

## **EFFECT OF LEADERSHIP DEVELOPMENT ON EMPLOYEE PERFORMANCE IN PAKISTAN**

QAISAR ABBAS and SARA YAQOOB\*

**Abstract.** The study was aimed to examine the effect of leadership development on employee performance in Pakistan. This study was conducted considering five factors of leadership development, *i.e.* coaching, training and development, empowerment, participation and delegation and it was found that the combined effect of these factors influences employee performance with 50%. However, rest of the 50% contribution towards employee performance other than leadership development factors can be the result of other factors such as: attitude, commitment, motivational factors, and trust in the organization, and other factors such as compensation, reward and bonuses etc. can also increase the employee performance. The five variables collectively as leadership development factors prove a synergic effect and increase the overall employee performance. The policy alternative should be that organizations must be cleared about the learning requirement of the employees. Therefore, both managers and employees must collaborate effectively and communicate the requisite for performance.

### **I. INTRODUCTION**

Employee performance is an important building block of an organization and factors which lay the foundation for high performance must be analyzed by the organizations. Since every organization cannot progress by one or two individual's effort, it is collective effort of all the members of the organization. Performance is a major multidimensional construct aimed to achieve results and has a strong link to strategic goals of an organization (Mwita, 2000). Managers at all the levels have to input their efforts and make maximum use of their abilities which sometimes are produced under supervision or without it. However, there are many expectations from managers working for an organization. These expectations are sometimes

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\*The authors are, respectively, Associate Professor/Head, Department of Management Sciences and MS student, Department of Management Sciences at COMSATS Institute of Information Technology, Islamabad (Pakistan).

fulfilled but in some situations these managers may be running to their boss for guidance. Therefore, the managers must be developed so that they can think and work on their own and fulfill their responsibilities innovatively, while understanding and foreseeing the market and business situations. Consequently question arises that how an employee can work more efficiently and effectively to increase the productivity and growth of an organization. An effective leadership program can be of an immense assistance to help identify and build leadership qualities among individuals within the organization. The relationship between leadership and performance was indirect as well as direct (Gadot, 2007), which proves the importance of developing leaders through leadership development programs. Latest studies provide that organizations heavily invest in Human Resource Development interventions to update and skill the employees in order to attain job performance, job satisfaction and job involvement. These skills can be imparted by providing necessary technical/non-technical training and coaching (Rowold, 2008). Currently leadership is widely recognized, and verified through research. Leadership development can be imparted through experiential learning, vicarious learning and transformational learning and it is imparted as leaders can influence the people and motivate them (Popper, 2005).

Leadership development is becoming an increasingly critical and strategic imperative for organizations in the current business environment (Sheri-Lynne, Parbudyal 2007). Leadership development is an important area which is considered and implemented in organizations to increase human capability and some other benefits like to gain competitive advantage. Some developmental assignments can be carried out concurrently with regular job responsibilities, whereas others require taking a temporary leave from one's regular job (Yukl, 2002). These development assignments can be used to develop managerial skills at current jobs, some may be used to develop new projects or begin new projects serving as department representative on a cross functional teams. Training sessions play an important role to improve the performance of organizational managers regarding communication skills, listening skills, motivate others, support others, and share information (Klagge, 1997).

A leadership development program is aimed to improve the skills of managers at all levels whether operational, tactical, strategic and personal as well. Performance is a vital feature of an organization; furthermore, development programs can be helpful in identifying and managing teams, where group development and specifically personal development and growth of managers also take place. The most important aspect nowadays is that

how a manager can adopt the leadership attributes and effectively use them to perform his job responsibilities assigned, these attributes can help him work further than the job responsibilities and add more achievement to the organization. Leadership development process intends to develop leaders and also includes transfer of organizational culture and values ultimately resulting into collective sharing among all the members of the organization to achieve the organizational objectives (Hamilton and Cynthia, 2005).

Leadership requirement in today's organizations in Pakistani perspective is very important to meet the global business challenges. On the other hand, leadership development is also a major consideration and challenge across the globe and has a major influence on employee's performance.

There is a large amount of work done on leadership development and its impact on various factors including employee performance in many parts of the world, however, there is very limited research conducted in Pakistan because of which this important area of organization and employee development remains unexplored at large. However, Tirmizi (2002) has provided a 6-L framework model of leadership research and development in Pakistan and has developed a leadership development instrument based on 6-L framework. On the other hand, this study identifies 6 dimensions to be developed but how to develop remain unanswerable or the factors due to which leadership development can be conducted are not found but provides a clear evidence of importance and need for the leadership development in Pakistan. The six 6-L framework dimensions developed by Tirmizi are:

1. Leads and encourage change
2. Lives by example
3. Lauds achievement
4. Lends a vision
5. Leverages learning and development
6. Looks out for others

Hence, it is important to recognize the leadership development and means to develop, and its impact on the organization and its employees in Pakistani business environment. Therefore, keeping in view the importance of leadership development and its acknowledgment and benefits drawn in all parts of the world, this research is aimed to study leadership development value and benefits on business sector in particular employee performance in Pakistan. Apart from this, leadership development can also be helpful in implementing change efforts. There can be many methodologies to imple-

ment this program through training, workshops, seminars etc. Nowadays in Pakistan there is an emerging trend of corporate training conducted by the organization to develop the human capital and personal development of managers. This trend is also recognized by various government institutions as well.

The overall objective of the research is to study the leadership development and its impact on employee performance. The study will be performed on Pakistani organizations which are focusing on formal methods of developing their employees. This study will be conducted in few sectors of Pakistan such as Banking and Telecommunication sector. Therefore, this study will highlight the importance of leadership development, its power to increase the performance and its influence on Pakistan's business environment.

## **II. RESEARCH METHODOLOGY**

This whole study revolves around the importance of leadership development and its impact on employee performance. In this study we have developed a proposition based on the fact that leadership development can be accomplished through various identified elements which can be used in imparting leadership qualities among the work force of an organization. We will try to study their significance and value in Pakistani organization. Those identified elements are coaching, training and development, empowerment, participation and delegation and their impact on performance will be measured.

### **RESEARCH DESIGN**

This research is intended to study the relationship between the variables of leadership development and employee performance. Each variable defines its own dimensions. And has varied influence on employee performance. However the strength and direction of relationship would be measured to identify the type and intensity of the relationship. Therefore the research is exploratory in nature.

### **SELECTION OF SAMPLE**

To conduct the research respondents were selected who were working in an organization and had a sufficient qualification and experience. Therefore convenience sampling technique was used in the study. Another reason of this sampling technique was time constraint and since the study was only aimed in twin cities, *i.e.* Rawalpindi and Islamabad only therefore this type of sampling technique was preferred.

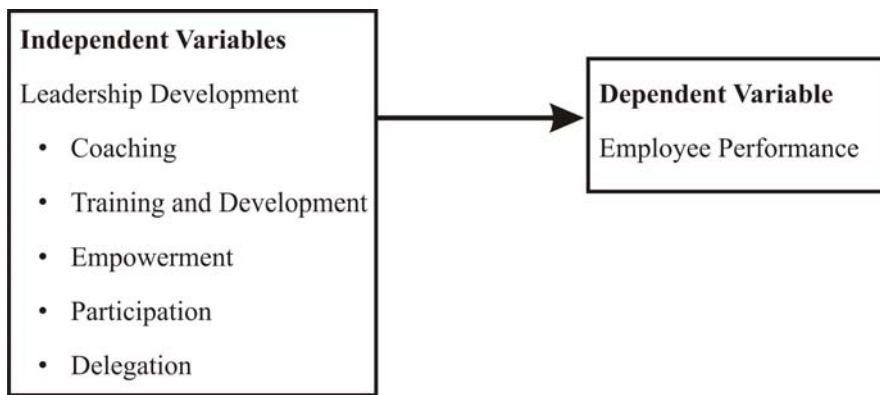
The data will be gathered from the top and middle level managers, however new entrants or in other words front line managers were not considered for the study as they had insufficient work experience and majority were not delegated, participated, empowered specifically despite of the fact they were trained. Therefore to have authentic information this particular group was omitted.

**THEORETICAL FRAMEWORK**

To implement the study various dependent, independent and moderating variables will be defined for theoretical framework. The independent variable is leadership development and employee performance is a dependent variable. The reason why these two variables have been chosen is to see the relationship between them, *i.e.* if leadership development is implemented then does it affects the employee performance? To study these two variables their tools are also identified through which the relationship between the two would be studied. It is evident from the existing literature that there are identified variables which influence the employee’s. Therefore leadership development on employee performance will be measured through coaching, training and development, empowerment, participation and delegation.

The theoretical framework can be seen from the following schematic diagram (Figure 1).

FIGURE 1  
Theoretical Framework Model



**HYPOTHESIS DEVELOPMENT**

On the basis of the theoretical framework presented above, the hypotheses developed are as follows.

## COACHING AND EMPLOYEE PERFORMANCE

Coaching can be used on job to identify the problem area where an employee is lacking, or solving the problem of an employee and to encourage and solve problems themselves. According to Champathes (2006), coaching has become an important technique to improve performance. It is not a one way communication and proves to be a two way communications where coaches identify what can be improved and how it can be improved. Further coaching addresses the beliefs and behaviors that hinder performance (Toit, 2007). It can be further seen that coaching is all about helping some one else to improve performance (Starr, 2004). Therefore we can draw the following hypothesis as:

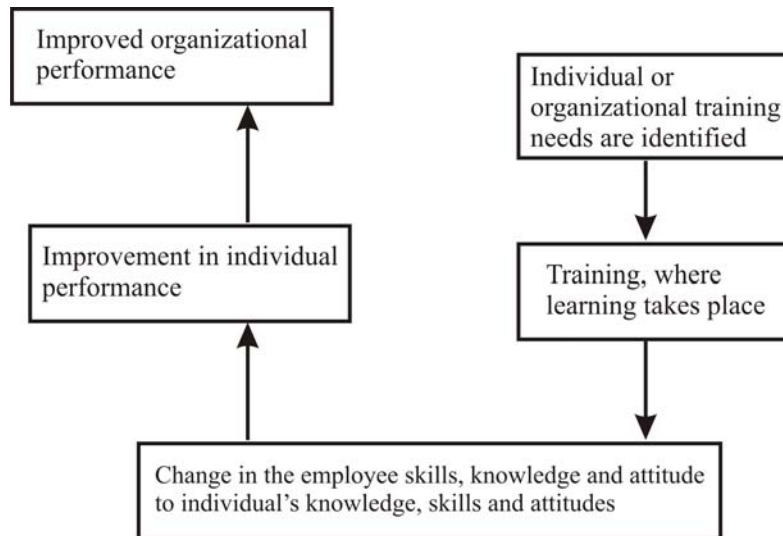
H<sub>1</sub>: There is a positive relationship between leadership development tool, *i.e.* coaching and employee performance.

## TRAINING AND DEVELOPMENT AND EMPLOYEE PERFORMANCE

Training and development are designed to skill employees so they can perform well. This can be done by formally developing Training and Development programs or informally on job training can be offered.

FIGURE 2

Bramley's Individual Model of Training



Source: Cited from Sahinidis and Bouris (2008)

Employees may not feel motivated and lack commitment due to insufficient knowledge and skills which can be imparted to them through training. This insufficiency may result into conflict with organizational goal achievement and eventually affecting organizational performance. Therefore organizations must fill in the gap desired and actual performance (Sahinidis and Bouris, 2008). This can be further illustrated by Figure 2.

Therefore, it can be concluded that training and development influences employee performance and we can draw the hypothesis.

H<sub>2</sub>: There is a positive relationship between leadership development tool, *i.e.* Training and Development and employee performance.

### **EMPOWERMENT AND EMPLOYEE PERFORMANCE**

Duvall (1999) defines success as achievement, accomplishment and attainment which is a consequence of empowerment. He reveals this consequence in form of success through empowerment as (1) Individual success in form of employee's role performance, (2) Organizational success which is achieved as members of the organization accomplish collective organizational goals and objectives, and (3) As organizational members share a mutually beneficial and satisfying work experience meeting both social and personal growth needs. Further Bartram and Casimir (2007) reveal in their study that empowerment had significant positive correlations with both performance and satisfaction. And specifically empowerment was more strongly correlated with the in-role performance of followers than with satisfaction with the leader. Therefore out of these supportive arguments the following hypothesis is proposed.

H<sub>3</sub>: There is a positive relationship between leadership development tool, *i.e.* empowerment and employee performance.

### **PARTICIPATION AND EMPLOYEE PERFORMANCE**

Researchers suggest that participation is a useful way of involving employees to use their skills in problem solving. Chen and Tjosvold (2006) have studied the participation and its importance by American and Chinese managers in China. Their research reveals that participation management is about involving employees in the decision making process where the employees feel that they have the opportunity to discuss problems and can influence organizational decisions. The overall impact of participation is increased employee job performance and low turn over.

Further, Lam *et al.* (2002) suggest that organizations can act to increase or decrease the levels of these mediator variables within their personals and

potentially strengthen the positive performance effects of employee participation.

Therefore out of the above mentioned discussion a hypothesis can be drawn as follows:

H<sub>4</sub>: There is a positive relationship between leadership development tool, *i.e.* participation and employee performance.

#### **DELEGATION AND EMPLOYEE PERFORMANCE**

Yukl (2002) discusses, delegation involves assignment of new responsibilities to employees and additional authority to carry them. However delegation is used to describe a variety and different forms of power sharing with individual subordinates. There are many reasons for delegating but amongst them the strongest reason is to develop subordinates skills and confidence.

H<sub>5</sub>: There is a positive relationship between leadership development tool, *i.e.* Delegation and employee performance

#### **LEADERSHIP DEVELOPMENT AND EMPLOYEE PERFORMANCE**

Combing the entire above mentioned hypothesis it can be seen that leadership development is accomplished through coaching, training and development, empowerment, participation and delegation. Therefore the following hypothesis is derived.

H<sub>6</sub>: There is a positive relationship between leadership development and employee performance.

Therefore, based on the theoretical framework and hypotheses drawn a schematic illustration can be drawn as shown in Figure 3.

#### **DATA COLLECTION TOOL**

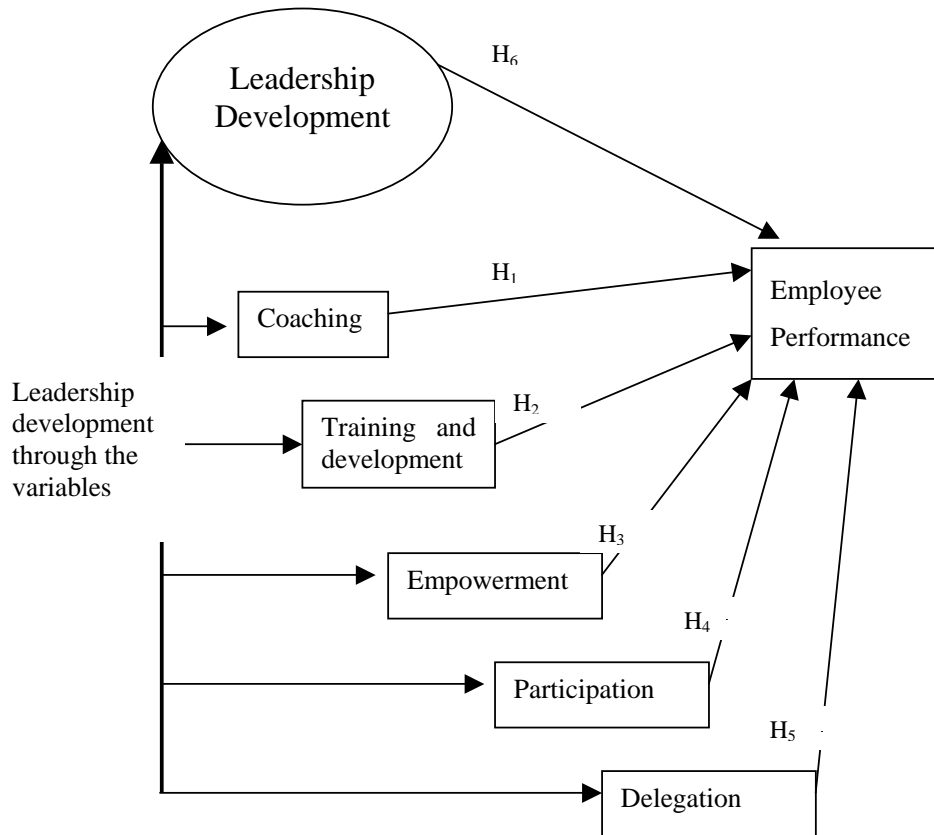
To identify the result of the study primary and secondary sources of data collection are used. To measure the outcome of the above mentioned six hypotheses a questionnaire as a primary source was designed, and supportive material and research already performed from international journals available online as a secondary source was used to support the findings of the current study. The leadership development and employee performance were measured keeping in view the above mentioned hypothetical model. Therefore, the questionnaire consisted of five questions each of coaching,



training and development, empowerment, participation, and delegation to see the significance on employee performance consisting of seven questions.

FIGURE 3

The Hypothesized Model of Leadership Development and Employee Performance Relationship Diagram



The questionnaire was designed to study the impact of coaching, importance of training and development, feeling of empowerment, level of participation in decision making and delegation of authority on their performance. Therefore few questions were based on their personal evaluation such as training & development and empowerment and few with respect to their supervisor, *i.e.* coaching, participation, and delegation. The questionnaire included a total of 32 questions and was designed on Likert scale type from 1 to 5 such as strongly disagree, disagree, neutral, agree, and strongly agree.

## DATA ANALYSIS

A total of 200 questionnaires were circulated and 184 were received, out of which 44 questionnaires were unfilled and 16 questionnaires were discarded due to missing data. Therefore, 140 questionnaires were considered for the study as respondents working in different organization. No specific sector is defined for the research as the study is aimed to find the influence of leadership development on employee performance.

The data received from the respondents was analyzed with help of statistical software program SPSS-14. To test the hypothesis Pearson Correlation analysis was conducted to examine whether the hypothesis was accepted or rejected. Like correlation, regression analysis was also performed measuring the five independent variables impact individually on employee performance and combined effect in of the all the variables in one variable, *i.e.* leadership development on employee performance.

## III. ANALYSIS AND DISCUSSION

### DATA SAMPLE INFORMATION

A total of 200 questionnaires were distributed to employees working in public and private organization. The survey was done in banking sector, hotel industry telecommunication sector and other organizations in Rawalpindi and Islamabad. The organizations where the questionnaires were circulated included PTCL, Mobilink, Askari Bank, Habib Bank Limited, Marriot, Serena, Pearl Continental Hotel, NADRA, NHA, Schlumberger etc. Out of which one hundred and eighty four were returned, sixteen questionnaires were rejected due to missing data and forty four were returned unfilled. Therefore, 140 questionnaires served as data for analysis to present the findings and draw conclusion. Further the data analysis is performed to reach the findings.

Table 1 reveals the demographic information of the respondents. Most of the respondents were falling in the age group of 30-39 years of the age with 38.6% and then  $\leq 29$  years of age with 30%. The demographics also reveal a gender division of the respondents, majority of the respondents were males, *i.e.* 87% representing a bigger part of the sample group. However, 13% percent respondents were females.

This study was only aimed at the top and middle management and front line managers were not taken into account. The main reason for not involving there response was that majority of frontline managers work experience was less than 6 months and they had not undergone any kind of

training, coaching, or were not empowered, delegated or participated in a decision making process that is why this group of respondents were negated. However, very few top managers served as a respondent but there information was sufficient enough to conduct the analysis. Therefore, Table 4 reveals about the respondents level in the organization. The top managers were mostly Vice presidents, CEO, and assistant vice presidents and General Managers and represented an 18.6% of the sample group. Whereas middle managers represented 81.4%.

TABLE 1

Frequency Distribution of Demographic Variables (N = 140)

Variable	Frequency	Percent
<b>Age</b>		
<= 29 years	42	30
30–39 years	54	38.6
40–49 years	24	17.1
>= 50 years	20	14.3
Total	140	100
<b>Gender</b>		
Female	18	13
Male	122	87
Total	140	100
<b>Level in Organization</b>		
Top	26	18.6
Middle	114	81.4
Total	140	100
<b>Educational Level</b>		
Bachelors	30	21.4
Masters	110	78.6
Total	140	100
<b>Work experience after qualification</b>		
<=4 years	29	20.7
5-10 years	61	43.6
11-15 years	21	15
16-20 years	11	7.9
>=21 years	18	12.8
Total	140	100

Majority of the sample group were holding a masters degree. While analyzing the demographic distribution it was also identified that greater part of the respondents had multiple qualification. For instance, if a respondent was an engineer or lawyer he also held a masters degree such as MBA or MPA. Concisely there were 87.4% middle and 18.6% top level managers as the sample respondents. Work experience after qualification was also taken into account. Most of the respondents fell under the range of 5-10 years of work experience that is 43.6%. The minimum range for work experience was  $\leq 4$  years with 20.7% respondents and the maximum  $\geq 21$  years with 12.8% respondents.

### CORRELATION ANALYSIS

Pearson's Correlation was performed to study the direction of relationship between the dependent and independent variables.

TABLE 2  
Correlations Coefficient of the Relationship Between  
Leadership Development Variables and Employee Performance

	Coaching	Training and Development	Empowerment	Participation	Delegation	Employee Performance
<b>Coaching</b>						
Pearson Correlation	1	.557(**)	.374(**)	.604(**)	.526(**)	.549(**)
Sig. (2-tailed)	–	0.000	0.000	0.000	0.000	0.000
N	140	140	140	140	140	140
<b>Training and Development</b>						
Pearson Correlation	.557(**)	1	.467(**)	.547(**)	.806(**)	.644(**)
Sig. (2-tailed)	0.000	–	0.000	0.000	0.000	0.000
N	140	140	140	140	140	140
<b>Empowerment</b>						
Pearson Correlation	.374(**)	.467(**)	1	.406(**)	.429(**)	.514(**)
Sig. (2-tailed)	0.000	0.000	–	0.000	0.000	0.000
N	140	140	140	140	140	140

<b>Participation</b>						
Pearson Correlation	.604(**)	.547(**)	.406(**)	1	.538(**)	.522(**)
Sig. (2-tailed)	0.000	0.000	0.000	–	0.000	0.000
N	140	140	140	140	140	140
<b>Delegation</b>						
Pearson Correlation	.526(**)	.806(**)	.429(**)	.538(**)	1	.573(**)
Sig. (2-tailed)	0.000	0.000	0.000	0.000	–	0.000
N	140	140	140	140	140	140
<b>Employee Performance</b>						
Pearson Correlation	.549(**)	.644(**)	.514(**)	.522(**)	.573(**)	1
Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	–
N	140	140	140	140	140	140

\*\*Correlation is significant at the 0.01 level (2-tailed).

Table 2 represents the correlation matrix between leadership development variables, *i.e.* coaching, training and development, empowerment, participation, delegation on the dependent variable (employee performance).

All relationship between the dependent and independent variables are positively and significantly correlated. The most significantly correlated and strong relationship of all the variables of leadership development is training and development  $r = 0.644$ ,  $p < 0.01$  with employee performance. The next significant and moderate correlation is found between delegation and employee performance with  $r = 0.573$ ,  $p < 0.01$ . Whereas coaching is correlated at  $r = 0.549$ ,  $p < 0.01$ . Employees when involved in decision making process, *i.e.* participation is also positively correlated at  $r = 0.522$ ,  $p < 0.01$ . Finally empowerment and employee performance is also positively significant at  $r = 0.514$ ,  $p < 0.01$ . Hence, Table 2 presents positive relationship among all the variables of leadership development and employee performance. However mean value of all the variables was also calculated into one variable, *i.e.* leadership development and it was correlated to employee performance and the following relationship was observed.

Table 3 shows a correlation between combined effects of all the five variables, *i.e.* coaching, training and development, empowerment, participation, delegation into one variable leadership development and its correlation with employee performance resulted into strong positive relation

with  $r = 0.711$ ,  $p < 0.01$ . This value of correlation indicates a stronger relationship and significant at  $p$  value less than 0.01.

TABLE 3  
Correlations Coefficient of the Relationship Between  
Leadership Development and Employee Performance

	Leadership Development	Employee Performance
Leadership Development		
Pearson Correlation	1	0.711(**)
Sig. (2-tailed)	–	0.000
N	140	140
Employee Performance		
Pearson Correlation	0.711(**)	1
Sig. (2-tailed)	0.000	–
N	140	140

\*\*Correlation is significant at 0.01 level (2-tailed).

### REGRESSION RESULTS

The regression analysis was also performed and results are reported in the Table 4.

TABLE 4  
Estimated Results of Regression Analysis

Coefficient	Variables					
	Coaching	Training and Development	Empowerment	Participation	Delegation	Leadership Development
Constant	2.171* (7.795)	1.850* (7.393)	2.359* (8.470)	2.282* (8.064)	2.338* (9.677)	0.92** (3.212)
Beta	.549* (7.714)	0.644* (9.876)	0.514* (7.036)	0.522* (7.194)	0.573* (8.204)	0.711* (11.870)
F	59.508*	97.536*	49.506*	51.751*	67.299*	140.885*
$R^2$	0.301	0.414	0.264	0.273	0.328	0.50
N	140	140	140	140	140	140

\* Significant at  $p < 0.01$ , \*\* Significant at  $p < 0.05$

Table 4 reveals that the effect of coaching on employee performance is positive and statistically significant at 1% level of significance. These results are also supported by Kirkpatrick (2006), Agarwal *et al.* (2006) and Ellingeic *et al.* (2003). And they suggest that supervisory coaching is positively associated with employee's job satisfaction and performance.

The effect of training and development on employee performance is also positive and statistically significant at 1% level of significance. These results are also supported by Russell *et al.* (1985) and Hwang (2003). Hwang suggests that it is top who view future to build competencies must develop ways to develop employees and he further discusses his strategies to training to increasing competencies and organizational members can develop the required know how and expertise. Similarly empowerment is also statistically significant at 1% level of significance and it is also supported by Geralis and Terziovski (2003) as they identified in their work that empowerment leads to greater level of employee well being which results in superior performance levels.

Participation is also statistically significant at 1% level of significance and the relationship of participation and employee performance is also found significant by Wagner III (1994). In his study discuss that participation has positive effect on employee satisfaction and employee performance however it is not alone factor determining performance. Which is also seen in this study that every factor places a significant impact on employee performance however their collective impact places more strong relationship.

Delegation is also statistically significant at 1% level of significance and its impact on employee performance and is also found significant by Muir (1995). He suggests that effective delegation in both directions helps supervisors to pay close attention to employees to strengthen them.

In Table 4 regression analysis of variables of leadership development have been discussed separately and a combined effect of all the variables into one leadership development is analyzed with employee performance to measure the combined effect of the intended study. The estimated regression analysis of the leadership development and employee performance is also statistically significant. It is observed that leadership development has a maximum impact on employee performance. It can be observed from the following that the F-statistic = 0.92 is significant at  $p < 0.05$  which means that leadership development explain the variation in employee performance. R square shows 0.50,  $p < 0.01$  proportion of variation in the dependent variable explained by the regression model. The overall hypothesis of

leadership development and employee performance is hence statistically significant and is also supported by Petersons and Luthans (2003).

### **HYPOTHESIS TESTING**

The hypothesis tested statistically are discussed separately as follows:

#### **Hypothesis H<sub>1</sub>: Leadership Development Tool Coaching and Employee Performance**

The previously mentioned correlation results reveal that there is a significant relationship between coaching and employee performance, *i.e.* ( $r = 0.549$ ). Therefore, the hypothesis H<sub>1</sub> is supported. Further coaching can be analyzed from regression analysis significant with Beta value 7.714 at  $t = 7.714$  and the *R* square value of coaching and employee performance is 0.301 significant at  $p < 0.01$ . As many researchers have already studied the significance of the coaching on employee performance. Coaching is concerned with creating condition where people can perform to the best of their ability, also coaching help's people to adopt change new behaviors, and skills can also be developed through coaching (Philips, 1995).

There could be many reasons for coaching but mostly it is performed in organization's to solve most of the problems among the employee's and fulfill few purposes for instance coaching is provided to employees in order to let them know what is expected from them, who do not feel trusted, who do not get enough appreciation, and to those who are not getting the career development they want (Wilson, 2004). Coaching is about developing individuals by increasing their self-esteem through improved performance, not fear of failure (Potter, 1994).

#### **Hypothesis H<sub>2</sub>: Leadership Development Tool Training and Development and Employee Performance**

There is a positive and a highest relationship of Training and Development on Employee Performance as compared to the other variables with correlation value  $r = 0.644$  and therefore the hypothesis H<sub>2</sub> is also proved. Further the regression analysis is also indicate a significant relationship with *R* square = 0.414 and F-statistic = 97.536,  $p < 0.01$ . Therefore impact of training and development on employee performance is not only significant but studies prove that it also increases Job Satisfaction and commitment towards the organization. It can be seen from the research conducted that training transfer is more likely to increase performance, job involvement, and increases motivation to learn and transfer (Velada *et al.*, 2007).



### **Hypothesis H<sub>3</sub>: Leadership Development Tool Empowerment and Employee Performance**

The relationship between empowerment and employee performance is also positively correlated  $r = 0.541$ ,  $p < 0.01$ . The regression analysis is also significant with  $R$  square = 0.264 and F-statistic = 49.506,  $p < 0.01$  hence proving the hypothesis H<sub>3</sub>. We can conclude from the study that empowerment if exercised can have healthy influence on employee job performance further it is observed that it is observed through plenty of studies already performed, they prove that empowerment leads to autonomy, motivation giving sense of ownership which results into performance and achievement of shared organizational goals.

Empowerment can lead to creativity. Empowerment contributes more when implemented in specific situation, structured carefully and controlled (Paul *et al.*, 2000). Empowerment can be seen as a useful tool to map the desired skills and competence level in the work force (Houtzagers, 1999). Employees who have high levels of job satisfaction and morale would have superior performance levels (Geralis, Terziovski, 2003). Further leadership mediated by empowerment help combat negativity which most employees experience (Avey *et al.*, 2008) Therefore employees who are empowered are mostly creative are satisfied and in return produce increased performance.

### **Hypothesis H<sub>4</sub>: Leadership Development Tool Participation and Employee Performance**

As studied earlier that Participation has a positive correlation  $r = 0.522$  on employee job performance. The regression analysis presents the  $R$  square value = 0.273 and F-statistic = 51.751,  $p < 0.01$ . Therefore, this statistical analysis proves the hypothesis H<sub>4</sub> in support of participation with employee performance. There are many researches done earlier to indicate that participation can influence job performance. Participation, *i.e.* involving employees in the decision making process can increase employee job performance and job satisfaction which can broadly contribute to organizational performance and strategy process (Kim, 2002).

In one particular study the Participative Decision making is studied and its impact on performance is also positively correlated. The employees feel they are competent and participation at higher level is effective and also leads to greater autonomy. However increased work load can also lead to dissatisfaction (Ladd *et al.*, 2004).

### **Hypothesis H<sub>5</sub>: Leadership Development Tool Delegation and Employee Performance**

The leadership development tool delegation is also proved positive with the correlation  $r = 0.573$  and regression analysis can be analyzed with  $R$  square = 0.328, F-statistic = 67.299,  $p < 0.01$  and therefore the hypothesis H<sub>5</sub> is also proved. Delegation can be exercised when the employees possess appropriate skills, and with delegation an individual is also responsible and accountable (Potter, 1994). The Employees who prove more knowledge is likely to be delegated more (Yukl, Fu, 1999).

### **Hypothesis H<sub>6</sub>: Leadership Development and Employee Performance**

The entire hypotheses suggested earlier have been proven and discussed above. Therefore this leads to the support of the overall hypothesis of the study, *i.e.* there is a positive relationship between leadership development and employee performance. After studying this relationship on organizations operating in Pakistan it was discovered that leadership development contribution in terms of coaching, training and development, empowerment, participation and delegation was approximately 50% towards employee performance.

Kotter (2001) says that organization's need to develop their capacities to exercise the leader and successful organizations don't wait for the leaders to come. They seek for potential leaders and expose them to experiences and nurture them to play their important role as a leader and develop a culture to create leaders for the organization.

Organizations must recognize that what they are doing in order to create a high performing environment (HPE). As HPE revolves around the expected performance from the employees, provide constructive challenge that people can succeed on, high performance beliefs and attitudes and many more outcomes. Therefore, the organization must recognize the leadership responsibility and lead and deliver high performance (Jones, 2005).

## **IV. CONCLUSION**

The study was aimed to examine leadership development on employee performance and the study supports a strong positive relationship between them. From the supported material and results of the study it is concluded that manager must possess leadership skills to perform well and meet performance standards defined by the organization. However it is also known that human resource does not possess a full blend of competency to perform,

when they are inducted during selection process. This study was conducted considering five factors of leadership development, *i.e.* coaching, training and development, empowerment, participation and delegation and the combined effect of these factors influences employee performance with 50%. However, rest of the 50% contribution towards employee performance other than leadership development factors can be result of other factors such as, attitude, commitment, motivational factors, and trust in the organization, and other factors such as compensation, reward and bonuses etc. can also increase the employee performance.

The entire six hypotheses established to conduct the study are accepted and are positively related to employee performance. Training and development has strongest impact among all the variables of leadership. Empowerment has positive impact but shows less impact as compared to five variables. However, the five variables collectively as leadership development factors prove a synergic effect and increase the overall employee performance. Since all the variables of leadership development also present an independent viewpoint as well, they may not be working concurrently as they may be exercised according to organizational requirement. Further seeing that coaching is the process which deals with the problem solving situation faced by an employee and training and development deals with knowledge and learning of work procedures necessary to perform on job. However empowerment, participation and delegation are only exercised when the employees have sufficient skills and present the potential. Training and development is a major practice in Pakistan and majority of the organization train their employees before and even during job. Training and development can be used to effectively increase the learning and make use of developed skills during problem solving. Therefore it can be analyzed that all the factors precede or succeed each other. And their combined effect influences the employee performance and if they are properly planned then these factors can results into high performance by the employees and collectively resulting into organizational performance.

Organizations must be cleared about the learning requirement of the employees. Therefore both managers and employees must collaborate effectively and communicate the requisite for performance. For instance if a training and development session is organized then it must be arranged and designed according to their need to enhance their capability to perform. Similarly coaching must also be provided to pass the necessary knowledge and guidance to the learner.

**LIMITATION OF THE STUDY**

While conducting this study it is identified that it makes a lot of contributions but it has limitations as well. This study eliminates the young individuals who have recently completed their finally degrees and were on job for less than 1 year time period and were not considered for the sample group. The reason for not considering them was that most of the fresh jobbers were not trained before job and if few of them have been provided sufficient training before pursuing their job position then, they were not delegated, empowered, or participated in decision making as they had little or no job experience.

**FUTURE RESEARCH**

This study directly focuses on the leadership factors and its influence on employee job performance. However, the design and implementation are not studied therefore this study can be further enhanced to explore that how leadership development programs can be strategically designed and aligned with organizational goals to meet the desired performance. As leadership development is a form of investment towards the employees to improve productivity, therefore this study can also be performed keeping in view the details of each variable which can be further explored in terms of Return on investment on human capital, increase in commitment, or impact on intellectual skills of employees.

This research can be further explored in terms of psychological factors of involved in coaching, training and development, participation, empowerment and delegation such as their effect on attitude, behavior. Employee perception of leadership development and its impact on employee performance can be measured. Organizations can also understand the importance of leadership development by developing a feedback system as well. Another aspect of future study is that this study can be performed in terms of leadership style and performance appraisal using 360 degree feedback. Also this study can be enhanced to see the role of leadership development to create learning organizations in Pakistan.

Finally concluding the whole research conducted it is found that leadership development programs are highly effective program which should be planned and implemented by organization to run a cycle of increasing skills in employees to increase performance. Which in turns increase their collective performance, and this further result as organization productivity growth and performance.

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