

Mediating Role of Leadership Skill between Leadership Behavior Practices and its Effectiveness for Transformational Corporate Leaders in Kolkata

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Abstract-This empirical study examines the mediating role of Leadership skill towards the nexus between different Leadership Behavior Practices as well as Leadership Effectiveness of Transformational Corporate Leaders in Kolkata. This research work is based on the data collected from 273 Corporate Transformational Leaders working in various corporate sector organizations in Kolkata, West Bengal, India using simple random sampling method. Eight standardized questionnaires are used in research work and the collected data are subjected to path analysis to study the hypotheses by using AMOS software. This study affirms that Leadership Skill mediates the association ship between various Leadership Behavior Practices as well as Leadership Effectiveness for Transformational Corporate Leaders in Kolkata, West Bengal, India.

Keywords – Corporate Leaders, Spiritual Intelligence, Job Satisfaction Psychological Capital, Perceived Leaders' Integrity Scale, Leadership Skill, Leadership Effectiveness

I. INTRODUCTION

Indian economy's present scenario is facing challenging times with issues like lower growth, tangible progress towards fiscal consolidation and a strong balance of payments position backed by its strong democracy. In today's VUCA (volatility, uncertainty, complexity, and ambiguity) world every company suffers provocation that threatens its growth and in this perspective the most significant character in this volatile environment is the important role and performance of the leader in any organization.

1.1 Leadership

An organization's corporate leadership is concocted by the top level strategic decision makers who execute their operations for the future to acquire success in the organizations.

1.2 Leadership Effectiveness

Effective leadership is about executing the company's vision and setting the organizational culture and helps the people to attach with their immense potentials and empower the team members to accomplish purposeful objectives collectively that provide the contributors sense of personal acquirement. Leadership Effectiveness is likely to entail the constituents in shaping overall triumph and must entail in empowering the team of human resource to accomplish the desired task.

II. LITERATURE REVIEW

Leadership Style is the behavioral approach of the leader to provide motivation and direction to his people (R, M. Ojokuku., T, A. Odetayo., & A, S. Sajuyigbe. 2012) and task and relationship behavior is central to the idea of the Leadership style of individual leaders and their Leadership Effectiveness depends on how they use their styles to the situation (Bruno, leo. 2013).

Alidrisi & Mohamed, (2017) examined the relationship between Leadership competencies and Leadership Behavior in the construction safety context which would assist leaders to better conduct their safety Leadership behavior in the complex environment of construction site operations in Australia.

Jonesa et al. (2015) showed that Egyptian leaders would demonstrate various degrees of both Transformational and Transactional Leadership according to the appropriateness of the context and situation and they would explore chances that would facilitate the success of attaining the ultimate aim of their enterprises.

Solomon & Steyn (2017) investigated that leader's cultural intelligence and its dimensions negatively moderated the relationship between directive Leadership and Leadership Effectiveness in South African organizations.

Sudha et al. (2016) explored the associations among Leadership styles, its Effectiveness as well as Well-being through collective efficacy among the employees of the education industry in India.

Ramachandaran et al., (2017) stated how Spiritual Intelligence would contribute to a more balanced and harmonious work environment in Malaysia.

Shah & Khan (2018) revealed a significant association ship between various interpersonal relations dimension of Leadership Effectiveness as well as Job Satisfaction of secondary school headmasters in Kashmir, India.

Maher et al., (2018) stated the impact of Psychological Capital on Egyptian employees' work well-being indicating that positive Psychological Capital should be a significant construct to leaders of public organizations in Egypt due to its impact upon employees' work well being because of deterioration in public employees' job performance and productivity, which was reflected in the poor quality of services rendered to citizens causing their dissatisfaction.

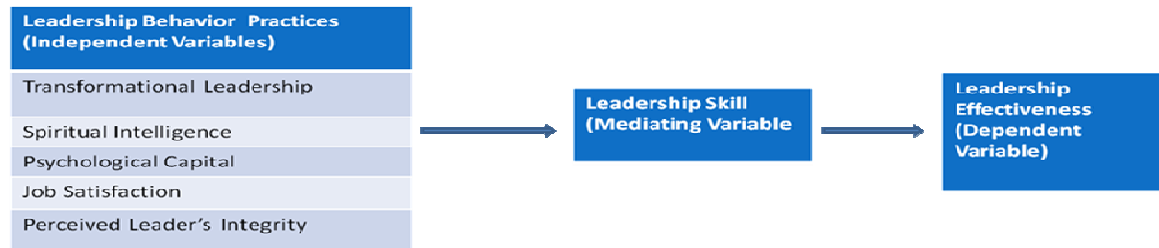
Pitichat et al. (2018) examined that Leadership Development Psychological Capital mediated the relationship between learning climate, organizational support, social support, and workload on leader development behaviors in organizations to compete in today's rapidly changing society.

Hernández et al., (2012) analyzed organizational management integrity capacity system for enhancing Leadership Effectiveness in a university setting and also emphasized that the dramatization of Leadership Effectiveness was centered on debilitated organizational integrity culture and leadership.

III. RATIONALE OF THE STUDY

In view of the several literatures and empirical studies starting from Great Man Theory of 19th Century to new research on Leadership Behavior, it is clear that Leadership Behavior of a person is a holistic spectrum and any leader derives its Leadership from a unique blend of one or more of the elements. In the angles of researches related to leaders' Leadership Style, Spiritual Intelligence, Psychological Capital, Job Satisfaction, Leader's Integrity, there are wrangle regarding the collision of Leadership Behavior upon Leadership Effectiveness in several countries of the world. The importance of optimizing the potential of every player in VUCA world becomes apparent and different players have different roles and as a consequence, following points become very relevant in this present circumstance. These hindrances create the demand to frame an analytical study to elucidate contradictions.

IV. PROPOSED MODEL OF LEADERSHIP EFFECTIVENESS OF CORPORATE LEADERS



In the above model, the leadership behavior as the independent variable includes leadership style of leaders, spiritual intelligence, psychological capital, job satisfaction and perceived integrity of leaders. All the independent variables are discussed below.

4.1 Leadership Style

Leadership Styles are the design of a leader to encourage followers in order to accomplish organizational goal. According to James Mc Gregor Burns., Transformational leaders are energetic and they generally possess charisma, inspirational motivation, idealized influence, individualized consideration as well as intellectual stimulation.

4.2 Spiritual Intelligence

Spiritual Intelligence is the proficiency to visualize every person in this world as atman, and there to surpass all false specifications.

4.3 Psychological Capital

PC is a person's intellectual refinement featured by self-efficacy, optimism, hope as well as resiliency to meet the goals successfully (Luthans, Youssef et al., 2007).

4.4 Job Satisfaction

Essentially Job Satisfaction is the ultimate level of gratification that an individual perceives regarding his or her job.

4.5 Perceived Leader Integrity

Perceived Leader Integrity is a moral value which is linked to a leader's recognition along with his/ her etiquettes and is made by integrity of the leaders from his/her followers' or subordinates' viewpoint.

4.6 Leadership Skills

Robert Katz (1955) told that leaders could acquire and develop skills though some of the personality traits which they have inherited (Northouse, 2010) and are classified as three types of necessary skills such as technical, conceptual as well as human skills.

V. METHODOLOGY

5.1 Measures

The following questionnaires are administered in the study.

Questionnaire 1: The Demographic Sheet

It includes the information of the respondents' gender, age, years of experience, income level etc.

Questionnaire 2: Leadership Self-Assessment Questionnaire

This tool (having Cronbach's Alpha 0.85) finds Leadership Effectiveness from their personal view point.

Questionnaire 3: Multifactor Leadership Questionnaire

This MLQ form (Bass & Avolio, 1992) is filled by the leaders as well as it indicates good internal consistency for the scale (having Cronbach's Alpha 0.833).

Questionnaire 4: Spiritual Intelligence Self- Report Inventory (SISRI 24) [D. King (2008)]

SISRI 24 measures Spiritual Intelligence having split-half reliability value 0.94.

Questionnaire 5: Psychological Capital (PC) Questionnaire [Luthans, Youssef & Avolio (2007)]

It explains how a leader may consider about the person's resource for his/ her psychological capital.

Questionnaire 6: Minnesota Job Satisfaction Questionnaire

This is formulated to consider a professional's satisfaction with their concerned work by reflecting intrinsic, extrinsic as well as general Job satisfaction. In the present study, Cronbach alpha is valued to be 0.855.

Questionnaire 7: Perceived Leader Integrity Scale (PLIS) [S. B. Craig and S. B. Gustafson (1998)]

PLIS enumerates the perception of a follower towards his/her leader's integrity. In the study, Cronbach's alpha is estimated to be 0.808.

Questionnaire 8: Leadership Skills Questionnaire [Northouse, 2007]

This inventory measures Technical, Human and Conceptual leadership skills which is adapted from skills inventory created by Peter G. Northouse in 2007 where the cronbach alpha is ranged from 0.89 to 0.95.

VI. RESULTS

Results include Descriptive Statistics and Testing of Hypothesis. Path analysis is conducted with the application AMOS 22 software.

6.1 Descriptive Statistics

Table 1: Descriptive Statistics

	N	Mean	SD
Transformational Leadership	273	9.117	1.284
Spiritual Intelligence	273	82.210	11.296
Psychological Capital	273	114.342	15.356
Job Satisfaction	273	68.555	9.584
Perceived Leader Integrity	273	40.965	5.210
Leadership Skill	273	76.532	8.642
Leadership Effectiveness	273	83.755	13.496

6.2 Hypotheses Testing of Path Analysis

H1: Leadership Skill will regress corporate leader's Transformational leadership.

H2: Leadership Skill will regress corporate leader's Psychological Capital.

H3: Leadership Effectiveness will regress their Transformational Leadership.

H4: Leadership Effectiveness will regress their Psychological Capital.

H5: Leadership Effectiveness will regress their Leadership Skill.

H6: Corporate Transformational Leader's Leadership Effectiveness will regress their Perceived Leader Integrity.

Table 2: Regression Weights: (Group number 1 - Default model)

Constructs	Estimate	S.E	C.R.	P	Thresholds
Leadership skill<- Transformational Leadership	5.206	.251	20.753	<0.001	Leadership skill regresses significantly and positively on Transformational Leadership. H1 is accepted.
Leadership skill<-Psychological Capital	.171	.019	8.786	<0.001	Leadership Skill regresses significantly and positively on Psychological Capital. H2 is accepted.
Leadership Effectiveness<- Transformational Leadership	3.565	.350	10.177	<0.001	Leadership Effectiveness regresses significantly and positively on Transformational Leadership score. H3 is accepted.
Leadership Effectiveness Score<-Psychological Capital	0.268	.018	14.686	<0.001	Leadership Effectiveness regresses significantly and positively on Psychological Capital. H4 is accepted.
Leadership Effectiveness Score<-Leadership Skill	.688	.054	12.643	<0.001	Leadership Effectiveness regresses significantly and positively on Leadership Skill. H5 is accepted
Leadership Effectiveness Score <-Perceived Leader Integrity	-.127	.039	-3.217	.001	Leadership Effectiveness regresses significantly and positively on Perceived Leader Integrity. H6 is accepted

Table 3: Standardized Regression Weights: (Group number 1 - Default model)

			Estimate
Leadership Skill	<---	Transformational Leadership	0.706
Leadership Skill	<---	Psychological Capital	0.299
Leadership Effectiveness	<---	Transformational Leadership	0.310
Leadership Effectiveness	<---	Psychological Capital	0.301
Leadership Effectiveness	<---	Leadership Skill	0.442
Leadership Effectiveness	<---	Perceived Leader Integrity	-0.48

Table 4: Standardized Total Effects (Group number 1 - Default model)

	Psychological Capital	Transformational Leadership	Perceived Leader Integrity	Leadership Skill
Leadership Skill	0.299	0.706	0.000	0.000
Leadership Effectiveness	0.433	0.622	-0.048	0.442

Table 5: Standardized Direct Effects (Group number 1 - Default model)

	Psychological Capital	Transformational Leadership	Perceived Leader Integrity	Leadership Skill
Leadership Skill	0.299	0.706	0.000	0.000
Leadership Effectiveness	0.301	0.310	-0.048	0.442

Table 6: Standardized Indirect Effects (Group number 1 - Default model)

	Psychological Capital	Transformational Leadership	Perceived Leader Integrity	Leadership Skill
Leadership Skill	0.000	0.000	0.000	0.000
Leadership Effectiveness	0.132	0.312	0.000	0.000

6.3 Reporting Path Analysis Results for Corporate Transformational Leaders in Kolkata including Direct and Indirect Effect

The total effect of Transformational Leadership on Leadership Effectiveness is 0.622, where the direct and indirect effect of Transformational Leadership on Leadership Effectiveness is 0.310 and 0.312 respectively (See Table 4, 5 and 6). Again the total effect of Psychological Capital on Leadership Effectiveness is 0.299, where the direct and indirect effect of Psychological Capital on Leadership Effectiveness is 0.299 and 0.000 respectively (See table4, 5 and 6). The total effect of Perceived Leader Integrity on Leadership Effectiveness is only direct effect (-0.048) and no indirect effect. Again, the total effect of Leadership skill on Leadership Effectiveness is only direct effect (0.442) and no indirect effect. The "Standardized Indirect Effect" is considered as "index of mediation" [Preacher and Hays (2008)]. Therefore, for Corporate leaders both Transformational Leadership and Psychological Capital have direct effect upon Leadership Effectiveness and having indirect effect upon Leadership Effectiveness through Leadership Skill.

Table 7: Model Fit Summary of Leadership Effectiveness Model for Corporate Leaders in terms of Path Diagram

The following statistics are used to test the significance and goodness of fit.

Measures of Fit	Value Obtained	Threshold Remarks
Absolute fit Index	CMIN/DF=1.939	Low chi-square with a probability level higher than 0.05 indicates that the model is a good fit to the data i.e. the predicted model conforms to the data.
CMIN/DF (χ^2 /df)	P=0.084	
"Comparative Fit Index" CFI	0.996	Good fit
Comparative Fit:" TLI	0.984	Good fit
Comparative Fit Bentler Bonett Index or NFI	0.992	Very Good fit
Absolute fit index: RMSEA	0.066	Adequate fit
PCLOSE	0.280	Good fit
Comparative Fit: IFI	0.996	Good fit
PARSIMONIOUS FIT:PNFI	0.56	Good fit

Referring to revised path model, Transformational Leadership, Spiritual Intelligence and Psychological Capital of Corporate Leaders have both direct effect upon Leadership Effectiveness and also indirect effect upon Leadership Effectiveness through Leadership Skill; but Job Satisfaction of Corporate Transformational Leaders does not have any effect upon Leadership Effectiveness; again Perceived Leaders Integrity has only indirect effect upon Leadership Effectiveness through Leadership Skill, but does not have any direct effect upon Leadership Effectiveness of Corporate Leaders in Kolkata. Thus, it can be said that Transformational Leadership, Spiritual Intelligence, Psychological Capital and Leadership Skill are most important determinants of Leadership Effectiveness and Leadership Skill mediates the effect of Transformational Leadership, Spiritual Intelligence, and Psychological Capital upon Leadership Effectiveness of Corporate Leaders in Kolkata. The direct effect is not mediated, but the indirect effect is mediated through mediating variable (Leadership Skill). Consequently, Leadership Skill mediates the association ship between various Leadership Behavior Practices as well as its Effectiveness of Corporate Transformational leaders in Kolkata, West Bengal, India.

VII. CONCLUSION

As Transformational Leadership as a being an effective leadership strategy (Hassan & Hatmaker, 2014) and develop a very powerful influence over followers in establishing value congruency and empower followers to achieve organizational vision, thus Transformational corporate leaders push their subordinates to higher performance levels while providing opportunities for personal and professional growth of each employee in the workplace in today's VUCA world. Corporate Leaders with higher Psychological Capital can assist their followers to respond positively to the challenges and to implement tasks effectively.

Psychological Capital permits Corporate Transformational leaders to boost psychological strength against change and build the resiliency needed to address difficulties effectively. Thus higher Psychological Capital is associated with higher performance, lower stress levels, and better well-being of Transformational corporate leaders when it comes to workplace performance since it is associated with lower absenteeism, and commitment, and increased positive interpersonal behaviors (Luthans et al., 2006) and psychological resources provide the inner energy necessary to meet the demands of a changing environment (Gorgievski & amp; Hobfoll, 2008). Building Psychological Capital is created from four key internal qualities such as hope, efficacy, resiliency, and optimism, therefore, higher Psychological Capitals makes the Transformational corporate leaders as visionary, energetic and achieve tough goals as they are team builders, risk takers and recognize failures as temporary setbacks. Psychological capital can help the Transformational leaders to sort through complex challenges, create new paradigms, and respond properly to the pressure, chronic demands, and responsibilities of authority as it helps for the development of self-awareness, learning agility, communication, and influence. It also stresses the ability to think and act systematically, to be adaptable, and to persevere to enhance a leader's potential.

Again, as happy workers are not necessarily productive workers, thus, Transformational corporate leaders mislay their Job Satisfaction at work in Kolkata and Transformational Leadership Style, Psychological Capital and Perceived Leader Integrity are most important Leadership Behavior Practices to determine its effectiveness and Leadership skill mediates this relationship in VUCA world. Leadership skill is also plays the role of a mediator in the above model which includes conceptual, human and technical skill. As conceptual skill is a cognitive skill and includes creative thinking, formulating abstractions, analyzing complex situations, and solving problems which assist Transformational leaders' team to understand the major causes of the problems and the leaders who have mastery over these skills are in a position to solve the problems and enhance productivity of organization. Conceptual skill also helps the leader to establish goals for organization and devise plan for every situation as in order to operate business successfully in VUCA world. Human or interpersonal skills present a manager's knowledge and ability to work with people and also enable managers to become leaders and motivate employees for betterment of the organization.

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