Human Capital Based Performance Model – A Comprehensive Look at Managers Leadership Styles, Emotional Intelligence and Units Organizational Culture and its Impact on Branch Performance

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Abstract: The importance of leadership cannot be underestimated for any type of organization, and much research has shown the essentiality of the component of emotional intelligence for effective leadership. Organizational culture is shaped by such crucial elements of the organization, which manage not just the resources, but essentially the human resources of the organization. The study aims at assessing the impact of leadership styles, emotional intelligence of leaders and organizational culture on organizational performance. The study adopts a descriptive research design, to explore the relationships between the variables under study, and outline their influence on the overall performance of the firm. The study supports the claim that leadership styles and emotional intelligence have a significant impact on the organizational culture, which further impacts the organizational performance. Moreover, a significant relationship between leadership styles and emotional intelligence is also found valid. Thus, the recognition of such relationships at work is critical for managers and leaders, of any sphere, of any kind/size of firms. The present research serves useful to leaders, managers, HR professionals, administration, and anybody interested in the sphere of improving organizational performance.
Keywords: Leadership styles, Emotional Intelligence, Organizational culture, Organizational Performance

INTRODUCTION

The present world organizations have unanimously recognized and appreciated the undefeatable importance of the ability and performance of the human resources, as an addition to the essentiality of technology and tools, for the overall progress of the entities [1].

Leadership was way back recognized to be playing an important role in human development and bringing about major changes throughout an organization and its membership, which significantly focused on pushing an organization towards its common goals and objectives [2]. The crucial position occupied by leaders in organizations, has resulted in the adoption of various styles of leadership in the organization, such as democratic, people or relationship-centred approach, or autocratic, production-centred method, etc. for achieving organizational effectiveness [3-5].

Irrespective of the type of leadership adopted, it has been claimed that the organizational goals will be efficiently achieved, if the leader lays a great focus on developing people rather than profits [6]. Such an organization will be characterized by a situation wherein every leadership style, each decision will result

in the creation of an organizational culture. According to Schein [7], "This connection between culture and leadership is clearest in organizational cultures and micro cultures. What we end up calling a culture in such systems is usually the result of the embedding of what a founder or leader has imposed on a group that has worked out".

The numerous, continuous interactions between individuals, shapes the organizational culture which turns out to be in fact a social phenomenon, which has implied that an organization cannot be present without individuals possessing characteristics such as subjectivity, irrationality and emotionality [8].

Furthermore, since such leaders have a major impact on the organizational cultures, it is found that leaders with emotional intelligence will promote an organizational culture which is further characterised by the accomplishment of high goals, self-actualisation, personal growth and organization development [9].

The positive associations Emotional Intelligence and leadership, and its further impact on the organizational culture, is claimed to eventually result in enhancement of capability of the organization to change. This is asserted to have positive

improvement prospects for the organization in terms of its competitiveness and performance (organizational/financial) [9]. Thus, literature has rigorously reviewed the relationship between such organizational factors, which has significantly meant that there is a strong correlation between the leadership style and the associated efficiency attained in mobilization, allocation, and utilization of the resources [10], which ultimately enhances the organizational performance.

Research Gap
The pool of research conducted so far, has only focused on the inter relationship between two variables and their impact on a third variable. For instance, researches such as Igbinovia and Popoola [11], which studied the organizational culture and emotional intelligence as predictors of job performance among the library personnel in Nigeria, Akhtar et al. [12] which involved a study of the impact of organizational culture and emotional intelligence on educational sector performance in Pakistan, etc. involved a study of one or two variables and its impact on the job culture or performance. The present research, in this regards, offers a more comprehensive view of the organizational scenario. It provides an overview of the inter relationships between four variables; leadership styles, emotional intelligence, organizational culture, and organizational performance.

Need for the study
In the present competitive corporate world, organizations must endeavour to manage their resources; financial, The study serves as a valuable source of knowledge about the interplay between the most important and influential variables related to the daily functioning of the firm, involving the leaders and employees. It can provide insights for the managers, leaders, or any person in the firm who is in charge of a team of employees, to take rational decisions and adopt behaviour which is in favour of the organization's performance. Also, according to Eeden, Cilliers, & Deventer [13], understanding the framework of leadership and the cultural impacts of the various kinds of leadership in the organization, is of utmost importance in the present competitive world. Such a study is specifically a good source of encouragement for the public organizations where employee engagement and commitment is generally seen to be a questionable area.

Research objective/Research Questions
- To study the inter-relationship between Leadership styles, Managers Emotional Intelligence, and Organizational Culture and Firm Performance
- Develop a definitive / theoretical framework based on the observed relationships.

LITERATURE REVIEW
The present study adopted a descriptive research paradigm, to answer its research questions and achieve the research aim. It further utilizes the secondary data as its major source of data collection. Thus, the research has used an extensive review of the related literature, in order to ascertain the effect of leadership styles, emotional intelligence, organizational culture, on performance. Thus, the research made use of the relevant journal articles, thesis chapters, and empirical researches, for carrying out an extensive research on the chosen topic.

From the Emotional Intelligence' Perspective
The inculcation of an emotional character in the leader has been deemed to be an essential factor for reaping the benefits of primal leadership in any type of organization involved [14]. According to Alon & Higgins [15], such emotional skills in the leader are significant due to the fact that they serve as the major pillars of organizations, and play a primary role in the communication and fulfilment of the company's vision to their subordinates.

In a research conducted by Danaeefard, Salehi, Hasiri, & Noruzi [16], the creation of emotional intelligence could pave the way for the development of organizational culture in the organization. Further, it has been asserted by Stone et al., [6], that the leaders who engage in good communication and eliciting an emotional response from their employees, significantly contribute towards the attainment of the common goal of the organization by inculcating enthusiasm among the entire organization. The importance of Emotional intelligence for organizational culture, and hence performance, can be understood by the assertion made by Pizer & Hartel [17], that the power of culture is largely due to the emotional needs of individuals, and how these needs are fulfilled by leaders [18], groups [19] and by organizations as a whole. Further, it has been stated by Baruch [20] that it is essential for the organizations to promote a proper balance between the emotional skills as well as supporting values [culture], for optimizing the opportunities provided by human intellect and enhancing the individual performance.

Emotional intelligence has been recognized as an influential variable for the success in life and the workplace [21, 22], which has further been found to have a positive association with the performance [23, 24]. For instance, the study conducted by Ahuja [25] found that the emotional intelligence had an influence on each form of one's work life, thereby resulting in the individuals possessing high-level emotional intelligence to be the "star performers" of the firm. According to the study conducted by Higgs [26], there have been strong associations with the employees' perception, conflict and readiness to create and innovate, in light of the strong relationship between the emotional intelligence and the performance. Thus, it was indicated that

emotional intelligence had a significant relationship with their job performance, which eventually meant an enhanced organizational performance. Furthermore, according to the research conducted by Carmeli [27], Nikolaou & Tsaousis [28], and Weinberger [24], emotionally intelligent leaders have been found to contribute to increased individual and organizational performance.

From the Leadership Style' Perspective

Leadership offered within the organization has often been targeted as a potential area for enhancing organizational performance [29]. Several early researches, such as Peters & Waterman [3], Deal & Kennedy [31], and Kotter & Heskett [32], have identified the significant contributions which can be made by highly motivated employees of the organisations, who are found to be dedicated to achieving common goals. Brannon et al., [33], have asserted that the leader must possess style which can show the right path to their subordinates, with appropriate rewards (promotions or growth) within an organization, to keep them motivated. This is further claimed to contribute towards attainment of the outcome desired for the organization. In fact, it was claimed by Schein [7] that the role of the *leader* was the most fundamental in the process of creating a strong organizational culture.

The importance of the manager's leadership style for an organization, can be well-understood by the claim made by Obiwuru, Okwu, Akpa and Nwankwere [34], that the extent to which the manager understands and adopts his appropriate leadership style, dictates the actual contribution made by the members of the organisation towards harnessing its resources. It essentially enables the followers effectively achieve their goals, and adjust with the organizational setting, by encouraging them to be expressive and adaptive to the new and improved alterations in the environment [35].

Effective leadership thus, is also seen as a powerful source of management development and sustained competitive advantage for improvement of the overall organisational performance [36]. The overall aim of the organization to improve the performance is significantly achieved through an effective leadership performance, which has been regarded as being positively associated with effectiveness, efficiency and profitability [37].

From the Organizational Culture' Perspective

Due to the wide-ranging effects and the potential impact of organisational culture on the organisational success, the term and its related aspects have received much academic as well as managerial attention in the recent decades [38]. This is mainly due to the researches indicating organizational culture to have not only led to an enhanced financial performance

[38], but also provide immense benefits to the organisation, and thereby a leading competitive edge over other firms in the industry [39]. According to Yilmaz [40], organizational culture has been revolving around the beliefs, assumptions, values, attitudes and behaviours of its members, and has been recognized as a valuable source of a firm's competitive advantage [41] and, thereby, facilitates the overall achievement of the organization's goals. This has also been made possible due to the much researched relationship between the complete knowledge and awareness of organizational culture and the behaviour of organization which assists to manage and lead [42].

A lot of scholarly attention has been focused on the hypothesis that strong cultures, defined as *"a set of norms and values that are widely shared and strongly held throughout the organisation"* [43], have enhanced the organisational performance. For instance, Dwirantwi [44] has strongly asserted a positive association between organizational culture and productivity, and further claimed that culture is the premier competitive advantage of high-performance organizations.

Inter-relationships between Emotional Intelligence, Leadership Styles, Organizational Culture and Organizational Performance

The emotional learning process has been recognized as an important component of the leadership activities, for instance in the transformative learning model which necessary includes the emotional aspect for integrating the self-directed coaching, relationship-focused learning (mentoring and coaching), and actively performing positive behaviours [5]. In fact, emotional intelligence has been regarded as an essential component of successful leadership, as opposed to being a mere power enhancer [14, 26].

According to Munsamy [46] and Martins & Coetzee [47], leaders with a high emotional intelligence are found to strongly encourage and motivate their subordinates and influence their behaviour, resulting in the development of a desired organizational culture. Such motivated workers surrounded by a supportive climate are claimed to be associated with providing effective customer service, reinforcing the organizational performance and leading to financial gains for the shareholders [48]. Thus, Leaders are found to be playing the most significant role in shaping and maintaining the culture in an organization [49]. Moreover, it has been stated by Choudhary, Akhtar, and Zaheer [50], that effective leadership can be used to improve the organization's ability to change and innovate.

As a further impact of such innovations in the organization, it has been reported that growth and expansion are the usual outcomes, which eventually lead to a successful organizational performance [50].

According to Hoxha [51], it is postulated that collectively the transformation of employees must have direct implications for the organizational performance. This in fact related to the definition of performance given by Cascio [52] referring to it as the degree of achievement of the mission at work place that builds up an employee job. This is most essentially functional through the relationship between the transformational leadership and its subsequent influence on the individual behaviour, which further leads to the achievement of organizational goals [53]. An important aspect of the relationship between organizational culture and performance, as asserted by Abbett, Coldham, & Whisnant [54], is the one portrayed by the congruence hypothesis, which states that individuals are more effective when their personal competences align with the culture of the organizations in which they work. The aggregate emotional intelligence of workers thus ensures the development of an effective organizational culture [55], Danquah [56]; Sin and Yazdanifard [9].
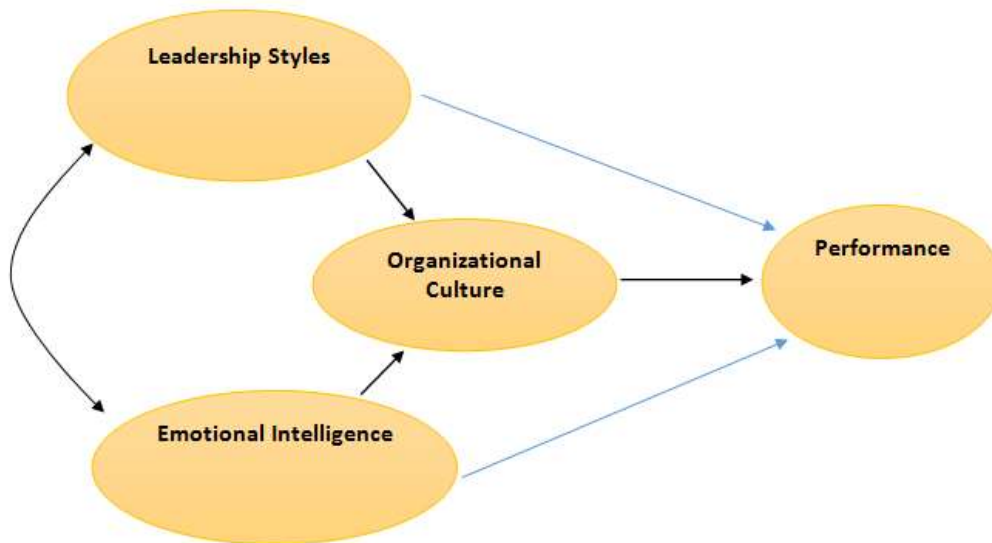
Conceptual Model

Fig-1: Conceptual Framework

The study proclaims a significant relationship between,
- Leadership style and Organizational Culture
- Emotional Intelligence and Organizational Culture
- Leadership Style and Emotional Intelligence
- Organizational culture and Organizational Performance

Thereby, indicating further relationships between,
- Leadership style and Organizational Performance
- Emotional Intelligence and Organizational Performance

Managerial Implications/Academic Implications
The current research is a conceptual research that exploits previous literature related to the concepts of leadership styles, emotional intelligence, organizational culture, and performance. It adopts a descriptive approach to review and interpret the relationship between the variables under study, and assess their impact on the performance.
The study presents the various routes through which the variables under study are inter-related, and contribute towards the attainment of an effective and efficient organizational performance.

Recognizing these relationships at play in an organization, and then working in direction of the attainment of the common performance goals, can be fruitful for the manager's (leaders) of competitive firms.

Future research
The present study strongly recommends an extensive empirical research on similar lines, to substantiate the claims made by the research. For instance, a survey among the leaders of organizations, to investigate the adopted strategies for targeting the employee's emotional state, representing their different leadership styles for different situations, will be useful. A study among the leaders in varied fields, for instance, sales, manufacturing, laborious activities, technical spheres, etc. will further bring out the particularities of the interrelationships reviewed and identified; based on the varied leadership styles adopted, emotional intelligence targeted, and organizational culture created.

CONCLUSION
The study aimed at reviewing the previous literature on the concepts of leadership styles, emotional intelligence, as significant predictors of the organizational culture and organizational performance. Despite of the varied types of leadership styles, and

situations for the culmination of emotional intelligence, as identified by the earlier researches, the study proclaims strong relationships between leadership style and organizational culture and performance, as well as emotional intelligence and organizational culture and performance. The relationships are based on the primary positive association between organizational culture and organizational performance. Thereby, a management targeting higher or improved performance of the organization can effectively make use of different leadership styles and focusing on enhancing their emotional intelligence. The positive relationships put forth by the research, between emotional.

Intelligence, leadership styles, organizational culture, and organizational performance, will eventually boost the organization's capability to change and remain competitive globally.

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