

Unveiling Leadership–Employee Performance Links: Perspective of Young Employees

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Abstract

This paper presents the impact of leadership style practiced by managers on their subordinates' job performance. Emotional Intelligence of the employees has been considered as a moderator to the leadership-performance relationship. Self-administered questionnaire survey was conducted from convenient sampled 100 young employees of telecom and banking sector. They were asked to respond about their perception regarding their manager's leadership style, job performance and their perceived level of emotional intelligence. 77 out of 100 distributed questionnaires were received back completely filled that yield response rate of 77%. Current research concluded that the style of leadership exhibited by a manager is significantly associated with the subordinates' job performance while emotional intelligence of employees has no moderating effect on this leadership- performance relationship.

Keywords: Leadership; Transformational; Transactional; Job performance; Emotional Intelligence; Leadership-performance relationship.

1. Introduction

Organizations have to deal and cope with a number of uncertainties and challenges in such dynamic environment of global competition. Organizational performance greatly relies on the performance of employees, who are working towards achievement of a common organizational goal. A manager is not only accountable for his duties but he is also entrusted with an assumed responsibility of driving his subordinates in a right direction as a leader. There exist various leadership styles that a manager can follow but the focus of the present research is only on Transactional and Transformational style of leadership. Now-a-days, the criterion of recruitment is getting competing and diversified that's why personality traits in predicting job performance in addition to traditional qualifications and expertise of the employees. Latif (2004, 2005) and Allen (1990, 1996, 2001) argued that the traditional qualifications do not encompass the critical success predictors. Hence, organizations are applying the personality criteria extensively while choosing among potential candidates for final selection. Among these personality traits, Emotional Intelligence (EI) is an important success predictor (Stubbs, 2005). According

to researchers, emotionally stable employees considered being more productive and their performance can be measured by looking at their emotional intelligence level (Goleman, 1998). Thus, to check the impact of emotional intelligence on employees' performance, it has been studied as a presumed moderator that can affect the leadership-performance relationship

2. Literature review

Various researchers (Bandura, 1977, 1993; Bennis & Nanus, 1985; Bass 1998; Tichy & Devanna, 1986; Avolio & Bass, 1988; Bass & Avolio, 1994) worked in transformational leadership area to enrich and enhance the "Transformational leadership theory" developed by Burns (1978). The main features exhibited by a transformational leader (manager) are to: provide the subordinates with work autonomy; inspire the followers with their own conduct; harmonize the core traits of employees with overall organizational goals; help them in identifying their strengths and weaknesses and optimize their performance. Burns theorized that transforming and transactional leadership styles were mutually exclusive. Bass (1985) extended the work of Burns (1978). He stated that transactional leaders get the work done through their subordinates by offering them a reward or threat of punishment in a more structured way than a transformational leader. The major four dimensions of this leadership style are active management by exception (manager takes corrective actions in case of deviation from the targets and standards set by the manager); laissez-faire (manager sometimes loosen up his decision making power and delegates authority); passive management by exception (transactional manager interferes only when there is a deviation from the standards) and contingent rewards (manager and the subordinates set the goal by mutual understanding and then actions are directed by manager through reward/punishment).

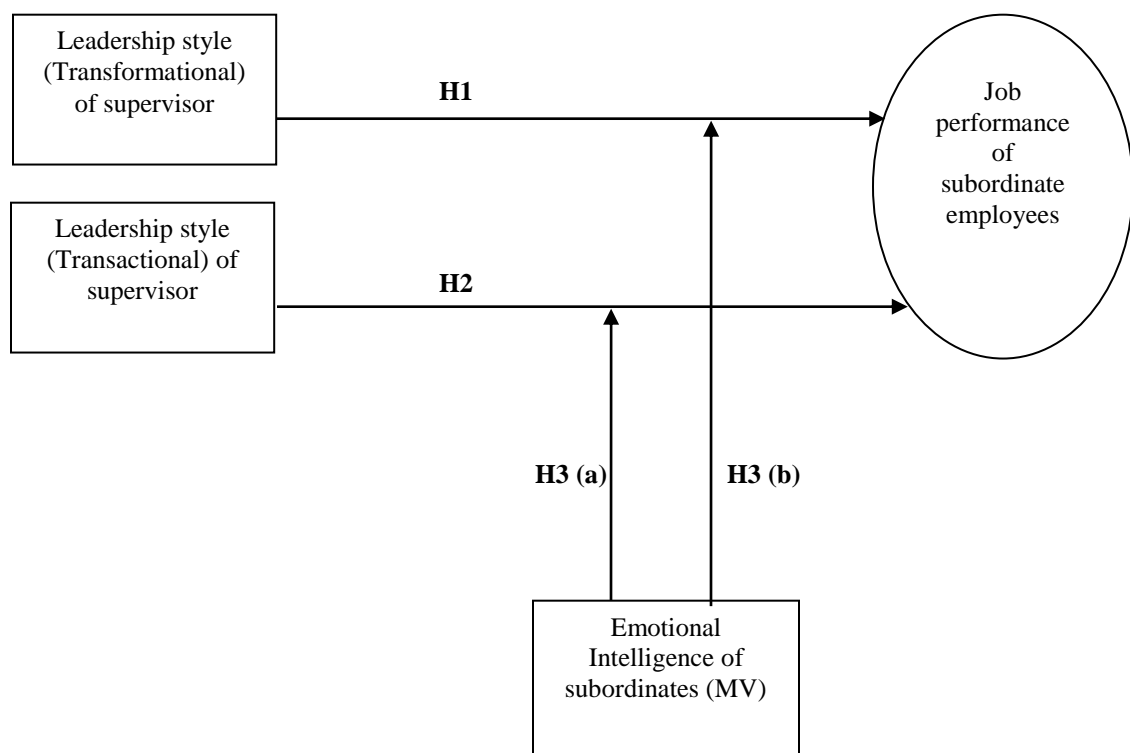
Emotional Intelligence was first defined and developed by Salovey and Mayer (1990, 1997). According to them, it is the ability of identifying one's own and others' feelings and emotions; discriminating these emotions; directing one's thinking and actions according to the emotional information received; precise appraisal and expression of the feelings and enhancing emotional and intellectual growth. Then various researchers used these bases to further elaborate and conceptualize this construct (Goleman, 1995; Gibbs, 1995; Davies, 1998). Researchers argue that emotional intelligence increases innovational capabilities in a person that resultantly enhances his job performance (Hasanzadeh, 2009; Ganji, 2011). Emotional intelligence has been proved to have a significant relationship with being successful in personal and professional life (Liptak, 2005; Golman, 1998); productivity (Weinberger, 2003; Jacques, 2009); interaction and involvement in work environment (Svyantek & Rahm, 2002) and team performance (Weisinger, 1998). Some studies support the relationship between job performance and emotional intelligence (Rieck, 2008; Jacques, 2009) but some did not show any such relationship (Brooks, 2002; Shaffer & Shaffer, 2005; Bohrer, 2007). Hence, current research has been undertaken to study the impact of emotional intelligence on job performance as a moderator for leadership-performance relationship. This will surely help the researchers to fill the research gap and practitioners to decide considering emotional intelligence as performance predictor in their organizational settings.

3. Research methodology

Target population of the study was young employees of telecom and banking companies in Lahore. For the purpose of data collection from the respondents, structured questionnaires have been used in this study. Using convenient sampling method, 100 respondents were initially approached. They were asked to respond about their perception regarding their manager's leadership style, job performance and their perceived level of emotional intelligence. Questionnaire has been adopted from the studies of Bass and Avolio (1994) and Goleman (1995). Sample consisted of 100 respondents. Out of 100 distributed questionnaires 77 were received back completely filled in all respect thus yielded 77% response rate for the study.

3.1 Research model

Following models has been assessed to study the impact of leadership style of the manager (IV) on subordinates' job performance (DV) keeping the emotional intelligence of followers a moderating variable (MV).



3.2 Research hypotheses

- H1: Manager's transformational leadership style positively relates to subordinates' perceived job performance.
- H2: Manager's transactional leadership style positively relates to subordinates' perceived job performance.
- H3 (a,b): Emotional Intelligence of subordinates moderates the positive relationship between managers' leadership style and subordinates' perceived job performance.

4. Results

4.1 Analysis

Table 1 shows the demographical detail of the respondents. As per findings of the study, majority of the respondents fell within the age bracket of 21-25 years (81.8%) i.e. young employees. On the basis of job qualification of the subordinates, 57.1% were qualified as bachelors and 42.9% were at master level.

Table 1: Demographical Traits of the respondents

		Frequency	Percentage
Age	15-20 years	10	13.0
	21-25 years	62	81.8
	26-30 years	4	5.2
Gender	Male	50	65
	Female	27	35
Educational Level	Bachelors	44	57.1
	Masters	33	42.9

Table 2 shows the results for regression run between the transformational style of leadership exhibited by a manager and subordinates' job performance at significance level of 5%. Result suggests that the transformational style of leadership exhibited by a manager is significantly associated with the subordinates' job performance.

Table 2: Transformational style of leadership exhibited by a manager and subordinates' job performance

Independent Variable	R	R ²	B	F	P
Transformational leadership style of manager	.271	.073	.392	5.93	.017

Table 3 shows the results for regression run between the transactional style of leadership exhibited by a manager and subordinates' job performance at significance level of 5%. Result suggests that the transformational style of leadership exhibited by a manager is significantly associated with the subordinates' job performance.

Table 3: Transactional style of leadership exhibited by a manager and subordinates' job performance

Independent Variable	R	R ²	B	F	P
Transformational leadership style of manager	.242	.059	.274	4.66	.034

Table 4 shows the results for moderating effect of emotional intelligence on the relationship between the transactional style of leadership exhibited by a manager and subordinates' job performance at significance level of 5%. Result indicates that the level of emotional intelligence has no effect on this transformational leadership-performance relationship

Table 4: Moderating effect of emotional intelligence on transformational leadership-performance relationship

	R	R Square	Change Statistics				
			R Square Change	F Change	df1	df2	Sig. F Change
a	.273	.075	.075	2.98	2	74	.057
b	.282	.08	.005	.397	1	73	.531

a-Independent variable (s): Transformational style of manager, emotional intelligence

b-Independent variable (s): Transformational style of manager, emotional intelligence, Transformational-EI

Table 5 shows the results for moderating effect of emotional intelligence on the relationship between the transactional style of leadership exhibited by a manager and subordinates' job performance at significance level of 5%. Result suggests that the level of emotional intelligence has no effect on this transactional leadership-performance relationship

Table 5: Moderating effect of emotional intelligence on transactional leadership-performance relationship

	R	R Square	Change Statistics				
			R Square Change	F Change	df1	df2	Sig. F Change
a	.247 ^a	.061	.061	2.4	2	74	.097
b	.253 ^b	.064	.003	.245	1	73	.622

a-Independent variable (s): Transactional style of manager , emotional intelligence

b-Independent variable (s): Transactional style of manager , emotional intelligence, Transactional-EI

4.2 Findings

Analysis of the collected data suggests:

- Transformational style of leadership exhibited by a manager is significantly associated with subordinates' perceived job performance (H1 accepted).
- Transactional style of leadership exhibited by a manager is significantly associated with style and subordinates' perceived job performance (H2 accepted).
- H3: Emotional Intelligence does not increase (or decrease) the impact of leadership style on subordinates' perceived job performance (H3 (a,b) rejected).

5. Conclusion and future implications

Current research concluded that the style of leadership exhibited by a manager is significantly associated with the subordinates' job performance while their level of emotional intelligence has no moderating effect on this leadership- performance relationship. This research can be further enhanced to other types of leadership exhibited by managers. Also, other personality traits can be investigated as moderators for future studies.

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