



Leadership and Employees' Productivity: Measuring An Impact of Three Selected Leadership Styles on Employees' Productivity in the Banking Sector of Bahawalpur, Pakistan

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ABSTRACT

This study was founded on the need to establish the influence of three leadership styles on employee productivity at banking sector of Bahawalpur. To achieve objectives of study, a descriptive survey was used to determine the influence of three leadership styles (task-oriented leadership, autocratic leadership, charismatic leadership) on employee productivity. Target population of study included all managers and employees of Bahawalpur's Banks. A sample size of 234 was selected from a population of 586 managers and employees. Data was analyzed using correlation and regression analysis. Results of study showed that all three leadership styles have a positive relation with employee productivity. Study found that a unit increase in autocratic leadership style, task-oriented leadership style and charismatic leadership style leads to increase in employee productivity. Study, therefore, recommends that leaders know what is important for subordinates and organization as a whole and encourage employees to see opportunities and challenges around them creatively. Study suggests that a similar study can be done in other banks of Punjab and Pakistan by using other leadership styles.



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1. Introduction

Many organizations struggle hard to achieve challenges of uncertain business environment and to survive the heat of competition. In order to move in such competitive environment, leadership plays a role of driver. The biggest asset of any firm is human being. The importance of leadership in organization and on human being is explained by (Shafie, Baghersalimi, & Barghi, 2013). "Employees are an organization's key leaders. They owe the company priorities and life (Shafie, Baghersalimi, & Barghi, 2013, p. 25). Leadership plays a significant part in increasing an organization's profitability. Effectiveness of leadership either results in the form of achievements or defeat of an organization. In the support of this, (Paracha, Qamar, Anam, Hassan, & Waqas, 2012) stated that, "To achieve desire target and to enhance the performance of workers, leaders play very important role" (p-55). Now-a-days effective leadership has become an integral part of an organization (Fiedler & House, 1988). Leadership is perhaps the most thoroughly discussed corporate aspect that may influence the efficiency of workers (Cummings & Schwab, 1973). The impact of leadership style on employee productivity is studied by (Rasool et al., 2015; Khuong & Hoang, 2015; Iqbal, Anwar, & Haider, 2015; Aboshaiqah et al., 2014; Rasool and Raja, 2014; Prague, et al., 2014; BHATOI et al., 2014). Between job engagement, personality creation and charismatic leadership there is a profoundly positive connection (Somani & Krishnan 2004). In hotel industry, the leadership style

that is mostly used by managers is known as autocratic leadership (Björn Michaelis, 2009). According to, (Ispas & Babaita, 2012) it is the best style that gives the more result. The relationship between employee productivity and leadership style is studied by (Aboshaiqah,, Hamdan-Mansour, Sherrod, Alkhaibary, & Alkhaibary, 2014).

Some studies, which were done in different countries on different industries, are mentioned such as top management was studied by (Björn Michaelis, 2009). A study was done on secondary school by (Teresa, 2013). (Iqbal, Anwar , & Haider, 2015) did a research on hotel. Teaching institute is explored by (Alhassan, Ibrahim, Fuseini, Issah, & Eliasu, 2014), while medical field is represented by (Aboshaiqah,, Hamdan-Mansour, Sherrod, Alkhaibary, & Alkhaibary, 2014) and (Rasool, Arfeen, Mothi, & Aslam, 2015). An investigation on academic librarian was done by (Akor, 2014). Some research is also done on this area in Pakistan, such as Ansar et al, (2016) did his study in telecom sector, private and public school were examined by (Bhatti , Maitlo , Shaikh, Hashmi, & Shaikh , 2012) and (Paracha, Qamar, Anam , Hassan, & Waqas, 2012) completed their studies by using private school (Educators). The purpose of this study is to investigate the impact of three leadership styles i.e. autocratic, task oriented and charismatic leadership on employee productivity in banking sector of Bahawalpur. For prospective scholars, students and educators, the context and results of this study may help to recognize the significance and value of various leadership styles for success of employees. The bank will be best able to use the results from this study to establish leadership initiatives and will pursue members to learn appropriate leadership skills for productive management and organizational success after evaluating the relationship between leadership styles and efficiency of employees. The results of this research will help various leaders determine the right and right leadership style for team performance and competitiveness in similar situations.

2. Literature Review

2.1. Leadership

Leadership is a procedure in which an individual seeks the responsibilities to understand the viewpoint of others and take the authority of guiding others to achieve some goals by providing them information of what is a head to achieve and how to achieve it (Memon, 2014). Leadership is the ability of a person to impact others and let them obey his opinion based on well communication so as to achieve support and strong loyalty (Iqbal , Anwar , & Haider , 2015). (Sundi, 2013) defines that Leadership is the capability to manage the gathering of people and convince them to cooperate as a team under the leadership to achieve certain targets which are pre-planned by the organization. Leadership is the impacting procedure to drive and manage change within the organization (Lussier & Achua, 2001).

Leadership is a way of collecting people, impacting, guiding and convincing them to work gainfully in order to achieve organizational objectives (Peter & Clifford, 2008). Leadership is the capability to motivate others to achieve the assigned goals with the help of group effort (Armstrong & Taylo, 2014). Leadership is a complex bonding between leaders and followers which is achieved through communication of knowledge, skills and values as well as by way of thinking. It tries to find a bridge to overcome the gap between followers and leaders. It is a continuous procedure of establishing connection between leaders and those who are willing to follow (Blanchard & Hersey, 1984).

2.2. Employee Productivity

Productivity is defined as the response of employees that is generated in some specific situation in the form of their skills (Prasetya & Kato, 2011). The resultant behavior of an employee that can be noticed and assessed is known as the productivity. According to (Pattanayak, 2005) the commitment of employees to complete organizational goal is known as productivity. Employee productivity is simply a pattern of actions carried out by workers. We can say that productivity of employees is a visible action and thinking to answers some questions and make some decisions which results in organizational growth. Employee productivity is effected by visible and non-visible factors prevailing in the environment of organization. Some of these factors include job satisfaction, job description, and of course leadership (Ibrahim, 2004).

2.3. Leadership and Employee Productivity

Husband (2014) stated that productivity of employees is not only enhanced by the hard work of employees but the supervision of a good leader also plays an important role in the productivity of employees. The term productivity is defined by (Bala, 2011) as a direct proportion between factors that affect performance of employees. In order to achieve goals of an organization and to do assignment for some specific tasks, employees must be fully informed about task and must be encouraged positively by leader (Husbands, 2014). It is the duty of leaders to tell details of task to workers and tell them clearly that what is expected from them. With the help of different leadership styles a leader can increase the productivity of employees by developing strong relations with them, by using reward and punishment system, by giving them power of decision and by providing them opportunities of growth (Kimball & Nink, 2013).

2.4. Autocratic Leadership Style and Employee Productivity

According to Gustainis, (2004) if a company uses autocratic leadership style for long time period, the reputation of the organization can be damaged due to this leadership style. As in autocratic leadership style, employees are not involved in any decision making process, they do not feel comfortable in showing their full skills to achieve goals. The morale of workers become low and due to this many problems arises in organization. According to (Alhassan, Ibrahim, Fuseini, Issah, & Eliasu, 2014) there is a positive relationship between autocratic leadership and employee productivity. A study was conducted by (Teresa, 2013), on the teachers of secondary school to find the impact of autocratic leadership on employees. According to the results of this study it was found that teachers and staff support autocratic leadership style. Wang and Guan (2018) stated that a positive relationship exist between autocratic leadership and employee performance with mediating role of learning goal orientation. The result of study showed that if autocratic leaders provide challenging goals to motivate their employees, the performance of employees increases.

2.5. Task Oriented Leadership Style and Employee Productivity

In task-oriented leadership style, leader is not concerned about personalities of individuals and teams. He just focuses on achievement of goals. Roles and duties are assigned by leader. Everyone knows clearly what he has to do. Leader set a road map to achieve target. Workers do their assigned duties according to the instructions of leader and their work is monitored by leader (Basu, 2014). Mostly task oriented leadership style is used by organization when deadlines of work is near and organization has to complete target. Task oriented leaders have sharp mind. They understand very well what is most important and what have to be done first. They divide work according to priority level. It is the ability of task oriented leaders that they can get more from limited resources. They plan and control environment according to availability of resources in an organization (Sandling, 2014).

2.6. Charismatic Leadership Style and Employee Productivity

Charismatic leaders have a special ability to improve the productivity of employees by inspiring them through their higher ethical moral. They have ability to work in any circumstances and drive workers to work with them (Cicero & Pierro, 2007). According to (Manson, 2014) there are some characteristics of charismatic leaders that are distinct and hard to beat. These characteristics inspires workers to follow because they have convincing power and are able to maintain significant level of change in organization which is important for growth and staying competitive in the market.

3. Methodology

The researchers followed a research and convenience sample style to ensure that the workers who were selected by the researchers were located in their workplaces. The approach allowed descriptive and inferential analysis, was quantitative in nature. The participants in this research were Bahawalpur bank workers. A sample of 234 employees was selected from Bahawalpur Banks. In order to ensure authenticity, the questionnaires are taken from previous studies. Collected data is analyzed by using SPSS. Data analysis was carried out using descriptive and inferential statistical methods. To check the reliability and validity of instrument, Cronbach's α was used. The hypothesis was evaluated by regression analysis.

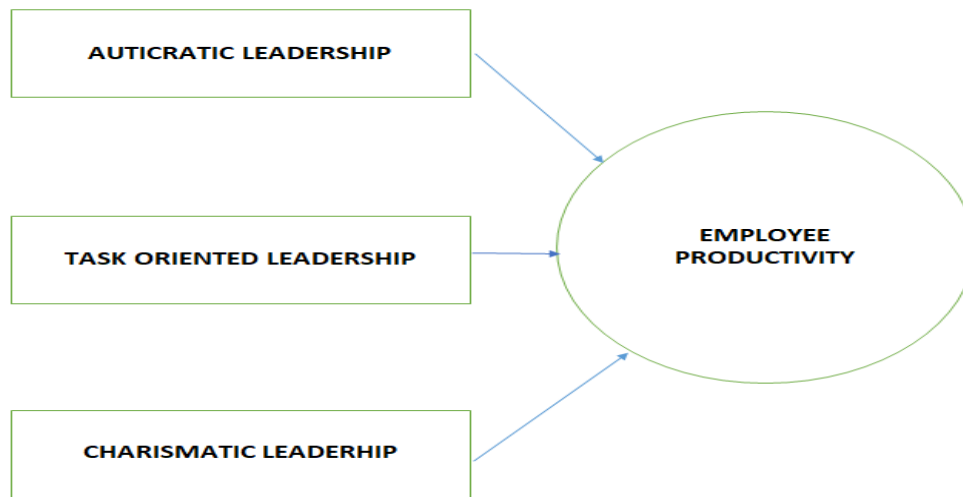


Figure 1: Conceptual Framework

4. Findings and Results

Table 1
Correlation Analysis

| | | Autocratic Leadership | Task Oriented Leadership | Charismatic Leadership | Employee Productivity |
|--------------------------|---------------------|-----------------------|--------------------------|------------------------|-----------------------|
| Autocratic Leadership | Pearson Correlation | 1 | .340** | .220** | .210** |
| | Sig. (1-tailed) | | 0.000 | 0.000 | 0.001 |
| | N | 240 | 240 | 240 | 240 |
| Task Oriented Leadership | Pearson Correlation | .340** | 1 | .308** | .728** |
| | Sig. (1-tailed) | 0.000 | | 0.000 | 0.000 |
| | N | 240 | 240 | 240 | 240 |
| Charismatic Leadership | Pearson Correlation | .220** | .308** | 1 | .466** |
| | Sig. (1-tailed) | 0.000 | 0.000 | | 0.000 |
| | N | 240 | 240 | 240 | 240 |
| Employee Productivity | Pearson Correlation | .210** | .728** | .466** | 1 |
| | Sig. (1-tailed) | 0.001 | 0.000 | 0.000 | |
| | N | 240 | 240 | 240 | 240 |

H1: There is a significant positive relationship between autocratic leadership style and employee productivity

The regression analyzes describe the favorable relationship between autocratic leadership and profitability of workers. If the boss demonstrates greater self-governing leadership, the efficiency of the workforce will improve. Hypothesis 1 is confirmed by this finding as expected. Autocratic leadership positively affects employee productivity. As reviewed in literature, result of autocratic leadership was same as in previous studies. For example (Alhassan, Ibrahim, Fuseini, Issah, & Eliasu, 2014); (Teresa, 2013); (Gimuguni, Nandutu, & Magolo, 2004) and (Nuhu, 2010) reported a positive relationship between autocratic leadership style and employee performance.

H2: There is a significant positive relationship between charismatic leadership style and employee productivity

Charismatic leadership has a favorable connection to workers productivity and the second hypothesis of this study indicates that the charismatic leadership style and the productivity of employees have substantially favorable ties of common. Ansar, Aziz & Majeed (2016) have reported a positive association between charismatic leadership and organizational

performance in Pakistan's telecommunications market. Likewise, the same findings were stated by Somani (2007), Somani & Krishnan and Germano (2010).

H3: There is a significant positive relationship between task oriented leadership style and employee productivity

The study showed that task-driven leadership has a positive effect on productivity of workers. Such findings lead to the third hypothesis of the analysis that the task-oriented leadership model favorably affects the productivity of workers. The findings have strong support from past evidence which indicates positive ties between task-oriented leadership and employee productivity, for example (Fernandez 2008), (Taberner, 2009) and (Jenkins, 2010).

5. Conclusion

The latest empirical research confirmed the impact of styles of leadership on the productivity of workers. This study attempts to evaluate the impact on productivity of workers with various independent variables. All leadership styles examined in the review had a constructive effect on the productivity of workers. Task-based management model has major impacts on productivity in comparison to two other styles. From the report, supervisors who want better outcomes from their subordinates will adopt task-oriented leadership as it outcomes in a more successful style of leadership compared with other two styles of supervisors in the Bahawalpur banking industry. Although the study is conducted somehow successfully yet there are some limitations that influenced the study. These limitations can be improved for further research. Small sample size was the key drawback for this analysis, as only employees in Bahawalpur banks were the target participants.

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