as well as the mediating and moderating relationships that are being proposed in the research model.

The significance of the paths in the PLS model is computed by running bootstrapping procedure in PLS (Hair et al., 2019). As shown in Table 4 four path from blue ocean leadership style, strategic decision making, organizational politic and emotional intelligence were statistically significant as their *t*-value were all above the suggested value which is 1.645 and 2.33. Coefficient of determination (R^2), represents the amount of variance in the dependent variable, in this study strategic decision making,

that is explained by the model. As shown in Table 6 below R^2 value for strategic decision making is 0.61, which can be considered moderate; it indicates that 61% of the variance in the strategic decision making is explained by blue ocean leadership styles.

Blindfolding was used to cross-validate the model's predictive relevance for each of the individual dependent variables, the Stone-Geisser Q^2 value (Stone, 1974). The guidelines for evaluating the Q^2 value indicate that values of 0.02, 0.15, 0.35 represent small, medium, and large relevance for a specific endogenous latent variable (Hair et al., 2017). Table 4 shows the result for Q^2 , which indicates satisfactory values of predictive relevance for the dependent variable of strategic decision making demonstrated the large predictive validity of the strategic decision-making model (Chin, 2010).

Next, to test the mediation effect in this study, a bootstrapping test was conducted. As shown in the Table 5, the result shows that blue ocean leadership style has a positive effect on strategic decision making ($\beta = 0.49$, $t = 6.01^{**}$, p -value < 0.05). Then, the mediating effect of organizational politics on the relationship between blue ocean leadership style and strategic decision making is tested. The results show that the indirect effect ($\beta = 0.07$, $t = 1.59$, $p < 0.01$) is not significant, which implies that organizational politics (H4) does not have indirect influence on strategic decision making, indicating that there is no mediating effect. Next, the 95% bootstrapped confidence interval bias is calculated. The result as in Table 5 below indicates that the indirect effects 95% bootstrapped confidence interval bias [LL = -0.01, UL = 0.18], the result shows there is no mediating effect (Preacher & Hayes, 2008). Thus, it can be concluded that organizational politics does not mediate the relationship between blue ocean leadership style and strategic decision making.

As for moderating analysis, bootstrapping procedure is used to test the significance of the path coefficient. The results in Table 6 revealed that the direct relationships

Table 3: Discriminant Validity Result – HTMT Criterion

	#1	#2	#3	#4
#1 Blue ocean leadership style				
#2 Emotional intelligence	0.73			
#3 Organizational politics	0.42	0.48		
#4 Strategic decision making	0.74	0.68	0.56	

Table 4: Bootstrapping Results

	Relationship	Path Coefficient	Standard Error	T-value	Decision	R^2	f^2	Q^2
H1	Blue ocean leadership style → Strategic decision making	0.49	0.08	6.01**	Accepted	0.61	0.26	0.34
H2	Blue ocean leadership style → Organizational politics	0.42	0.06	6.86**	Accepted			0.32
H3	Organizational politics → Strategic decision making	0.21	0.07	3.59**	Accepted			0.38
H5	Emotional intelligence → Strategic decision making	0.17	0.09	1.88**	Accepted			0.21

Note: *t*-value more than 1.645 at $*p < 0.05$, *t*-value more than 2.33 at $**p < 0.01$.

Table 5: Result of Mediating Effect using Bootstrapping

	H4: BOL → OP → SDM			Confidence Interval	
	Std. Beta (β)	t-value	p-value	95% LL	95% UL
Without Mediator					
Direct effect (BOL → SDM)	0.49	6.01**	0.00	0.54	0.73
With Mediator					
Direct effect (BOL → SDM)	0.15	4.35**	0.00	0.37	0.59
Indirect effect (BOL → OP → SDM)	0.07	1.59	0.00	-0.01	0.18
Total effect (BOL → OP → SDM)	0.34	5.54**	0.00	0.23	0.47
Mediation Effect	No				
Hypothesis Result	H4 rejected				

Note: BOL: Blue ocean leadership style; OP: Organizational politics; SDM: Strategic decision making; LL: Lower level; UL: Upper level; ** $p < 0.05$, t -value > 1.96 .

Table 6: Result of Moderating Effect using Bootstrapping

	Hypothesis	Main Effect	Interaction Effect	t-values	Decision	R ²	Q ²
H3	Organizational politics → Strategic decision making	0.21	0.07	3.59**	Accepted	0.23	
H5	Emotional intelligence → strategic decision making	0.17	0.09	1.88**	Accepted		
After Adding Moderator							
H6	Emotional intelligence × organizational politics → strategic decision making	0.16		4.24*	Accepted	0.52	0.18
R ² changes						0.29	

Note: *1.645 < 0.05; **2.33 < 0.01.

of organizational politics and strategic decision making are significant with t -value 3.59**, as well as emotional intelligence and strategic decision making with t -value 1.88** and R^2 of 0.23. The moderating effect from emotional intelligence is found to be significant as the t value is recorded at 4.24** (p -value < 0.01, more than 2.33**). The analysis indicated the changes of the direct effect and R^2 value after the implementation of emotional intelligence as moderator, where the R^2 changed from 0.23 to 0.52 (changes of 0.29). Thus, based on the analysis in Table 6 below, the results showed that the significance of R^2 increased.

4.3. Discussion

The results from the statistical analyses indicate a significant effect of blue ocean leadership style on strategic

decision making and the hypothesis was accepted ($\beta = 0.49$, $t = 6.01$ **, $p < 0.01$). These findings are certainly parallel with prior research by Elbanna et al. (2013), Salina and Wan Noordiana (2018) and Robert Mitchell, Shepherd, and Sharfman (2011). In addition, strategic decision making at the strategic level highly depends on the performance of the organization and executive thinking, leaders must be specializing in strategic thinking, as using strategic thinking allows analysis, exploration, and developing planning actions to attain the best feasible effective effect. Therefore, the findings suggest leaders to implement blue ocean leadership style because it could help leaders in implementing new thinking and different actions on how they could lead, manage, and think differently. Consequently, it can reasonably be deduced that the blue ocean leadership styles have a positive effect on strategic decision making.

Next, results from the statistical analyses indicate a significant effect of the blue ocean leadership styles on organizational politics ($\beta = 0.42$, $t = 6.86^{**}$, $p < 0.01$). This study support and expand the understanding on the effect of blue ocean leadership style on the organizational politics. Leader equipped with blue ocean leadership styles will most likely be able to manage organizational change effectively. Finally, a better understanding of the function of politics in organizations constitutes an opportunity for organizational leaders to find strategies that are specifically effective in reducing the antecedents of organizational politics. In sum, blue ocean leadership style has characteristics that can reduce organizational politics among employees. Therefore, it is expected that a blue ocean leader will create a better understanding among employees as to what is expected from them in the framework of their job.

From the analysis of the results on the effect of organizational politics on strategic decision-making, the finding reveals that there is a significant effect of organizational politics on strategic decision-making ($\beta = 0.21$, $t = 3.59^{**}$, $p < 0.01$). It is similar with the findings by Ullah and Kamal (2017), and Riaz and Akbar (2013) who found that organizational politics have the most impact on the strategic decision-making. As environmental turbulence increases, strategic issues that challenge the way organizations plan and implement their strategies emerge with greater frequency. It also brings into question responsibilities as well as the balance of power and decision making between those who manage and those who govern. How organizational politics is related to leadership can be better understood from the fact that organizational leadership occurs in the context of groups, where followers are influenced by the leaders to ensure their commitment and voluntary involvement towards predetermined outcomes. Keeping employees involved in making decisions in an organization is one way to suppress the controversial presence of political agendas, however, a balanced approach should be considered when allowing employees more involvement in the direction of an organization (Hochwarter et al., 2020).

The findings of this study reveal that organizational politics is not a mediator in the relationship between blue ocean leadership style and strategic decision making ($\beta = 0.07$, $t = 1.59$, $p < 0.05$). This happens because constructive political behaviors in an organization can influence leaders to enhance their strategic decision making in order to satisfy the blue ocean leadership leaders that they wish to follow. In addition to this, the strategic decision making by the blue ocean leadership style leaders will also be affected from the increase level of the organizational politics in the organization. As a result, organizational politics may cause the employees to detach either physically or mentally from the organization (Vigoda-Gadot & Meisler, 2010).

In addition, the results also indicate that decision made by the leaders is influenced by their emotional intelligence ($\beta = 0.17$, $t = 1.88^*$, $p < 0.05$) The result are supported from previous studies by Erenda et al. (2014), and Shrestha and Baniya (2016) who have emphasized the role of emotional intelligence in strategic decision making. A leader who is emotionally intelligent is self-aware and intuitive to others. Besides, with the presence of emotional intelligence, it may have great benefits for the organization, in a way that the emotional intelligence skills can enhance the decision outcome and improve the quality and effectiveness of leader's strategic decision making. They can effectively manage their relationships with people and importantly, great strategic decision makers will have the ability to empathize with others and are effective communicators. This study provided further evidence for the effect of emotional intelligence on leader's strategic decision-making.

Apart from that, the findings additionally revealed that emotional intelligence plays a crucial role in influencing organizational politics and strategic decision making, with a positive coefficient path ($\beta = 0.16$), which was significant at 0.01 ($t = 4.24^{**}$). The result is consistent with the previous findings, which proposed that emotional intelligence has moderating effects (Shrestha & Baniya, 2016; Zibenberg, 2017). The research findings are useful for the management to develop future strategies effectively and to enhance the level of productivity in employees. Organizations and individuals can also benefit from the practical application of emotional intelligence skills in which it enhances individual and organizational decisions and outcomes, and turns into a strategy for the improvement of the individual's and organization's ability to evaluate the effect and consequences of decisions, at the same time enhancing the quality and effectiveness of the strategic decision making.

5. Conclusion

The purpose of this study is to examine the effect of the blue ocean leadership style on strategic decision making, with emotional intelligence as moderating variable and organizational politics as mediating variable. Underpinned by the research findings mentioned herein, this study sheds additional light on leadership, strategic decision making, organizational politics and emotional intelligence by providing empirical evidence with regards to the relationships among these four variables. The findings of this study suggest that by offering a research framework that explain the strategic decision making, this study contributes to some practical implications that are beneficial to the leaders and which could enhance the leaders' strategic decision making ability. Other than that, research findings of this study can also be used as a guideline by the management to improve the organization's strategic decision making.

In addition, the study could assist managers in their current situation in improving future performance regarding the process of strategic decisions on their organization. Future research could increase the generalizability of the findings by including organizations of all sizes would significantly contribute to understanding the link between leadership and strategic decision-making practices in the organization. The study can be replicated to other organizations, which include family business, state owned enterprises, private companies and governmental organizations, in order to broaden the scope of the findings.

References

- Abbas, M., Raja, U., Darr, W., & Bouckenooghe, D. (2014). Combined effects of perceived politics and psychological capital on job satisfaction, turnover intentions, and performance. *Journal of Management*, 40(7), 1813–1830. <https://doi.org/10.1177/0149206312455243>
- Amirkabiri, A., Khodayari, I., Nazari, F., & Moradi, M. (2006). The Relationship between transformational and transactional leadership and organizational commitment of personnel. *Culture of Management*, 4(14), 117–142.
- Bar-On, R. (2004). The Bar-On Emotional Quotient Inventory (EQ-i): Rationale, description and summary of psychometric properties. <https://psycnet.apa.org/record/2004-19636-006>
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99–120. <https://doi.org/10.1177/014920639101700108>
- Barney, J., & Hesterly, W. (2019). *Strategic management and competitive advantage: Concepts and cases*: Pearson New York, NY.
- Becker, J.-M., Klein, K., & Wetzels, M. (2012). Hierarchical latent variable models in PLS-SEM: guidelines for using reflective-formative type models. *Long range planning*, 45(5–6), 359–394. <https://doi.org/10.1016/j.lrp.2012.10.001>
- Bergmann, T. J., Lester, S. W., De Meuse, K. P., & Grahn, J. L. (2011). Integrating the three domains of employee commitment: An exploratory study. *Journal of Applied Business Research (JABR)*, 16(4). <https://doi.org/10.19030/jabr.v16i4.2050>
- Blickle, G., Meurs, J. A., Wihler, A., Ewen, C., Plies, A., & Günther, S. (2013). The interactive effects of conscientiousness, openness to experience, and political skill on job performance in complex jobs: The importance of context. *Journal of Organizational Behavior*, 34(8), 1145–1164. <https://doi.org/10.1002/job.1843>
- Bodla, M. A., Danish, R. Q., & Nawaz, M. M. (2012). Mediating role of perceived organizational politics in relating job characteristics to morale. *African Journal of Business Management*, 6(15), 5185. <https://doi.org/10.5897/ajbm11.1246>
- Bouzuenda, K. (2018). Emotional intelligence and financial decision making: Are we talking about a paradigmatic shift or a change in practices? *Research in International Business and Finance*, 44, 273–284. <https://doi.org/10.1016/j.ribaf.2017.07.096>
- Carmeli, A., Tishler, A., & Edmondson, A. C. (2012). CEO relational leadership and strategic decision quality in top management teams: The role of team trust and learning from failure. *Strategic Organization*, 10(1), 31–54. <https://doi.org/10.1177/1476127011434797>
- Child, J., Elbanna, S., & Rodrigues, S. (2010). The political aspects of strategic decision making. *The Handbook of Decision Making*, 105–137.
- Chin, G. T. (2010). *China's automotive modernization*. <https://doi.org/10.1057/9780230248540>
- Dinh, J. E., Lord, R. G., Gardner, W. L., Meuser, J. D., Liden, R. C., & Hu, J. (2014). Leadership theory and research in the new millennium: Current theoretical trends and changing perspectives. *The Leadership Quarterly*, 25(1), 36–62. <https://doi.org/10.1016/j.leaqua.2013.11.005>
- Eberlin, R. J., & Tatum, B. C. (2008). Making just decisions: Organizational justice, decision making, and leadership. *Management Decision*, 46(2), 310–329. <https://doi.org/10.1108/00251740810854177>
- Ejimabo, N. O. (2015). The influence of decision making in organizational leadership and management activities. *Journal of Entrepreneurship & Organization Management*, 4(2), 2222–2839. <https://doi.org/10.4172/2169-026x.1000138>
- Elbanna, S., Child, J., & Dayan, M. (2013). A model of antecedents and consequences of intuition in strategic decision-making: Evidence from Egypt. *Long range planning*, 46(1–2), 149–176. <https://doi.org/10.1016/j.lrp.2012.09.007>
- Erenda, I., Mesko, M., & Bukovec, B. (2014). Intuitive decision-making and leadership competencies of managers in Slovenian automotive industry. *RUO. Revija za Univerzalno Odlicnost*, 3(2), 87.
- Ferris, G. R., & Kacmar, K. M. (1992). Perceptions of organizational politics. *Journal of Management*, 18(1), 93–116. <https://doi.org/10.1177/014920639201800107>
- Gotsis, G. N., & Kortezi, Z. (2010). Ethical considerations in organizational politics: Expanding the perspective. *Journal of Business Ethics*, 93(4), 497–517. <https://doi.org/10.1007/s10551-009-0241-7>
- Hair, Matthews, L., Matthews, R., & Sarstedt, M. (2017). PLS-SEM or CB-SEM: updated guidelines on which method to use. *International Journal of Multivariate Data Analysis*, 1(2), 107–123. <https://doi.org/10.1504/ijmda.2017.10008574>
- Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European Business Review*, 31(1), 2–24. <https://doi.org/10.1108/eb-11-2018-0203>
- Hartley, & Branicki, L. (2006). Managing with Political Awareness A summary review of the literature.
- Henseler, & Fassott, G. (2010). Testing moderating effects in PLS path models: An illustration of available procedures.

- In: *Handbook of partial least squares* (pp. 713–735): Springer. https://doi.org/10.1007/978-3-540-32827-8_31
- Henseler, Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science*, 43(1), 115–135. <https://doi.org/10.1007/s11747-014-0403-8>
- Hochwarter, W. A., Rosen, C. C., Jordan, S. L., Ferris, G. R., Ejaz, A., & Maher, L. P. (2020). Perceptions of organizational politics research: past, present, and future. *Journal of Management*, 46(6), 879–907. <https://doi.org/10.1177/0149206319898506>
- Hu, S. (2010). *Perceived Organizational Politics and Organizational Commitment: Exploring the Moderating Effect of Job Insecurity*. 2010 International Conference on Management and Service Science. <https://doi.org/10.1109/icmss.2010.5577972>
- Islam, T., Rehman Khan, S., & Norulkamar Ungku (2013). Organizational learning culture and leader-member exchange quality: The way to enhance organizational commitment and reduce turnover intentions. *The Learning Organization*, 20(4/5), 322–337. <https://doi.org/10.1108/tlo-12-2012-0079>
- Jam, Khan, Zaidi, & Muzaffar. (2011). Political skills moderates the relationship between perception of organizational politics and job outcomes. *Journal of Educational and Social Research*, 1(4), 57–70.
- Jamian, L., Sidhu, G., & Aperapar, P. (2011). A Conceptual Framework: Managerial Decision Making Styles And Organizational Effectiveness Among Deans Of Malaysian Public Universities. *International Journal of Education*, 6(1), 26–43. <https://www.learntechlib.org/p/208934/>
- Kapoutsis, I., & Thanos, I. (2016). Politics in organizations: positive and negative aspects of political behaviour. *European Management Journal*, 34(3), 310–312. <https://doi.org/10.1016/j.emj.2016.04.003>
- Kasapi, Z., & Mihiotis, A. (2014). Emotional intelligence quotient and leadership effectiveness in the pharmaceutical industry: A new template. *International Journal of Business Administration*, 5(1), 15. <https://doi.org/10.5430/ijba.v5n1p15>
- Khairy, H. A. (2019). How Organizational Politics Affect the Supervisor's Perception of Human Resources Management Practices in Hotels. *Journal of Association of Arab Universities for Tourism and Hospitality*, 17(3), 36–45. <https://doi.org/10.21608/jaauth.2020.40772.1068>
- Kimura, T. (2012). Transformational leadership and job satisfaction: The mediating effects of perceptions of politics and market orientation in the Japanese context. *International Journal of Business Science and Applied Management*, 7(1), 29–42. <https://www.econstor.eu/handle/10419/190632>
- Mkalama, R. N. (2014). *Top management demographics, strategic decision making, macro-environment and performance of Kenyan state corporations*. University of Nairobi. <https://doi.org/10.5430/ijba.v10n1p1>
- Nausad, M. (2021). Investigating Determinants of Entrepreneurial Leadership Among SMEs and Their Role in Sustainable Economic Development of Saudi Arabia. *The Journal of Asian Finance, Economics and Business*, 8(4), 225–237. <https://doi.org/10.13106/jafeb.2021.vol8.no4.0225>
- Nguyen, P.-H., Tsai, J.-F., Nguyen, V.-T., Vu, D.-D., & Dao, T.-K. (2020). A Decision Support Model for Financial Performance Evaluation of Listed Companies in The Vietnamese Retailing Industry. *The Journal of Asian Finance, Economics, and Business*, 7(12), 1005–1015. <https://doi.org/10.13106/jafeb.2020.vol7.no12.1005>
- Nur Lyana, B., Salina, D., Aerni, I., & Yunus, M. (2015). *Conventional leadership versus blue ocean leadership*. Paper presented at the National Symposium and Exhibition on Business and Accounting 2015.
- Phornlaphatrachakorn, K., & Na-Kalasindhu, K. (2020). Strategic management accounting and firm performance: Evidence from finance businesses in Thailand. *The Journal of Asian Finance, Economics, and Business*, 7(8), 309–321. <https://doi.org/10.13106/jafeb.2020.vol7.no8.309>
- Preacher, K. J., & Hayes, A. F. (2008). *Assessing mediation in communication research: The Sage sourcebook of advanced data analysis methods for communication*.
- Raman, P., Sambasivan, M., & Kumar, N. (2016). Counterproductive work behavior among frontline government employees: Role of personality, emotional intelligence, affectivity, emotional labor, and emotional exhaustion. *Revista de Psicología del Trabajo y de las Organizaciones*, 32(1), 25–37. <https://doi.org/10.1016/j.rpto.2015.11.002>
- Riaz, A., & Akbar, A. (2013). Politics in the Organizational Life: A Study of the Public Sector of Pakistan. *Life Science Journal*, 10(12s). http://www.lifesciencesite.com/ljsj/life1012s/008_21194life1012s_34_38.pdf
- Richard, J. A., & Sumathi, C. (2015). A study of emotional adjustment and academic achievement among selected high school students in coimbatore district. *Shanlax Int J Educ*, 3(3), 50–54. https://www.shanlax.com/wp-content/uploads/SIJ_Education_V3_N3_007.pdf
- Ringle, C. M., Sarstedt, M., & Straub, D. W. (2012). Editor's comments: a critical look at the use of PLS-SEM in "MIS Quarterly". *MIS quarterly*, iii–xiv. <https://doi.org/10.2307/41410402>
- Robb, C. A. (2012). *The impact of leadership on organisational politics*.
- Robert Mitchell, J., Shepherd, D. A., & Sharfman, M. P. (2011). Erratic strategic decisions: when and why managers are inconsistent in strategic decision making. *Strategic management journal*, 32(7), 683–704. <https://doi.org/10.1002/smj.905>
- Saleem, H. (2015). The impact of leadership styles on job satisfaction and mediating role of perceived organizational politics. *Procedia-Social and Behavioral Sciences*, 172, 563–569. <https://doi.org/10.1016/j.sbspro.2015.01.403>
- Salina, D., & Wan Noordiana, W. H. (2018). Blue ocean leadership style and strategic decision making among leaders at government link companies (GLCs): The Role of Emotional

- Intelligence as Moderator. *Global Business and Management Research*, 10(3), 816.
- Shafie, A. S., Muhammad, N. M. N., & Ridzwan, R. (2017). Decision characteristics and strategic decision process for strategic decision output: A conceptual model. *Journal of Advanced Research in Business and Management Studies*, 6(1), 1–11.
- Shariq, S. M., Mukhtar, U., & Anwar, S. (2019). Mediating and moderating impact of goal orientation and emotional intelligence on the relationship of knowledge oriented leadership and knowledge sharing. *Journal of Knowledge Management*, 23(2), 332–350. <https://doi.org/10.1108/jkm-01-2018-0033>
- Shkoler, O., & Tziner, A. (2017). The mediating and moderating role of burnout and emotional intelligence in the relationship between organizational justice and work misbehavior. *Revista de Psicología del Trabajo y de las Organizaciones*, 33(2), 157–164. <https://doi.org/10.1016/j.rpto.2017.05.002>
- Shrestha, A. K., & Baniya, R. (2016). Emotional intelligence and employee outcomes: Moderating role of organizational politics. *Business Perspectives and Research*, 4(1), 15–26. <https://doi.org/10.1177/2278533715605426>
- Stone, M. (1974). Cross-validatory choice and assessment of statistical predictions. *Journal of the Royal Statistical Society: Series B (Methodological)*, 36(2), 111–133. <https://doi.org/10.1111/j.2517-6161.1974.tb00994.x>
- Ullah, S., & Kamal, Y. (2017). Board characteristics, political connections, and corporate cash holdings: The role of firm size and political regime. *Business & Economic Review*, 9(1), 157–179.
- Vigoda-Gadot. (2000). Organizational politics, job attitudes, and work outcomes: Exploration and implications for the public sector. *Journal of Vocational Behavior*, 57(3), 326–347. <https://doi.org/10.1006/jvbe.1999.1742>
- Vigoda-Gadot. (2007). Leadership style, organizational politics, and employees' performance: An empirical examination of two competing models. *Personnel review*, 36(5), 661–683. <https://doi.org/10.1108/00483480710773981>
- Vigoda-Gadot, E., & Meisler, G. (2010). Emotions in management and the management of emotions: The impact of emotional intelligence and organizational politics on public sector employees. *Public Administration Review*, 70(1), 72–86. <https://doi.org/10.1111/j.1540-6210.2009.02112.x>
- Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic management journal*, 5(2), 171–180. <https://doi.org/10.1002/smj.4250050207>
- Westaby, J. D., Probst, T. M., & Lee, B. C. (2010). Leadership decision-making: A behavioral reasoning theory analysis. *The Leadership Quarterly*, 21(3), 481–495. <https://doi.org/10.1016/j.leaqua.2010.03.011>
- Zibenberg, A. (2017). Perceptions of organizational politics: A cross-cultural perspective. *Global Business Review*, 18(4), 849–860. <https://doi.org/10.1177/0972150917692211>