
**Impact of leadership on Organizational Performance:
(Study of small scale educational industry institutions, Kabul-Afghanistan)**

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Abstract (12pt)

Keywords:

Organizational
Leadership.
Performance;
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A well-prepared abstract enables the reader to identify the basic content of a doLeadership is one of the key factors connected with the success and failure of any organization. Leadership is the manner in which people are directed and inspired by a leader to achieve organizational objectives or goals (performance). This study examines the impact of leadership on the organizational performance in general.

the role of leaders in ensuring excellent organizational performance cannot be over emphasized. The need for adequate motivation, suitable working environment, compensation and efficient communication between employers and employees are important to promoting excellent organization performance. Therefore, it was important to evaluate leadership and organizational performance in small- scale educational industries in PD# 12 Kabul, Afghanistan. The research was done through use of questionnaires with questions tailored towards determining: the relationship between leadership and organizational performance, pattern of leadership and the extent it has affected organizational performance, the factors responsible for worker's low performance and how leadership has affected productivity.

After analyzing the result, it was concluded that to attain the objectives it was necessary that leadership recognizes the needs of the workers (not just task oriented), employ appropriate motivational tool such as promotion of staff based on merit and skills, provide suitable working environment and provide an appropriate leadership that will encourage free flow of information and giving participation decision making, and positive leadership builds employee confidence and motivates employees to work harder toward achievement of organization goals. Beside this we can also conclude that strict leadership can lead the employees and organization to negative environment which have negative impact on the performance. However, the treatment of employees respectfully as essential part of organization by the leadership can give significance and positive perception about the organization to employees which can have influence on the performance of employees and in result over all organization.

Another most important aspect for better performance and achievement in organization, it is recommended for to build the leadership culture easy for employees to understand. Establishing clear policies, procedures and chains of command, makes it easier for employees to find the answers they need and spend more time on producing quality work.

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1. Introduction

1.1 Background of the Study:

The role of leadership in an organization is crucial in terms of creating a vision, mission, determination and establishment of objectives, designing strategies, policies, and methods to achieve the organizational objectives effectively and efficiently along with directing and coordinating the efforts and organizational activities. Top quality leadership is essential to achieve the mission and vision along with coping with the changes occurring in the external environment. In current time, many companies are facing problems related to unethical practices, high labor turnover, poor financial performance, etc. This may be due to the lack of effective leadership. The main aim of many companies is to accomplish its stated objectives; hence, there is a need of effective leaders for coordinating and motivating the employees. Unfortunately, some companies do not take account of the leadership style adopted by their managers [1].

The Webster Dictionary defines leadership as competition between interest groups or individuals for leadership. The idea of leadership stems from the view that, where interests are different, society should provide a means of allowing individuals to reconcile their differences through consultation and negotiation.

Organizational leadership can be understood in terms of what people think of it rather than what it actually represents and therefore leadership in organizations reflect the organizational climate. Organizational leadership and leadership have been viewed as serious factors affecting various organizational practices. The statement that every organization is composed of people who have varied task, career, and personal interests allows us to understand an organization as a leadership entity [2]. organizational leadership includes individual's perceptions of supervisor support, opportunity to use knowledge learnt, peer support, supervisor approvals, and positive or negative personal outcomes resulting from use of training on the job. Argue that organizational leadership is a critical factor that affects training because leadership often interferes with organizational processes such as decision making, promotion, and rewards [3].

1.2 Definition of Leadership

In reference to studying the Impact of leadership on organizational performance, focus on efficiency and effectiveness leads to better productivity; it is necessary to define the leadership concept first. There are a vast range of articles and academic literatures written about leadership and its different styles. Therefore, it is very important to first know what constitutes leadership. That sheds some answers to many existing questions about leadership. One of the best definitions of leadership is proposed by Kim and Maubouregne, which indicates leadership, is the capability to

inspire confidence and support among an organization's people who are needed to achieve organizational goals. Rost defines leadership as follows; "Leadership is an influence relationship among leaders and followers who intend real changes that reflect their mutual purposes". Also we should note that we can find leadership in all level of positions in organizations and it does not just stick to high level positions". Yet many scholars don't believe in differences in interpreting the definition of leadership. Most of these scholars say the same thing about what leadership is and even its characteristics features. "Leadership is about one person (the leader) getting other people (the followers) to do something.

1.3 Different Styles of Leadership

In the current age of rapidly changing business environments, leadership is an important critical key-determining factor for each business and studying this concept is just crucial. Throughout most of academic literatures, there is a great deal of evidence relating to different forms of leadership depending on various organizational settings. Nevertheless, there is not enough research exploring the relationship between different leadership styles and leadership effectiveness. As we know, organizations without effective leaderships cannot be successful, so having effective leadership is a vital element in having an effective organization with high performance. According to Bass and Avolio, there are three types of leadership branches to resort to; transformational, transactional, and laissez-faire leadership. According to Bass and Avolio transformational leadership contains behaviors that are believed to stimulate high motivation in followers which leads them to an exceptional performance, and "transcending self-interest". However, transactional leadership is a process based on exchanging "valued rewards for performance". Also, the last leadership style discussed; Laissez-faire is based on an indifferent approach to (lack of) leadership. Drunkenly puts this simply as he categorizes leadership into three different styles: autocratic, democratic and laissez-fair. Also, Drunkenly identifies the following actions in participating in organizational performance; (1) "The greater the consideration shown by supervisors, the greater the performance levels of the group and the lower the absenteeism rates, grievance rates and turnover rates". (2) "The more general the supervision shown by the supervisor, the greater the performance of the group". (3) "The more democratic the style of supervision (that is, the more two-way communication there is), the higher the performance level". (4) "The more punitive (punishing) the style of supervision, the greater the aggression allied to a tendency to decrease performance levels". "Punitive leadership increases the frustration and will subsequently lead either to a decrease in involvement (in the form of mental and physical withdrawal) or to retaliatory aggression (that is, aggression directed against productivity)". [4].

1.4 Impact of Leadership on Organizational Performance

According to the contingency theory there is no single comprehensive universal leadership theory appropriate for all employees in all organizations. In considering the above-mentioned theory, there are various methods that can be used in different situations by effective leaders. As every organization is based on a unique core, leaders and managers face diverse cases in dealing with organizations and employees. Therefore, they need to consider many different approaches to be able to handle situations which arise with a high level of productivity. Moreover, logically an organization may not survive unless it gains from thoughtful leadership. Therefore, having an effective leadership style may lead an organization to success. Strang believes that outcomes of leadership which are production and stakeholder's satisfaction can be modified by the behavior of a leader. Based on a study conducted in the manufacturing industry by Strang, there is a close association between transformational leadership and employee satisfaction, leader effectiveness, and organizational productivity. Moreover, transformational leaders empower followers to perform effectively in an independent manner by inspiring and motivating them through coaching and mentoring. Due to the very competitive global environment, companies need to reconsider the role of leadership to avoid wasting their resources which help them to stay competitive. [5].

Leadership plays a very important role in organizations since it is responsible for defining strategies and designs the organization's path to be more effective and efficient in performance. Mostly parameters such as financial reports, bottom lines, market shares, companies' revenues, and etc, are used for evaluating effectiveness of leadership and organizational performance. One of the ways to reach that point is by "having a sustainable relationship between organizational leadership and organizational performance. Many management theoreticians tend to consider leadership as a key contributor or a most important cause of organizational performance in the marketplace and society.

In reference to Andersen cited by Svensson and Wood, management has a major impact on organizational effectiveness. Therefore, his/her assumption is based on the belief that "leadership is the cause of the effectiveness of organizations". A wide range of management professionals believe in the major impact of management and leadership on organizational effectiveness. Based on Fiedler because of leadership influence and its crucial impact on organizational performance, we can predict organizational performance by closely observing and studying the scope of leadership effectiveness. Various other researchers also argue about the relationship between leadership and organizational performance: Mott argues that "leadership is important to group or team performance". Bennis and Manus, say that leadership and organizational performance are linked together and cannot be considered separately. organizational leadership has a direct influence on both organizational outcomes such as productivity and creativity. Scott and Bruce discovered a

positive and significant relationship between leader-member exchange and support for innovation which helps to increase the sense of innovative behavior within employees. According to Haakonsson the difference in high tension and low tension is the level of creativity and activation in the stage of change which means in a low tension approach, climate activation leads employees to adapt new things from change. However, in a high tension climate there is a resistance to change which leads to a passive/ avoidance approach. There are some areas which leaders must maintain to have high performance organizations and one of them is knowledge sharing. Referring to Tiwana (2001), cited by Hereby (2008), "organizations have adopted knowledge sharing and organizational learning as concepts that may help them align themselves within a new competitive environment". In reference to Hereby cited from different scholars such as; knowledge sharing leads organizations to higher performance. Also, more and more scholars believe knowledge sharing has an important role in organizations [5].

1.5 Problem Statement:

Positive leadership in an organization involves encouraging productivity and negative leadership leads to decrease productivity. In most of the organization the processes, the actions, the behaviors through which potential leadership is utilized and realized is not effective, these organizations cannot properly identify and use potential leadership of the organization members, which because of the flaws in the organizational leadership.

The dissertation is merely focused to analyze the leadership of organization in case of its performance in small scale educational institutions in specific area of Ahmad Shah Baba Kabul. The main problem faced by these organizations are not only to survive but also to sustain their existence by improving performance and to demonstrate how leadership skills can help organizations to maintain high performance in existing markets and achieve customer's satisfaction.

Organizational performance is measured as profitability, sales growth, market share, and competitive status. Further, leader's task related behavior are directly related to organizational performance, these small scale institutions has not improved significantly in market which has caused to low organizational performance and achievement.

Finally, this study will enable management and leaders of small scale industries to become aware of the factors that actually motivate their employees to low and high productivity in their work areas and obtain high performance.

1.6 Objective of the Study:

This research which has been taken place on impacts of organizational leadership on performance of organization (a case study of small scale educational institutions in Ahmad Shah Baba Mean, Kabul) has the following specific goals:

- To study the impact of leadership behavior on organizational performance.
- To identify the negative factors which contribute to a leadership
- To identify the positive factors which contribute to leadership
- To investigate the impact of leadership behavior on organizational performance in the small scale educational institutions.
- To recommend some good courses of actions.

1.7 Research Questions:

- What is the role of organizational leadership on organizational performance in small scale industries?
- Is leadership the cause of the effectiveness of organization?
- What factors contributes to positive leadership in an organization?
- What factors contributes to negative leadership in an organization?

1.8 Hypothesis:

- The organizational leadership plays an important role on organizational performance and productivity.
- Organizational leaders should lead their organization related to situation in market.
- The negative leadership declines the overall organizational performance.
- Organizational leadership in which staff promotion is based on merit and skill will motivate staff to higher organizational performance.

1.9 Significance of the Study:

Leadership and leadership play a huge role in business, from governing how decisions are made to how employees interact with one another. In businesses big and small, the impact of leadership depends on whether employees use positive or negative leadership to influence others in the workplace.

Leadership may directly influence who has the leadership and determine whether the overall culture of the workplace encourages productivity or not. This study will allow the small scale organization in Kabul Afghanistan to adjust the organizational leadership in such a way to increase the productivity of the organizations.

Since much work has not been carried out with respect to small scale industries, there is a need for the study of the effect of organizational leadership on organizational performance, to increase promotional activities in the area.

In other side this study will have an importance for the students of business administration who will become future manager, leaders and entrepreneurs.

1.10 Nature of the study:

The nature of this study is descriptive, undertaken in order to describe the characteristics of the impacts of organizational leadership on organization performance in Kabul-Afghanistan.

1.11 Limitation of the Study:

- Some of the top level employees in institutions were not cooperative, and some of them did not turned the questioners. Instead submitted to other institute managers.
- Lack of developed a well-resourced library, and research resource centers in Afghanistan was a major limitation to find data for this research project.
- Cost was one of the major part of limitation for the research, because the research was funded personally by the researcher.
- Shortage of proper literature and academic articles in the field of leadership and management in Afghanistan.

2.Literature review

2.1 Theoretical frame work

2.1.1Great-Man Theory

The effort toward explorations for common traits of leadership is prolonged over centuries as most cultures need heroes to define their successes and to justify their failures. In 1847, Thomas Carlyle stated in the best interests of the heroes that “universal history, the history of what man has accomplished in this world, is at the bottom of the history of the great men who have worked here”. Carlyle claimed in his “great man theory” that leaders are born and that only those men who are capable with heroic capabilities could ever become the leaders. He lectured that great men were born, not made. An American philosopher, Sidney Hook, further expanded Carlyle perspective highlighting the impact which could be made by the eventful man vs. the event-making man.

He proposed that the eventful man remained complex in a historic situation, but did not really determine its course. On the other hand, he maintained that the actions of the event-making man influenced the course of events, which could have been much different, had he not been involved in the process. The event making man’s role based on “the consequences of outstanding capacities of intelligence, will and character rather than the actions of distinction”. However, subsequent events extended that this concept of leadership was morally defective, as was the case with Hitler, Napoleon, and the like, thereby challenging the credibility of the Great Man theory. These great men became irrelevant and consequently growth of the organizations, stifled. “The passing years have given the coup de grace to another force the great man who with brilliance and wisdom could manage with dictatorial powers as the head of a growing organization but in the

process underdeveloped democratization". Leadership theory then progressed from belief that leaders are born or are destined by nature to be in their role at a particular time to a reflection of certain traits that foresee a potential for leadership. [6].

2.1.2 Trait Theory

The early theorists opined that born leaders were gifted with certain physical traits and personality characteristics which distinguished them from non-leaders. Trait theories ignored the assumptions about whether leadership traits were genetic or acquired. Jenkins identified two traits; emergent traits (those which are heavily dependent upon inheritance) as height, intelligence, attractiveness, and self-confidence and effectiveness traits (based on experience or learning), including charisma, as fundamental component of leadership.

Max Weber termed charisma as "the greatest revolutionary force, capable of producing a completely new orientation through followers and complete personal devotion to leaders they perceived as endowed with almost magical supernatural, superhuman qualities and powers". This initial focus on intellectual, physical and personality traits that distinguished non-leaders from leaders portended a research that maintained that only minor variances exist between followers and leaders. The failure in detecting the traits which every single effective leader had in common, resulted in development of trait theory, as an inaccessible component, falling into disfavor. In the late 1940s, scholars studied the traits of military and non-military leaders respectively and exposed the significance of certain traits developing at certain times. [6]

2.1.3 Contingency Theories (Situational)

The theories of contingency recommend that no leadership style is precise as a stand-alone as the leadership style used is reliant upon the factors such as the quality, situation of the followers or a number of other variables. "According to this theory, there is no single right way to lead because the internal and external dimensions of the environment require the leader to adapt to that particular situation". In most cases, leaders do not change only the dynamics and environment, employees within the organization change. In a common sense, the theories of contingency are a category of behavioral theory that challenges that there is no one finest way of leading/organizing and that the style of leadership that is operative in some circumstances may not be effective in others.

Contingency theorists assumed that the leader was the focus of leader-subordinate relationship; situational theorists opined or disclosed that the subordinates played a pivotal role in defining the relationship. Though, the situational leadership stays to emphasis mostly upon the leader, it creates the significance of the focus into groupdynamic. "These studies of the relationships between groups and their leaders have led to some of our modern theories of group dynamics and leadership". The theory of situational leadership proposes that style of leadership should be accorded with the maturity of the subordinates. "The situational leadership model, first introduced in 1969, theorized that there was no unsurpassed way to lead and those

leaders, to be effective, must be able to adapt to the situation and transform their leadership style between task-oriented and relationship oriented” [6].

2.1.4 Style and Behavior Theory

The style theory acknowledges the significance of certain necessary leadership skills that serve as enablers for a leader who performs an act while drawing its parallel with previous capacity of the leader, prior to that particular act while suggesting that each individual has a distinct style of leadership with which he/she feels most contented. Like one that does not fit all heads, similarly one style cannot be effective in all situations. Yukl introduced three different leadership styles. The employees serving with democratic leaders displayed high degree of satisfaction, creativity, and motivation; working with great enthusiasm and energy irrespective of the presence or absence of the leader; maintaining better connections with the leader, in terms of productivity whereas, autocratic leaders mainly focused on greater quantity of output. Laissez faire leadership was only considered relevant while leading a team of highly skilled and motivated people who excellent track-record, in the past [7].

Feidler & House identified two additional leadership styles focusing effectiveness of the leadership. These researchers opined that consideration (concern for people and relationship behaviors) and commanding structure (concern for production and task behaviors) were very vital variables. The consideration is referred to the amount of confidence and relationship; a leader provokes in his subordinates. Whereas, initiating structure, on the other hand, reflects the extent, to which the leader structures, directs and defines his/her own and the subordinates' roles as they have the participatory role toward organizational performance, profit and accomplishment of the mission. Different researchers proposed that three types of leaders, they were; autocratic, democratic and laissez-faire. Without involving subordinates, the autocratic leader makes decisions, laissez-faire leader lets subordinates make the decision and hence takes no real leadership role other than assuming the position and the democratic leader accesses his subordinates then takes his decision. “He further assumed that all leaders could fit into one of these three categories”.

2.1.5 Process Leadership Theory

Additional leadership theories with a process focus include servant leadership, principal centered leadership and charismatic leadership, with others emerging every year. Greenleaf introduced servant leadership in the early 1970s. A resurgence of the discussion of servant leadership was noted in the early 1990s.

Servant leaders were encouraged to be focused to the anxieties of the followers and the leader should sympathize with them take care of and encourage them. The leadership was imparted on a person who was by nature a servant. “The servant leader focuses on the needs of the follower and helps them to become more autonomous freer and knowledgeable”. The servant leader is also more concerned with the “have-nots” and recognizes them as equal. The leaders in leading organizations

are to be the steward (servant) of the vision of the organization and not a servant of the people within the organization. Leaders in learning organizations clarify and encourage the vision and consider it to be greater than one-self. The leader aligns themselves or their vision with others in the organization or community at large.

These process leadership theories and others that have emerged often suggest that the work of leaders is to contribute to the well-being of others with a focus on some form of social responsibility. There appears to be a clear evolution in the study of leadership. Leadership theory has moved from birth traits and rights, to acquired traits and styles, to situational and relationship types of leadership, to the function of groups and group processes and, currently, to the interaction of the group members with an emphasis on personal and organizational function of groups and group processes and, currently, to the interaction of the group members with an emphasis on personal and organizational moral improvements [11].

2.1.6 Transformational Theory

Transformational leadership distinguishes itself from the rest of the previous and modern theories, on the basis of its alignment to a greater good as it requires involvement of the followers in processes or activities related to personal factor towards the organization and a course that will yield certain superior social dividend. The transformational leaders raise the motivation and morality of both the follower and the leader. It is considered that the transformational leaders “engage in interactions with followers based on common values, beliefs and goals”. This impacts the performance leading to the attainment of goal. As per Bass, transformational leader, “attempts to encourage followers to reorder their needs by transcending self-interests and strive for higher order needs”. This theory conform the Maslow (1954) higher order needs theory. Transformational leadership is a course that changes and approach targets on beliefs, values and attitudes that enlighten leaders” practices and the capacity to lead change [12].

The literature suggests that followers and leaders set apart personal interests for the benefit of the group. The leader is then asked to focus on followers’ needs and input in order to transform everyone into a leader by empowering and motivating them. Emphasis from the previously defined leadership theories, the ethical extents of leadership further differentiates the transformational leadership. The transformational leaders are considered by their capability to identify the need for change, gain the agreement and commitment of others, create a vision that guides change and embed the change. These types of leaders treat subordinates individually and pursue to develop their consciousness, morals and skills by providing significance to their work and challenge. These leaders produce an appearance of convincing and encouraged vision of the future.

2.1.7 Theory x and theory Y

The popular ‘theory X and theory Y developed by Douglas McGregor has also made a tremendous impact on the study of leadership. According to McGregor, the relationship between the leadership

style adopted by a manager and the latter's perception of the subordinates is reflected in the two sets of assumptions as stated below:

Theory X assumptions: Average human beings have an inherent dislike of work and will avoid it if they can. Because of this human characteristic of dislike of work, most people must be coerced, controlled, directed and threatened with punishment to get them to put forth adequate effort towards the achievements of organizational objectives.

Theory Y assumptions: The assumptions under theory Y are seen by McGregor as follows:

The expenditure of physical effort and mental effort in work is as natural as play or rest. External control and threat of punishment are not the only means for bringing about effort toward organization objectives. People will exercise self-direction and self-control in the service of objectives to which they are committed. Commitment to objectives is a function of reward that is associated with their achievement. Average human beings learn, under proper conditions not only to accept but also seek responsibility. The capacity to exercise a relatively high degree of imagination, ingenuity, and creativity in the solution of organizational problems is widely, not narrowly distributed in the population.

Under the conditions of modern industrial life, the intellectual potential of the average human being are only partially utilized. By this theory McGregor, again demonstrated the factors that influence practical managers in choosing a leadership style, which would in turn impacts positively or negatively on the subordinates, and consequently on the entire organization [13].

By implications, managers who believe in 'Theory X assumptions would tend to adopt an autocratic leadership style, while those who view subordinates at theory Y's angle would tend to adopt a democratic leadership style. However, McGregor warned managers viewing the theory as representing two opposite extreme style of leadership. But instead, recommended that an effective manager should recognize the dignity and capabilities, as well as the limitations of people and adjust behaviors as demanded by the situation.

2.2 Analytical framework

2.2.1 Managerial Grid

Two large studies found that two types of leader behaviors were important concepts in leadership skills. While the two separate studies used different terms, they can be thought of as concern for people and concern for tasks. The study at Ohio State University identified these two behaviors as:

Consideration - relationship behaviors, such as respect and trust (concern for people).

Initiating Structure - task behaviors, such as organizing, scheduling, and seeing that work is completed (concern for tasks)

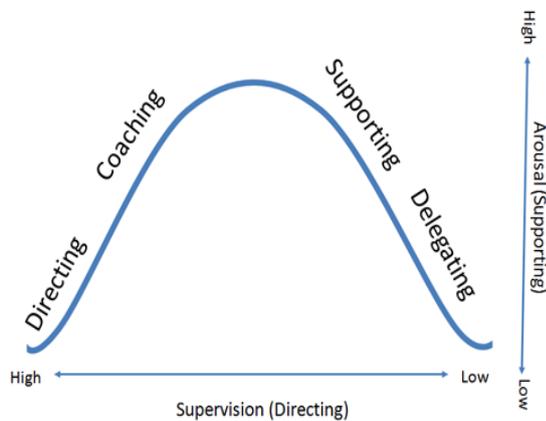
The study at the University of Michigan identified these two behaviors as:

Employee Orientation - approaching employees with a strong human relations orientation (concern for people).

Production Orientation - stressing the technical and production aspect of the job (concern for tasks) [8].

2.2.2 Four Framework Approach

In the Four Framework Approach, Bolman and Deal, suggest that leaders display leadership behaviors in one of four types of frameworks, Structural, Human Resource, Political, or Symbolic: This model suggests that leaders operate in one of these four categories and there are times when one approach is more appropriate and times when it would not be. That is, any style can be effective or ineffective, depending upon the situation. Relying on only one of these approaches would be inadequate, thus we should strive to be conscious of all four approaches, and not just rely on one or two. For example, during a major organization change, a Structural



leadership style may be more effective than a Symbolic leadership style; during a period when strong growth is needed, the Symbolic approach may be more appropriate. We also need to understand ourselves as each of us tends to have a preferred approach. We need to be conscious of these at all times and be aware of the limitations of just favoring one approach.

2.2.3 Situational Leadership

The situational leadership theory, developed by Paul Hersey and Ken Blanchard (1977), is based upon two continuums — the required level of supervision and arousal required to coach workers in specific situations so that they develop into great performers.

Supervision (directing) - The employee's skill and knowledge level determines the level of supervision (what the authors call Directing). On one end of the continuum is over-supervision, while the other end is under-supervision. The goal is to hit the sweet-spot. Under-supervision leads to miscommunication, lack of coordination, and the perception by subordinates that the leader does not care. Over-supervision stifles initiative, breeds resentment, and lowers morale. The goal is to provide the correct amount of supervision that is determined by the employee's skill and knowledge level [9].

Arousal (supporting) - The employee's skill and knowledge level determines the amount of arousal or emotional support required (what the authors call Supporting). This emotional support raises or lowers the task holder's arousal level (the inner-drive within our self-system). A certain level of

arousal motivates us toward change (learning). However, too much/too little will over or under stimulate our behavior in highly cognitive tasks a low arousal is required as over-stimulation may occur (and vice-versa).

Ken Blanchard (1985) later refined the model and changed the term Situational Leadership Theory to simply Situational Leadership. In his model, leadership is the act of providing the correct amount of supervision (Directing Behavior) and arousal (Supportive Behavior), which in turn, produces the best learning and developmental environment as shown in the model.

Situational Leadership is basically being a four-step model, however, depending upon the situation, you can jump into any step as required (depending on how well an employee can perform and is motivated to perform):

Directing - Provide a lot of direction (learner does not know how to perform) and a small amount of support (you do not want to overload learner - see arousal).

Coaching - Decrease direction (so that learner can learn by trial and error) and increase support (needs emotional support due to some failure).

Supporting - Decrease direction even more (so that learner can become self-supporting) and decrease support.

Delegating - Provide direction and support on an as-needed basis.

2.2.4 Based on People Leadership Model

The name itself says what the role of a leader must be in this type of leadership. It completely focuses on supporting, organizing and creating the people in the team. It requires participation of the leader and the employees. The leader must encourage the team members and achieve the goals with a strong team work. It is completely opposite to leadership which is task oriented. The role of a leader needs complete involvement. He must advice and help the team members whenever required. It is necessary to carry a friendly approach and pay attention to the employees involved in the tedious task.

There are times when charismatic leaders have no option but to trust on their own decision. This can be risky for the project but if the outcome is positive, it gives good benefits to the organization. It will be good if the charismatic leader can believe on what other advises. At the end the decision would completely be upon the leader. It is a great role of a leader and the responsibilities associated

with it are pretty huge. The people who undertake such role of a leader must give a long-term commitment to the organization and ensure that employees work in the way it was planned by the leader.

2.2.5 Charismatic Leadership Model

Originally proposed within the context of religion, sociologist Max Weber in 1947 identified the extraordinary trait of charisma which influential and gifted leaders possess to energize and activate their followers (Bass & Bass, 2008, p. 50). Although it is clear that charismatic leadership is leadership based on a personal trait that a leader happens to possess, did not explicitly specify the set of psychological traits of a charismatic leader. Following the lack of definition, House expanded his theory by adding specific personality and leadership traits that would be representative of charismatic leadership when validated through several measures and assessments. Therefore, House suggested that a highly charismatic leader has a high need to influence others, has strong and firm believe in himself and his values, has the ability to arouse a high need for achievement in his followers and has the ability to demonstrate competency through articulation of potential accomplishments rather than actually occurred accomplishments.

Furthermore, charismatic leadership is correlated with transformational leadership and is a significant component of transformational leadership, because both models share similar if not the same leadership constructs of intellectual arousal in the leader's followers, evoked inspiration and follower consideration. In other words, individuals who score high on transformational leadership are more likely to also score high on charismatic leadership [10].

2.2.6 The contingency approach

The approach was developed by a group of researchers and consultants who tried to apply the concepts of the approaches of the main schools of thought as highlighted above to real life situations. They found, there is no single design that is best for all situations. Solutions to problems depend on the particular situation or environment. Prominent among the researchers include Woodward et al. who theorized the leadership situation is contingent upon the position, power, the tasks structure and leadership member relation.

2. Research Method (12pt)

3.1 Research method

The research method which is used in this study is quantitative and quantitative research, is defined as the systematic analysis of phenomena by gathering measurable data and performing statistical, mathematical or techniques.

Quantitative research gathers information from existing and possible customers using sampling methods, the results of which can be showed in the form of numerical. After careful understanding of these numbers to predict the future of a product or service and make changes accordingly. Quantitative research is mostly conducted in social sciences using the statistical methods to collect quantitative data from the research study.

The researcher has distributed the questionnaires to the respondents and collected the questionnaires back from them. The researcher also undertaken interviews and had some personal interactions with the employees of the mentioned entity.

3.2 Research type

Research type on which bases research is conducted is descriptive, it is type of research which is mostly used in quantitative method of research to illustrate the numerical results with graphs like bar chart, pie chart, table and more. The main reason for this type is that it is easy to understand and illustrate the result.

3.3 Research population

The target population in this research refers to small scale educational institutions employees in area which 80 in number, because of the large population, researcher cannot test or interview every employee of this organization in the population due to shortage of time and expenses. That is why the researcher relies on sampling techniques.

3.4 Simple size

The investigator has selected US National Education Statistical table to determine the sample size which is the most accepted method of Social Science as expressed by Krejcie and Morgan(1970). This formula determine the Small Sample Techniques published by National Education Association. In order to complete this thesis, the researcher has interviewed with 65 (based on Morgan sampling table) people from different departments of these institutes, the respondents were

the managers, officers, assistants, and clerks from different departments of the organization. who have been in organization for more than one year.

3.5 Sampling technique

Probability sampling: A theory of probability is used to filter individuals from a population and create samples in probability sampling. Participants of a sample are chosen random selection processes. Each member of the target audience has an equal opportunity to be a selected in the sample.

3.6 Source of data collection

Creswell (1994) noted that, data collection methods for primary data include: structured and semi-structure questionnaires, mailed questionnaires, structured and semi-structured interviews (personal and telephone interviews), observation and focus group discussions. Questionnaires are the most commonly used methods when respondents can be reached and are willing to co-operate The main instrument for data collection was a structured questionnaire designed in a 5-point Likert scale of strongly agree to strongly disagree. The secondary data is collected from reliable sources which include various reports and researchers on impacts of organization leadership on organization performance.

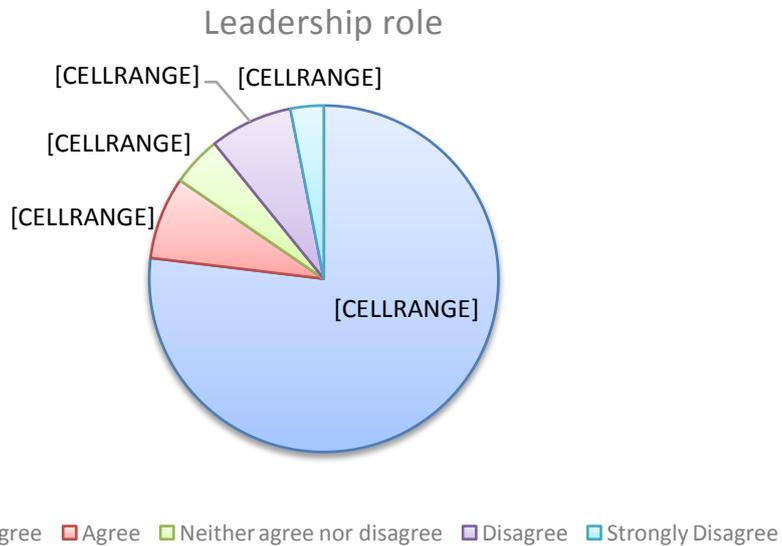
3.7 Research tools & data analysis plan

here will be a comprehensive analysis on the problems statement and problem questions, all the causes, issues, influences, interventions, limitations, lack of policy and its implementation and etc. to see where the problem lives in. In this study for analyzing the survey, SPSS and Microsoft excel was used. To perfectly analyze the data and present it in different forms like, table, graphs and other tests.

4. Interpretation and data analysis

Question 1: Organization leadership play a huge role in business, from governing how decisions are made to how employees interact with one another.

Options	Frequency	Percent
Strongly Agree	50	77%
Agree	5	8%
Neither agree nor disagree	3	5%
Disagree	5	8%
Strongly Disagree	2	3%
Total	65	100%

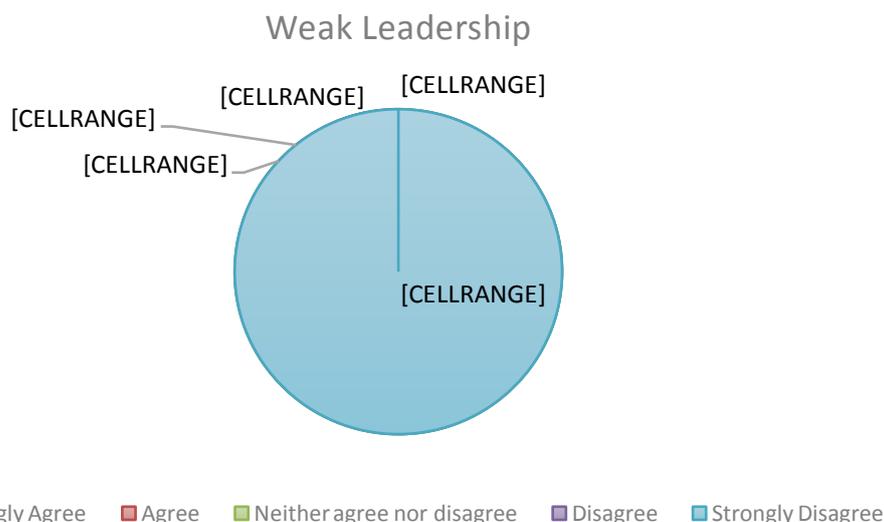


Interpretation:

Around 77% of respondents agrees that leadership plays huge role in the business governing and decision making, which means that leadership is one of the key tool for business to perform better and achieve the goals. While 8% of respondents disagrees and they say that “better organizational system can bring better performance to the organization”.

Question 5: Organizations which have weak leadership, perform less effective.

Options	Frequency	Percent
Strongly Agree	55	85%
Agree	3	5%
Neither agree nor disagree	0	0%
Disagree	7	11%
Strongly Disagree	0	0%
Total	65	100%



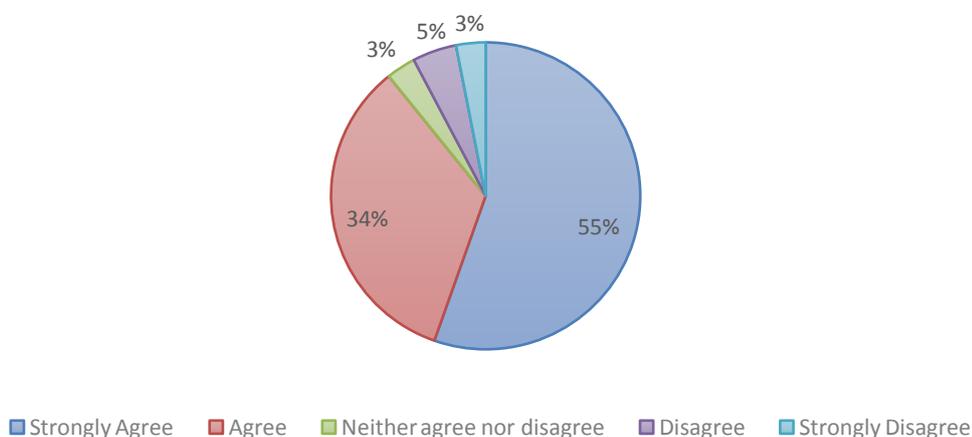
Interpretation:

Around 85% of respondents strongly agree that Organizations which have weak leadership, perform less effective. It means that leadership plays key role in the performance in the organization. And they say that weak leadership is not properly planning, organizing, leading and monitoring the activities of organization which leads to less effectiveness of organization and it is a leadership which motivates the employees toward goal attainment. While 11% of respondents disagrees with the weak leadership causes inefficiency in organization.

Question 13: the leadership which is more task oriented, can lead to dissatisfaction of employees which can effect organizational performance.

Options	Frequency	Percent
Strongly Agree	36	55%
Agree	22	34%
Neither agree nor disagree	2	3%
Disagree	3	5%
Strongly Disagree	2	3%
Total	65	100%

Task Oriented Leadership



Interpretation:

Around 55% of respondents strongly agrees and 34% agrees that Organizational Leadership can change the attitude of the employees in the organization. It means that if the employees are treated significantly important part of the organization, this will impact positively their behavior toward the organization and vice versa. While 3% of respondents strongly disagrees, which means that based on their view leadership cannot change their attitude because it is a nature characteristics of human behavior. Beside this 3% nor agrees and disagrees.

4.1 Reliability:

According to George and Mallery (2003), state that Cronbach's Alpha Reliability Coefficient normally ranges between 0 and 1. If the coefficient value is more than 0.7, it is good and reliable result. If the alpha is 0.6 and below, it means that the result is poor. The rule of thumb has mentioned that there will be more reliability coefficient when the figure of Cronbach 's Alpha is more nearest to 1.0.

The researcher used the Alpha Cronbach's approach to test the reliability of the data collected through the questionnaire distributed to and collected form the concerned respondents as of the following:

		N	%
Cases	Valid	65	100.0
	Excluded ^a	0	.0
	Total	65	100.0

Cronbach's Alpha	N of Items
.971	17

a. Listwise deletion based on all variables in the procedure.

4.2 Validation of hypothesis

T-Test

Table (4-23)Item-Total Statistics One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Organization leadership play a huge role in business, from governing how decisions are made to how employees interact with one another.	65	4.4769	1.09127	.13536
: Leading of organization through situational leadership style, lets employees to learn more in an organization.	65	4.0154	1.32868	.16480
The negative leadership decreases creativity and declines the overall organizational performance.	65	4.4308	.95147	.11801
Promotion of staff through merit base and skills inspires them to better performance.	65	4.7846	.67297	.08347
Strict leadership in small scale organization leads the organization to perform well.	65	4.2769	1.35217	.16772
To encourage productivity, organizations must develop a leadership culture easy for employees to understand	65	4.3385	1.20256	.14916
: the leadership which is more task oriented, can lead to dissatisfaction of employees which can effect organizational performance.	65	4.4308	.95147	.11801

Table (4-24)Item-Total Statistics One-Sample Test

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Organization leadership play a huge role in business, from governing how decisions are made to how employees interact with one another.	10.911	64	.000	1.47692	1.2065	1.7473
: Leading of organization through situational leadership style, lets employees to learn more in an organization.	6.161	64	.000	1.01538	.6862	1.3446
The negative leadership decreases creativity and declines the overall organizational performance.	12.124	64	.000	1.43077	1.1950	1.6665
Promotion of staff through merit base and skills inspires them to better performance.	21.380	64	.000	1.78462	1.6179	1.9514
Strict leadership in small scale organization leads the organization to perform well.	7.614	64	.000	1.27692	.9419	1.6120
To encourage productivity, organizations must develop a leadership culture easy for employees to understand	8.973	64	.000	1.33846	1.0405	1.6364
: the leadership which is more task oriented, can lead to dissatisfaction of employees which can effect organizational performance.	12.124	64	.000	1.43077	1.1950	1.6665

5. Findings, Conclusion and recommendations

5.1 Findings

- leadership has a vital role and it is a key for both failure and success of the organization.
- For the organization to perform effective and efficient the leadership culture (clear policies, chain of command etc.) of the organization should be easy to be understood clearly by employees and sixty-nine percent of respondents are strongly agreeing with the idea.
- Positive leadership can have impact on the increasing of productivity of an organization.
- Situation based leadership can lead organization to perform well and achieve the objective in the market.
- Negative leadership can lead the organization to weak performance and brings increase in turnover of employees.
- Strict organizational leadership leads to negative environment inside the organization which has direct effect on the performance of organization.
- organization cannot be effective, competitive and alive without a proper organizational leadership. leadership leads them to the right path and the respondents agree that organization with weak leadership perform less effective as compare to organizations which have strong organizational leadership.
- The more tasked oriented leadership style can lead to employee's dissatisfaction.
- Organizational leadership which are willing to invest on their employee's skills like providing of professional training related to their fields can get satisfaction of their staff.
- respondent agrees that in organizational leadership in which promotion and demotion of employees are based on the merit and skills can get satisfaction of employees and can get better performance.

5.2 Conclusion:

This research which is undertaken on the impacts of the organizational leadership on organization performance in small scale educational institutions, the main aim of the research is to find the impact of leadership behavior on a firm's growth or performance. the survey questionnaires were distributed to 65 respondents based on the target population, after the data collection in has been concluded that leadership is the key which determines the mission and vision of the firms and plays vital role in the productivity and great achievement of the small scale business organizations. The respondents strongly agree that positive leadership (motivation of employees, promotion based on merits, respecting of employees and more) by organizational leaders has direct impact on the growth of an organization in term of sales, service providing, market share and more, however rewarding of employees based on the performance can bring competition among organization's employees to perform will and get reward, which cause higher organizational performance at all. from another side most of the respondents strongly disagrees which means that strict and negative leadership (threating of employees, no inspiration, recommendation based promotion, not respecting of employees, showing favoritism toward some employees and more) can lead organization to weak productivity and performance which has definite effect on the success of the

organization and overall performance. in such type of leadership employees are not rewarded they are just treated like a labor of the organization not like a members of the organization in such type of leadership the turnover of employees is more.

5.3 Recommendations:

After gathering, processing and interpretation of the primary data about the impacts of organizational leadership on organization performance, and findings the researcher has the following recommendations for these organizations.

- Leaders and leadership play a huge role in business, from governing how decisions are made to how employees interact with one another, therefore it is really important for every organization to have organizational leadership to increase performance productivity in order to bring more profit for the organization.
- The organizational leadership must be wise, positive and effective which must include giving employees the leadership to make decisions, rewarding employees for strong performance and appointing employees who perform strongly to supervise other employees. Positive leadership builds employee confidence and motivates employees to work harder.
- When leaders in an organization do not have the respect of the employees under them, they are practicing negative and ineffective leadership. This type of leader motivates employees to perform by threatening them with job loss and other punishments or shows favoritism to certain employees rather than recognizing the hard work of multiple employees thus will result in high turnover rate and low performance therefore it is recommended for the organization to identify the faults of their leadership (Negative & Ineffective leadership) and eliminate them from their operation to bring effectiveness inside the organization.
- For bringing effectiveness in the organization it is recommended for the organizations to build the leadership culture easy for employees to understand. Establishing clear policies and chains of command makes it easier for employees to find the answers they need and spend more time on producing quality work.
- The research recommends for the organization to use organization leadership in changing the attitude of the employees for making them committed to the organization because organizational leadership can change the attitude of the employees on the job, and it helps them to adjust themselves at work and perform better.
- Strict organization leadership leads to negative environment inside the organization and will affect the performance of the organization negatively, therefore it is recommending for the organization to be flexible up to some extent while practicing the organizational leadership.
- It is recommended for organization to have situational leadership style because markets are changing very soon, so situational leadership will let them to take and make decisions based on the current situation assessment to survive in the market and gain profit.
- And finally the research recommends for every organization to have organization leadership in order to be effective as well as efficient.

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