

Does Leadership have an Impact on Employee Productivity and Sustainability?

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Abstract

Leadership has been viewed as a subdivision of management which focuses on individual influences within a group towards achieving a common goal, while productivity and sustainability is the capability to preserve a stability between the needs of the organization and those of the worker. The element of leadership, employee productivity and sustainability seem to share significant value within an organization, however the question that is left unanswered is how then leadership has an impact on employee productivity and sustainability. This paper seeks to explore the impact of leadership on employee productivity and sustainability within an organization. A quantitative methodological approach was selected for this study to comprehend the impact that leadership has on employee productivity and sustainability. A questionnaire consisting of three sections was distributed to middle and lower ranking workers at an organization in South Africa. The result from the study clearly indicates that leadership has a philosophical impact on employee productivity. The adaptation of a transformational leadership style by the leader with attributes such as intellectual inspiration, personalized consideration, idealized influence, and motivation stimulate positive outcomes from a worker, which results in achievement of desirable outcome. This leadership style effectively creates a positive working environment for workers to foster productivity and contribute to long-term success of the organization. In conclusion, the data collected with literature share the same reverence to say leadership does have an impact on employee productivity and sustainability through the implementation of a transformational leadership style by the leader. The outcome of the workers will always be predetermined by the type of leadership style that the leader adapts to. The study provides to the existing body of knowledge on leadership and employee productivity and sustainability through expansively discussing whether leadership has an impact on employee productivity and sustainability. The previous studies indicated multiple limitations on the role of a leader. This study goes further to look at the relationship and attributing factors that contribute to leaders having an impact on employee productivity and sustainability.

Keywords

leadership, employee, productivity, sustainability, transactional, transformational

1. Introduction

The risk associated with remaining relevant and competitive as organizations continuous to increase while the ability of creating a healthy work environment is decreasing due to fast changes and emerging technologies (Alblooshi et al., 2020). The success of an organization continuous to be one of the key objectives of any association, hence leadership and worker's contribution are some of the factors that crucially impact to success status of the organization (Setiawan et al., 2021). Leadership has been viewed as a subdivision of management which focuses on individual influences within a group towards achieving a common goal (Mouton, 2017), while productivity has been defined in numerous contexts and at various levels as the correlation amid inputs and outputs (Olasanmi et al., 2021). Employee sustainability is described as the ability of a worker to remain in one organization (Saluy et al 2021). The element of leadership, employee productivity and employee sustainability seem to share the significant value within an

organization. The question that is left unanswered is how then leadership has an impact on employee productivity and sustainability.

There have been substantial arguments among researchers concerning how the role of leadership affects the productivity and sustainability of workers and the organization (Algantani, 2014; Boyatzis, 2005). Additionally, Mabhudhu (2008), indicated that the desire to examine the core issues contributing to a successful organization has taken place multiple times from organizational settings and academics and the motivating force was to outline the significance of protecting the stock-holder's investments and interest. This examination however segregates the main resources utilized to produce and sustain the investment of the organization. Leadership is one of the key factors of organizational success and demonstrates a vigorous role in establishing the support devoted to success within an organization (Alblooshi et al., 2020).

Therefore, this research purposes to examine the impact of leadership on employee productivity and sustainability in organizations. Analysis will unpack the attribute of a leadership role and the factors relating to productivity and sustainability. Subsequent on the introduction, the paper will present the literature, trailed by the method used to collect and analyze data, this will be shadowed by the demonstration of the results, trailed by a discussion of the results and how they relate to literature, conclusion drawn from the results and finally we shall present recommendation.

2. Literature Review

2.1 Leadership

Leadership has been viewed as a subdivision of management which focuses on individual influences within a group towards achieving a common goal (Mouton, 2017). The process of creating or developing a good leader does not end, hence the basis of good leadership is having a strong character and selfless digression towards an organization (Amanchukwu et al, 2015). Leadership styles are key competency that leaders of the organization need to use in this competitive environment (Amanchukwu et al, 2015). Each organization needs leaders with roles that ought to be seen as correlative to each other.

The ultimate viability of an organization can be reached if the organization has solid leadership. In the present powerful work situation, organizations necessitate leaders to change to new challenges, and change organizations with a specific end goal to accomplish an upper hand in the commercial center (Sagnak, 2016). Leadership causes extensive disarray, and a few people accept leaders as those close to the top level of the functional structure of the organization and accordingly characterize leadership as regularly underscoring procedure and vision (Algantani, 2014). Similarly, others use the term "leadership" to depict the transformational roles of management at any level, particularly when it comes to motivation of workers and progress management (Mabhudhu, 2008).

The productivity of employees within an organization is predetermined by the leadership style practiced by the leader (Saluy et al 2021). Leadership is considered to have an interactive impact on how an organization achieves the purpose through a continuous communication system adopted (Birasnav, 2014). The impact can be exhibited from a strong leader through the abilities of influencing workers to be effective and perform their task in an excellent manner that will yield positive outcomes for the organization. Therefore, effectual leadership that affect worker's performance is critical in the organization. Meanwhile for the past eleven years, research studies on leadership have been a significant area of learning, with majority of the studies focusing on transactional and transformational leadership, which was revealed to be effective approaches for enhancing leader's success (Al-Baidhani & Alsaqqaf, 2022). According to Clawson (2008), many researchers have studied leadership with respect to how a leader's behavior has an impact on the workers. The results indicate that leadership has an impact on the outcomes of a worker (Hassi, 2018). Further studies indicate that the behavior of workers is directly impacted by the transformational or transactional leadership style adopted by the leader (Piccolo, 2004).

There are various styles of leadership, however two are regarded as the key leadership styles which are transactional and transformational. Transactional leadership style was first introduced by Max Weber in 1947 (Samad, 2012). The leadership style emphasizes on the exchange and interaction between a leader and worker, the role that leaders play, the performance of a team or group and the organization. Additionally, the leadership style utilizes the system of rewarding goods work performed and punishment of behaviors that are not acceptable, this means that every behavior needs to be accounted for. Transactional leadership expects leaders to build up the capability to encourage workers to apply remarkable endeavors to accomplish organizational purposes over practices that may incorporate contingent rewards and active and passive management by exemption (Trottier et al, 2008). Contingent reward incorporates

elucidation of the work required to acquire rewards to impact inspiration. Passive management by special case is categorized as far as searching for botches and implementing principles to stay away from mistakes (Saluy et al 2021).

Instead, transformational leadership expects leaders to increase levels of perception amongst workers concerning the importance and value of desired outcomes including the strategies adopted of achieving the outcomes (Saluy et al 2021). Factors that qualify a transformational leader is idealized influence, intellectual stimulation, passionate about the work and structured self-assurance.

Research studies states that the advantages of transformational leadership include productivity, affective commitment, team learning, trust in leadership, and innovation (Brandt et al., 2016; Bucic et al., 2010; Charbonneau et al., 2001; Holtz & Harold, 2008; lee, 2005). Furthermore, transactional leadership is known for creating work standards that workers need to make use of, improve trustworthiness of workers, foster rewards based on achievements and minimize resistance (Bass, 1985; Deichmann & Stam, 2015).

2.2 Employee Productivity and Sustainability

Productivity has been defined in numerous contexts as the association between inputs and outputs (Olasanmi et al., 2021). Ratio amongst inputs and outputs of resources used in an organization is what the International Labor of Organization refers to as productivity (Saluy et al, 2021). In addition, productivity is understood as a notion that can be applied by workers on their work, however, this idea can be reflected as a tool for measuring the total production efficiency achieved. Employee productivity can be classified into two components, which are mental and physical. The classification is based on the intellectual and physical work required by the specific job (Wanyama & Mutsotso). Looking at productivity as a single factor, this is one of the most crucial elements required to achieve the desired outcomes. As a result, productivity is constructively impacted by role and behavior of the leader (Tavakolia, 2010).

Fredrick Taylor's principles of scientific management provide methods of increasing productivity and details the aims of productivity and efficiency. Fredrick Taylor further details three key elements of a strategy which are standardization of work through breaking it down into tasks and allocation of time standards, strict regulation of workers behavior and understanding worker capabilities based on procedures utilized. This approach clearly implies that workers are supposed to be guided in a way that considers remuneration as a reflection of their contribution, although productivity may be expected by management of the organization (Han et al, 2007).

A form of influencing worker's performance is known to endure in leadership style (Saluy et al, 2021). A study conducted by Woods and King (2012) specified transactional and transformational leadership remained the highest studied leadership styles amongst those that were investigated in literature beforehand. More accurately, transformational leaders are individuals who motivate workers to work towards achieving organizational goal . This marvel is then determined by worker's expectation and respect for the leader (Bass, 1985). It is commonly recognized that transformational leadership comprises of a sum of elements including intellectual inspiration, personalized apprehension, charisma, and personal acknowledgement. Charisma is one of the personal qualities that enable leaders to have an impact on worker's behavior and emotions (Saluy et al, 2021).

3. Research Methodology

A quantitative methodological approach is nominated for this study to comprehend the impact that leadership has on employee productivity and sustainability. The reason for this selection was its ability to resolve statistics and all that is methodically measurable to examine the inclination together with their influences. A questionnaire consisting of three sections was distributed to middle and lower ranking workers at an organization in South Africa. The sample size of the population was 115. Statistical package for social science (SPSS) was used to analyse data collected. The statistical techniques used were reliability, Kaise-Meyer- Olkin (KMO) and Bartlett's test of spericity, measure sampling adequacy (MSA), Principal Axis Factoring (PAF), communality statistics, correlation matrix, and variance table. The utilization of these techniques was to analyze and elucidate the impact of leadership on employee productivity and sustainability.

Anonymity and confidentiality of the respondents was maintained throughout the data collection process, and this was done through ensuring that the name of the respondents do not appear on the questionnaire. The respondents were informed that they can withdraw from completing the questionnaire at any given time if they feel uncomfortable in any way with this proceeding. A consent letter was sent through to request authorization to collect data.

4. Analysis and Results

4.1 Factor Analysis

The factor analysis was based on employee productivity and sustainability. Transformational leadership increases workers productivity and sustainability. To analyze the specified assumption, employee productivity and sustainability was utilized as a factor of performance and focused on Kaise-Meyer- Olkin (KMO) and Bartlett's test of sphericity, measure sampling adequacy (MSA), and Principal Axis Factoring (PAF). Eleven elements of employee productivity and sustainability were subjected to Principal Axis Factoring using SPSS version 23.0. Correlation matrix of employee productivity and sustainability revealed majority of the coefficients exceeded the encouraged standard value of 0.3. The Bartlett's test of sphericity stood statistically significant with a $p = 0.0$, which indicates sampling sufficiency and support the correlation matrix's factorability (see Appendix II). The Kaise-Meyer- Olkin yield a result of 0.9 that is directly above the encouraged standard value of 0.6 (see Appendix III). The Principal Axis Factoring implies that one factor was above the primary eigenvalue of 1.0 (5.7), with variance of 51.9% (see Appendix IV). The primary eigenvalue above 1.0 indicates that there is dependency and a primary eigenvalue below 1.0 indicates that there is no dependency (Maree., 2014). Furthermore, the scree plot chart validates that only one factor exceeds the advocated primary eigenvalue (see Appendix I), therefore one factor will be considered for decision making.

4.2 Reliability Test Analysis

Employee productivity and sustainability factor had a reliability alpha of 0.9, this was beyond the indorsed reliability alpha value of 0.7 (see Appendix V). Additionally, the inter-item correlation stated a 0.5 value and amongst the encouraged range of 0.2 to 0.6 (see Appendix VI).

5. Discussion and Conclusion

Forty-four workers (38.7%) stated that their leaders do an outstanding job of sharing knowledge and dispensing information throughout the organization, whereas fifty-three workers (46.4%) specified that workers have opportunities for skillful development which is offered by their leaders. Fifty-seven workers (49.6%) indicate that leaders understand the benefits of conserving a stability between work and personal life, while fifty-two workers (45.5%) stated that their leaders serve as inspiration, which encourages them to be productive in their respective work environment. The KMO value of 0.9 and significance level for the Bartlett's test at 0.00 advocates that there is significant correlation in the data collected. The reliability of the data was tested using the Cronbach's alpha, which indicated a value of 0.9. The total variance explained of 51.9% together with the eigenvalue demonstrating a dependency of one factor clearly indicates that there is uninterrupted reliance amid leadership and employee productivity and sustainability.

Results from this research evidently reveal that leadership has a philosophical impact on employee productivity and sustainability within an organization. According to the response received from the employees, it is well-defined that the role of leaders within an organization is highly acknowledged, and the behaviour of the leader plays a critical role in increasing or decreasing performance of employee. Adaptation of a good leadership style by the leaders effectively creates a positive working environment for workers that fosters productivity and sustainability, which contributes to feasibility and long-term success of the organization. The data collected and literature shared the same reverence to say leadership does have an impact of employee productivity and sustainability. Outcome of the workers will then be predetermined by the type of leadership style that the leader has adopted, therefore it is imperative that the leader makes use of diverse leadership styles to convalesce and increase productivity, predominantly communication, developing operational goals, and inspiration. While leadership is not the solitary influence of employee productivity, supplementary influences such as incentives, inspiration and capacity do play a role. Employee productivity is an indicative number of internal efficiencies and how organizations operate.

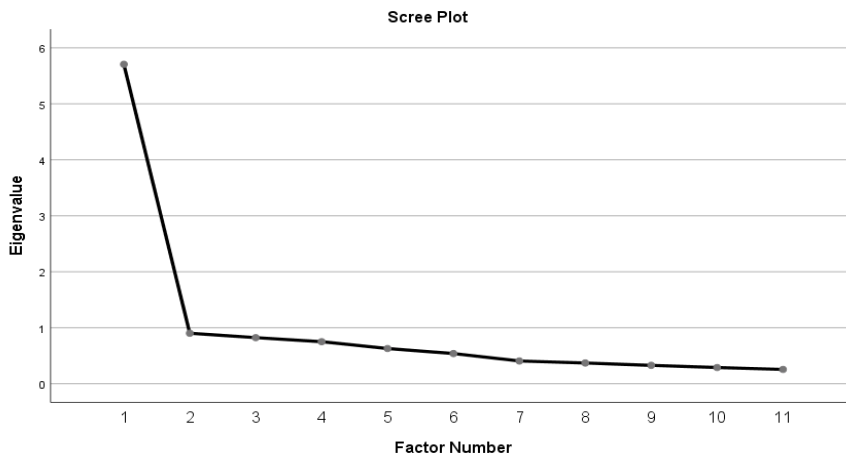
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Appendices

Appendix I: Scree Plot



Appendix II: Total Variance Explained

Extraction Method: Principal Axis Factoring

Total Variance Explained						
Factor	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	Percentage of Variance	Cumulative Percentage	Total	Percentage of Variance	Cumulative Percentage
1	5.7	51.9	51.9	51.9	47.3	47.3
2	0.9	8.2	60.1			
3	0.8	7.5	67.6			
4	0.8	6.8	74.4			
5	0.6	5.7	80.1			
6	0.5	5.0	85.0			
7	0.4	3.7	88.7			
8	0.4	3.4	92.1			
9	0.3	3.0	95.0			
10	0.3	2.6	97.7			
11	0.3	2.3	100.0			

Appendix III: KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.9
Bartlett's Test of Sphericity	Approx. Chi-Square	517.6
	df	55
	Sig.	0.0

Appendix IV: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of items
0.9	0.9	11

Appendix V: Component Matrix

Extraction Method: Principal Axis Factoring

Factor Matrix	
	Employee Productivity and Sustainability as a factor
	1
B1 - There is an excellent feeling of teamwork and cooperation in this organization	0.58
B2 - My supervisor/team leader does a good job of sharing information about the mission and goals of this organization	0.76
B3 - I receive adequate feedback about my performance from my supervisor/team leader	0.72
B4 - My supervisor/team leader does a good job of sharing information and knowledge with us about the organization	0.77
B5 - I receive useful and constructive feedback from my supervisor/team leader	0.81
B6 - Employee performance evaluation are fair and appropriately done	0.60
B7 - I receive the training I need to do my job well	0.58
B8 - I have all the information I need to do my job effectively	0.73
B9 - I have a good working and communication relationship with my supervisor/team leader	0.67
B10 - My supervisor/team leader gives me praise and recognition when I do an excellent job	0.74
B11 - My workplace is physically comfortable place to work	0.53

Appendix VI: Total Variance Explained

Extraction Method: Principal Axis Factoring

Total Variance Explained									
Factor	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.2	51.9	51.9	5.7	48.2	48.2	3.8	31.5	31.5
2	1.1	9.2	61.1	0.7	5.9	54.1	2.7	22.6	54.1
3	0.9	7.4	68.4						
4	0.8	6.3	74.7						
5	0.6	5.2	79.9						
6	0.5	4.3	84.2						
7	0.4	3.6	87.8						
8	0.4	3.4	91.2						
9	0.3	2.7	94.0						
10	0.3	2.4	96.3						
11	0.4	2.0	98.3						
12	0.2	1.7	100.0						