

Impact of Leadership Development on Employees' Performance *(Case Study: Employees of Customs Headquarters)*

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Abstract

Objective: *The present survey has been conducted to study the "role of leadership development on employees' performance in Customs headquarters of the Islamic Republic of Iran".*

Methodology: *Descriptive-correlation method was used in this survey and the statistical population included employees of Customs headquarters equal to six-hundred seventy eight (678) persons. Sample volume was selected through random class sampling method that was equal to two-hundred fifty (250) persons. Questionnaire was used to collect the required data and data analysis was accomplished using inferential statistics tests such as Pierson correlation coefficient and step by step regression analysis in addition to descriptive statistics indexes such as mean and standard deviation.*

Findings: *Findings reveal that there is a significant and positive relationship among leadership development and its dimensions with employees' performance.*

Conclusion: *It is concluded that authorization, education and development and empowerment have the highest impact on employees' performance respectively.*

Key words: leadership development, coaching, education and development, empowerment, participation in decision-making, authorization, performance

Introduction

Leadership is a mysterious process that has been considered similarly by common people, scientists and researchers since the far past. It is one of the major five tasks of managers in some guidance texts. Leadership means art of influencing the subordinates so that they conduct pre-determined activities in the framework of certain purposes voluntarily and eagerly (Khalili Shurini, 1995: 15-19). It seems that when the leader is able to mobilize and coordinate human forces by emphasizing human relations, his action would be led to satisfaction and improvement of employees' performance automatically. Today governmental and private organizations intend to enhance their service quality and this won't be fulfilled unless with a good management, suitable leadership and moving towards knowledge and technology advancement (Rezaeeian, 2005: 230-247).

As utilizing employees' abilities is not possible without effective leadership existence of leadership as the driving factor in employees' motivation, creating perspectives, enhancing employees' capability, education and development of the organizational forces and compiling purposes and programs are very important to obtain organizational objectives (Moradi, 2009).

Major task of Customs as one of the governmental organizations is to control imports and exports legally in order to get duties, preventing to import non-standard and unhygienic products, regulating importation and exportation of some products to regulate the internal market and etc. Violating the above cases would be led to social and cultural abnormalities in addition to their harmful impacts on the internal production and economic stagnation through changing the culture and taste of consumers towards nonstandard and smuggled products and creates disorganization in the economic system by dominance of foreign manufacturers on the internal markets and increases unemployment and the related problems. Since accurate and effective implementation of Customs' regulations and avoiding the above problems has a direct relationship with Customs' leadership and performance of its employees as economic frontiers of the country it is intended in the present survey to answer the following questions given to the above issues. Is there any relationship between leadership development and employees' performance in Customs headquarters in Iran? Is there any relationship among leadership development dimensions and employees' performance? Which dimension of leadership development has the highest impact on employees' performance?

Research literature

Leadership

Leadership is the ability to encourage others to try eagerly in order to obtain certain purposes (Davis, 2010: 423). It is a process in which management of the organization tries to facilitate his tasks to fulfill organizational purposes by creating motivation and an effective relation and encourages employees to conduct their tasks eagerly and enthusiastically (Alvani, 1996: 137-138).

Leadership development: past, present and future

Leadership development is enhancement of abilities and creating perspective for motivating and directing of individuals towards determined purposes. It includes components such as education and development, participation of individuals in decision-making, coaching, job empowerment and authorization (Ollrich, Gold Smith & Karter, 2005).

Leadership development has obtained achievements in two previous decades among which we can refer increasing of management development methods and coordination among the management and employees. Believing that leadership is something beyond management becomes more popular increasingly and causes more studies to be focused on leadership competencies and problems regarding non-coordination in working affairs and life (Hernez-Broome & Hughes, 2009).

Leadership development at work environment

Nowadays innovators represent skills and techniques regarding leadership development through methods such as educational programs and coaching and apply them in real issues. People could obtain important skills by combining such directions and real commercial conditions and thus it is possible for organizations to find important, synchronous and related issues and deal with them. Finally purpose of leadership development includes action not knowledge. Therefore, leadership development at present means providing learning opportunities for people through work not keeping them aloof from the work environment and obliging them to learning. Moreover, the best experience of organizations is to find out the leadership role as a key factor in all job levels and that they are committed to create effective leaders across their organizations. Developing more individual and better leaders is not the only focusing point of leadership development although this issue is still very important. Leadership is increasingly defined in a way that it is not just related to leader's acts rather it is a process which creates a new generation of leaders and effective relations that their focus is on leaders and colleagues' interaction (Lajevardi, 2011).

Organizational performance

Organizational performance is obtaining organizational and social purposes or going beyond them and conducting responsibilities undertaken by people (Heresy and Blanchard, 1996: 504).

Research hypotheses

Primary hypothesis

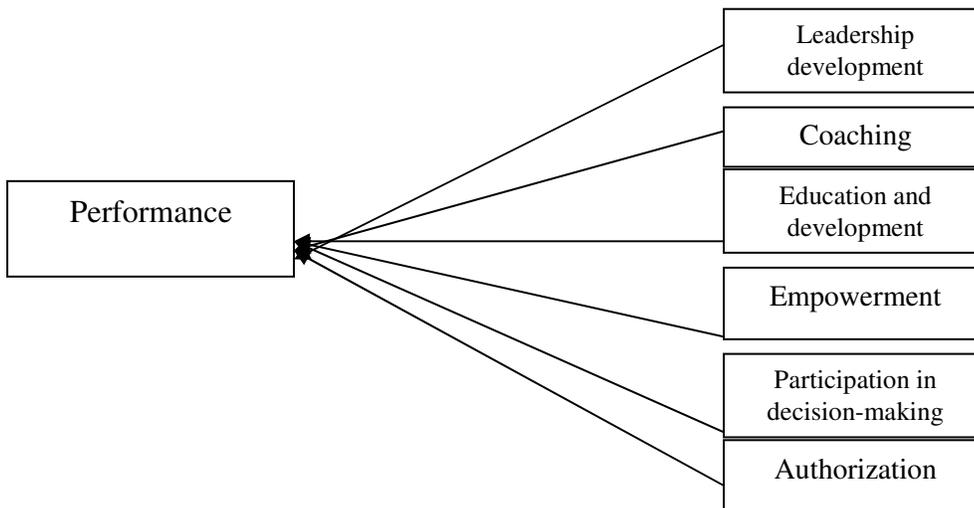
There is a relationship between leadership development and employees' performance.

Secondary hypotheses

- 1- There is a relationship between coaching and employees' performance.
- 2- There is a relationship between education and development and employees' performance.
- 3- There is a relationship between empowerment and employees' performance.
- 4- There is a relationship between participation in decision-making and employees' performance.
- 5- There is a relationship between authorization and employees' performance.

Conceptual model of the survey

In this survey leadership development and its dimensions (coaching, education and development, empowerment, participation in decision-making and authorization) are regarded as independent variables and performance is regarded as dependent variable.



Research methodology

The present survey was conducted using descriptive-correlation method. Statistical population included employees of Customs headquarters in 2011. Volume of the statistical population was equal to 678 persons among which 386 persons were male and 292 persons were female. Sample volume was determined equal to 250 persons using Krejcie and Morgan table and relative class sampling method was used. Therefore, portion of each class (male and female employees) was first calculated in the statistical population and the same ratio was observed in the sample too. Statistical sample of employees contains 142 males and 108 females by gender separation. Two researcher self-made questionnaires were used for leadership development and performance to collect the required data.

Although these questionnaires were standard and normalized, views of advisor and guiding professors were reviewed to determine validity of the questionnaires. Cronbach alpha coefficients of leadership development and employees' performance questionnaires were equal to 0.89 and 0.86 respectively which illustrated high reliability of both questionnaires. Results were analyzed through SPSS software.

Analyzing results

As variables under study follow normal distribution Pierson correlation coefficient is used in this survey to study the relationship among variables.

Secondary hypotheses

Hypothesis 1:

H₀: there is no positive relationship between coaching and employees' performance.

H₁: there is a positive relationship between coaching and employees' performance.

Table 1- Pierson correlation coefficient between coaching and employees' performance

Correlation between coaching and employees' performance	Pierson correlation coefficient (r)	Number (N)	Significance level (P)	Result
	+0.276	250	P<0.001	Significant-positive

Given to results of table (1) because the calculated amount for Pierson correlation coefficient is significant at level $\alpha = 0.01$ it is inferred that hypothesis H_0 regarding nonexistence of relation is rejected by 99% confidence and hypothesis H_1 regarding existence of relation between the two variables is confirmed.

Hypothesis 2:

H_0 : there is no positive relationship between education and development and employees' performance.

H_1 : there is a positive relationship between education and development and employees' performance.

Table 2- Pierson correlation coefficient between education and development and employees' performance

Correlation between education and development and employees' performance	Pierson correlation coefficient (r)	Number (N)	Significance level (P)	Result
	+0.503	250	P<0.001	Significant-positive

Given to results of table (2) because the calculated amount for Pierson correlation coefficient is significant at level $\alpha = 0.01$ it is inferred that hypothesis H_0 regarding nonexistence of relation is rejected by 99% confidence and hypothesis H_1 regarding existence of relation between the two variables is confirmed.

Hypothesis 3:

H_0 : there is no positive relationship between empowerment and employees' performance.

H_1 : there is a positive relationship between empowerment and employees' performance.

Table 3- Pierson correlation coefficient between empowerment and employees' performance

Correlation between empowerment and employees' performance	Pierson correlation coefficient (r)	Number (N)	Significance level (P)	Result
	+0.469	250	P<0.001	Significant-positive

Given to results of table (3) because the calculated amount for Pierson correlation coefficient is significant at level $\alpha = 0.01$ it is inferred that hypothesis H_0 regarding nonexistence of relation is rejected by 99% confidence and hypothesis H_1 regarding existence of relation between the two variables is confirmed.

Hypothesis 4:

H_0 : there is no positive relationship between participation in decision-making and employees' performance.

H_1 : there is a positive relationship between participation in decision-making and employees' performance.

Table 4- Pierson correlation coefficient between participation in decision-making and employees' performance

Correlation between participation in decision-making and employees' performance	Pierson correlation coefficient (r)	Number (N)	Significance level (P)	Result
	+0.498	250	P<0.001	Significant-positive

Given to results of table (4) because the calculated amount for Pierson correlation coefficient is significant at level $\alpha = 0.01$ it is inferred that hypothesis H_0 regarding nonexistence of relation is rejected by 99% confidence and hypothesis H_1 regarding existence of relation between the two variables is confirmed.

Hypothesis 5:**H₀: there is no positive relationship between authorization and employees' performance.****H₁: there is a positive relationship between authorization and employees' performance.**

Table 5- Pierson correlation coefficient between authorization and employees' performance

Correlation between authorization and employees' performance	Pierson correlation coefficient (r)	Number (N)	Significance level (P)	Result
	+0.618	250	P<0.001	Significant-positive

Given to results of table (5) because the calculated amount for Pierson correlation coefficient is significant at level $\alpha = 0.01$ it is inferred that hypothesis H₀ regarding nonexistence of relation is rejected by 99% confidence and hypothesis H₁ regarding existence of relation between the two variables is confirmed.

Primary hypothesis:**H₀: there is no positive relationship between leadership development and employees' performance.****H₁: there is a positive relationship between leadership development and employees' performance.**

Table 6- Pierson correlation coefficient between leadership development and employees' performance

Correlation between leadership development and employees' performance	Pierson correlation coefficient (r)	Number (N)	Significance level (P)	Result
	+0.610	250	P<0.001	Significant-positive

Given to results of table (6) because the calculated amount for Pierson correlation coefficient is significant at level $\alpha = 0.01$ it is inferred that hypothesis H₀ regarding nonexistence of relation is rejected by 99% confidence and hypothesis H₁ regarding existence of relation between the two variables is confirmed.

Multiple regression analysis of employees' performance based on leadership development dimensions

In this section predictive impact of predictor variables (coaching, education and development, empowerment, participation in decision-making and authorization) on the criterion variable (employees' performance) is explained and studied using step by step multiple regression analysis. Results are illustrated in table (7).

Table 7- multiple regression analysis of employees' performance based on leadership development dimensions

Test statistics		Beta	Significance level of beta	Multiple correlation coefficient	Coefficient of determination	F-statistic	Significance level of F-statistic
		B	B Sig				
Remained in analysis	authorization	0.446	P<0.001	0.664	0.434	64.680	P<0.001
	education and development	0.200	P=0.001				
	empowerment	0.138	P=0.021				
Not inserted in analysis	coaching	0.037	P=0.550				
	participation in decision-making	0.030	P=0.664				

As results of table (7) show variables of authorization, education and development and empowerment are remained in analysis among the inserted predictor variables based on the highest significance level respectively (P<0.01, P<0.05) and variables of coaching and participation in decision-making are not inserted in analysis (P>0.05).

Authorization, education and development and empowerment explain employees' performance score significantly ($P < 0.01$, $R^2 = 0.434$, $F = 64.680$). These variables are important in predicting employees' performance and totally they have allocated 43% of variance of employees' performance score to themselves. Positive coefficients of calculated beta (β) for authorization ($\beta = 0.45$), education and development ($\beta = 0.20$) and empowerment ($\beta = 0.14$) reveal that employees' performance score is increased by increasing scores of these variables. Therefore it is inferred that authorization, education and development and empowerment have the highest impact on employees' performance respectively.

Conclusion

Obtained results of analyzing statistical data demonstrate that there is a positive and significant relationship among leadership development and its dimensions. Authorization and education and development among leadership development dimensions are strong correlators of employees' performance. On the other hand, obtained results of regression analysis show variables of authorization, education and development and empowerment are remained in analysis among predictor variables (leadership development dimensions) based on the highest significance level and coaching and participation in decision-making are not inserted in analysis. Authorization, education and development and empowerment variables explain employees' performance score significantly. These variables are important in predicting employees' performance. Therefore, it is concluded that authorization, education and development and empowerment have the highest impact on employees' performance respectively.

Recommendations

It is recommended to managers as instructors to create and accelerate learning to improve employees' performance; train and develop employees through methods such as job cycle, assistance and etc; try to empower employees; provide the ground for employees' participation in decision-makings by making individuals familiar with affairs and their manner and it is necessary to prioritize authorization methods in their management. Also it is recommended to conduct this survey topic in other institutions and organizations and study the relationship among leadership development and productivity and efficiency.

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