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Relationship between Transformational Leadership and Employee Performance: A study of University of Sindh

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Abstract

__Brief Overview:__ This study assessed the relationship between Transformational Leadership (TL) and Employee Performance (EP) among permanent and non-permanent faculty members of University of Sindh. Quantitative techniques were used based on deductive approach with positivist Philosophy. Primary data obtained by close-ended questionnaire based on five related choices describing level of agreement or disagreement. A sum of 523 questionnaires delivered to target population using simple random sampling technique, out of that 507 considered fit for making analysis and interpretation. Data analysed and interpreted by SPSS and PLS-SEM. SPSS was used for measuring response rate of the survey, demographic profile of respondents and Cronbach's alpha (CBA). Since, PLS-SEM was used for model measurement and verification. All relationships found positive and significant based on data analysis and interpretation. However, the purview of current research was very narrow and it could be expanded to other universities of Sindh as well.

Keywords: Transformational Leadership & Employee Performance.

Introduction

TL is different from transactional leadership style of management in many ways (Hakro, Abbasi & Mahesar, 2021). Four dimensions of TL identified from the prior studies which are tested with employee performance in various organizational contexts of the globe (Bass, 1985). **Idealized influence (II)** means that leaders are role models for the followers. **Inspirational motivation (IM)** means that leaders psychologically stimulate followers to do something creative. **Individualized consideration (IC)** means that leaders act as mentors and coaches, they address followers' needs and concerns on priority basis. **Intellectual stimulation (IS)** means that leaders promote creativity and innovation to solve routine problems pertaining to followers and that are in the best interest of business as well. Since, each dimension of TL is associated with improving employee performance which has consequent effect on organizational performance (Hakro, Hakro & Siddiqui, 2022). This style of management suppresses turnover intentions and consequently, augments employee commitment and satisfaction. Since, both are positively and significantly related to employee performance (Tunio, Mahesar & Hakro, 2021). TL enhances trust between employee and management which is viewed positive and significant in accomplishing organizational goals (Borman & Motowidlo, 1997).

Employees often feel self-responsible and self-conscious to contribute well and in return receive rewards and awards (Mahesar, 2015). TL helps and supports employees so that they correct themselves to improve performance and it must be aligned in accomplishing organizational goals (Bass & Rigio, 2006). Every organization is created with the purpose of earning profit which is treated as the source of survival, progress and development of organizations (Gilal, Hakro, Banbhan & Gilal, 2022). This style of management makes sound decisions by taking all members of the organization on-board (Tunio, Mahesar & Hakro, 2021). Different organizations apply different leadership styles at work with the purpose of improving organizational performance (Hakro, Jhatial & Chandio, 2022). Employees are treated as the most important factor in improving organizational performance (Jhatial, Mangi & Ghumro, 2012). This style of management properly addresses queries and concerns related to employees and helps them to improve performance and stay attached with

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their jobs irrespective of making turnover intentions which lead to turnover decisions (Hakro, Abbasi & Mahesar, 2021).

Research gap

Much research had been embarked on the theme of TL and EP across the globe (Tunio, Mahesar & Hakro, 2021). Despite, this study presented the empirical evidence in the context of University of Sindh, which is considered as the vivid gap. Particularly, faculty members were taken into consideration as the major contributors in supplying data for the current study. Earlier, pilot test results were presented as part of this study (Hakro, Hakro & Siddiqui, 2022). Despite, complete data analysis and interpretation presented in this main study.

a.   Aim & Objectives

Broadly, this study was based on single aim which was to assess the relationship between TL and EP. However, TL has four dimensions, thus four objectives were developed to feat the aim of study through assessing the objectives.

- To assess the relationship between II on EP.
- To assess the relationship between IM on EP.
- To assess the relationship between IC on EP.
- To assess the relationship between IS on EP.

I.   Literature review

Employee performance (EP)

The process of evaluating employee's performance based on assigned tasks during a particular interval through annual confidential report is known as EP (Lee et al., 2011). EP measured based on certain standards including grades, ranks and categories (Lee et al., 2011). Annual confidential reports are used to rate the performance of teachers at University of Sindh (Ahmed & Khurram, 2011). A set of skills, abilities, experiences and expertise are shared by teaching faculty in various activities such as; teaching, assessment, invigilation, attendance and research, which are fairly rated according to the certain standards is known as EP (Jhatial et al., 2012). Good performance assists employee and organization to accomplish goals timely with the coordinated efforts of overall members of the organization. However, average or bad performance keeps either parties at the bottom without receiving rewards and recognition (Bushra et al., 2011). EP is the most important element of the job, which enables an employee to check oneself how he or she has done the job, what is still lacking and that must be improved in upcoming period (Thomas & Feldman, 2010).

Figure 1.1 Conceptual model

Conceptual model is considered as the true and comprehensive picture of the overall study. There were mainly two variables. Since, TL has four dimensions and EP was the dependent variable. Both variables are portrayed below in the conceptual model. All arrows are showing the relationship between variables. However, results of hypotheses testing are given below in the data analysis and interpretation section.
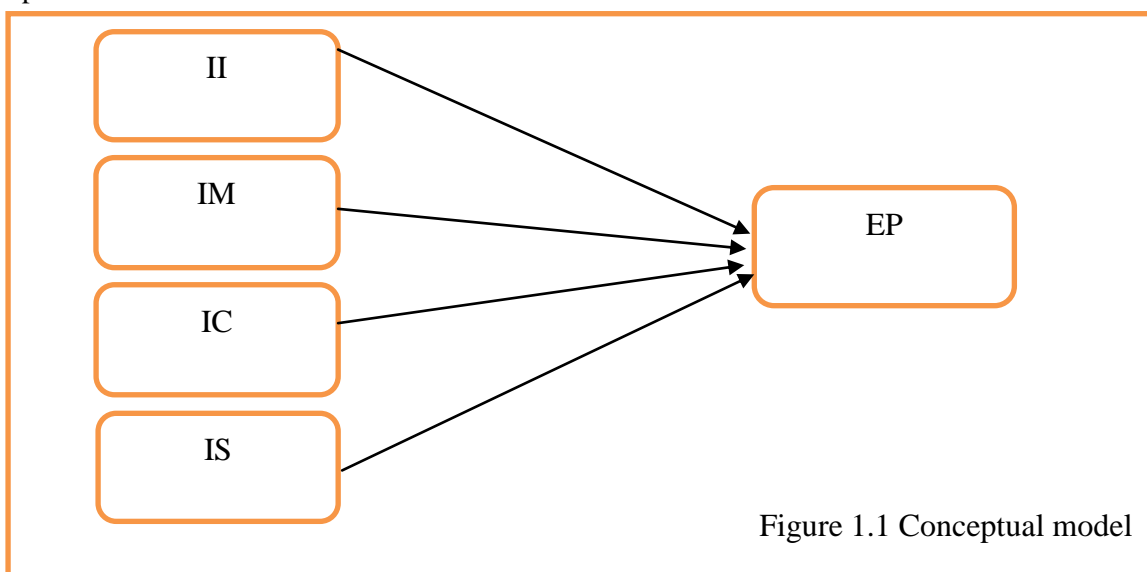

Figure 1.1 Conceptual model

Methodology

This study was purely quantitative and survey based, hypotheses were developed to test the relationship between variables. Positivist philosophy is generally used for quantitative studies. Primary data acquired by close-ended questionnaire based on five related choices indicating level of agreement or disagreement. Despite, items were adopted from prior studies and modified accordingly, keeping in view of the organizational context. According to the regular pay roll of 2021, total permanent and non-permanent faculty members were 1200, details and designations were given below in the response rate of questionnaire survey table. Sample size determined 474 based on 95% confidence level and 3.5 margin of error. However, few more responses were collected from the given sample size. Thus, the sample was 507, which was used for data analysis and interpretation. Therefore, the actual sample size little enlarged from the given sample size (Krejcie & Morgan, 1970).

Data analysis and interpretation: Data analysed and interpreted by SPSS and PLS-SEM. SPSS was used for measuring response rate of the survey, demographic profile of the respondents and CBA. However, PLS-SEM was used for model measurement and verification. All statistical tests are given below in sequential order in tabular forms.

Table 1. Response rate

S. No.	Designations	Questionnaires Handed over	Questionnaires Returned	Response rate in %
1.	Professors	50	46	92
2.	Associate Professors	100	98	98
3.	Assistant Professors	160	156	97.50
4.	Lecturers	110	105	95.45
5.	Teaching Assistants (Non-permanent)	103	102	99.03
	Total	**523**	**507**	**96.94**

Above table described the response rate of the survey, which is more than 96% out of 100. A sum of 523 close-ended questionnaires handed over to target population. Since, 507 questionnaires returned, which were considered fit for data analysis and interpretation. Details of designations, questionnaires handed over, questionnaires returned and response rate in % are given above in the table format.

Table 2. Demographic profile of the respondents

Characteristic	Category	Frequency	Percentage
Gender	Male	384	75.74
	Female	123	24.26
Marital status	Married	419	82.64
	Single	88	17.36
Age group	(20-29) years	46	09.07
	(30-39) years	112	22.09
	(40-49) years	248	48.92
	50 & above	101	19.92
Education	Master 16 years	103	20.32
	MS/M.Phil. 18 years	215	42.41
	PhD	189	37.27
Experience	(02-10) years	163	32.15
	(11-20) years	189	37.28
	(21-30) years	155	30.57
Designation	Professors	46	09.07
	Associate Professors	98	19.33
	Assistant Professors	156	30.77
	Lecturers	105	20.71
	Teaching Assistants	102	20.12

Above table described the demographic profile of the participants. Majority of participants were male with percentage of 75.74, who had taken part in filling out questionnaire survey. Since, rest of them were female participants. Most of the participants were married with percentage of 82.64, who had taken part in filling out questionnaire survey. Since, rest of them were single participants. As many as 48.92 percentage of respondents were between (40-49) years of age group, who had taken part in filling out questionnaire survey. Since, rest of them were other age group respondents.

Majority were holding MS/M.Phil. Degree which is 42.41 percentage, who had taken part in filling out questionnaire survey. Since, rest of them were holding other qualifications. Most of respondents bore (11-20) years of experience which is 37.28 percentage, who had taken part in filling out questionnaire survey. Since, rest of them were borne other categories of experience. Majority of respondents were Assistant Professors which is 30.77 percentage, who had taken part in filling out questionnaire survey. Since, rest of them were having other designations.

Table 3. Cronbach's alpha (CBA)

Variable(s)		CBA
II	(5-items)	0.758
IM	(4-items)	0.810
IC	(4-items)	0.796
IS	(4-items)	0.836
EP	(4-items)	0.787

CBA measured for individual variables. All variables measured internally consistent and reliable based on the findings of CBA. This test is extremely important to be applied on the data initially before doing complete analysis. It indicates errors of the instrument, if factors are measured below the threshold value which is 0.70.

Table 4. Factor analysis

Variable(s)	II	IM	IC	IS	EP
II-1	0.979				
II-5	0.838				
IM-1		0.765			
IM-2		0.758			
IM-3		0.782			
IM-4		0.865			
IC-1			0.971		
IC-3			0.942		
IC-4			0.786		
IS-1				0.905	
IS-2				0.802	
IS-3				0.841	
IS-4				0.814	
EP-1					0.954
EP-2					0.940
EP-3					0.719
EP-4					0.730

Above table described the factor analysis, where items were loaded in its own family with requisite threshold, which is 0.70 or otherwise removed if measured below than the requisite threshold. However, three items of II and one item of IC measured lower than the requisite threshold. Therefore, these four items were removed and remaining items were considered fit for further testing, analysis and interpretation. Factor analysis is also known as item variable correlation.

Table 5. Construct reliability and validity and r square

Variable(s)	AVE	CBA	CR	R Square
II	0.830	0.830	0.907	0.000
IM	0.630	0.808	0.872	0.000
IC	0.816	0.886	0.930	0.000
IS	0.708	0.865	0.906	0.000
EP	0.711	0.859	0.906	0.598

AVE= Average Variance Extracted   CBA= Cronbach's Alpha   CR= Composite Reliability

Above table described AVE, CBA and CR. According to the literature, the threshold value of CBA and CR should be 0.70 or otherwise if any variable measured below than the threshold value considered to be removed from further testing, analysis and interpretation. However, the threshold value of AVE should be 0.50 or otherwise if any variable measured below than the threshold value considered to be removed from further testing, analysis and interpretation. Since, all variables were measured above than the threshold values. Therefore, all are considered fit for further testing, analysis and interpretation.

Table 6. Discriminant validity

Variable(s)	II	IM	IC	IS	EP
II	**0.911**	0.000	-0.365	0.000	-0.215
IM	-0.250	**0.794**	0.467	0.000	0.604
IC	0.000	0.000	**0.904**	0.000	0.628
IS	-0.273	0.448	0.779	**0.841**	0.696
EP	0.000	0.000	0.000	0.000	**0.843**

Above table described the discriminant validity which showed each variable measured with the highest correlational value on its own rather than other variables. This meant that variables were correctly operationalized and relatively distinct from each other. Discriminant validity highlighted the values in diagonal order in tabular form.

Table 7. Path coefficients

| Path coefficient(s)	Beta	Standard Error	T-Statistics	Significant/Insignificant
II=>EP	0.042	0.021	2.039	Significant
IM=>EP	0.000	0.042	8.365	Significant
IC=>EP	0.002	0.041	3.052	Significant
IS=>EP	0.000	0.051	8.778	Significant

Above table described the relationships of path coefficients, There were four path coefficients which were tested through structural model. All path coefficients found positive and significant based on attaining the significant threshold of T-Statistics which is 1.96. It was revealed based on the data analysis and interpretation that II, IM, IC and IS found positive and significant in relationship with EP.

Conclusion

This study began by identifying research gap in the current organizational context of University of Sindh. Later, objectives were developed along with the categorical strategy with which they could be accomplished. Keeping in view of the single aim which was further curtailed down into four objectives. However, for accomplishing overall objectives, exactly the same number of hypotheses were developed to test the relationship between variables. Hence, all relationships were found positive and significant and eventually the broader aim of the study accomplished this way.

Limitations and future research directions

This study had various limitations, firstly it presented empirical evidence from University of Sindh. Since, there were many Universities in Sindh province and all of them were completely ignored. Secondly, this study incorporated the response the general university teachers. However, there is no any specific university taken into consideration either engineering or medical. Thirdly, only one category of non-permanent faculty was taken under investigation i-e, Teaching Assistants. However, visiting tutors were completely ignored. Since, they were also non-permanent faculty members in University of Sindh and in many other universities of Sindh. This study may incorporate other variables in future to enlarge the scope of study such as; motivation, commitment and satisfaction all are closely connected with TL.
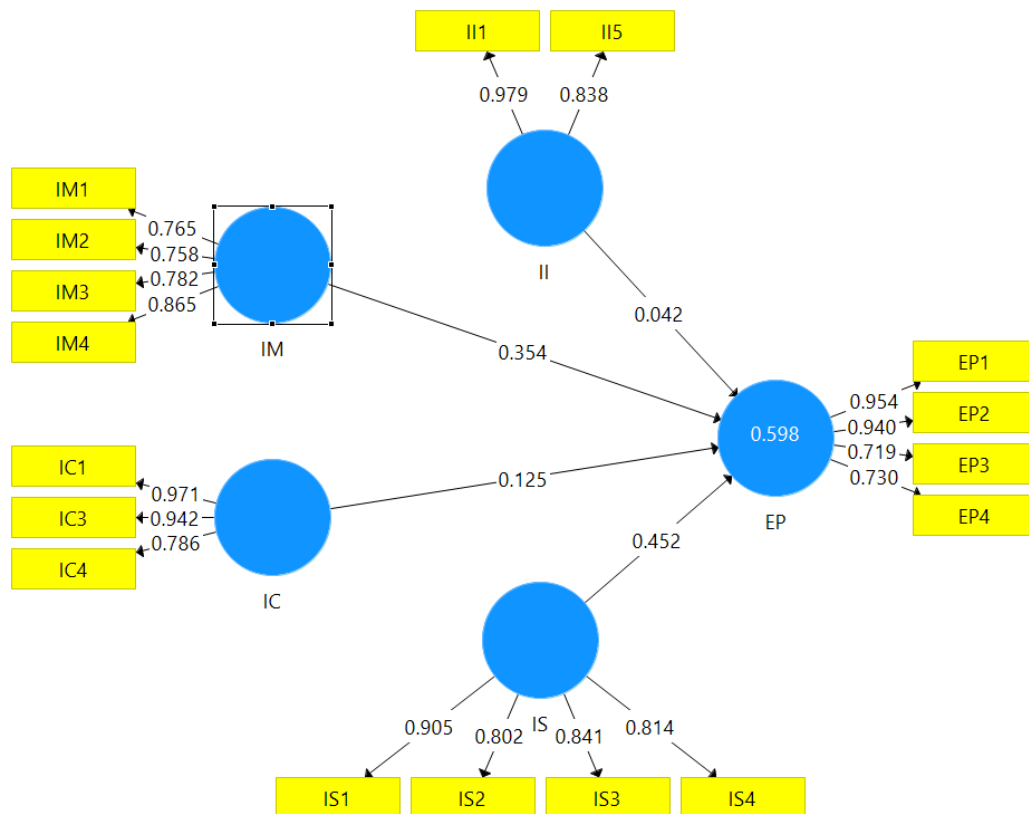
Graphical screen view of the structural model indicating r square value, relationship between variables and factor loading values.

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Abbreviations

TL= Transformational Leadership
II= Idealized influence
IM= Inspirational Motivation
IC= Individualized Consideration
IS= Intellectual Stimulation
EP= Employee Performance
SPSS= Statistical Package for Social Sciences
PLS-SEM= Partial Least Square-Structural Equation Modelling
CBA= Cronbach's Alpha
CR= Composite Reliability
AVE= Average Variance Extracted