

Research Article

The Impact of Leadership on the Productivity of Employees: An Evidence from Pakistan

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Abstract: This study examines that leadership skills such as Technical skills, Conceptual skills, Interpersonal skills, Emotional Intelligence and Social intelligence have an impact on increasing the productivity of employees in Pakistan. With different other concepts, better skills of leaders can increase the productivity of employees. Skilled and dedicated leadership can set good values. Learning and mastering a variety of abilities facilitate leaders to spread and establish high standards in the organizations. In this study, questionnaire was developed and distributed to different people working in Pakistani organizations. Data analysis was done through SPSS. The results were astonishing and all the variables have positive impact on productivity of employees working in Pakistan through leadership skills.

Keywords: Leadership, productivity, skills

INTRODUCTION

The magnitude and importance of leadership in different organizations has long been unnoticed and unobserved from a long period of time. But now its importance has been realized and now it has become a burning issue all over the world. Effective leadership enhances the productivity of employees in all the sectors of the economy in a country and now it has motivated researchers, nationwide and global organizations to receive keen and intense notice in it. Productivity can be defined as “an economic measure of output per unit of input. Inputs include labor and capital, while output is typically measured in revenues and other GDP components such as business inventories”. With a variety of new techniques, better leadership abilities and skills can be established to be successful in increasing the employee’s productivity in the organizations. Due to the aggressive competition of the global and worldwide market and added diversified forces, the collection of management and leadership abilities and skills must be increased and expanded to increase the productivity of the employees in the organizations (Wart, 2003). The leaders direct the affiliates of business in the direction of the objectives of the organization. So one of the major duties of a high-quality leader to make certain that the tasks of the business are executed in disciplined and economical way.

The study argues the idea of leadership, its talents and abilities in different organizations and how to increase the productivity of workers working in Pakistani organizations.

Aims and objectives of the study: The aims of this investigation are as follows:

- To assess the power of leadership and management on increasing performance and productivity of workers in Pakistani environment.
- To assess the significance of leader-worker/employee relationships in building the organizations.
- To build a plan and suggestions on leadership model to improve the performance of employees.

Research questions: The research queries and questions of this study are:

- Is there a positive effect of technical skills of leaders on employee productivity?
- Are conceptual skills of leaders having an effect on employee productivity?
- Are interpersonal skills of leaders creating a optimistic effect on the productivity of employees?
- Is emotional intelligence of leaders having a boosting impact on employees’ productivity?
- Is social intelligence of leaders having a encouraging impact on increasing the productivity of employees?

LITERATURE REVIEW

Normally leaders have the authority and power upon allotment of resources, decisions of promotions, assessment of performance and any result that may

have an impact direct or indirect upon employees underneath their management (Smith, 1948; Raven and French, 1958; Bass and Bass, 2009).

The importance of leader in the organization is just like sun in the “solar system”. Leaders can greatly influence their subordinates and have the ability to increase their productivity. The traits of leaders are visibly significant, particularly in joint effort in particular. Leaders require the abilities to employ its employees in prolific and pleasing shared pursuits. But, this is an exit from the normal means of considering leader traits as belongings, rather than interpersonal relations to others involved in common actions. The leadership skills and knowledge cannot be inherited, rather can be got and taken from others, built-up and are apparent in routine working (Katz, 1974).

Normally, leadership is the method or practice with the help of which an influential person convinces and directs the employees working in the organization towards the accomplishment of his/her aims (Yukl, 1989; Greenburg and Giacalone, 1997).

The literature on leadership proposes that leaders apply a huge amount of power on their employees and followers on dyadic intensity. Particularly, it implies that leaders who provide continuous help to their group “sense of self-worth” will help that group to display an acceptable height of performance and productivity (Dansereau *et al.*, 1995).

The standard practices, ethics and principles are started from the head/leader, later on built-up by the leader and also continued by him/her (Grosenick and Gibson, 2001). The productivity of employees is mainly significant matter to bosses and administrators because the main intention of their work is to obtain the maximum from their jobs and work. The exercise of features like cash, job safety and a relaxed workplace for inspiring workers is frequently overvalued, because they may likely be just effect in inhabitants not becoming fewer encouraged, but leading by leaders have more impact for their motivation.

Leaders put in place the paradigm for perfect practices, model actions and performance, then it is followed by the employees. They set the examples may be called the initiator and originator of organization’s customs and norms. Attainment of morals plans in business is just because of enthusiastic leaders (Hejka-Ekins, 2001; Lewis and Gilman, 2005). The expertise of leadership definitely enhances the efficiency of the managerial leaders, also increases the productivity of the employees working in the organization.

The most important function of the leaders is to supervise the productivity of the employees and it is one way through which the leaders can increase performance of the employees (Humphrey, 2002).

The research done by Bertrand and Schoar (2003) showed that the leader recognizes subject; their research showed the effects of the leaders are positively correlated with the profitability of the organization.

Still it is not fully uncovered that how leaders affect on their employees performance and productivity but it is significant to know this relation (Sy *et al.*, 2005).

Leaders are in a position to apply an immense pressure and influence to enhance the productivity and output of the workers and employees and they are unaffected to this effect as they are immune to it. Moreover, leaders frequently put the point for making intelligence in their employees by choosing variables and methods to be observed, highlighting major features of productivity performance in cluster and personal assessments and by managing the stream to employees (Yukl, 2006; Bass and Bass, 2009; Weick, 1995). Therefore, influence and affect is a central subject inside leadership.

Technical skills of leaders include those processes, methods and techniques which help leaders in understanding a particular subject or any problem (Katz, 1974). These qualities will bring accurate information to leaders regarding organizational systems and characteristics of employees. Technical skills are added through the merger of proper tutoring, education and work practices.

These technical skills of leaders are very important as with the help of these, the leaders will be in a position to guide and instruct employees and subordinates to increase their productivity and guide the organization to success (Cook, 1998; Yukl, 2001). These abilities place the base for motivation, novelty and tactical planning.

Conceptual skills of leaders consist of critical ability, rational thinking and idea creation. In the words of Yukl (2001) these skills entails high-quality findings, judgment, care, imminent, originality and the aptitude to construct choices and decisions in multifaceted conditions. Conceptual skills are required by leaders to involve in the process of development, organizing and making decision. For getting high productivity from employees, leaders need to know the working and functionality of organization and must possess these conceptual skills.

Interpersonal skills of leaders contain information about the behaviors of human beings and team/group processes. It includes the skills and capability of leaders to recognize the thoughts, feelings, intents of employees, capability to evidently and realistically correspond in different situations. It is compromising talents for settling dissimilarities between employee/workers and set up jointly enjoyable associations (Mahoney, 1963; Mahoney *et al.*, 1965; Copeman, 1971; Mintzberg, 1973).

Interpersonal skills also comprise those abilities that help leaders to understand the capabilities needed to make coordination and synchronization for the actions and deeds for him/her and others people (Gillen and Carroll, 1985; Mumford *et al.*, 2000).

Interpersonal abilities and skills of leaders also power up the employees to successfully complete managerial aims and objectives (Yukl, 1989; Mintzberg, 1973) and hence increasing the productivity of the employees in the organization.

Emotional Intelligence (EI) or feelings of the leaders has also an effect on the productivity of the employees. EI is the degree to which employees are familiarized with their thoughts and feelings and concerns of the feelings of the other people (Yukl, 2001).

EI is concerned to the extent that place jointly feelings and causes in a manner so as to feelings and emotions are used to aid cognitive procedures and feelings are sensibly handled (Haq, 2011). Leaders can solve problems like management of time, disaster management to take better decision making. With the help of EI, leaders can easily understand the personalities and problems of their employees and thus are in a position to solve the problems and increasing the performance of the employees.

Social intelligence of leaders also plays an important role to tackle with the employees. It includes social perceptiveness which increases the ability of the leaders to understand problems and needs of the organization as well as the employees. Behavioral elasticity is the skill and keenness to change the behavior of employees and to fine tune for new situations (Haq, 2011).

Although, there are many types of commitments, but commitments to bosses is the mainly powerful one (Becker and Billings, 1993; Gregersen, 1993; Becker and Gerhart, 1996; Meyer and Allen, 1997).

In previous researches, researchers agreed that human resources may show commitment to organizations, bosses, work and working divisions (Becker and Billings, 1993; Hackett *et al.*, 2001; Wasti and Can, 2008).

In the words of Bentein *et al.* (2002) the workers who show excellent performance, they are given rewards by their leaders to increase their productivity

more. Furthermore, the employees show more devotion towards their bosses or leaders as compared to organizations (Cheng *et al.*, 2003). The workers sense themselves additionally near to their bosses or leaders than their business organizations, when they observe the business organization as one unit (Wasti and Can, 2008).

RESEARCH METHODOLOGY

Theoretical framework (Fig. 1):

Hypothesis:

- H1:** Technical skills of leaders increase the productivity of employees.
- H2:** Conceptual skills of leaders enhance the productivity of employees.
- H3:** Interpersonal skills of leaders a source of increasing productivity of employees.
- H4:** Social Intelligence of leaders has a positive impact on employee's productivity.
- H5:** Emotional Intelligence of leaders creates a positive impact on the productivity of employees.

The research questions were examined from the individuals who provided information. Questionnaires were used as a secondary source of data collection. As with the help of questionnaires, it is very easy to gain data efficiently for research purpose. In this study questionnaire were administered personally and distributed through web among the general public who are working in different organizations to collect data. The survey is confined to all over Pakistani organizations and responses completed within a short period of period.

Sampling size: It is a method of choosing elements from a big population. So that a learning of the sample and an understanding of its characteristics would make

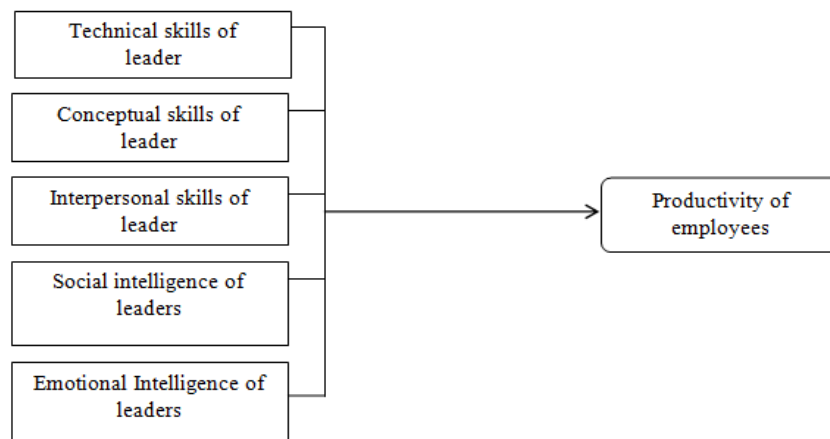


Fig. 1: The theoretical frame work model for impact of leadership on the productivity of employees

it probable for us to simplify such properties or characteristics to the population elements. The number of members surveyed is $n = 102$.

Sampling procedure: In this study, sample area is Pakistan where questionnaires were administered to make our sample size more appropriate in understanding the impact of leadership on the productivity of employees. Simple random sampling technique was used in this study. Precision and confidence are important issue in sampling because when we use sample data to draw inferences about the population, we hope to be fairly “on target” and have some idea of the extent of possible error. Because a point estimate provides no measure of possible error, we do interval estimation to ensure a relatively accurate estimation of the population parameter.

RESULTS AND DISCUSSION

Checking the reliability of measures: Cronbach’s alpha: The interim consistency reliability or the Cronbach’s Alpha reliability coefficients of the five independent variables (Technical Skills, Conceptual Skills, Interpersonal Skills, Social Intelligence and Emotional Intelligence) and one dependent variable (Productivity of Employees) were obtained in Table 1 as a whole. The results in Table 1 indicate that the Cronbach’s Alpha for the 6-item measure is 0.838. The closer the reliability coefficient to α 1.0 the better the results are. Table 2 shows individual results of Cronbach’s Alpha of Independent and dependent variables. Productivity of Employees indicates 0.814 reliability and the remaining five independent variables given below have the range from 0.781 to 0.840, which shows that the data collected through questionnaire is reliable as all values are above 0.7.

Descriptive statistics: measuring mean and standard deviation: Descriptive Statistics such as means and standard deviations were investigated for the interval-scaled independent and dependent variables as mentioned in Table 3. The results in Table 3 (5-point scales) were tapped on the variables, the mean of productivity of employees is 3.6765, Technical Skills show 3.9583, Conceptual Skills show 4.1520, Interpersonal Skills show 4.0441 and Emotional Skills show 3.9444 and Social Intelligence show 3.7810. So, this research shows that data is more reliable and consistent to (4th scale) i.e., agreed by respondents in an average. Standard deviation is near to 1.0 in all the cases. So it shows strong impact on productivity of employees.

Inferential statistics: Pearson correlation: The Pearson Correlation Matrix is attained for the six interval-scaled variables as revealed in Table 4. From the results, it was found that the productivity of

Table 1: Cronbach’s alpha (combined)

Reliability statistics	
Cronbach's alpha	N of items
0.838	6

Table 2: Cronbach’s alpha (individual)

Variables	Cronbach's alpha
Technical skills	0.811
Conceptual skills	0.812
Interpersonal skills	0.781
Emotional skills	0.807
Social intelligence	0.840
Productivity of employees	0.814

Table 3: Descriptive statistics

	Item statistics		
	Mean	S.D.	N
Technical skills	3.9583	0.66942	102
Conceptual skills	4.1520	0.72025	102
Interpersonal skills	4.0441	0.71961	102
Emotional skills	3.9444	0.74916	102
Social intelligence	3.7810	0.67404	102
Productivity of employees	3.6765	0.69260	102

Table 4: Pearson correlation

Pearson correlation	Productivity of employees	Significance
	1.000	
	Technical skill	0.428 0.000
	Conceptual skill	0.436 0.000
	Interpersonal skill	0.723 0.000
	Emotional skill	0.390 0.000
	Social intelligence	0.290 0.002

employees is positively correlated with all the independent variables, but the contribution of Interpersonal Skills is more than any other variable. The significance value is below than 0.05 in all the cases.

Multiple regression analysis: The Table 5 lists the five autonomous variables which are put into the Regression Model and R (0.739) is the correlation of the five independent variables with the dependent variable, after all the inter correlations amongst the five independent variables are taken into account. In the Model Summary in Table 5, the R^2 (0.546), which is explained variance, is in fact the square of the multiple R (0.739)². In Table 5 the value of R 0.739 (73.9%) shows that 73.9% of the dependent variable i.e.; productivity of employees can be explained with its 5 independent variables (Technical Skills, Conceptual Skills, Interpersonal Skills, Emotional Skills and Social Intelligence). The value of R square is 0.546 or 54.6% which shows the significant contribution of 5 independent variables towards dependent variables i.e.; productivity of employees.

ANOVA: From the ANOVA Table 6 we conclude that our model is goodness of fit because the significant

Table 5: Model summary

Model	R	R ²	Adjusted R ²	S.E.E.
1	0.739 ^a	0.546	0.522	0.47897

^a. Predictors: (constant), social intelligence, conceptual skill, technical skill, emotional skill, interpersonal skill; S.E.E.: Standard error of estimate

Table 6: ANOVA

Model		S.S.	d.f	M.S.	F	Sig.
1	Regression	26.425	5	5.285	23.037	0.000a
	Residual	22.024	96	0.229		
	Total	48.449	101			

S.S.: Sum of square; M.S.: Mean square

Table 7: Coefficients

Model	Standardized coefficients		Sig.
	β	t	
(Constant)		1.936	0.056
Technical skills	0.171	1.896	0.061
Conceptual skills	0.149	1.499	0.137
Interpersonal skills	0.771	7.620	0.000
Emotional skills	0.084	0.872	0.385
Social intelligence	0.044	0.535	0.594

value is 0.000. If the significant value is less than the level of significance (0.05) it shows the model is goodness of fit. It also shows that at least one the coefficient is not zero.

Coefficients: ANOVA Table 7 tells us about the goodness of fit but coefficient table tells individual contribution of every variable. From the Coefficients table, we conclude that all leadership skills has a positive impact on Productivity of Employees but Interpersonal skills has a large impact on Productivity of Employees and also significant.

Results: From the Correlation table, we conclude that our independent variables i.e.; Technical Skills of leader, Conceptual Skills, Interpersonal Skills, Emotional Skills and Social Intelligence are all positively correlated with the dependent variable i.e.; Productivity of Employees, but the two variables have more influence than any other variable i.e.; Conceptual Skills and Interpersonal Skills. Our all hypothesis have been accepted as the significance value of independent variables is less than 0.05.

Accepted hypothesis:

- H1:** Technical skills of leaders increase the productivity of employees.
- H2:** Conceptual skills of leaders enhance the productivity of employees.
- H3:** Interpersonal skills of leaders a source of increasing productivity of employees.
- H4:** Social Intelligence of leaders has a positive impact on employee's productivity.

H5: Emotional Intelligence of leaders creates a positive impact on the productivity of employees.

CONCLUSION

The objective of writing this study was to discuss about leadership and which features of leadership increases the productivity of employees in Pakistani organizations. A survey was conducted to see the different features of leadership, which are mainly responsible for increasing the productivity of employees in Pakistani organization with a sample size of n = 102. It has been seen that all the independent variables have positive impact on productivity of employees and they are positively correlated with the dependent variable. So the results of this research show that if leadership abilities are properly applied in Pakistani organizations, the productivity of employees can be increased. The results of the study also satisfy all the objectives of the study.

Limitations: The limitations of this study are that we are only covering organizations in Pakistan. The sample size may be on the lower side, it is possible that if there is large sample size, results would be clearer and specified.

RECOMMENDATIONS

This research is confined to Pakistan only. In future we can expand our research internationally and can make assessment on how to increase the productivity of employees. At the same we can expand the base of independent variables to judge and to increase the productivity of employees.

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