

## Leader's Self-Efficacy and Effectiveness of Leadership Styles

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### Abstract

*This is an exploratory study undertaken in 31 companies of automobile parts and accessories manufacturers, located at Lahore, Pakistan to investigate moderation effect of leader's self-efficacy on relationship between leadership styles and employees' performance. Data was analyzed using linear regression. The study used four basic leadership styles identified in a recent land mark study by Hussain, Hassan and Khan (Hussain et al., forthcoming). These four leadership styles represent most of the leadership styles available in the literature. The four leadership styles are taken as independent variables, the employees' performance as dependent variable and leader's self-efficacy as moderating variables. The results of the study show that (1) leader's self-efficacy does not significantly ( $\alpha > 0.05$ ) impact the correlation between transformational-integrated leadership style and employees' performance and the correlation between pacesetting-integrated leadership styles and employees' performance (2) leader's self-efficacy significantly ( $\alpha > 0.05$ ) impacts the correlation between authoritative-integrated leadership styles and employees' performance and democratic-integrated leadership styles and employees' performance. Research will help organizations in hiring of new leadership and in the setting priorities of leadership development. While study has been conducted within special context of Pakistan, it is expected that its findings are generalizable due to size of the sample and extensiveness of the study.*

**Keywords:** Leadership styles, Regression analysis, leader's self-efficacy, Moderation Effect

According to prominent leadership scholars leadership matters (Bennis, 2007). Over half a century ago, scholars and practitioners identified leadership as the changing parameter for improving organizational performance (Bass, 1985; Cannella & Rowe, 1995; Jing & Avery, 2008; Rowe, Cannella, Rankin, & Gorman, 2005). Effective leadership has been identified as enhancing the performance of organizations and facilitating the attainment of set goals (Bass, 1985; Gordon & Yukl, 2004). In particular, effective leadership has been shown to increase performance indicators such as sales, profit margin, market share, innovation, productivity, or the cost per unit of output (McGrath & MacMillan, 2000; Vera & Crossan, 2004; Yukl, 2010), depending on the focus and context of the study. Leadership not only positively enhances performance in various aspects, but has also been shown to enhance employees' attitudes, perceptions and beliefs (Gordon & Yukl, 2002). Further, the importance of effective leadership also

becomes apparent when looking for negative influences on performance and employees' attitudes in the case of ineffective leadership; in a recent study flaws in leadership led to negative aspects of employees' attitudes such as absenteeism, work slowdowns and willful sabotage of facilities (Amabile, Schatzel, Moneta, & Kramer, 2004; Yukl, 2010). So where the effective leadership can enhance the performance of organizations and facilitating the attainment of set goals, ineffective leadership can also have negative influences on performance and employees' attitudes. How can we define leadership? John Gardner defined the leadership as, "Leadership is the process of persuasion by which an individual (or leadership team) induces a group to pursue objectives held by the leader or shared by the leader and his or her employees (Gardner, 1993)." Accepting this definition, the leadership style is the way in which that process is carried out. The leadership style therefore, may (if effective) enhance the performance of organizations and facilitate the attainment of set goals or have negative influences (if ineffective) on performance and employees' attitudes.

Leadership styles have evolved through various theoretical streams that have been developed over the years. This evolution resulted in innumerable leadership styles making it very difficult to manage and use appropriate style by the busy leaders of the business world today. A recent study tried to determine new typology in order to integrate numerous leadership styles into a generalized model comprising of few manageable styles to make them handier for use by the busy leaders (Hussain, et al, forthcoming). Based on their findings the study proposed that several dozens of leadership styles mentioned in the literature on leadership are in fact overlapping to a great extent. The study concluded that basically there are four leadership styles which can represent the entire spectrum of leadership styles found in the leadership literature. This categorization can be explained in terms of two dimensions, namely the consideration and consultation. Four basic leadership styles are: transformational-integrated, authoritative-integrated, democratic-integrated and pacesetting-integrated leadership styles. The resulting leadership styles model showing the newly found integrated leadership styles and the styles merged into them are shown in the integrated model of leadership styles given below. The researchers named it TAPD (transformational, authoritative, pacesetting and democratic) Model of leadership styles.

### **Consideration**



<b>Authoritative-Integrated Style</b>	<b>Transformational-Integrated Style</b> Transformational, Coaching,
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Authoritative, Transactional, Coercive, Visionary, Achieve oriented, Initiating structure, Task oriented and Telling styles.	Affiliative, Servant, Shared, Supportive, Tolerant, Consideration, Relationship Oriented, Authentic and Integrity styles.
<b>Pacesetting-Integrated Style</b>  Directing and Pacesetting styles.	<b>Democratic-Integrated Style</b>  Democratic, Laissez-faire, Team oriented, Participative, Selling, Consultative and LMX styles.

Figure 1. TAPD Model of leadership styles (reproduced with permission)

The same study also determined the effectiveness of these integrated leadership styles vis-à-vis employees performance but without taking into consideration the situational aspect. The researchers feel that there is a need to carry the study a step forward and investigate the impact of leader’s self-efficacy on correlation between the integrated leadership styles and the employees’ performance.

**Objective:** To investigate the moderating effect of leader’s self-efficacy on relationship between integrated leadership styles (transformational-integrated, authoritative-integrated, democratic-integrated and pacesetting-integrated leadership styles) and employees’ job performance.

**Hypotheses**

**Hypothesis 1A:**Leader’s self-efficacy impacts significantly (t statistics >1.96 and p-value<.05) the relationship between integrated-transformational style and the employees’ performance.

**Hypothesis 1B:**Leader’s self-efficacy impacts significantly (t statistics >1.96 and p-value<.05) the relationship between integrated-authoritative style and the employees’ performance.

**Hypothesis 1C:**Leader’s self-efficacy impacts significantly (t statistics >1.96 and p-value<.05) the relationship between integrated-democratic style and the employees’ performance.

**Hypothesis 1D:**Leader’s self-efficacy impacts significantly (t statistics >1.96 and p-value<.05) the relationship between integrated-pacesetting style and the employees’ performance.

The findings of this research may provide guidelines for the business leaders to effectively handle their employees for effective performance at different stages of organizational life cycle. The study has been conducted with special context of Pakistan, it is expected to directly help local organizations to benefit from the findings. It is also expected to help national and multinational organizations operating in the local market to understand leader's self-efficacy to find out the leaders with most optimal leadership style for them. The generalizations from the theoretical and empirical parts of study are expected to provide generic guidelines to select leaders with appropriate self-efficacy and help to eliminate the irrelevant leaders training programmes that cause wastage of resources.

### **Literature Review**

The very first study on leadership concluded that all great leaders are born not made – the Great Man Theory. (Stogdill, 1974). This theory gave way to Trait Theory during and after First World War in 1920s and 1930s, when majority of the so called born leaders were killed giving way to common men to take over the leadership responsibility who also proved to be successful. The Trait Theory, like the Great Man Theory, proposes that people inherit traits and qualities that enable them to be leaders (Stogdill, 1948). It often describes specific personality traits that are common in leaders (Mann, 1959; Stogdill, 1948). Assuming certain qualities are characteristics of leadership then how do the researchers can account for the people who have these qualities but are not leaders? This and so many other shortcomings in trait theory paved way for 'contingency/situational theories of leadership (Fiedler, 1993; House, 1996). These theories of leadership point to environment that might determine the effectiveness of leaders. According to Contingency theories, no leader can be effective in every situation. A number of variables determine their effectiveness, these include level of employees' development, task structure, leader-member relations and position power etc (Fiedler, 1993; House, 1996). Contingency/situational theories suggest that there should be a good match between leadership styles and the situational context (Gardner et al., 2010). For some types of contingencies/situations, one style of leadership may be appropriate whereas for other types of contingencies/situations, another type of leadership style may be more appropriate.

The variety of leadership theories developed during later part of twentieth century have resulted into balkanization in the leadership research branching off in many directions recommending a number of leadership styles to be practiced for effectiveness of leadership process without explaining the mutual exclusiveness of these styles. Too many leadership styles complicate the situation for leaders to decide which

style to follow and which one not to follow. This problem is resolved by integrating overlapping leadership styles into few integrated leadership styles and by determining the correlation between integrated leadership styles and the employees' performance by Hussain, Hassan and Khan (Hussain et al., forthcoming). The study however, did not investigate the impact of situational dimension on the correlation between integrated leadership styles and the employees' performance. This study is a step forward in the same direction and investigates the moderation effect of leader's self-efficacy on the correlation between integrated leadership styles and the employees' performance. The leadership styles were assessed using TAPP Short Leadership Styles Questionnaire developed by Hussain, Hassan and Khan (Hussain et al., forthcoming).

### **Leader's Self Efficacy**

Perceived self-efficacy is defined as people's beliefs about their capabilities to produce designated levels of performance that exercise influence over events that affect their lives (Schwarzer, 1992). Self-efficacy beliefs determine how people feel, think, motivate themselves and behave. Such beliefs produce these diverse effects through four major processes. They include cognitive, motivational, affective and selection processes. A strong sense of efficacy enhances human accomplishment and personal well-being in many ways. People with high assurance in their capabilities approach difficult tasks as challenges to be mastered rather than as threats to be avoided. Such an efficacious outlook fosters intrinsic interest and deep engrossment in activities. They set themselves challenging goals and maintain strong commitment to them. They heighten and sustain their efforts in the face of failure. They quickly recover their sense of efficacy after failures or setbacks. They attribute failure to insufficient effort or deficient knowledge and skills which are acquirable. They approach threatening situations with assurance that they can exercise control over them. Such an efficacious outlook produces personal accomplishments, reduces stress and lowers vulnerability to depression. In contrast, people who doubt their capabilities shy away from difficult tasks which they view as personal threats. They have low aspirations and weak commitment to the goals they choose to pursue. When faced with difficult tasks, they dwell on their personal deficiencies, on the obstacles they will encounter, and all kinds of adverse outcomes rather than concentrate on how to perform successfully. They slacken their efforts and give up quickly in the face of difficulties. They are slow to recover their sense of efficacy following failure or setbacks. Because they view insufficient performance as deficient aptitude it does not require much failure for them to lose faith in their capabilities. They fall easy victim to stress and depression.

It is opined that self-efficacy of the leaders may moderate leader's effectiveness. Self-efficacy of our target leaders has been measured through a modified questionnaire developed by Luszczynska and Schwarzer (Luszczynska and Schwarzer, 2005) given below.

### **Questionnaire-Leader's Self-Efficacy**

#### **Instructions**

Following items concern your perception of your personality. Give score to best describe yourself as a leader. Key: Key: 1 = Never 2 = Seldom 3 = Occasionally 4 = Often 5 = Always

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#### **Statement**

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I can always manage to solve difficult problems if I try hard enough.

If someone opposes me, I can find the means and ways to get what I want.

It is easy for me to stick to my aims and accomplish my goals.

I am confident that I could deal efficiently with unexpected events.

Thanks to my resourcefulness, I know how to handle unforeseen situations.

I can solve most problems if I invest the necessary effort.

I can remain calm when facing difficulties because I can rely on my coping abilities.

When I am confronted with a problem, I can usually find several solutions.

If I am in trouble, I can usually think of a solution.

I can usually handle whatever comes my way.

**Total (to be done by researcher)**

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Source: (Luszczynska, et al, 2005).

#### **Employees' Performance**

It is very essential to measure and analyze organizational performance for turning organizational goals into reality. The organizational performance is mostly measured by determining the values of quantitative and qualitative performance indicators (e.g., number of clients, profit, costs). The researchers need to relate these indicators to the formulated company goals and how they depend on the activities performed. This aspect gets lot of attention now a days and many managers put deliberate effort in defining company-specific goals, measuring performance indicators and appraise them. Such an analysis, in actual practice, is typically completed in a more systematic way. The researcher used employees' performance as indicator of leader's effectiveness instead of some economic indicators at organizational level because our target leaders are not the organization level leaders. The researcher included lower level leaders in our sample because they are considered more directly involved with their employees and better placed to affect their performance. The questionnaire has been used previously in many studies (Judge, et al, 2001). The questionnaire was filled up by 6 employees of the same leader about their colleagues to ensure objectivity thus each follower filled up 5 questionnaires about his 5 colleagues.

### **Research Methodology**

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This is basically a quantitative exploratory research using field survey design. The researchers selected automobile parts and accessories manufacturing industries for collecting data for this study because of its large size. The instruments used were validated with positive results in terms of validity and reliability during pilot study. The validity testing was based on 20 subjects from the sample for the main study (n=20). Different leadership styles were compared with the performance of the relevant organizations to explain the optimal combinations of leadership styles and the leader's self-efficacy. Employees' performance was taken as measure of organizational performance because the leaders being assessed may belong to same organization and their effectiveness can only be judged by the performance of their respective employees. Regression analysis was used to test the correlation between newly integrated leadership style and the employees' performance and moderation effect of the leader's self-efficacy

### **Sample and Sampling Method**

This study took the list of companies which are members of Pakistan Association of Automotive parts & Accessories Manufacturers (PAAPAM) as the research population. This population consists of 282 industries as per the PAAPAM Directory 2013-14. The researchers contacted randomly selected 116 PAAPAM member companies located at Lahore through the Association's Governing Body. However, only 31 companies acceded to be part of this study. Leaders with 15 to 25 subordinates were purposively chosen as subjects because this is a reasonable number of employees whom the leaders can effectively influence and their effectiveness if assessed will be meaningful. The researchers had to translate the questionnaire in Urdu for those employees who could not read English. Total of 300 leadership styles assessment questionnaires were distributed, out of those 270 (90%) questionnaires were returned. Out of 270 questionnaires received only 196 (65.3% of the total distributed questionnaires) were found to be suitable for statistical analysis. In order to get employees performance, 6 employees for each of 300 leaders (n=1800) were included in the sample. These employees had worked with current manager for at least two years. The performance of employees (n=1800) was gauged through a modified peer-evaluation tool freely retrievable from the internet (Employee job performance review, 2015) to relate employee performance with newly integrated leadership styles. The researchers could collect 1628 (91%) questionnaires. Out of 1628 questionnaires received only 1176 (followers of 196 leaders whose data was fit enough to be analyzed) were included in the analysis.

### **Demographic Data**

The subjects were required to fill up some demographic data before answering the questions. This data showed that 86% of the subject

leaders were male and 14% of them were female. 78.2% of them were in the range of 31 to 50 years of age. About the education of leaders, 75% of them had a college degree of 4 years or above. The tenure of 65% leaders in their present company exceeded 10 years. Gender distribution of employees was 72% males and 28% females. 80.7% the employees' age ranged between 20 to 40 years. The education level of 66.9% of the employees was high school qualified, 21% hold a 6 months training diploma in their relevant field and the remaining 12% of them had got on job training only. The researcher had to translate the questionnaire for them in urdu. About half of the employees (55.2%) had a tenure of less than 5 years in their present companies with the majority (77.1%) falling between 2 to 10 years of tenure. The researchers included only those employees in the sample who had worked with present leader for at least two years.

### **Pilot Study**

The assessment tools used (original or modified, if required) in this study were pilot tested on a few selected participants in the same manner as was intended for the main survey. Pilot study aimed at identifying any shortcomings in questioning and to remove them before carrying out the main survey. Some open-ended questions were converted into a closed question giving the range of likely answers. It also provided an opportunity carryout a trial analysis on our pilot sample and could test all the analysis procedures being employed in the study. It also enabled the researcher to make some amendments that helped to increase response rate and minimize error rate on answers. Numbers were assigned to each subject in the sample of study and MS Excel was used to generate 20 random numbers. The randomly generated numbers were then used to pick the participants that took part in the pilot study. The study also found some vagueness and stropy wording in the survey questions and instructions. The group that participated in the pilot study pointed out certain ambiguities and awkward wording in the instructions and the survey questions. The researcher addressed these concerns by modifying the questionnaires. The pilot study confirmed the reliability of the assessment tools, after slight changes, which were made and the questionnaires were retested. The same treatment was given to the newly developed tool to assess its reliability before using it to identify the newly identified leadership styles.

### **Results**

In order to estimate the quantitative effect of the causal variables upon the variable that they influence the researchers employed regression analysis. The degree of confidence that the true relationship is close to the estimated relationship the researchers also typically assessed the “statistical significance” of the estimated relationships. The regression analysis shows the relationship between one independent variable (X)

and a dependent variable (Y) in its simplest (bivariate) form, as in the formula given below:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

The magnitude and direction of that relation are given by the slope parameter, and the status of the dependent variable when the independent variable is absent is given by the intercept parameter. An error term ( $\varepsilon$ ) captures the amount of variation not predicted by the slope and intercept terms. The regression coefficient ( $R^2$ ) shows how well the values fit the data. Multiple linear regression analysis (having more than one causal variables) was run to determine the impact of leadership styles on employees' performance and to investigate the moderation effect of leader's self-efficacy on this relationship.

### Descriptive Statistics

There are 196 valid cases with no missing values. Difference in score for Transformational, Authoritative, Democratic and Pacesetting leadership styles is due to the difference in number of questions in the questionnaires for the respective leadership styles.

Table 1. *Descriptive Statistics*

	N	Minimum	Maximum	Mean	Std. Deviation
OLC2	196	1.00	10.00	5.0714	2.12313
Employees' Performance	196	33.80	66.20	52.3867	9.93257
Self-efficacy	196	21.00	50.00	29.6684	8.86348
Transformational	196	50.00	95.00	75.4694	12.89620
Authoritative	196	27.00	85.00	51.3214	17.87546
Democratic	196	34.00	88.00	67.1327	17.71463
Pacesetting	196	14.00	32.00	24.9439	5.86707

### Quality Criteria

#### R Square ( $R^2$ )

The table-1 shows the multiple regression model summary and overall fit statistics. The researcher found that  $R^2$  and adjusted  $R^2$  of the model are 0.956 that means that the model explains 95.6% of the variance in the data.

#### Composite Reliability

All the five questionnaires showed high levels of internal consistency reliability as demonstrated by the composite reliability values given in the following table.

Table 3. *Composite Reliability*

	Composite Reliability
Authoritative-Integrated	0.984
Democratic-Integrated	0.978
Employees' Performance	0.986
Pacesetting-Integrated	0.936
Transformational-Integrated	0.969

**Cronbach's Alpha.** The model’s Cronbach's Alpha values are very high showing the internal consistency of the survey tools.

Table 4. Cronbach's Alpha

	Cronbach's Alpha
Authoritative-Integrated	0.982
Democratic-Integrated	0.974
Employees' Performance	0.982
Pacesetting-Integrated	0.897
Transformational-Integrated	0.964

**The Values of T Statistics and p for Correlations**

The values of T statistics and p for correlations between democratic-integrated leadership style and employees’ performance and transformational-integrated and employees’ performance are significant.

Table 5. *Mean, STDEV, T-Values, P-Values*

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
Authoritative-Integrated -> Employees' Performance	0.013	0.020	0.089	0.150	0.881
Democratic-Integrated -> Employees' Performance	0.317	0.324	0.102	3.116	0.002
Pacesetting-Integrated -> Employees' Performance	-0.004	-0.003	0.020	0.215	0.829
Transformational-Integrated -> Employees' Performance	0.703	0.700	0.037	19.041	0.000

**Moderation Effect of Leader’s Self-Efficacy on Correlation between Leadership Styles and Employees’ Performance**

Table-6: Mean, STDEV, T-Values, P-Values, Path Coefficients

		Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
Moderating Effect	Transformational-Employees' Performance	0.077	0.076	0.015	5.197	0.00
Moderating Effect	Authoritative-Employees' Performance	0.266	0.264	0.026	10.231	0.00
Moderating Effect	Democratic-Employees' Performance	-0.164	-0.163	0.016	10.368	0.00
Moderating Effect	Pacesetting-Employees' Performance	0.016	0.018	0.029	0.548	0.584

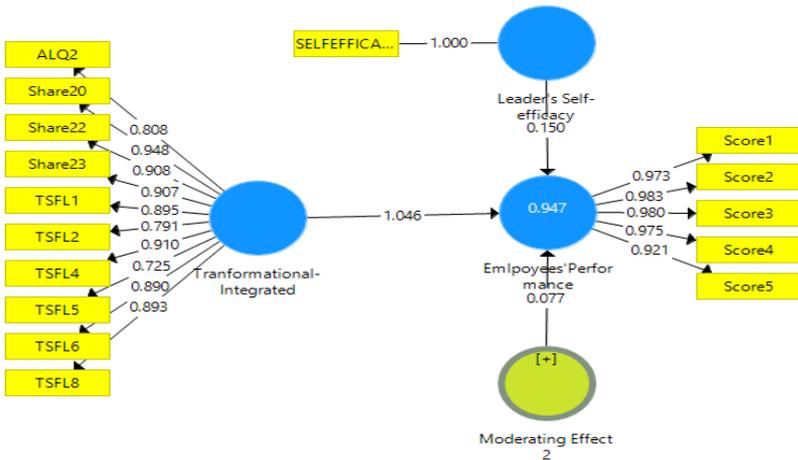


Figure 5. Leader’s Self-efficacy and Transformational Integrated Leadership Style

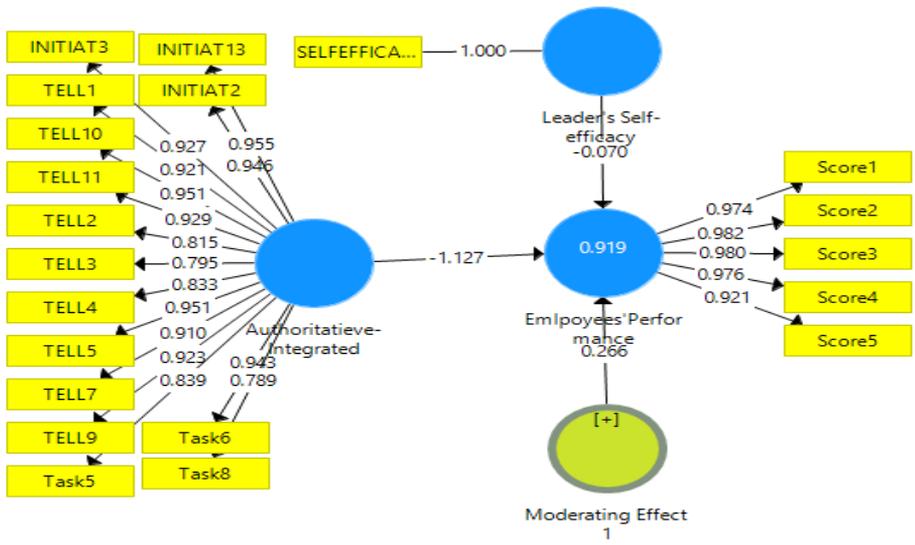


Figure 6. Leader's Self-efficacy and Authoritative Integrated Leadership Style.

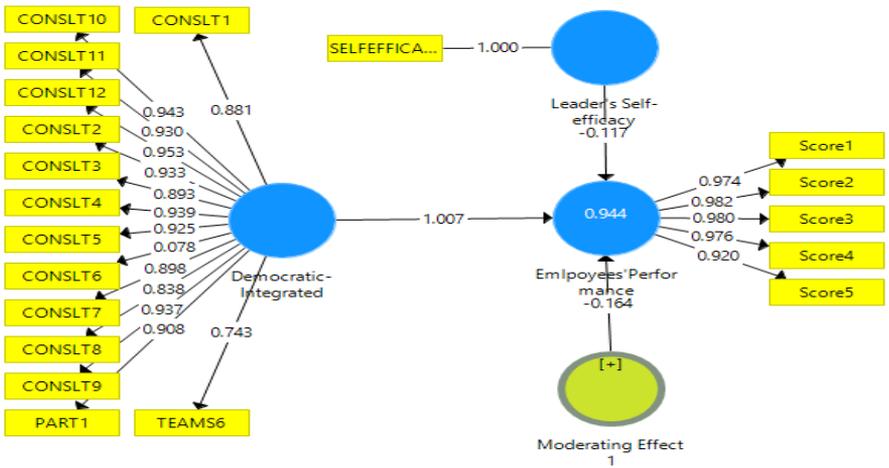


Figure 7. Leader's Self-efficacy and Democratic Integrated Leadership Style.

### Discussion

A number of studies, like the leadership studies of Ohio State University, leadership studies of Michigan State University, etc. have tried to integrate dozens of leadership styles into few manageable ones (Schriesheim et al, 1995). Many more studies have established link between the leadership styles and employees' performance in various industries (Halpin, 1954; Patched, 1962; Greene & Schriesheim, 1977;

Katerberg & Horn, 1981; Wycoff & Skogan, 1994; Bartolo & Furlonger 2000; Griffith 2003). This study took this effort a step further and investigated the moderation effect on relationship between the newly integrated leadership styles (Hussain, et al, forthcoming) and the employees' performance. Employees' performance, instead of organizational performance has been preferred in this study because we need to establish this link between the leadership style of individual leader and his employees, not the organization as a whole. The results from Table-5 show the impact of four integrated leadership styles on the employees' performance. The results show a significant positive relationship between transformational-integrated leadership style and employees' performance and between democratic leadership style and employees' performance with  $t$  statistics  $>1.96$  and  $p$ -value  $<0.05$ . The findings are almost same as the findings of Seashore and Taber (1975); Mosadegh-Rad & Yarmohammadian (2006), Bartram & Casimir (2007) and Chen & Silverthorne (2005). The results show that 95.6% ( $R^2$ ) of observed variability in employees' performance is explained by leadership styles (Table-2). These results also support the past research that has found a positive significant relationship between transformational leadership and desirable organizational outcomes (e.g., Avolio, et al., 2004; Hoyt and Blascovich, 2003; Zhu, et al., 2005).

This study carried the investigation further and focused on the moderation effect of stages of leader's self-efficacy on relationship of each integrated style and the employees' performance. The moderation effect of leader's self-efficacy on relationship between transformational leadership style and the employees performance is significant with  $t$  statistics  $>1.96$ ,  $p$ -value  $<0.05$  and  $\beta$ value = 0.077. This means that that self-efficacy of Transformational style leader will impact significantly positively the relationship between leadership style and performance of their subordinate.

The moderation effect of leader's self-efficacy on relationship between Authoritative leadership style and the employees performance is significant with  $t$  statistics  $>1.96$ ,  $p$ -value  $<0.05$  and  $\beta$ value = 0.0266. This means that self-efficacy of Authoritative style leader will impact significantly positively the relationship between leadership style and performance of their subordinates.

The moderation effect of leader's self-efficacy on relationship between Democratic leadership style and the employees performance is significant with  $t$  statistics  $>1.96$ ,  $p$ -value  $<0.05$  and  $\beta$ value = -0.164. This means that self-efficacy of Democratic style leader will impact negatively the relationship between leadership style and performance of their subordinate.

The moderation effect of leader's self-efficacy on relationship between Pacesetting leadership style and the employees' performance is not significant with  $t$  statistics  $<1.96$ ,  $p$ -value  $>0.05$  and  $\beta$ value = 0.04.

This means that OLC stage will not impact the relationship between leader’s style and the performance of his employees.

### **Hypotheses Results**

Hypotheses	Test Statistics			Result
	Beta Value	t/z value	p-value	
Hypothesis 1A: Leader’s self-efficacy impacts significantly (t statistics >1.96 and p-value<.05) the relationship between transformational-integrated leadership style and the employees’ performance.	.077	5.197	0.000	Supported
Hypothesis 1B: Leader’s self-efficacy impacts significantly (t statistics >1.96 and p-value<.05) the relationship between authoritative-integrated leadership style and the employees’ performance.	.266	10.23	0.000	Supported
Hypothesis 1C: Leader’s self-efficacy impacts significantly (t statistics >1.96 and p-value<.05) the relationship between democratic-integrated leadership style and the employees’ performance.	-0.164	10.368	0.000	Supported
Hypothesis 1D: Leader’s self-efficacy impacts significantly (t statistics >1.96 and p-value<.05) the relationship between pacesetting-integrated leadership style and the employees’ performance.	.016	.548	.548	Rejected

The findings of this study clearly show that transformational-integrated and authoritative-integrated leaders with high self-efficacy will be able to take the organizations to new heights of glory whereas democratic-integrated leaders with comparatively lower self-efficacy may perform better. However for pacesetting-integrated leaders the self-efficacy may not matter. The senior management can get leads from our findings to select leaders with appropriate self-efficacy for their organizations.

## **Limitations and Recommendations for Future Research**

Our research studied leadership as a singular leader-member effect, whereas, current research is emphasizing to examine how the leadership styles and behaviours discussed herein, affect differently from employee to employee (Wu, Tsui, & Kinicki, 2010), from organization to organization (Aime, Johnson, Ridge, & Hill, 2010), and from job to job (Morgeson & Humphrey, 2008). The researchers assert leadership scholars to keep pursuing this line of research but they also need compare and contrast the emerging forms of leadership with the traditional, hierarchical view of leadership so that the research continues to move toward an integrative understanding of leadership processes in organizations. As per our study model, the researchers highlighted one moderator whereas there are a number of others which can be included in any future study. The interactionist approaches to the study of personality (Mischel & Shoda, 1995; Tett & Burnett, 2003) can give a lead that aspects of the work context can moderate the relationship between leadership styles and the employees' performance. Thus, the relationship between leadership styles and the employees' performance would be expected to be influenced by the structure of work (Humphrey, Nahrgang, & Morgeson, 2007), nature of work and, therefore, there is need to study their interaction effect on this correlation. Another important aspect of moderation is time. For example, if employees have prior experience with leaders it should moderate the relative effectiveness of leadership styles. The newer the leadership relationships, the effectiveness of leadership styles will most likely be moderated by attributions and identification processes. This aspect may be focused in future studies.

## **Conclusion**

This study examines the moderation effect of leader's self-efficacy on the correlation between leadership styles and the employees' performance, which was never investigated in any previous study. The knowledge of the relative importance of specific leadership styles as indicators of leadership effectiveness may be useful to the organizations in their leadership selection and development practices but doing this without taking into consideration the important moderators will not yield the desired results.

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