

The effect of leadership style on the productivity of hospital's staff with moderating effect of job promotion opportunity and job description

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Abstract: Background: Human resource is the most important criteria of today organizations. In considering a human resource, performance and productivity are very fundamental. One of the most important criteria that affect human resources is leadership style.

Aims: This study aimed to assess the effect of leadership style (Autocratic, Democratic, and Laissez-faire) on productivity that in this relationship two phenomena (job promotion opportunity and job description) plays the roles of moderating variable.

Methods: The data were collected through the distribution of standard questionnaires among 170 employees of a hospital in Tehran and analyzed with structural equation methods with smart PLS software. The reliability and validity of questionnaires are confirmed through software examination and elites' opinions. For examining the hypothesis, factor loading and path coefficient are considered.

Results: Democratic and laissez-faire styles have a significant effect on productivity (with 5.51 and 2.65 loading factor and positive path coefficient), but the autocratic style has a negative effect (due to 5.54 loading factor and -0.35 path coefficient) on productivity. Neither job promotion opportunity nor job description plays the role of moderating variables according to the results of the analyzes.

Conclusion: Leadership style has a significant impact on productivity. The autocratic style has a negative effect on productivity, but democratic and laissez-faire have a positive effect. Job promotion opportunities and job descriptions don't play a moderating role in leadership style and productivity relationships.

Keywords: leadership style. productivity. job promotion. job description

INTRODUCTION

"Human resource" is one of the most valuable assets of organizations, especially in organizations that knowledge is their first priority [1]. In fact, managers should pay more attention to human resources rather than ordinary managing, hiring, or financial incentives. Nowadays, the generation gap between employees and also hiring educated people, make managing more challenging. Therefore, organizations and managers should create a dashboard so they can observe human resources criteria like

efficiency and productivity. Without this kind of Mechanism, employees can't show their creativity and also they lose their enthusiasm for work [2].

Matsushita in his book "In Iron Hand" said that Human is like a gem, his value is depending on how it processed. He believed that everyone who is responsible for people in the organization should know how to extract the best of them [3].

In this research, nevertheless, there are lots of ways to measuring productivity, but methods of Taylor and Steel [4]. Has chosen, they took efficiency and effectiveness for measuring productivity.

Personnel productivity has a positive impact on the

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productivity of the organization. Thus, if managers want to have a better approach to organizational culture, strategies, policies, and prospect, they should understand that productivity is vital for them [5].

On the other hand, leadership style has a great impact on human resource performance and function [6]. With this view, the management means the process of planning, organizing, “leading” and controlling to reach the goals of the organization [7]. In fact, leadership has a bigger concept and meaning than management. Management is a subset of leadership and leadership mostly means how effect and influence people to make them be in direction of reaching goals for themselves or the organization [8]. With this meaning, it seems that there is some relationship between leadership and productivity.

For considering leadership style and also the existence of three famous leadership styles (Autocratic, Democratic and Laissez-faire) that are most common in the atmosphere of Iran organization, researchers decided to choose Kurt Lewin theory of leadership that presented in Iowa University of USA [9]. Levin and his colleagues describe these three leadership styles:

1- Autocratic: A leader who decides just by himself and mostly dictates responsibilities to employees.

2- Democratic: Democratic: This style mostly refers to managers who share the power of choice with his/her human resource and just illustrate the whole vision of the job and give employees the right to choose what should be the method to reach goals.

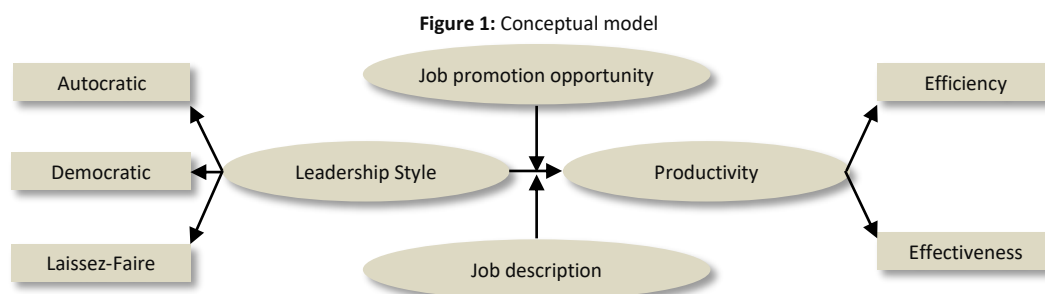
3- Laissez-faire: Laissez-faire: Managers who have this style of management, don't participate in groups and just intervene when groups have problems and challenges.

The result of Kurt Lewin's research shows that among these three leadership styles, Laissez-faire style has the least Efficiency [9].

Moderating variables, job description opportunities, and job description, considered from the perspective of incentives. Job promotion opportunity describes as when an employee in a specific period of time does duties and responsibilities well and also has knowledge and competency for the higher level in the organization; does he/she promote or not? [10]. In this context, the absence of gender discrimination is very important for job promotion [11]. In a holistic view, if employees know there is a job promotion opportunity in the organization, their performance becomes well [12] so researchers decided to survey how it works in the field of productivity.

Definition of the job description is “a document that has main responsibilities, functions, and duties of a person that works in the organization. This document maybe has the little portion of job criteria to very specific things like even to whom an employee must give her/him reports” [13].

With all these illustrations, eventually, we decided to discuss the relationship between these three leadership styles and productivity with moderating role of job promotion opportunity and job description. Conceptual model of this study is presented in Figure 1.



METHODS

The type of study is cross-sectional that conducted on employees of a hospital in Tehran from April of 2018 to May of 2018. Data for analyzing collected through the distribution of productivity and leadership style. Questionnaire of productivity as it said before, is from Taylor and Steel [4]. and questionnaire of leadership style is from Kurt Lewin theory [9]. Number of the questionnaire that has to be gain is extracted from Cochran formula [14] and Morgan table

[15]. According to these two criteria for sampling in the statistical universe, 170 questionnaires randomly distributed among 370 employees of the morning shift. Gathered data analyzed by Smart PLS and through path coefficient, factor loadings, and other important outputs. Inclusive criteria in this study are two main things. First, an employee must be officially hired, and second is she/he working the morning shift.

The questionnaire of leadership has three leadership styles

altogether, but at the time of analyzing, they separated and each style analyzed by its questions separately. After analyzing the relationship between our two main variables with all consideration of modifying the inner and outer model in software, moderating variables analyzed. Due to binary moderating variables, the method of analyzing moderating variable [16] formula which is operational for this research. Consequently, in this research, nine different

analyses took place; three for the main path between leadership styles and productivity and six analyzes for moderating variables (because each leadership has two moderating analyzes).

Reliability and validity in statistics sample were confirmed by elites and also methods of confirming in Smart PLS [17]. Results of this tests are illustrated in Table 1.

Table 1: Results of model examination in PLS

Purpose of Test	Name of Test	Confirmation Status	Power Status
Consistency	Consistency of outer model variables	Confirmed (with modification)	Normal
Validity	Cross Loading Test	Confirmed (with modification)	Normal
	Fornell - Larcker	Confirmed	Strong
	Factor Loading Significantly	Confirmed	Strong
	Factor Loading	Confirmed	Strong
	AVE>0.5	Confirmed	Strong
	CR>AVE	Confirmed	Strong
Reliability	<i>Delvin-Goldstein (Composite reliability)</i>	Confirmed	Strong
	Communality	Confirmed	Strong
Model Quality	Outer Model Quality	Confirmed	Strong
	Inner Model Quality	Confirmed	Strong
	Generalized Model	Confirmed	Strong

The precision [16] that says if in a research, the sample volume is above of 168, research has 97 percent power and accuracy of covariance structure analysis. Accordingly, because of 170 samples of this study, the analyzes and outputs are accurate.

With all this explanation, three main hypothesizes of this research are:

H1: Leadership style has a significant effect on productivity.

H2: Leadership style with moderating effect of job promotion opportunity has a significant effect on productivity.

H3: Leadership style with moderating effect of job description has a significant effect on productivity.

RESULTS

First analyze is without any modification in the inner and outer model in smart PLS. Raw analyze of autocratic leadership is presented in Figure 2.

After model modification and results that are shown in Table 1, three basic leadership analyzes of path coefficient are presented in Figures 3, 4 and 5.

Results of analyzes without moderating variables in path coefficient and factor loading mode are presented in Table 2.

Table 2: Results of analyze without moderating variables

Leadership	Productivity	
	Factor Loading	Path Coefficient
Autocratic	5.541563	-0.358867
Democratic	5.511342	0.371835
Laissez-Faire	2.654519	0.167206

According to this table, all three leadership has a significant effect on productivity, but the path coefficient shows that autocratic leadership style affects negatively on productivity, but two other leadership has a positive path coefficient.

Figure 2: Autocratic leadership raw analyze

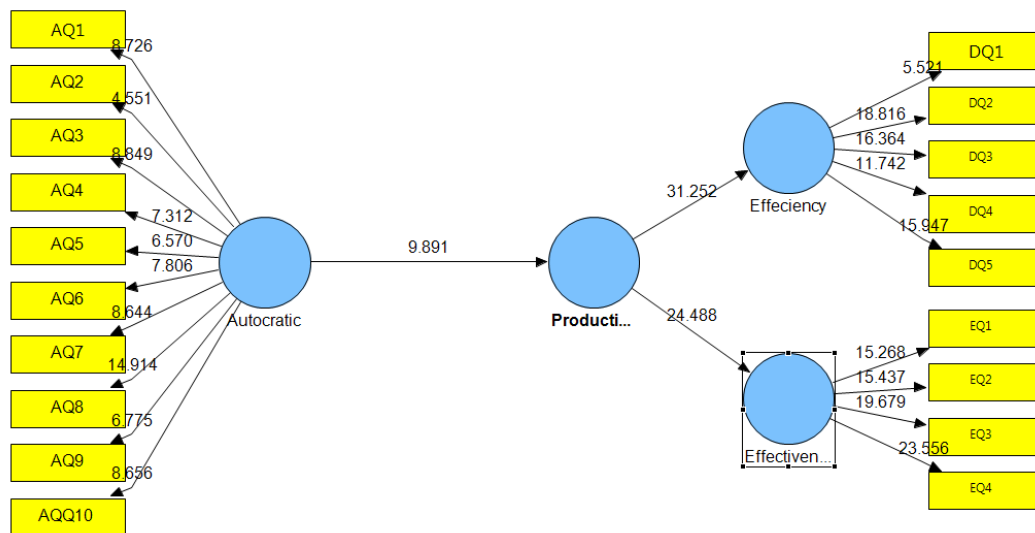


Figure 3: Autocratic leadership analyze in path coefficient output

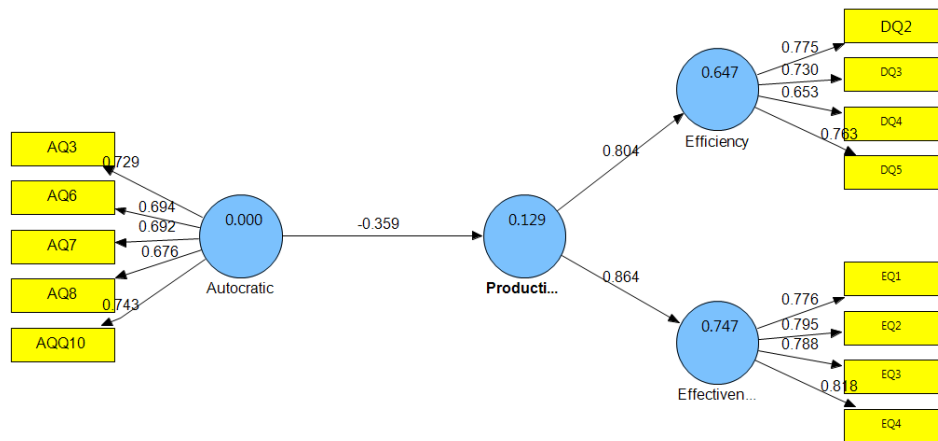


Figure 4: Democratic leadership analyze in path coefficient output

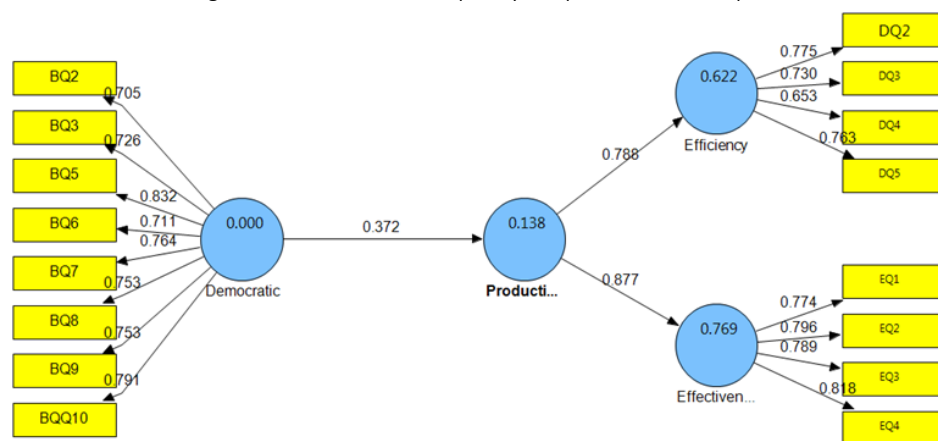
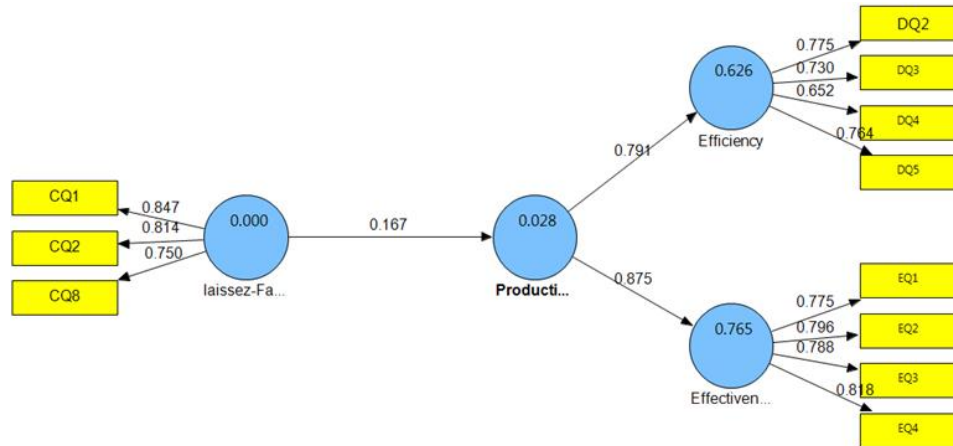


Figure 5: Laissez-Faire leadership analyze in path coefficient output



For analyzing moderating variables, as presented before, the Hair formula used in this research. The result of all six moderating variables analyzes are in Table 3.

Table 3: Results of moderating effects

Moderating Variable	Leadership Style	Result	Confirmation Status
Job promotion opportunity	Autocratic	0.18	NOT confirmed
	Democratic	0.159	NOT confirmed
	Laissez-Faire	0.058	NOT confirmed
Job Description	Autocratic	-0.144	NOT confirmed
	Democratic	0.259	NOT confirmed
	Laissez-Faire	0.19	NOT confirmed

Eventually, R² and model quality were analyzed. The model [18] and R² are according to Chin [19]. Model quality comes with main formula:

$$\text{Model Quality Formula} = \sqrt{\text{Communality} \times R^2}$$

and for autocratic leadership is 0.53, for democratic leadership is 0.542 and for laissez-faire leadership is 0.533. These results show all three models have good quality according to numbers of Tenenhaus and Vinzi (Table 4).

Table 4: Results of R²

Variable	R ²		
	Autocratic	Democratic	Laissez-Faire
Efficiency	0.646507	0.621514	0.625817
Effectiveness	0.746749	0.768643	0.765111
Productivity	0.128785	0.138261	0.027958

According to numbers of chin, in all models, efficiency and effectiveness have high value, but productivity in laissez-faire model has bad value and two other models have something between bad and medium value.

DISCUSSION

First, we considering research hypothesis. According to results, H1 of this research, that's mean "Leadership style has the significant effect on productivity", in democratic and laissez-faire leadership confirmed [20]. In autocratic leadership because of negative path coefficient, not even confirmed, but also shows that this kind of leadership has the negative effect on productivity and managers have to know that if they want to rise up their employee's productivity, it's better to survey all consequences that come with autocratic leadership style. As results shows, and also other research confirmed, different leadership style has a different effect on productivity [6, 21].

H2 and H3 of this research, which are "Leadership style with moderating effect of job promotion opportunity has significant effect on productivity" and "Leadership style with moderating effect of job description has significant effect on productivity", not confirmed due to lack of the significance effect of both moderating variables in all three leadership styles [9]. Laissez-faire leadership has less efficiency for

managing in comparison with autocratic and democratic. This claim is not in conformity with results of this research. In return [22]. Is confirms our results. Furthermore, democratic leadership is the best style among these three styles that considered in this survey and this outcome is in conformity with Walumbwa [23]. Who researched ethical leadership and shows one of the ethical leadership is democratic leadership that affects productivity. Due to the average variance extracted of laissez-faire leadership, we cannot certainly talk about this style and expand it to all environments. But even with this result, we can say managers should be cautious in choosing this style, cause some researches to show that this style is harmful to organizations like research of Skogstad [24] especially traditional and complex organizations. Nevertheless, the result of this research about laissez-faire leadership is in conformity with Yang [25] research's outcome. That found out job description has the significant effect on productivity. Job promotion opportunity mostly collaborate with concepts like sexuality in Groot [26] research or educational perspective [27] research, that in both of these research, job promotion opportunity has incentive role. We discussed and figured out that H2 and H3 are not confirmed. With this result, among all six moderating variables, one of them is really unexpected. Job description in laissez-faire model analysis is the controversial point here. As we know, laissez-faire leadership is the act of delegation. This view proves that employees who work under the supervision of this leadership, need some job description to do their works better (in comparison with two other leaderships that some interaction of leader exists). However, the job description

doesn't play the role of moderating variable in this relationship, and because of that, maybe more research needed for conformity or opposition to this result.

Future research

According to the result that we achieved, we suggest to researchers to consider two things in their future study if this article is their source. First, examine other moderating variables with these two main variables (leadership style and productivity) and discuss is any other concepts exist for playing the role of moderating effect or not. Second, because of the low average extracted variances for some aspects of this research, it is helpful to test the topic of this survey in another atmosphere. This suggestion is for clearance of results of this research.

CONCLUSIONS

Among three leadership style that discussed, autocratic, democratic and laissez-faire have the significant effect on productivity (democratic leadership has a better impact rather than laissez-faire leadership). Autocratic leadership has a negative impact on productivity due to the negative path coefficient. Neither job promotion opportunity, nor job description plays the role of moderating variable in this survey.

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