

**Impact of Strategic Leadership on employee creativity and employee performance in telecom sector of Pakistan: Moderating Role of trust**

By

**TAHIRA JABEEN MM 131046**

A research thesis submitted to the Department of Management & Social Sciences,  
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**DEPARTMENT OF MANAGEMENT & SOCIAL SCIENCES  
CAPITAL UNIVERSITY OF SCIENCE & TECHNOLOGY, ISLAMABAD**

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**Tahira Jabeen**

**MM131046**

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**Dr. Shazia Akhtar**  
**(Thesis Supervisor)**

---

**Dr.**  
**(Internal Examiner)**

---

**Dr.**  
**(External Examiner)**

---

**Dr. Sajid Bashir (HoD)**  
**(Department of Management & Social Sciences)**

---

**Dr. Arshad Hassan**  
**(Dean, Faculty of Management & Social Sciences)**

**DEPARTMENT OF MANAGEMENT & SOCIAL SCIENCES**

**MOHAMMAD ALI JINNAH UNIVERSITY, ISLAMABAD**

## Certificate

This is to certify that Miss.Tahira Jabeen has incorporated all observations, suggestions and comments made by the external evaluators as well as the internal examiners and thesis supervisor. The title of his Thesis is “Impact of Strategic Leadership on Employee Creativity and Employee Performance in Telecom Sector of Pakistan: Moderating Role of Trust

Forwarded for necessary action.

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Dr. ShaziaAkhtar  
(Thesis Supervisor)

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## **ABBREVIATIONS**

SL:	Strategic Leadership
LXM:	Leader Member Exchange
EP:	Employee Performance
EC:	Employee Creativity



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## **Abstract**

*The purpose of this study is to investigate the impact of strategic leadership on employee creativity and employee performance by analyzing Strategic leadership's various dimensions (client centricity, business development, operational efficacy and organizational creativity ).This impact is analyzed through influencing role of trust and also to what extent trust impact on relationship between strategic leadership and employee creativity as well as strategic leadership and employee performance.*

*Strategic leadership is comparatively and potentially a novel thought in Pakistani context and particularly in telecom sector where its impact is tested through an integrative model. This study has significant endeavor in promoting creative environment for employees and also motivating employees to perform their best through building trust relationship between leaders and employees. This particular study will also be helpful for managers to create comfortable environment for employees so that they can practice different creative ideas. By understanding needs of workforce and importance of need of creativity, leaders will secure competitive advantage for an organization. Moreover this research also evaluate how trust between leaders and employees impact on performance and creativity. Telecom companies (warid, zong, mobilink and ufone) served as subject in this study which designed to investigate impact of strategic leadership on employee performance and employee creativity. The data was gathered through self administered questionnaires from employees of various telecom sector organizations.350 questionnaires were distributed among employees from which 282 were received back and response rate was 72%.SPSS (version 17) is used for data analysis.*

*The result showed that both dependent variables positively relate with strategic leadership style and hence there is a positive impact of strategic leadership on employees' creativity and employee performance. Analysis is expected to show that trust moderate the relationship between strategic leadership and employee creativity but contrary to expectations it do not moderate relationship with employee performance. Here we conclude that there are other factors along with trust that can boost employee creativity in an organization.*

**Keywords.** Strategic Leadership, Employee Creativity, Employee Performance and Trust

# CHAPTER 1

## Introduction

### 1.1 Background of study

There are many ways to understand concept of leadership with different definitions as it depends on persons who defined the concept according to their research. Simply, we can say concept of leadership revolves around three terms which are a leader, a follower and a common goal they want to achieve. Leadership and followership is a linked model. Leaders cannot exist without followers, nor can followers exist without leaders. Follower's obedience toward leaders is the reflected image of good leadership. At the same time, through influencing leadership an outcome is organizational success that results from increased follower capability and efficacy.

According to some studies leadership is a process where an individual influence other individuals to achieve common goal. Above mentioned terms which are leader, goal and followers grew steadily from last few centuries. Each term contributed to some theory and empirical testing. Leader term of tripod include trait theory and leader behavior theory similarly for followers leader member exchange theory introduced. Leadership literature focused more on followership, their role and characteristics in leadership process. Third term goal has not gained similar attention as others two term leaders and followers. Only theory deals with it is path-goal theory in which leaders by using several resources guide and encourage employees toward goal Strategy is a mysterious concept. There are various definitions given by many researchers. Few defined it as "essential pattern of present and planned deployment of resources and environmental interaction that indicates how organization will achieve its objectives." (Duursema, 2013)

According to Bryman et al (1996) Leadership is a very broad topic and it is belief of some experts that leaders can make difference by transforming impossible situations. Among other leadership style one style that can do best in transforming situation and bringing change is strategic leadership

Mid 1980s was era when there was shift from supervisory leadership towards strategic leadership. Strategic leadership focused more on creation of an organization and giving meaning to an organization and also concerned with leadership of organization.

According to Ireland & Michael (1999) in 21<sup>st</sup> century organization's leaders or top managers are more focused towards their strategic leadership responsibilities which are instead of expecting answers from others, strategic leader empower other members to work as partner with them. Contrary to traditional system of organizations with different levels of employees, strategic leader focused on building organization where employees treated as colleagues. In such organization top managers influence behavior of members/employees as a mentor and inspire them to take decisions for themselves as a result their self confidence boost up and their creativity is enhanced. Strategic leader inspire and motivate employees rather than to control them, share knowledge among other and encourage them to strive more and more towards their goals. Such kind of behavior will eventually result in formation of intellectual capital in an organization. Six important practices of strategic leaders that differentiate them from other leadership styles are that they determine firm purpose and vision, exploit and determine core competencies of firm, develop human capital, sustain and maintain organization culture, emphasizing ethical practices and establish balance organization control.

In 21<sup>st</sup> century leadership scope extends from not only focusing on internal functions of organization but now it also includes external alignment with environment. (Duurresma, 2013)

According to Glenn Rowe(2001) Strategic leaders have deep insight about not only current situation of organization but they also have capability to foresee future scenario, initiating and accepting any feasible change required by collaboration with others for organization future.

In absence of an effective strategic leadership firm cannot achieve higher or even adequate performance while facing various economy challenges.

In 1970 and 1980 term strategic leadership formed through several studies on significance of top management. Theories proposed on leadership based on three dimensions which are Charismatic, Visionary & Transformational. Also dimension of strategic leadership are mentioned which are Client centricity, Business development, Organizational creativity and Operational efficacy (Durrresma, 2013)

For past thirty years there has been criticism on term leadership due to this argument that whether leadership has an effect on organizational outcomes or not. Afterwards it is accepted to have effect on individuals as well as on teams and even on entire organization. Two concepts of leadership were also argued in most of studies which are leadership in organization and leadership of organization. Leadership in organization that is face to face leadership was

proposed initially but latterly leadership of organization is introduced that deals with strategy and indirect impact on others within organization.

Strategic leaders on one end have ability to influence peers subordinates and superiors while on another end they maintain flexibility in work environment by giving authority to employees to participate in decision making that enhance individual as well as organization's performance

Strategic leadership has a significant role for organization in environmental uncertainty. Strategic leaders bring and also encourage innovativeness to their organization by adapting changes for their survival. They make decision in an uncertain environment and this uncertainty become more intense due to globalization (Ireland & Michael, 1999)

There are various ways to define creativity due to its complex nature. One way of defining which is also highly accepted is that creativity involves establishment and understanding of fresh and useful ideas, process and procedures. Work environment of an organization foster employee creativity and innovation. Also in this time period of rapid technological change and advancement managers also understand importance of employee creativity and they also ensure that employees meet creative requirements of their job. Research also show that work environment that require creativity effect on job satisfaction and intention to remain with organization (Amabile, 1996)

According to Jung, & Avolio(1999) Employee performance is crucial for success of any organization. In today's era of rapid and unpredictable technological and environmental change, organizations are required to improve their performance to meet demands and challenges of market otherwise their business is at risk. This improvement in performance can be at organization level as well as on individual level.

According to Petty et al (1999) employee performance linked with employee's overall job satisfaction. If an employee is satisfied with his/her work and workplace environment i.e., supervisor or leader support then his/her personal performance improved a lot. Hence strategic leadership have significant impact on enhancing employee creativity and employee performance, so when employees are satisfied with their organization and trust worthy leadership they are motivated towards creativity and also perform well.

Past researches show the relation between strategic leadership and employee creativity and employee performance. However, inclusive methodology work as well as theoretical work is required for relevant research in strategic leadership and its impact on employee creativity and

employee performance through influencing role of trust. In the present research we wished not only to find out link between strategic Leadership and Employee Creativity and employee performance but also to explore the moderating role of Trust.

Numerous leadership theories based on trust that explained how transformational leaders and charismatic leaders show trust towards their followers and likewise followers build trust in their leaders. From at least four decades role of trust in organization has been acknowledged by various researchers in their books or research articles. When employee perceives that leader has ability and attributes to promote trust in their relationship than it also increase leader's effectiveness. Trust is an agreement between two parties. Trust has been separated from its antecedents and outcomes in various theories. Theory by Mayers and colleagues explained that perception of trustee characteristics (integrity, ability and benevolence) that comprise trustworthiness are antecedents of trust. Ability refers to perception that trustee has skill and competencies. Benevolence is actually trustor's perception that trustee cares about the trustor. Here trustor is trusting party. Lastly, term integrity deals with perception that trustee adhere such set of principles that are acceptable for trustor. Trustor actual risk taking in relationship with trustee is proposed as outcome of trust by researcher. More trust confirms more risk taking behavior on part of trustor(Mayer & Gavin , 2005 )

In order to find strategic leadership influence on employee creativity and employee performance we developed a comprehensive questionnaire. The data was gathered from variety of organizations. Secondary data collected from different journals, articles and books will be used in literature review of this particular research. The author will analyze primary data through some statistical tools and SPSS. Results will be mentioned at the end of the research work

## **1.2. Statement of the problem**

Increased competition among organizations and rapid technological change in the business world has increased the significance of workforce because this vital resource can cope with this rapid change in organizations and challenges that an organization face through provision of innovative solutions of these issues and fresh ideas (Shalley et al 2000). Human resource of an organization is critical in the success or failure of an organization, so an organization is required to identify the factors which can overcome the problem of switching of employees' job and generate job satisfaction among them that also increase employee performance. To achieve all these objectives leadership style play important role as it also impact on employee performance and

employee creativity. Many companies today are giving value on exchange between leaders and members but still there are many who are not bother to increase motivation level of employees. Telecom sector in particular require and seek creative employees to enhance its productivity. Therefore, trust between leader and employees plays vital role that boost up creativity among employees and also enhance performance of employees.

This research also concentrates on theoretical treatments with help of an integrative model that provide good reason and explanation for variations required and planned in future (Schrieshein et al, 1999). Such explanations and variations do not exist in previous literature of strategic leadership.

### **1.3. Research Questions**

Based on the above mentioned problem statement, this particular study intends to find answers for the questions given below:

*Question 1:* What is the relationship between strategic leadership and employee creativity?

*Question 2:* What is the relationship between strategic leadership and employee performance?

*Question 3:* Does Trust moderate the relationship between strategic leadership and employee creativity?

*Question 4:* Does Trust moderate the relationship between strategic leadership and employee performance?

### **1.4. Research Objectives**

- To find out the relationship between strategic leadership and employee creativity.
- To find out the relationship between strategic leadership and employee performance?
- To develop and test an integrative model for strategic leadership, employee creativity and Trust.
- To find out the moderating relationship of Trust between strategic leadership and employee creativity and strategic leadership and employee performance

## **1.5. Significance of the Study**

Strategic leadership is somewhat considered a novel thought in Pakistani context and particularly in telecom sector. This study investigates relationship between strategic leadership and employee creativity and strategic leadership and employee performance through analyzing various SL'S dimensions (client centricity, business development, operational efficacy). This relationship is analyzed through influencing role of trust and also to what extent trust impact on this relationship

This study will be a significant endeavor in promoting creative environment for employees and also motivating employees to perform their best through building trust relationship between leaders and employees. This particular study will also be helpful to business students and instructors when they employ this study in their class room for effective learning of how to create comfortable environment for employees so that they can practice different creative ideas, similarly this research help them to minimize gap between manager and employees as a result of trust worthy relationship between them. By understanding needs of workforce and importance of need of creativity, leaders will secure competitive advantage for organization. This research also evaluate how trust between leaders and employees impact on performance and creativity.

Moreover this study is beneficial to telecom sector organizations. This research also serve as future reference for researchers on subjects of strategic leadership as much work is required to be done on this style of leadership in Pakistan. And importantly this study educate leaders to provide such creative environment to employees that increase their growth and performance

## **1.6. Supporting Theories**

The supporting theory that affects employee attitude and behavior towards an organization is norm of reciprocity theory as it is a social norm that generally referred as rule of reciprocity and in an organization this norm emphasize on the nature of the relations leaders formed with their followers. Also this norm of reciprocity theory focuses on returning the favor if a person does something for another person, such behavior in an organization also leads towards organizational productivity and success. This theory also provides insight as how leaders can promote creativity among employees and how leader can play their role in improving employee performance (Agarwal, et al 2012; Atwater & Carmeli 2009).



Norm of reciprocity is basically the expectations that people will respond positively towards each other. In this study trust worthy relationship between leaders and employees originate norm of reciprocity within an organization. For example when equal opportunities and benefits are given to employees from leaders, employee's performance improved.

Norm of reciprocity theory can also be used to investigate how relationship can be developed between leader and employees within an organization and how this relationship can further contribute towards an organization growth, success as well in retaining workforce.

Leader can use this theory to reestablish relationship with their employees whom performance at workplace is not promising or not according to expectations, by giving them equal opportunities to grow and develop. For this purpose training can be conducted by managers/leaders for their employees who create coaching and mentoring relationship between them based upon trust.

## CHAPTER 2

### Literature Review

#### 2.1 Strategic leadership:

Strategic leadership is defined as

“An ability of an organization to influence employees to make daily decisions freely that boost the long-term feasibility of the organization, while maintaining its short-term financial stability.”

(Serfonten, 2010)

According to Boal(2004) two terms absorbed capacity and adaptive capacity are used in explaining strategic leadership concept and he also has given idea of how to develop them .By absorbed capacity he meant understanding of new idea or information and then getting familiar with it and at the end working on it. By adaptive capacity he meant how much leader is flexible toward change. By managerial wisdom he meant leader’s insight towards new ideas, leader’s ability to understanding and adapting new environment.

Strategic leadership concept is defined by different researchers.

According to Wendy Lear(2012) strategic leadership is defined as an ability of a person to foresee an organization future and maintain flexibility in it by thinking strategically and working collectively as a team with others to initiate change that is necessary for possible future of an organization.

According to Poursadegh et al (2010) strategic leadership is about providing strategic vision to an organization and inspiring others to accept it and perform accordingly

According to Ireland &Michael (1999) strategic leader or top managers are more focused towards their strategic leadership responsibilities which are instead of expecting answers from others, strategic leader empower other members to work as partner with them. Contrary to traditional system of organizations with different levels of employees, strategic leader focused on building organization where employees treated as colleagues. In such organization top managers influence behavior of members as a mentor and inspire them to take decisions for themselves as a result their self confidence boost up and their creativity is enhanced. Strategic leader inspire and motivate employees rather than to control them, share knowledge among other and encourage them to strive more and more towards their goals. Such kind of behavior will

eventually result in formation of intellectual capital in an organization. Six important practices of strategic leaders that differentiate them from other leadership styles are that they determine firm purpose and vision, exploit and determine core competencies of firm, develop human capital, sustain and maintain organization culture, emphasizing ethical practices and establish balance organization control. It's a responsibility of top manage/leader to determine direction and vision of an organization and then lead others by inspiring them towards achieving this vision. Vision is actually reason of existence of any organization so proper guidelines provided by top managers/leader about where to go and how to reach towards end also encourage employees to follow and believe. Employees' involvement is critical for an organization in achieving its vision. Exploiting and determine core competencies of an organization is second role of strategic leaders. By core competencies we mean those resources and capabilities of an organization that are valuable, difficult to imitate and provide competitive advantage on rivals. Due to high market competition, innovation, technological changes and diversity in competitors makes market condition unstable. Such market instability arise need to maintain and exploit core competencies. Core competencies cannot be exploit and determine without presence of proper human capital. Strategic leader develop human capital to exploit core competencies easily and to achieve competitive advantage successfully. Human capital is skill and knowledge of entire workforce of an organization which is critical for developing core competencies. Knowledge skills and information of workforce is essential for long term success and growth of an organization. Strategic leaders continuously share knowledge among others and this system of knowledge sharing results in constant learning and involvement of workforce that encourage workforce to expand their knowledge base as well. Such investment in an organizational workforce results in creative and well educated human capital. Next role that strategic leader perform is to maintain an effective organizational culture by sharing symbols, ideologies and core values throughout an organization. In 21<sup>st</sup> century organization face challenges of not only related to technologies and innovations but also cultural challenges. Culture of an organization involves decisions actions and communication pattern and networks. Culture of an organization influences the way a firm conduct its business as well as how an organization control and regulate behavior of employees. Strategic leaders formulate such an effective culture in which people realize that organizations need to be change and move forward continuously as competitive advantages do not last forever. Realization of need of constant change and innovations by an organization's workforce enhance

competitiveness globally. Strategic leaders another role is to emphasize on ethical practices of an organization. Effective strategic leaders display qualities of trust, honesty and integrity to influence their employees and develop culture of an organization. Establishing balanced organizational control is another practice done by strategic leaders. Organizational control is basically formal information based course of actions that are maintained by strategic leader/manager. Through such control strategic leader can influence and guide employees in such a way that help in achieving required objective. Two types of control system is framed and maintained by strategic leader/ manager which are strategic control and financial control. Effective strategic control is possible when manager has full understanding regarding each and every unit or department and also about competitive conditions. Effective financial control is done through accounting based measure that are used by strategic leader

According to Hester Duursema (2013) For last thirty years term leadership has been criticized for reason whether leadership has effect on organizational outcomes or not. Later it is recognized to have effect on individuals as well as on teams and in some cases on entire organization. Leadership in one way enables followers to get motivated and then perform and in other way it also synergizes all teams and organization to achieve goals. Most of leadership studies argue leadership as 'leadership in organization' which is direct leadership or face to face leadership. Later studies proposed leadership as 'leadership of organization' that deal with strategy and have indirect impact on those within organization

According to Aslan et al (2011) There are different approaches for strategic leadership. One of these approaches is given by Bolt in which three features of strategic leaders are discussed. These features are job, leadership and dimension. 'Job' includes how things should be done in an organization. 'Leadership' is about extensibility and last feature 'personal activity' is about how to develop and then grow capabilities of an organization. Covey also defined different functions of strategic leadership which include providing guidance, restructuring and strengthening an organization. The function of providing guidance is all about guiding an organization vision, mission and environment. Restructuring covers the structure and system of organization whereas Strengthening mean to increase ability of human capability and efficiency. According to another approach it is said that strategic leadership is derived from Bass's transformational leadership theory and transformational leadership is a vital element of strategic management.

Transformational, transactional and visionary leadership are considered as three dimensions of strategic leaders

According to Glenn Rowe (2001) strategic leaders are capable to look forward, predict, promote flexible system and work as a team to initiate change within organizations. Strategic leaders are those individuals who have skills to influence superiors as well as employees to think strategically and make decisions that benefits organizations. From various concepts of strategic leadership it is concluded that strategic leadership plays vital role in an organization's ambiguous environment. Strategic leaders bring and also encourage innovativeness to their organization by adapting changes for their survival. They make decision in an uncertain environment and this uncertainty become more intense due to globalization

According to Wendy (2012) strategic leaders can be viewed as a source of an organization's growth and profit. One of the important roles of strategic leadership defined by (Poursadegh et al, 2010) is to influence and encourage employees to participate collectively toward organization goals

According to Duursema (2013) strategy is thought to formulate logic underlying organization interactions with its environment which also provide guidance for resource allocations. Difference between organization and environment depends on degree of complexity according to system theory. An organization hold low level of complexity where as outside of organization is higher level complexity. So there should be a boundary drawn and maintained between organization and its more complex environment. He also argued matching or linking organization resources with environment opportunities and proposed that way in which a leader exploit its current resources and skills as well as explore new opportunities and resources determine an organization growth. He proposed that strategic leadership deals with the paradox between exploration and exploitation. In turn, the strategic management discipline revolves around the organization-environment paradox. Bringing these two paradoxes together (i.e. between exploration- exploitation and between organization-environment) results in a four quadrant framework that include client centricity, business development, organizational creativity and operational efficiency. A firm should pay equal attention towards these two fundamental learning activities. Firm that solely rely on exploitation it may suffer obsolescence,

similarly if firm pay attention towards exploration activity only then it may prevent it from achieving economies of scale (Jansen et al 2009)

Client centricity term exhibit strategic leadership behavior by placing the customer at the center of the firm and focusing on firm's strategy and operations stimulates an organizational culture. In today's highly competitive environment one of the most crucial challenge organization faces is customer retention. Without senior leadership support customer orientation is unlikely to root as it's the responsibility of top management to cater customer oriented values and beliefs. Client centricity concept is focused on environment and deals with current employee's exploitation. Similar to client centricity Business development also focused on environment but with focus on exploration as well. By business development researcher meant to gather and interpret information about unknown environment. External monitoring i.e., environment scanning is done more by leaders in high performing firms and they are efficient to seize opportunities as compared to low performing firms. Several researchers agreed that there is positive relation between firms' performance and environmental scanning and they also emphasize that this scanning should be done by an independent staff in top level of management. By organizational creativity orientation researcher meant to create market and customers. Organization does not ignore its current customers completely as they believe that existing customers maybe not know what they need and want. So, organizational creativity focused on exploration with an organization focus (internal).various studies proved that an organization environment for innovation is important determinant of creativity instead of being market oriented i.e, focus more on current clients and opportunities that may hamper research and R&D activities. Operational efficiency highlights controlling cost and standardization of procedures. An organization need to allocate resources efficiently and effectively and also need to focus on profit maximization due to limited resources and time. An organization can get operational efficiency if it's able to meet time constraints and meet budget properly. Most of leaders believe that maintaining minimum cost and ensuring high quality should be given more importance as compared to other strategy dimensions which are differentiation, customer intimacy and product leadership (Duurresma, 2013)

Nowadays leaders or top managers are more focused towards their strategic leadership responsibilities which are instead of expecting answers from others, strategic leader empower other members to work as partner with them. Contrary to traditional system of organizations with

different levels of employees, strategic leader focused on building organization where employees treated as colleagues. In such organization top managers influence behavior of members/employees as a mentor and inspire them to take decisions for themselves as a result their self confidence boost up and their creativity is enhanced.

## **2.2. Employee Creativity**

Role of creativity in the workplace is becoming recognized as a critical factor in a drastically changing world and global economy. With continuous globalization of business and change in economy, employee creativity in form of new ideas, practices, procedure, product or service are consider vital for company's success(Shalley et al 2009). In previous era creativity was defined on the concept of the creative process in which outcomes were known as creative. Creativity is very broad and complex term or an activity, and in order to analyze it, it can be defined in various ways.

According to Montuori et al (2006) Creativity involves constant organizing, disorganizing, and reorganizing. It involves actively breaking down assumptions, givens, and traditions, pushing boundaries and moving out of comfort zones.

According to Hughes (1998) creativity is about new technology advancement, knowledge, practices, system of work, norms and beliefs. Creativity is nothing more than to give new life to an organization by bringing change in the current work practices of an organization.

Due to increase worldwide competition in the market place and for business survival, recently organization's focus on creativity has increased and it's becoming an organization aim. Previous research on creativity also show that creativity is now encouraged to see a 'problem' from a fresh angle and it also involve providing solutions to that problems and make alteration in previous methods and ideas. Comprehensive and detail research on creativity proposed intrinsic motivation as an internal process that results in employee creativity (Grant & Berry, 2011).

As employee creativity is considered as important source of innovation for organization and also provide basis for competitive advantage. Nowadays organizations are focusing more on individual creativity .One of important learning process of an organization to be more innovative is absorptive capacity which represents firm's ability to be creative and able to create. Perceived

value of creativity is key factor of an organizational environment that sustain creativity development

### **Strategic leadership & creativity:**

Nowadays organizations are working in highly competitive environment and rapid technological change. In order to deal with such change organization management need to promote creativity. Various studies on employee creativity identify personal and job characteristics that eventually result in employee creativity. Role of leadership in creativity was virtually ignored in most of previous research. (Sebnim et al 2011). This research argued that employee characteristics as well as supervisor characteristics linked with employee creative performance but also relationship between employees and supervisors is crucial determinant of creativity in an organization. Hence it can be said that leadership characteristics influence employee creativity and this influence can happen in two ways

Leaders personal characteristics can affect employee creativity i.e., leaders with innovative cognitive style and intrinsic motivation stimulates employee creativity and Secondly, kind of relationship between employees and leaders can influence employee creativity i.e, if positive relationship exist than it give sense of autonomy to employees and they are more open and free to experiment new ideas. To get strategic competitive advantage for an organization both strategic leadership and innovation plays vital role. Strategic leaders are highly recognized and appreciated for their ability in seeking new opportunities and making decisions that has influence on innovative process. (Elenkov et al 2005).

According to Amabile et al (1996) few studies focused on a perceptive of how strategic leadership is related to individual employees' creativity. In order to find out the extent to which strategic leadership results in creativity, more emphasis is given to an intrinsic motivation theory that also deals with the psychological system through which this contribution actually occurs. Such psychological system leads to employee creativity and encourage supportive relationship between leaders and subordinates which also eventually enhance intrinsic motivation among employees

According to Sebnem et al (2011) Innovation and creativity both are crucial for company's success and survival. Studies have found that strategic leadership plays vital role in an



organization especially where environment is uncertain and for survival in such environment adopting change is necessary for an organization. Here strategic leader should initiate change by bringing innovativeness to their organizations. Hence strategic leadership contributes to creativity

**H1:** *Strategic Leadership is positively associated with Employee Creativity*

### **2.3. Employee performance**

According to Iskandar et al (2014) with unpredictable business environment and rapid technological advancement; companies are struggling to reach certain standard, to meet such demands they focus on improving their performance. This performance can be individual level or at organizational level which sees human resource as the most determining factor to achieve organizational objectives. There are three factors that determine employee performance. Job stress is known universally as a social problem which involve various factors that psychologically and physically effect individuals. Job stress arises when an individual cannot properly manage and coordinate his/her personal abilities with available resources and job demand. Working environment of an organization that has risk results in job stress. Some organization keeps high working demands from employee that they are unable to meet. Failure to satisfy top management results in job stress for an employee. Motivation means eagerness or need to achieve something. Nowadays every firm apart from its size give importance to employees motivation and practice it as they aware of fact that motivated workforce helps them to achieve goals. Employee motivation is important as it is essential for achievement of organization goals. Motivation whether intrinsic or extrinsic is essential as it provides energy to employees to perform better. Communication play vital role in influencing workforce of an organization and also in enhancing work productivity. Effective communication helps an organization in better coordination among work teams unit in organizations whereas lack of effective communication not only hinders business operations but also cause damage among individuals

Employee performance is crucial for success of any organization. In today's era of rapid and unpredictable technological and environmental change, organizations are required to improve their performance to meet demands and challenges of market otherwise their business is at risk.

This improvement in performance can be at organization level as well as on individual level. (Jung, & Avolio,1999)

In an organization an employee performance requires outcome from each single employee which means investment in employee performance is across the organization. Researchers suggest that there are three ways through which information is gathered that how well employee is performing. These are information related to an employee attitude, initiative and creativity; information that identifies what is included in job itself, information focus on employee accomplishment ( Muda et al 2014)

### **Strategic leadership and employee performance**

From strategic leadership perspectives leaders are important in organization and they inspire employees while assisting their subordinates with goals and vision of organization and address development concerns. (Dhanphat et al 2015)

Employee perception of leadership style employed by leader is considered as predictor of employee performance. Many researchers believed that leadership has significant impact on organization and employee but yet it is also least understood concept of human capital

With increase in competition in global market strategic leaders are becoming more important in enhancing in organization competitive environment. Strategic leaders create context in which stakeholders including employees can perform efficiently and effectively as possible. Increased employee performance at all level results in increase organization performance and profit

Thus

**H2:** *Strategic Leadership is positively associated with Employee Performance*

## **2.4. Trust**

### **Trust as a moderator between strategic leadership and employee creativity:**

According to Mayer & Gavin (2006)

Trust is mandatory for optimization of a system. Without trust, each component will protect its own immediate interests to its own long-term detriment and to the detriment of the entire system.

Innovation and creativity consider mandatory for an organization's success and for survival. Studies have found that strategic leadership transformational leadership contributes to creativity and also support the relationship between trust worthy exchange between leader and followers that eventually encourage and support employee creativity. Employees who have good relationship with leader believe that they work under an encouraging and motivating environment and feel obliged to give back the favors from their leader by engaging in creative work (Aslan et al 2011)

Shalley et al(2004) addressed the factors that contribute towards employee creativity and divided in two categories; Personal factors and contextual factors Personal factors are defined as intrinsic motivation or employees personality and attitude whereas contextual factors refers to external dimensions that may include workplace factors i.e, leaders or supervisor support and non workplace factors include family support. When leaders or supervisor are supportive they pay attention towards employee's needs and listen their ideas by showing encouragement or through an open interaction with their employees. From such supportive behavior of leaders, relation of trust is developed between leader and employee and they feel no fear to explore and experiment new ideas. Researchers also mentioned that supervisor or leader can encourage employees to keep trying despite of failures. So it can be included that supportive nature of leader develops trust among their employees and this trust result in positive contribution towards employee's creativity and they become more creative.

**H3:** *Trust has significant relationship with Employee Creativity*

**H4:** *Trust moderate the relationship between Strategic Leadership and Employee Creativity*

### **Trust as a moderator between strategic leadership and employee performance**

Dirks & Ferrin (2002) argued that there is very little research done to find out impact of trust on performance. It is required to clarify means through which trust can enhance performance for better understanding of this relationship. By doing this more effective means of improving performance are disclosed.

According to Brown et al ( 2015) Trust can be defined as

‘Firm belief in the reliability, truth, or ability of someone or something’

Researchers e.g., Argyris, 1962; Likert, 1967; McGregor, 1967 accepted importance of trust in leadership. Employee trust on employer impact on employee behavior and attitude towards organization and employee perform better. Particularly honest and fair treatment of managers towards employees motivates them to perform better and seek opportunities to grow. Hence it is concluded more trust that employees have in their managers, better they perform as trust in management is vital for performance. There is also numerous literature that support the concept that trust in leadership impact positively on employee performance, behavior and attitude

(Dirks & Ferrin 2000) For better understanding of the trust-performance relationship, we examine the extent to which employees are vulnerable toward leaders and how opposition to such vulnerability restricts their performance. There are various ways in which an employee can be vulnerable to management and manly are associated to inherent power differentials. An employee who desires to be vulnerable to management also accepts the influence management has over his/her life and his/her focal point is making effort towards their mutual organization. Less of distractions enable an employee to focus attention on productive result but this does not mean guaranteed performance as there can be various issues that that still influence and hinders performance e.g., knowledge, skills, abilities, organizational support, motivation. We conclude that when employees has no trust relationship with leadership they are reluctant to be vulnerable towards them their minds will be lost in thought about nonproductive issues, particularly activities that focus on self-protection or defensive behaviors .this study purposed that trust affect employees' ability to remain attentive and focused on the work that need to be done on time. Lack of trust may affect performance outcomes.

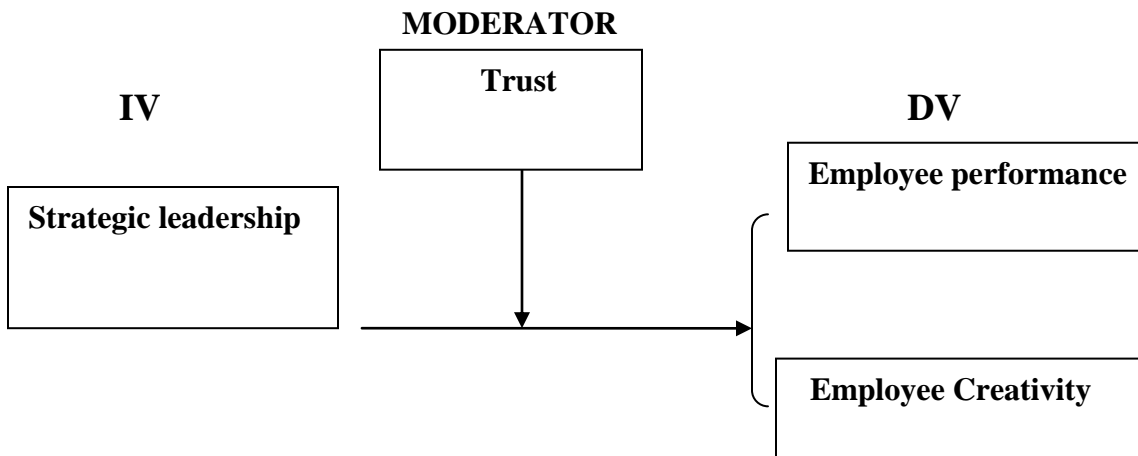
According to Mayer et al (1995) Trust became more significant in employment relationship between leader and employee when employees are more vulnerable towards leader. Such trust in employment relationship also encourages employees to perform as expected from them and employees are also ready to perform apart from their obligation in an organization. Trust encourage employees to perform extra role behavior (Earley, 1986)

Trust in management is vital for organization performance also numerous literature support the concept that trust in leadership impact positively on employee performance, behavior and attitude (Rousseau et al 1998)

**H5:** *Trust has significant relationship with Employee Performance*

**H6:** *Trust moderate the relationship between Strategic Leadership and Employee Performance*

**Fig 1: A conceptual framework of Impact of Strategic Leadership on Employee Creativity and Employee Performance with moderating role of Trust**



## **CHAPTER 3**

### **Research Methodology**

#### **3.1 Research Design**

This study is a descriptive study at time horizon that objects is to examine the impact of strategic leadership on employee creativity and employee performance with moderating role of trust. The study investigates whether strategic leadership affects the level of employee creativity and employee performance among telecom sector employees.

#### **3.2 Population, Sample Size, Analysis Tools, Data Collection Technique**

Data for this study has been collected through people working in telecom sector of Pakistan so population for the study is the employees of telecom sector organizations working in Islamabad and Rawalpindi. Dyadic data analysis method was used in this study. The sample size for the study was determined at four hundred (400). More than three hundred and fifty (350) questionnaires were distributed among different telecom sector organizations situated in Rawalpindi and Islamabad. 100 questionnaires were distributed in Mobilink ; however, only 80 were received back. 70 questionnaires were distributed to Ufone whereas the number of questionnaires received back was 51. The questionnaires distributed in Warid were 80 and 76 were received back. Total numbers of 130 questionnaires were distributed in Zong which 52 & 60 were received back. Access to these research sites were gained through personal contacts and professional contacts of author. Reason for selecting these organizations and sectors was emphasis on creativity and total quality management. Also lack of beaucroatic structure encourages employees to work beyond limitations and bring out new ideas and innovation. Research lab and private organization were selected due to high demand of creativity work in these organizations.

The main reason behind sampling is to select a representative group of elements that truly reflect the characteristics of the population. For conducting this research data has been collected through convenience sampling technique. Reason for using such technique was that there are numerous private organizations in Pakistan which focus on R&D and creativity. With limited time period it was difficult to conduct survey in all organizations. For current study data has been collected through telecom sectors of Pakistan.

Data was collected by using questionnaires and to analyse collected data, the software of SPSS 17 was used. The data has been tested for examining the correlation and regression. To evaluate how independent variable is connected with the dependent variable, correlation analysis is used. While to regression is used to examine that how much change in independent variable caused change in dependent variable. Hierarchical regression analysis is used in case of multiple factors that may result in variations in the causal relationship. Statistical tests such as data Reliability test, Correlation and Regression analysis were used. To calculate the internal reliability of the scale Cronbach's alpha was calculated. Whereas the moderation has been completed by using the technique of Baron and Kenny (1986).

Language used was simple English which was easily understood by respondents who were minimum intermediate. Based on their voluntary participation data was collected. Participation in this survey was voluntarily and respondents were assured of their anonymity and confidentiality

### **3.3 Sampling Technique**

Convenient base sampling techniques are used in this study in order to collect data for the purpose of analysis. This type of sampling technique is often drawn in the research studies conceded out in social sciences as it permits selective data collection on the basis of accessibility of subjects to be studied. Convenient sampling was also selected as sampling technique in order to meet the time and resources limitations. It saves time, energy and requires little struggle to obtain anticipated info.

### **3.4 Instrumentation**

The nature of the items included in the questionnaire is such i.e. strategic leadership, employee creativity, employee performance and trust from which questionnaire related to strategic leadership and trust are filled by front line employees whereas questionnaire related to employee creativity and performance is filled by managers.

### **3.5. Scale used**

Measure used for capturing response in this study is likert scale. All variable of this study are measured through this scale Different anchors used on Likert scale are

1= Strongly Disagree, 2= Disagree, 3= Neither Agree/nor Disagree, 4= Agree, 5= Strongly Agree.



Using the above mentioned scale the items for questionnaire contained following elements

### **Strategic Leadership**

(Hester Derusma, 2013)It include 19 items to measure following dimensions of strategic leadership

Listens attentively to the client

Maintains a good relationship with the client

### **Employee Creativity.**

Scale which has been used, adopted from Zhou and George (2001) for the supervisors to assess the level of creativity at work among their employees. A 5-point Likert scale is used ranging from 1 (not at all characteristic) to 5 (very characteristic). The sample items include

Suggests new ways to increase quality.

Is a good source of creative ideas?

Is not afraid to take risks?

### **Employee performance**

Employee performance was measure by scale developed by Thomas & Jamie(2004)

This was five item scale and items are

Does work you perform meet the desired outcomes that you have been asked for?

Do you believe in completing task before time?

### **Trust**

This moderator is measured by six item scale developed by Podsakoff et al. (1999). The sample items include

I feel quite confident that my leader will always try to treat me fairly.

My leader would never try to gain an advantage by deceiving workers

The detail of instrumentation can be seen in table 3.1 whereas respondent's demographic characteristics are given in table 3.2

**3.6. Control variable:** Three items age, gender and tenure has been used as control variables that gather information about respondents' age, gender and qualification. In majority studies

these items are used as independent variable but in current study these variables are treated as control variables. Reason of treating age, gender and tenure as control variable is to minimize their effect on overall results of study

**Table 3.1****Instrumentation**

<b>Variable</b>	<b>Source</b>	<b>Items</b>
Strategic leadership	Hester Derusma, 2013	20 items
Employee creativity	Zhou and George 2001	13 items
Employee performance	Thomas & Jamie 2004	05 items
Trust	Podsakoff et al. 1999	06 items

**Table 3.2****Respondents' demographic characteristics**

	<b>Frequency</b>	<b>Percent</b>		<b>Frequency</b>	<b>Percent</b>
<b>Gender</b>			<b>Experience</b>		
Female	76	27.0	0-5	194	68.8
Male	206	73.0	6-10	67	23.8
<b>Education</b>			11-15	15	5.3
Matric	2	.7	16-20	5	1.8
Intermediate	7	2.5	21 and above	1	0.4
Graduates	75	26.6			
Masters	186	66.0			
MS/M.phil	12	4.3			
<b>Age</b>					
20-30	174	61.7			
31-40	91	32.3			
41-50	14	5.0			
51-60	3	1.1			

Gender wise frequency breakdown reports that mainstream of the respondents were male. Total number of males consists of 206 out of 319 that work out to be 73.7% of the sample. On the other hand total number of female respondents is relatively low (i.e.76 in number & 27.0%).The above table states that majority of the respondents are stated from the age group of 20 years to 30 years i.e.174 of the total sample of 319 respondents (61.7%) where this percentage is slightly higher than the other age brackets. Whereas 91 respondents have reported under 31 to 40 years group & 14 have reported under 41 to 50 years group

The review also gathers data about the qualification of the respondents. Here the highest percentage has been seen for 16years of education. There are 186 of the respondents who have formal education of 16 years (i.e.66.0%) However in other qualification categories 75 respondents (26.6%) are found in Bachelors Category, 12 respondents have completed 18 years of education that works out to be 4.3% of the sample. While 7 of the respondents that make 2.5% of the total sample size consists of intermediate respondents. Experience wise the highest percentage consists of 0-5year's group that is a total of 194 respondents making it 68.8% of the total sample. However, 93 respondents are reported in 6-10 years making it 23.81% of sample. Rest 15respondents (15.3%), 5 respondents (1.8%) and 1 respondents(.4%) are reported under 11-15 years &16 to 20 years and more than 21 years of experience respectively.

### 3.7 Reliability

The data collected from different organizations of telecom sector organizations was tested for the reliability of its results. The calculated reliability scores for each variable data collected were as follows.

**Table 3.3**

**Scale Reliabilities**

<b>Variable</b>	<b>Cronbach's Alpha</b>	<b>Items</b>
Strategic leadership	0.875	19 items
Employee creativity	0.948	13 items
Employee performance	0.706	5 items
Trust	0.848	6 items

Internal reliability of a scale refers to its capability of reliable results when managed with several numbers of items or even in the case of testing reliability by several methods such as split half method and others. Reliability test is the one of the communal test to prove the validity of scale that assesses the reliability of a scale. It mentions to its internal consistency in computing a construct. Value of Cronbach Alpha varies from 0 to 1. However, higher values are indicator of greater reliability of the scale. It also capable to measure the inter correlation among various items in the scale. Generally the Alpha values above 0.7 are taken to be reliable. On the other hand, lower values shows lower reliability of the scale in measuring construct or its different dimensions. The above table (Table 3) gives details of Cronbach's Alpha coefficient used to collect data for this study. Through this table internal consistency of scales used are visible. The highest Alpha value has been seen for the scale used to measure employee creativity is 0.948, 0.875 for strategic leadership, 0.706 for employee performance, and 0.848 for trust. It refers to the high reliability of the scale used. All the scale used for survey shows a high reliability values.

# CHAPTER 4

## Results

### 4.1 Correlation Analysis.

The very purpose of correlation is used to indicate the relationship between two variables or to examine that the two variables move in similar or opposite direction. It is different from regression analysis in a way that it does not consider causal linkages for the variables under study. The relationship is analyzed in view of variables moving in the same or opposite direction while not including the zero correlation. Negative values refer the extent to which increase in either of the variables is being studied varies with each other. The correlation analysis used under this study is the widely used coefficient for assessing correlation among relationship. Usually Pearson correlation analysis is used to calculate correlation coefficient is the most common method to measure reliance among two quantities.

**Table 4.1**  
**Correlation Analysis**

<b>Predictors</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
1.STRATEGIC LEADERSHIP	1			
2.TRUST	.468**	1		
3..EMPLOYEE PERFORMANCE	.477**	.575**	1	
4.EMPLOYEE CREATIVITY	.652**	.676**	.711**	1

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

The value of correlation ranges from -1.00 to +1.00. Whereas +1.00 values reveals a positive correlation while negative values indicates negative correlation among the variables. However, if the value of correlation is 0 this means there exists no correlation among the variables.

The results as indicated by table 4.1 shows the correlation among the different variables under study. The study has one independent variable that strategic leadership is significantly correlated with the dependent variable (employee creativity) of the study where  $r$  is equal to .652 with  $p$  value of 0.01 and with other dependent variable employee performance which is having value of  $r=.477$  with  $p$  value of 0.01. The table also shows the significant relationship of moderator sets and strategic leadership. The moderation such as collectivist culture with independent variable is having  $r = .468$  with  $p$  value is 0.01 which is showing the positive significant relationship

#### 4.2 Regression Analysis

Regression analysis is widely used to predict and estimate the relationship among variables. Correlation analysis shows the strength of relationship of X variables with Y variable. Whereas the regression analysis reveals the predictions about Y from the values of X. It is used to draw conclusion regarding variable dependence on each other. The analysis is used to estimate the dependence of one variable over other variable where dependent variable is regressed on independent variable. If there is linear regression among two variables it is explained with the help of two factors i.e. Regression line and the factors not taken while regressing.

**Table 4.2**

Predictors	Employee Creativity			Employee Performance		
	<u>B</u>	<u>R<sup>2</sup></u>	<u>ΔR<sup>2</sup></u>	<u>B</u>	<u>R<sup>2</sup></u>	<u>ΔR<sup>2</sup></u>
<b>Main Effect</b>						
<b>Step I:</b>						
Control Variables		0.008			0.03	
<b>Step II:</b>						
Strategic Leadership	.903***	0.426	.418***	.631***	0.239	.209***

**Table 4.3**

Predictors	Employee Creativity			Employee Performance		
	B	R <sup>2</sup>	ΔR <sup>2</sup>	B	R <sup>2</sup>	ΔR <sup>2</sup>
<b>Main Effect:</b>						
<b>Step I:</b>						
Control Variables		0.008			0.03	
<b>Step II:</b>						
Strategic Leadership	.597***	0.601	.593***	.347***	0.394	0.364***
Trust	.419***			.389***		
<b>Step III:</b>						
Strategic Leadership X Trust	-0.272	0.658	.057***	0.58***	0.44	0.046***

\*\*\* p ≤ .000, \*\* p ≤ 0.01, \* p ≤ 0.05

***H1: There is positive and significant relationship between Strategic Leadership and Employee Creativity***

Results of the regression analysis shows that strategic leadership has strong positive relationship with employee creativity having Beta value as .597 with significant level of P ≤ 0.000. According to the results, which are supporting the hypothesis that strategic leadership is positively and significantly related to employee creativity? Thus the hypothesis is accepted.

***H2: There is positive and significant relationship between Strategic Leadership and Employee Performance***

The table 4.3 also shows the relationship between strategic leadership and employee performance. Results shows that β = .347 at .000 significance level. This relationship is reported to be



significantly related to employee performance. The significant level is also indicated by the sig. value as .000 having p value < 0.000. Thus the hypothesis that states strategic leadership is positively and significantly related to employee performance is accepted.

***H3: Trust has significant relationship with Employee Creativity***

The table 4.3 shows the relationship between trust and employee creativity. The results shows that  $\beta = .419$  at .000 significance level. This relationship is reported to be significantly related to employee creativity. The significant level is also indicated by the sig. value as .000 having p value < 0.000. Thus the hypothesis (H3) that states trust has significantly related to employee performance is accepted.

***H4: Trust does not moderates the relationship between Strategic Leadership and Employee Creativity***

According to the results of regression analysis, Beta value for moderating relationship of strategic leadership and trust is  $\beta = -.272$  with  $R^2 = .249$ . This relationship is negatively associated with employee creativity. This indicates the insignificant relationship between strategic leadership trust and employee creativity which means trust does not moderate relationship between SL and EC As per results the above hypothesis is rejected due to showing negative relationship. Trust does not moderate relationship between strategic leadership and employee creativity solely, as there are many other factors that contribute equally along with trust factor which can be conflict resolution, fair treatment, peers support and environment etc to encourage employees to be creative. Also current study is conducted in Pakistan and it's among of those regions where collectivist culture is prevailing so the result of study conducted in such region can differ from results of previous study conducted in individualistic culture i.e. in European countries.

***H5: Trust has significant relationship with Employee Performance***

The table 4.3 also shows the relationship between strategic leadership and employee performance. Results shows that  $\beta = .389$  at .000 significance level. This relationship is reported to be significantly related to employee performance. The significant level is also indicated by the sig. value as .000 having p value  $< 0.000$ . Thus the hypothesis that state that trust is positively and significantly related to employee performance is accepted.

***H6: Trust moderates the relationship between Strategic Leadership and Employee Performance***

The results of the analysis indicate that strategic leadership has significant relationship with moderator. B value 0.58 indicate positive and significant relationship between SL ,trust and EP which means trust moderate relationship between SL and EP so our hypothesis is accepted

## Summary of Accepted/ Rejected Hypothesis

Table 4.4

<b>Hypothesis</b>	<b>Statement</b>	<b>Results</b>
<b>H1</b>	strategic leadership is positively associated with employee creativity	<b>Accepted</b>
<b>H2</b>	strategic leadership is positively associated with employee performance	<b>Accepted</b>
<b>H3</b>	trust has significant relationship with employee creativity	<b>Accepted</b>
<b>H4</b>	trust moderate the relationship between strategic leadership and employee creativity	<b>Rejected</b>
<b>H5</b>	trust has significant relationship with employee performance	<b>Accepted</b>
<b>H6</b>	trust moderate the relationship between strategic leadership and employee performance	<b>Accepted</b>

## CHAPTER 5

### Discussion

The impact of strategic leadership on employee creativity and employee performance with moderating role of trust has been analyzed properly. Also it was analyzed that how this relationship between strategic leadership and employee creativity and strategic leadership and employee performance contribute in telecom sector of Pakistan. Detail discussion of this relationship and results analyses, conclusion derive from this discussion, implication of study, recommendation for future research is given below

#### 5.1 Discussion.

Research model variables which are Strategic Leadership, Employee Creativity, Employee Performance and Trust were analyzed in this study. Also independent and dependent variables relationship was analyzed through moderating role of trust to clarify whether trust moderate this relationship or not. Correlation and regression analysis was also done. A correlation analysis is used to find relationship between variables and to examine whether they are in same direction or opposite direction. Regression test is used to find out how much change occur in dependent variable if independent variable change by one percent

Analysis of this study confirms that there is positive and significant relationship between strategic leadership and employee creativity and employee performance.

The study results also confirm findings of past research on the relationship between strategic leadership employee creativity and employee performance.( Boal, & Bullis 1991; Boal, & Hooijberg 2001;Ireland, R. D., & Hitt, M. A. 1999) These studies identified significant relationship between strategic leadership, employee creativity and employee performance.

Inclusive and detail model is used in present study to find out impact of strategic leadership on employee creativity and strategic leadership and employee performance in telecom companies of Pakistan i.e, Zong, Warid, Ufone and Mobilink

Telecom revenues in 2014-2015 announced to be Rs 299 billion and facilities of telecom sector has been reached to 75 % of Pakistan population and in 2008 telecom sector of Pakistan was

third fastest growing market in world. Still this sector is improving and growing drastically through foreign and domestic investment. Creativity and innovation in telecom sector has great importance. R& D department of telecom companies' emphasis greatly on innovation and creativity and introduction of 3G & 4 G spectrums, broadband and other innovative services authenticate importance of innovation and creativity in telecom sector. Relationship between strategic leadership employee creativity and employee performance has been found through empirical research and theoretical analyses. Employee creativity and innovative behavior are affected by two characteristics of leaders which are personal characteristics of leaders and second one is kind of relationship between them. (Yang 2010; Mumford et al 2002)

Here in this particular study strategic leadership characteristics (dimensions) are explained which are client centricity, business development operational efficacy and organizational creativity.

According to Jung & Avolio( 1999) employees attitude, behavior, ways of thinking can be influenced by strategic leadership and this influence motivate employees to demonstrate creative and dedicated behavior towards organization. . Strategic leaders are highly recognized and appreciated for their ability in seeking new opportunities and making decisions that has influence on innovative process. Few studies focused on a perceptive of how strategic leadership is related to individual employees' creativity. In order to find out the extent to which strategic leadership results in creativity, more emphasis is given to an intrinsic motivation theory that also deals with the psychological system through which this contribution actually occurs (Lam et al 2002). From organizational Perspectives strategic leader is analyzed as the person who can foresee change promote flexible environment and can work as team to instigate change in an organization and this particular change is considered vital for an organization success and growth.

**H1:** *Strategic Leadership is positively associated with Employee Creativity*

Strategic leadership is a process that ensures an organization competitive advantages this style of leadership is hard for competitors to understand and then imitate. So strategic Leaders on hand are employees focused i.e. they listen their problems, support them meet their needs and on other hand they make sure of operation efficiency and business development. Result of such leadership style is that employees are more dedicated and satisfied towards their job as well towards organization. This Particular style of leaders also useful to endorse creativity among employees and improve their performance. This prove positive and significant relationship of strategic

leadership, Employee creativity and employee performance in customer focused organizations i.e telecom sector.

**H2:** *Strategic Leadership is positively associated with Employee Performance*

Our research proved direct relationship between strategic leadership and employee creativity and strategic leadership and employee performance. Trust as moderator is when used results shows that it moderate relationship between strategic leadership and employee performance but it do not moderate between strategic leadership and employee creativity.

Regression and correlation tables given in the previous chapter of the current study shows that leader's behavior can play crucial part in employee creativity and employee performance

So the research previously done by (Liu et al 2012; Phoocharoon, 2011; Vera & Crossan 2004) approved our H1 H2

Also trust has significant relationship with employee creativity and employee performance. This approve our H3 and H5

**H3:** *Trust has significant relationship with Employee Creativity*

**H5:** *Trust has significant relationship with Employee Performance*

Trust in the current study was taking as moderator and result from chapter 4 shows that trust do not moderate relationship between SL and EC as there are other factors that also matter apart from trust to enhance employee creativity so our H4 is not accepted

**H4:** *Trust moderate the relationship between Strategic Leadership and Employee Creativity*

Results of the H4 indicate that this study is conducted in Pakistan and this region is among of those regions that has diverse cultures as compare to other countries

Collectivist culture is prevailing in Pakistan and results can differ from the study conducted in individualistic society i.e. in European countries

Chapter 4 results also indicate that trust do moderate between SL and EP so our H6 is accepted

**H6:** *Trust moderate the relationship between Strategic Leadership and Employee Performance*

## **5.2 Conclusion**

The purpose of this research is to find out the impact of strategic leadership on employees creativity and performance. The sector in the research was telecom sector and case companies

were various telecom companies' i.e, Zong Mobilink Ufone and Warid. There are more than 350 employees were selected to fill questionnaire in different telecom companies out of which 276 respond to the survey questionnaire. The research was done to investigate how the employees grows and achieves innovative targets through leadership support and how Strategic Leadership impact on their performance and role of trust in Strategic Leadership and Employee Creativity and performance were discussed. Telecom sector is one of the fastest growing sectors in the region. After survey results it has been concluded that leadership that is strategically focused is said to have an independent and transactional leadership behavior towards employees that promote employee performance. Questionnaire was sent to the manager of the company being surveyed and also given to employees of the company. Questions asked from the employee respondents were based upon the whether their leaders are strategically focused or not and regarding their performance and trust towards leaders where as managers respondents were asked about whether employees are creative or not. 282 respondents who are the employees of the ufone warid mobilink and zong responded to the survey. Out of 282 respondents 76 were females and 206 males. Mostly are always encouraged to practice creative ideas in the company and have trust worthy relationship with supervisors and the managers/supervisors also stated that they always encourage their employees to be creative. Many have freedom of action in the company and this depicts that they are not restricted. Result from data collected also show that trust do not moderate relationship between SL and EC as most of employees believe that there are many other factors along with trust that encourage employees to be creative i.e, conflict resolution, fair treatment, environment, peers support etc. When they were asked about their performance and accomplishing the goal and task most of the employees were satisfied and motivated towards the managers. Manager also mentioned that they have different motivational strategies that they use to encourage employees and the most vital one is the reward based strategy. Many respondents mentioned that they got strong support from manager to seek new ideas and practice them. Some also mentioned that their managers listen to them, attentive towards their need and regard employees' contribution in company's growth. Few also mentioned that they have expert team leaders and managers who focused on employee centricity and help those in building strong teams. Employees also agreed that they are rewarded for their good performance, which is considered one of the most important tools for motivation in telecom companies. Generally employees were satisfied with the manager and his actions

towards the company management and employees but at same time many believe that to enhance creativity among employees by SL trust solely contribute nothing

### **5.3. Implications of study**

This specific study has various practical implication for telecom sector companies and especially our case companies' i.e, warid, zong mobilink and warid. Findings and results of this study are helpful for surveyed companies as they can utilize theses results for formulating such strategies that are related to employees and also this study intend to train employers so that they develop comfortable workplace environment for their employees where they can exhibit their creative behavior and also improve their performance. By doing this company can get competitive advantage among other competitors. One of the most important implications linked with chosen companies/sector is that leader's supportive behavior towards employees is indicator of employee commitment and employee satisfaction towards organization and eventually this will result in creativity and high performance of employees. Likewise strategic leadership in an organization verified Employee Creativity and Employee Performance. This particular study has also implication for organization that emphasis on HR practices such as those related to training and development. Guidance can be given to leaders/managers in training session of how to implement strategic leadership behavior i.e. how to be employee focused and efficient in doing business as well as how to establish workplace environment that encourage employee to show their creativity and achieve optimum level of performance. These training sessions can be helpful for organization in achieving its goals effectively and efficiently as improve individual performance leads to better organization performance. This research helps an organization to identify factors that restrict employees to show creativity at workplace and those elements that hinders Employee Performance.

### **5.4 Limitation of Study**

Results of this study shows that although most of hypothesis are accepted and show significant results except one which is rejected i.e, trust act as a moderator between Strategic Leadership and Employee Creativity. Trust as a moderator has negative but significant relationship with SL & EC. Apart from this there are other limitations as well.



Firstly data collection is done in companies located in Rawalpindi/ Islamabad although these companies operate in other cities as well. Also only few telecom companies are selected for survey due to lack of resources and time. So this can be considered as limitation of study as this study does not address impact of strategic leadership on Employee Creativity and Employee Performance in telecom sector of Pakistan as a whole. Also concept of Strategic Leadership in Pakistan is a novel concept so it might be possible that employees may exaggerate this style of leadership due to collectivist culture Secondly mode of data collection chosen was survey questionnaires only. No interviews of employees or supervisors are taken. In depth analysis may have obtained if proper interviews are arranged

#### **5.4 Recommendations for future research**

Conclusion is made from this study that strategic leadership is crucial in companies specially related to telecom sector. Strategic leadership is a new concept in Pakistan but in foreign countries it is quite established and discussed one. The function of the strategic leaders in relation to employee creativity and performance was discussed. This study also explains the different strategic leadership dimensions i.e, client centricity, operational efficiency, business development and organizational creativity. These dimensions of strategic leadership can be used wholly as a topic for the future research especially for the companies based upon customer services. Further detail research can be done on these four dimensions by aligning them with creativity and performance of employees. The study can also encourage employees towards improving their performance and also motivating them to achieve their goals. Also there is need to identify those factors that can contribute positively along with trust in SL and EC relationship.

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## MS-Research Questionnaire

I am a MS Student at Capital University of Science and Technology, Islamabad. To expand the scope of my knowledge, I intend to conduct research on “Impact of Strategic Leadership on Employee Creativity and Employee Performance in telecom sector of Pakistan; moderating role of trust”. In this regard, I have prepared the following questionnaire, and submitted to you with a request to return it duly answered. I appreciate you for sparing some time from your busy schedule for this purpose. It may be noted that, on one hand, this research is expected to contribute good insights aiming at an overall improvement in organizational setup; while on the other hand, your identity will be kept secret. So, an impartial opinion is likely to make the research work more meaning full and successful. Your cooperation is highly appreciated. Any input, suggestion by your good-self will be perceived a matter of encouragement for me.

**Tahira jabeen**

### Section-1 Strategic Leadership

Please do not generalize, but tell about what is actually happening		Scale				
Description/Identification of Survey Item		Strongly agree	Neutral	disagree	Strongly disagree	
1.	Listens attentively to the client	1	2	3	4	5
2.	Maintains a good relationship with the client	1	2	3	4	5
3.	Actively evaluate whether client expectation have been met	1	2	3	4	5
4.	Is attentive to client need	1	2	3	4	5
5.	Creates trust with clients and partners	1	2	3	4	5
6.	Checks work progress against agreed-upon objectives	1	2	3	4	5

7.	Formulates clear objectives	1	2	3	4	5
8.	Reassures time schedules and deadlines	1	2	3	4	5
9.	Works according to a structured system in order to ensure an optimal service level	1	2	3	4	5
10.	Actively explores new markets	1	2	3	4	5
11.	Recognizes potential new clients	1	2	3	4	5
12.	Makes innovative proposals to penetrate new markets	1	2	3	4	5
13.	Seeks entrance at new potential clients.	1	2	3	4	5
14.	Makes clients aware of other company products and services on offer	1	2	3	4	5
15.	Consciously makes room for creativity.	1	2	3	4	5
16.	Stimulates thinking outside-the-box	1	2	3	4	5
17.	Facilitates the experimentation with new ideas	1	2	3	4	5
18.	Engenders proactive behavior	1	2	3	4	5
19.	Persuasively sells new ideas in the organization	1	2	3	4	5
<b>Section 2 Employee performance</b>						
1.	Does work you perform meet the desired outcomes that you have been asked for?	1	2	3	4	5
2.	Do you believe in completing task before time?	1	2	3	4	5
3.	Do you feel enthusiastic and motivated while coming to office?	1	2	3	4	5
4.	Does your job required full attendance in case it does do you manage to achieve it?	1	2	3	4	5
5.	Are you a self starter and take appropriate decision without being so directed?	1	2	3	4	5
<b>Section-3 trust</b>						
1	I feel quite confident that my leader will always try to treat me fairly.	1	2	3	4	5
2	My leader would never try to gain an advantage by deceiving workers	1	2	3	4	5
3	I have complete faith in the integrity of my leader	1	2	3	4	5
4	I feel a strong loyalty to my leader	1	2	3	4	5

5	I would support my leader in almost any emergency	1	2	3	4	5
6	I have a strong sense of loyalty toward my leader	1	2	3	4	5
<b>Section-4 creativity</b>						
1.	Suggests new ways to achieve goals or objectives.	1	2	3	4	5
2.	Comes up with new and practical ideas to improve performance.	1	2	3	4	5
3.	Searches out new technologies, processes, techniques, and/or product	1	2	3	4	5
4.	Suggests new ways to increase quality.	1	2	3	4	5
5.	Is a good source of creative ideas.	1	2	3	4	5
6.	Is not afraid to take risks.	1	2	3	4	5
7.	Promotes and champions ideas to others.	1	2	3	4	5
8.	Exhibits creativity on the job when given the opportunity to.	1	2	3	4	5
9.	Develops adequate plans and schedules for the implementation of new ideas.	1	2	3	4	5
10.	Often has new and innovative ideas.	1	2	3	4	5
11.	Comes up with creative solutions to problems.	1	2	3	4	5
12.	Often has a fresh approach to problems.	1	2	3	4	5

#### Section-6

Your Name: (Optional)

Your gender:

1. Male

2. Female

Your Education:  
PhD

1. Matric

2. Intermediate

3. Graduation

4. Masters

5. MS/Phil

6.

Your E-mail: (Optional)

Your age (in years, like 40 years)

Your Organization: (Optional)

Your area of specialization: (Optional)

Your job title in this organization: (Optional)

Working experience (in years):

