IMPACT OF LEADERSHIP DEVELOPMENT ON EMPLOYEE PERFORMANCE: A STUDY ON LARGE TYRE MANUFACTURING INDUSTRY IN SRI LANKA

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Abstract
This paper aims at examining the impact of leadership development on employee performance in large scale tyre manufacturing organizations in Sri Lanka. This study was carried out considering five factors of leadership development such as empowerment, training and development, coaching, participation and delegation. A survey was conducted by administering questionnaires to 225 respondents in the large scale tyre manufacturing organizations in Sri Lanka. Correlation and regression methods were used in this survey to analyze data. Findings revealed that the combined effect of these identified five factors has an impact on employee performance. The five variables collectively as leadership development factors prove a synergic effect and increase the overall employee performance. All the hypotheses developed in this study were accepted and were positively related to employee performance. It is concluded that participation in leadership development has the highest impact on employee’s performance and empowerment has the least impact on employee performance.

Keywords: leadership development, empowerment, training, coaching, participation, delegation, employee performance
1. Introduction

Leadership development has gained an increasing acceptance in last two decades among both practitioners and researchers which has resulted in increasing of management development methods and coordination among the management and employees. Believing that leadership is something going beyond management, it has become more popular and caused more studies to be focused on leadership competencies and problems regarding non-coordination in working affairs and life (Hernez-Broome & Hughes, 2009). Nowadays, organizations seek skills and techniques regarding leadership development through methods such as educational programs and coaching and apply them in real issues. Organizations could obtain important such skills by combining directions and real conditions, making it possible for organizations to find important, synchronous and related issues and deal with them. The purpose of leadership development includes action rather than 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. The focusing point of leadership development through this 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).

Effective leadership is very crucial in tyre manufacturing organizations in Sri Lanka as it is for other organizations. Sri Lankan tyre manufacturing organizations are no different from others in worldwide in terms of striving for performance in order to be globally competitive. However, it is incredibly complex as many organizations are caught in the middle of a web of authoritarian hierarchies and traditional leadership approaches, as well as bureaucratic hierarchies mixed with modern approaches to leadership (Grobler, Wärnich, Carrell, Elbert and Hatfield, 2002). In fact Sri Lanka is currently ranked 65th out of 148 countries in terms of business efficiency, as judged using criteria such as productivity, motivation and managerial competence (World Competitiveness Report, 2013-2014). Sri Lanka has to improve this ranking and to become more competitive in the global environment; Sri Lankan organizations should adopt leadership development approaches that facilitate performance.

Performance is a vital feature of an organization. Furthermore, development programs can be helpful in identifying and managing teams, where group development and specifically personal development and growth of managers also take place. The most important aspect of nowadays is that how a manager can adopt the leadership attributes and effectively use them to perform his job responsibilities assigned. These attributes can help him work further than the job responsibilities and add more achievement to the organization. Leadership development process intends to develop leaders and also includes transfer of organizational culture and values ultimately resulting into collective sharing among all the members of the organization to achieve the organizational objectives (Hamilton & Cynthia, 2005).

2. Literature Review

2.1 Leadership Development

Leadership development is the 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 is becoming an increasingly critical and strategic imperative for organizations in the current business environment (Sheri-Lynne, &Parbudyal 2007). Also, Yukl (1994) defined leadership as
the process of influence on the subordinate, in which the subordinate is inspired to achieve the target, the
group maintains cooperation, and the established mission is accomplished, with the support from external
groups obtained. Leadership development is an important area which is considered and implemented in
organizations to increase human capability and some other benefits like to gain competitive advantage.
Some developmental assignments can be carried out concurrently with regular job responsibilities, whereas
others require taking a temporary leave from one’s regular job (Yukl, 1994). Also, Leadership is the ability
to encourage others to try eagerly in order to obtain certain purposes (Davis, 2010).

2.2 Employee Performance
Performance is a vital feature of an organization. Furthermore, development programs can be helpful in
identifying and managing teams, where group development and specifically personal development and
growth of managers also take place. Organizational performance is obtaining organizational and social
purposes or going beyond them and conducting responsibilities undertaken by people (Heresy & Blanchard,
1996).
Performance is a major multidimensional construct aimed at achieving results and has a strong link to
strategic goals of an organization (Mwita, 2000).

2.3 Empowerment
Klagge (1998) observes the literature in a manner indicating the meaning of empowerment as to release
improved power and authority along with the relevant duties and expertise to employees. Randolph (1995)
defines employee empowerment as “a transfer of power” from the employer to the employees. Blanchard et
al. (1996) for instance argued that empowerment is not only having the freedom to act, but also having
higher degree of responsibility and accountability. Therefore, it indicates that managers should empower
their subordinates and as an outcome, they will be motivated, committed and satisfied and it will certainly
help the organization to achieve its defined objectives.
Furthermore, Mohammed et al. (1998) states that empowerment is a state of mind. An employee with an
empowered state of mind experiences feelings of control over the job to be performed, awareness of the
context in which the work is performed, accountability for personal work output, shared responsibility for
unit and organizational performance, and equity in the rewards based on individual and collective
performance.

2.4 Training and Development
It is very necessary for the organization to design the training very carefully (Armstrong, 2000). The design
of the training should be according to the needs of the employees. Those organizations which develop a
good training design according to the need of the employees as well as to the organization always get good
results (Partlow, 1996; Tihanyi et al., 2000; Boudreau et al., 2001). It seems that training design plays a very
vital role in the employee as well as organizational performance.
On the job training helps employees to get the knowledge of their job in a better way (Deming, 1982). On
the job training reduces cost and saves time (Flynn et al., 1995). It is good for organization to give their
employees on the job training so that their employees learn in a practical way. Delivery style is a very
important part of training and development. It is very necessary for a trainer to engage its audience during
the training session (Phillip seamen et al., 2005).
It is very necessary for any organization to give its employees training to get overall goals of the
organization in a better way (Flynn et al., 1995). Training and development increase the overall performance
of the organization. Although it is costly to give training to the employees but in the long run it give back more than it took (Flynn et al., 1995). Training and development are designed enhance employee skills. Therefore, they can perform well in their job. This can be achieved by formally developing Training and Development programs within the organization. The employees sometimes may not feel motivated due to lacking of knowledge and skills which can be imparted to them through proper training. So it is evident that organizations must fill in the gap desired and actual performance (Sahinidis and Bouris, 2008).

2.5 Coaching
According to Champathes (2006), coaching has become an important technique to improve performance. It is not a one way communication and proves to be a two way communications where coaches identify what can be improved and how it can be improved. Also coaching addresses the beliefs and behaviors that hinder performance (Toit, 2007). It can be further seen that coaching is all about helping someone else to improve performance.

As observed by Ellinger, Ellinger and Keller (2003, p. 436) “the concept of coaching has emerged as a new paradigm or metaphor for management”. In contrast to a traditional command-and-control form of managerial supervision, coaching is characterized by an emphasis on constructive and developmental feedback for improving employees’ work performance, and their ability to cope with routine and non-routine problems.

When take on the viewpoint of Whitmore (2003) who argues that coaching can be beneficial both for the organization and for the employees only if it is associated with managerial interventions for developing a supportive environment. Thus, coaching oriented behaviors can be effectively observed in those organizational contexts that proactively construct the foundation for effectively changing toward a developmental managerial style.

2.6 Participation
Due to unstable atmosphere and extreme competition, organizations are enforced to seek ways to be more flexible, adaptive and competitive as they are faced with competitive pressures and rapidly changing markets (David, 2005). Above all, firms are discovering that people really are the most important asset (David, 2005). Success depends on involving the workforce’s entire capacity to generate new ideas and ways of working to outsmart the competitors. Employee participation in decision making (PDM) is one of the many current forms of employee involvement in the workplace decision making. Managers are encouraged to allow a high degree of employee participation and autonomy, which are intended to increase workforce commitment and to humanize the workplace with the intention of improving work performance and good citizenship behavior (Cohen, Chang & Ledford, 1997).

Many researchers suggest that participation is a useful way of involving employees to use their skills in problem solving. Chen and Tjosvold (2006) have studied the participation and its importance by American and Chinese managers in China. This research discloses that participation management is about involving employees in the decision making process where the employees feel that they have the opportunity to discuss problems and can influence organizational decisions. The overall impact of participation is increased employee job performance and low turnover. Further, Lam et al. (2002) suggest that organizations can act to increase or decrease the levels of these mediator variables within their personals and potentially strengthen the positive performance effects of employee participation.
Delegation refers to the process of entrusting authority and responsibility to other people. In its strictest form, the person to whom authority is delegated acts on behalf of the one from whom authority is delegated. More generally, delegated authority gives the recipients fairly wide powers to act as they consider it appropriate (Farrant 1980). Despite of the number of hours one may invest in one’s work, one cannot succeed in completing the work alone. However, no matter how many hours one puts into one’s work. There are too many tasks and too many people to deal with, so the workload has to be shared (Musaazi 1982). Managers should strive to strike a balance between giving up total control to a group and holding too tightly to the reins. Delegation means initially setting the parameter, and then staying involved through co-ordination of resources, reviewing progress report, and being able to meet with teams at critical junctures. Dessler (2001) states that while authority can be delegated, responsibility cannot.

According to Musaazi (1982), there are three methods, which are followed when delegating work. These methods are formal, informal and implied. The methods are not mutually exclusive, but are used concurrently in most organizations. The formal method of delegation is the common method followed in most institutions. As Peter et al. (1999) narrate, most managers and supervisors have heard about delegation. According to Goodworth (1986), effective delegation does not exist merely for the purpose of getting things done. It is a prime process by which a manager exercises and develops staff to the sensible limits of individual capacity and potential.

3. Conceptual Framework

This study involves empirical testing of hypotheses and to study the relationship between the variables of leadership development and employee performance.

As the conceptual framework shown below indicates, the independent variables are the empowerment, training and development, coaching, participation and delegation and employee performance is regarded as the dependent variable.

![Conceptual Framework](image-url)
On the basis of the above conceptual framework, the following six hypotheses were developed:-

- **H₁**: There is a significant impact of Empowerment on Employee Performance.
- **H₂**: There is a significant impact of Training and Development on Employee Performance.
- **H₃**: There is a significant impact of Coaching on Employee Performance.
- **H₄**: There is a significant impact of Participation on Employee Performance.
- **H₅**: There is a significant impact of Delegation on Employee Performance.
- **H₆**: There is a significant impact of leadership development on employee performance.

### 4. Methodology

#### 4.1 Population and Selection of Sample

To conduct the study, respondents were selected who were working in large tyre manufacturing organizations and having sufficient qualification and experience in the managerial category. The sample size of the research comprised 251 out of the 720 managerial level selected using simple random sampling.

To collect the data from the respondents, a questionnaire as a primary source was designed. The data received from the respondents was analyzed by using the statistical software program SPSS-14. Also for testing the hypotheses, Pearson Correlation analysis was carried out to observe whether the hypothesis was accepted or rejected. Regression analysis was also performed measuring the five independent variables’ impact independently on employee performance and collective effect of the all the variables in one variable, leadership development on employee performance.

### 5. Results and Discussion

A total of 270 questionnaires were circulated and 234 were received, out of which 03 questionnaires were unfilled and 06 questionnaires were discarded due to missing data. Therefore, 225 questionnaires were considered for the study as respondents working in different tyre manufacturing organizations. Respondent rate represents 83.33%.

Table 01 discloses the demographic analysis information of the respondents. Majority of the sample group were holding a degree/professional qualification which is 44.9%. Concisely, there were 84% male respondents and 16% female as the sample respondents. Most of the respondents fell under the age of 31<35 years of work experience which is 39.1% of the sample respondents. The minimum range for work experience was 15< years with 7.6% respondents and the maximum 5<10 years with 40% respondents.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>189</td>
<td>84</td>
</tr>
<tr>
<td>Male</td>
<td>36</td>
<td>16</td>
</tr>
<tr>
<td>Total</td>
<td>225</td>
<td>100</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20&lt;25</td>
<td>16</td>
<td>7.1</td>
</tr>
<tr>
<td>26&lt;30</td>
<td>68</td>
<td>30.2</td>
</tr>
<tr>
<td>31&lt;35</td>
<td>88</td>
<td>39.1</td>
</tr>
<tr>
<td>35&lt;</td>
<td>53</td>
<td>23.6</td>
</tr>
<tr>
<td>Total</td>
<td>225</td>
<td>100</td>
</tr>
</tbody>
</table>
### Managerial Experience

<table>
<thead>
<tr>
<th>Experience Level</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>3&lt;=5</td>
<td>71</td>
<td>31.6</td>
</tr>
<tr>
<td>5&lt;=10</td>
<td>90</td>
<td>40</td>
</tr>
<tr>
<td>10&lt;=15</td>
<td>47</td>
<td>20.9</td>
</tr>
<tr>
<td>15&lt;=20</td>
<td>17</td>
<td>7.6</td>
</tr>
<tr>
<td>Total</td>
<td>225</td>
<td>100</td>
</tr>
</tbody>
</table>

### Highest Educational Qualification

<table>
<thead>
<tr>
<th>Qualification</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>GCE AL</td>
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<td>4</td>
</tr>
<tr>
<td>Diploma/Vocational</td>
<td>68</td>
<td>30.2</td>
</tr>
<tr>
<td>Graduate/Professional</td>
<td>101</td>
<td>44.9</td>
</tr>
<tr>
<td>MBA/MSC/Phd.</td>
<td>47</td>
<td>20.9</td>
</tr>
<tr>
<td>Total</td>
<td>225</td>
<td>100</td>
</tr>
</tbody>
</table>

5.1 Reliability of the Measures

Coronbach’s alpha is one of the most appropriate and common measure of internal consistency and reliability, having shown multiple Likert questions in the questionnaire, having scale, it shows how it is reliable.

**Table 02: Reliability of Measures**

<table>
<thead>
<tr>
<th>Independent &amp; Dependent Variables</th>
<th>Cronbach’s Alpha Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empowerment</td>
<td>0.770</td>
</tr>
<tr>
<td>Training &amp; Development</td>
<td>0.750</td>
</tr>
<tr>
<td>Coaching</td>
<td>0.770</td>
</tr>
<tr>
<td>Participation</td>
<td>0.768</td>
</tr>
<tr>
<td>Delegation</td>
<td>0.712</td>
</tr>
<tr>
<td>Employee Performance</td>
<td>0.885</td>
</tr>
</tbody>
</table>

Table 02 represents the reliability between the dependent and independent variables are greater than the accepted minimum level of 0.70 which shown in the table 5.5.

5.2 Validity of the Measure

Exploratory Factor Analysis (EFA) was performed to see the extent to which the selected questions are measuring the exact concept set out.

**Table 03: Validity**

<table>
<thead>
<tr>
<th>Question Description</th>
<th>Total variance explained</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empowerment</td>
<td>52.08%</td>
</tr>
<tr>
<td>Training &amp; Development</td>
<td>50.08%</td>
</tr>
<tr>
<td>Coaching</td>
<td>52.65%</td>
</tr>
<tr>
<td>Participation</td>
<td>52.12%</td>
</tr>
<tr>
<td>Delegation</td>
<td>51.55%</td>
</tr>
<tr>
<td>Employee Performance</td>
<td>50.74%</td>
</tr>
</tbody>
</table>
According to Table 03, factor analysis leadership development variables, and the dependent variable (employee performance) questions validity is above 0.5. Extraction Sums of Squared Loadings (Cumulative Percentage) respectively is 52.08%, 50.08%, 52.65%, 52.12%, 51.55% & 50.74% are above 50% of the standard margin of factor analysis. Therefore, items specified to measure are valid.

5.3 Correlation analysis

Correlation analysis was used to identify the strength of the relationship among dependent variable and independent variables.

Table 04

<table>
<thead>
<tr>
<th></th>
<th>Empowerment</th>
<th>Training &amp; Development</th>
<th>Coaching</th>
<th>Participation</th>
<th>Delegation</th>
<th>Employee Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empowerment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>.538**</td>
<td>.579**</td>
<td>.624**</td>
<td>.579**</td>
<td>.577**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
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<tr>
<td>N</td>
<td>225</td>
<td>225</td>
<td>225</td>
<td>225</td>
<td>225</td>
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</tr>
<tr>
<td>Training Development</td>
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<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.538**</td>
<td>1</td>
<td>.489**</td>
<td>.517**</td>
<td>.441**</td>
<td>.546**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
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<tr>
<td>Coaching</td>
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<tr>
<td>Pearson Correlation</td>
<td>.579**</td>
<td>.489**</td>
<td>1</td>
<td>.600**</td>
<td>.572**</td>
<td>.623**</td>
</tr>
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<td>Sig. (2-tailed)</td>
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<tr>
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<td>225</td>
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<tr>
<td>Participation</td>
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<tr>
<td>Pearson Correlation</td>
<td>.624**</td>
<td>.517**</td>
<td>.600**</td>
<td>1</td>
<td>.588**</td>
<td>.661**</td>
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<tr>
<td>Sig. (2-tailed)</td>
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<tr>
<td>Delegation</td>
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</tr>
<tr>
<td>Pearson Correlation</td>
<td>.579**</td>
<td>.441**</td>
<td>.572**</td>
<td>.588**</td>
<td>1</td>
<td>.638**</td>
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<tr>
<td>Sig. (2-tailed)</td>
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<td>225</td>
</tr>
<tr>
<td>Employee Performance</td>
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<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.577**</td>
<td>.546**</td>
<td>.623**</td>
<td>.661**</td>
<td>.638**</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
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<td>225</td>
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</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
Table 04 represents the correlation matrix between leadership development variables and the dependent variable. All relationship between the dependent and independent variables are positively and significantly correlated. The most considerably correlated and strong relationship of all the variables of leadership development is participation \( r = 0.661, p < 0.01 \) with employee performance. Subsequently, significant and correlation is found between delegation and employee performance with \( r = 0.638, p < 0.01 \). Whereas coaching is correlated at \( r = 0.623, p < 0.01 \). The empowerment is also positively correlated at \( r = 0.546, p < 0.01 \). In conclusion Training & Development and employee performance is also positively significant at \( r = 0.546, p < 0.01 \).

Given to the results of table 04, since the calculated amount for Pierson correlation coefficient is significant at level \( a=0.01 \) it is inferred that the entire hypothesis developed regarding of relationship between leadership development variables and employee performance is confirmed.

Table 05 shows a correlation between combined effects of all the five variables into one variable leadership development and its correlation with employee performance resulted into strong positive relation with \( r = 0.758, p < 0.01 \). This value of correlation indicates a stronger relationship and significant at \( p \) value less than 0.01.

Table 05

<table>
<thead>
<tr>
<th>Correlations Coefficient of the Relationship Between Leadership Development and Employee Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employee Performance</strong></td>
</tr>
<tr>
<td>Pearson Correlation</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td>N</td>
</tr>
<tr>
<td>Pearson Correlation</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td>N</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

5.4 Regression Analysis
Regression analysis is used to analyze relationship between dependent variable and more than one independent variable. Thus, it can concern how the combination of selected independent variables effect on Employee Performance. The regression analysis was performed and results are reported in the Table 06.
Table 06: Estimated Results of Regression Analysis

<table>
<thead>
<tr>
<th>Coefficient</th>
<th>Variables</th>
<th>Empowerment</th>
<th>Training &amp; Development</th>
<th>Coaching</th>
<th>Participation</th>
<th>Delegation</th>
<th>Leadership Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beta</td>
<td></td>
<td>0.577*</td>
<td>0.546*</td>
<td>0.623*</td>
<td>0.661*</td>
<td>0.638*</td>
<td>0.758*</td>
</tr>
<tr>
<td>F</td>
<td></td>
<td>111.171</td>
<td>94.639</td>
<td>141.430</td>
<td>172.688</td>
<td>152.841</td>
<td>301.801</td>
</tr>
<tr>
<td>R²</td>
<td></td>
<td>0.333</td>
<td>0.298</td>
<td>0.385</td>
<td>0.436</td>
<td>0.407</td>
<td>0.575</td>
</tr>
<tr>
<td>N</td>
<td></td>
<td>225</td>
<td>225</td>
<td>225</td>
<td>225</td>
<td>225</td>
<td>225</td>
</tr>
</tbody>
</table>

* Significant at p < 0.01, ** Significant at p < 0.05

Table 06 discloses that the effect of leadership development, i.e. empowerment, training and development, coaching, participation & delegation on employee performance is positive and statistically significant at 1% level of significance.

In Table 06, regression analysis of variables of leadership development have been argued alone and a combined effect of all the variables into one leadership development is analyzed with employee performance to measure the combined effect of the intended study. The estimated regression analysis of the leadership development and employee performance is also statistically significant. According to the table 06, it can be observed from the R square shows 0.575, $p < 0.01$ proportion of variation in the dependent variable explained by the regression model. The overall hypothesis of leadership development and employee performance is hence statistically significant.

6. Hypothesis Testing

The hypotheses tested statistically are discussed as follows:

**H1: There is a significant impact of Empowerment on Employee Performance**

The relationship between empowerment and employee performance is positively correlated $r = 0.577$, $p < 0.01$. The regression analysis is also significant with $R$ square $= 0.333$ and $F$-statistic $= 111.171$, $p < 0.01$ as a result proving the hypothesis H1. Therefore, it can conclude from the study that empowerment if implemented can have strong influence on employee job performance.

**H2: There is a significant impact of Training & Development on Employee Performance.**

There is a positive relationship of Training and Development on Employee Performance with correlation value $r = 0.546$ and proving the hypothesis H2. Also the regression analysis indicates a significant relationship with $R$ square $= 0.298$ and $F$-statistic $= 94.639$, $p < 0.01$.

**H3: There is a significant impact of coaching of Employee Performance.**

As per the table 04, correlation results reveal that there is a significant relationship between coaching and employee performance with a correlation value of $r = 0.623$. Therefore, the hypothesis H3 is also proved. Further coaching can be analyzed from regression analysis significant with the $R$ square value of coaching and employee performance is 0.385 significant at $p < 0.01$. 


**H₄:** There is a significant impact of Participation on Employee Performance.
There is a positive and a highest relationship of participation on Employee Performance as compared with the other variables with correlation value $r = 0.661$ and therefore the hypothesis H₄ is too proved. The regression analysis presents the $R$ square value = 0.436 and F-statistic = 172.688, $p < 0.01$. Therefore, this statistical analysis proves the hypothesis H₄ in support of participation with employee performance.

**H₅:** There is a significant impact of Delegation on Employee Performance
The delegation is also proved significantly positive with the correlation $r = 0.638$ and regression analysis can be analyzed with $R$ square = 0.407, F-statistic = 152.841, $p < 0.01$ and therefore the hypothesis H₅ is also proved.

**H₆:** There is a significant impact of Leadership Development on Employee Performance.
The whole hypotheses suggested above have been proven and discussed in detail above. Consequently this leads to the support of the overall hypothesis of the study H₆. There is a significant impact of leadership development on employee performance with correlation $r$ = ..$R$ square =   , $p<0.01$.

7. Conclusion and Recommendation
Hence this study was intended to study impact of leadership development on employee performance in the large scale tyre manufacturing industry in Sri Lanka and the results of the study supports a positive impact between the independent and dependent variables. Therefore, with the supported material and results of the study, it can conclude that manager must possess leadership skills to perform well and meet performance standards set by the organization. This study was carried out considering five factors of leadership development and the collective effect of the five factors prove that it influences employee performance and also there are other factors contributing towards employee performance in addition to leadership development factors such as, organizational culture, attitude, recognition, commitment, motivational factors in the organization, and also factors like as monitory compensation (compensation, reward and bonuses) can also boost employee performance.

All the hypotheses developed in this study were accepted and were positively related to employee performance. Considering the identified five factors i.e. empowerment, training and development, coaching, participation and delegation, participation have the strongest impact among all the variables of leadership. Empowerment has also positive impact but shows less impact as compared to five defined variables. Nevertheless, the five variables jointly as leadership development factors prove a synergic effect and increase the overall employee performance. Since all the variables of leadership development also present an independent viewpoint as well, they may not be working concurrently as they may be exercised according to organizational requirement. Further seeing that coaching is the process which deals with the problem solving situation faced by an employee and training and development deals with knowledge and learning of work procedures necessary to perform on job.

8. Recommendations
The following recommendations may be useful, and may have benefits for the organizations and for future research. Different organizational cultures or various organizational structures may moderate the relationship between empowerment, participation& delegation and employee performance. Therefore, the moderator effects are also recommended to consider when empowering, participating and delegating employees in the organization.
It is recommended managers to create and accelerate learning to improve employee’s performance, train and develop employees through methods such as job cycle, assistance and etc. They should 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.

The managers need to involve in sharing the goals, sharing each employee's expectations and framework with the employee, and then, getting out of the way while employees were empowered to set goals, accomplish their objectives, and determine how to do their jobs.

It is also recommended to provide growth and challenge opportunities and goals that employees can aim for and achieve. Failure to provide a strategic framework, in which decisions have a compass and success measurements, imperils the opportunity for empowered behavior. Managers must give direction to employees to know how to practice empowerment.

Managers providing the required information and access to information, training, and learning opportunities needed for employees to make good decisions. Therefore it is recommended to create a work environment that helps foster the ability and desire of employees to act in empowered ways. Information is the key to successful employee empowerment. Therefore, it is recommended having a systematic way of information sharing among the employees.

Finally concluding the whole study, it was found that leadership development programs are highly effective program which should be planned and implemented by organization to run a cycle of increasing skills in employees to increase performance. It in turns increases their collective performance, and this further result in organizational productivity growth and performance.

9. **Limitations of the Study and Directions for future Research**

This study directly focuses on the leadership factors such as empowerment, training and development, coaching, participation and delegation and its impact on employee job performance. Though, the design and implementation are not studied, this study can be further enhanced to explore that how leadership development programs can be strategically designed and aligned with organizational goals and objectives to meet the anticipated performance.

As the present study was conducted only in large tyre manufacturing industry in Sri Lanka, further research can replicate the results in other industries.

Also, only five factors (empowerment, training and development, coaching, participation and delegation) of leadership development were considered in this study. Hence detail study of leadership development would certainly give more glows on the study.

This study omitted the young managers having less than one year managerial experience. The basis for not considering them was that most of the young managers because they were not delegated, empowered, or participated in decision making as they had little or no job experience.

This research can be further explored in terms of psychological factors of involved in coaching, training and development, participation, empowerment and delegation such as their effect on attitude, behavior. Another
aspect of future study is that this study can be carried out in terms of leadership style and performance appraisal using 360 degree feedback.

It is also suggested that other researchers find and test the different types of empowerment, and also other types of employee effectiveness such as employee commitment or employee engagement.

Future research could be conducted comparing various homogenous demographic populations. Study can be conduct on different departments of the organizations that which department needs more focus on the five leadership factors identified. Study focus on gender can also provide different results.

10. References


