

Full Length Research Paper

Followers' ability as a substitute for leadership

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The conviction that under certain circumstances “hierarchical leadership influence is replaced by the contingencies” is the central premise of the substitutes for leadership. In this regard, spectacular research has been taken to identify the potential substitutes for the leadership especially in European and American contexts. However, the present study for the first time in Pakistani context, has evaluated the followers' ability as a substitute for leadership. For this purpose, a sample of 365 middle level managers from financial sector was utilized and the proposed relationships were tested through hierarchical regression. The statistical results obtained through hierarchical regression confirmed the substitution effects of followers' ability on leadership styles and followers' criterion variables. Based on the findings of the study, practical implications for practicing managers and academicians are discussed at the end.

Key words: Leadership, substitutes for leadership, follower's ability, Pakistan.

INTRODUCTION

In substitutes for leadership, Kerr and Jermier (1978) asseverated that certain situational factors make the leaders' behaviors uncertain and redundant in influencing followers. These situational factors are termed as substitutes for leadership; authors identified a total of thirteen substitutes for leadership: four under the head of subordinates' characteristics (ability, experience, training and knowledge; need for independence; professional orientation and indifference towards organizational rewards), three under task characteristics (task provided feedback, routine tasks and intrinsically satisfying tasks), and six under organizational characteristics (organizational formalization, organizational inflexibility, group cohesiveness, advisory and support staff, organizational rewards out of leaders' control, and spatial distance between leader and subordinates).

To date, this theory has attracted a myriad of empirical research (Childers et al., 1990; De Vries, 1997; Dionne et al., 2002; Farh et al., 1987; Howell and Dorfman, 1981,

1986; Pinter and Charters, 1988; Podsakoff et al., 1996, 1993a, 1993b, 1984; Yusof and Shah, 2008). However, it is evident that most of the empirical studies in this field were conducted in European and American contexts and no concrete evidence could be ascertained especially from Pakistani work organizations. It almost becomes impossible to generalize the findings of these studies in developing societies due to cultural differences. Therefore, this study is an attempt to test the main proposition of substitutes for leadership in Pakistani work settings and more specifically, it will only evaluate the substitution effect of followers' ability on four leadership styles (charismatic leadership, leader's expertise, human oriented leadership and task oriented leadership) and two followers' criterion variables (performance and satisfaction) separately by utilizing the sample from financial sector.

In order to accomplish the research objective, this study has been classified further to offer the relevant literature review and constructed conceptual framework which is followed by the research hypotheses. The target population, sampling procedure, operational definitions and measures of the variables of study are described from which the empirical results are obtained through hierarchical regression. Discussion of the results,

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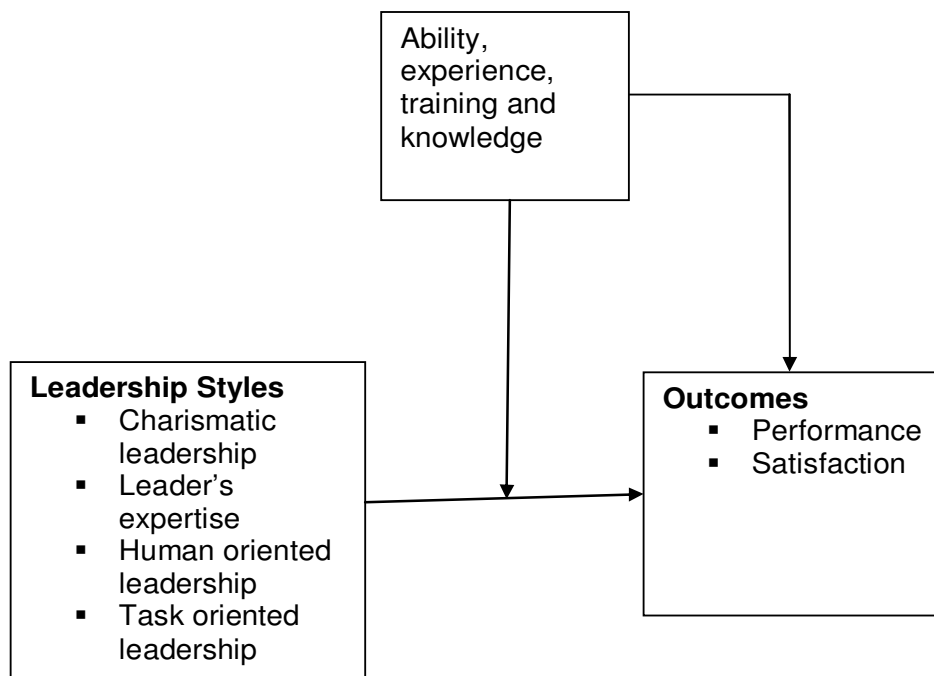


Figure 1. Conceptual framework of the study.

implications and future research directions are then presented.

LITERATURE REVIEW

Podsakoff et al. (1993a) in a study of 411 professional managerial employees from different industries found ability, experience, training, and knowledge as a negative predictor of commitment. While in case of relationship between leader's path clarification and role ambiguity, ability, experience, training, and knowledge was found as a substitute. In another study by Podsakoff et al. (1993b), as regards the relationship between leader's specification of procedure and role ambiguity, ability, experience, training and knowledge were found as negative predictors for 612 employees from different organizations.

Moreover, in case of relation between leader's support and satisfaction, ability, experience, training and knowledge was found a supplement. In case of relationship between leader's clarification of path and satisfaction, ability, experience, training, and knowledge was found as positive predictor of satisfaction. While in case of relationship between leader's specification of procedure and satisfaction, ability, experience, training, and knowledge was found negative predictor of satisfaction. In a third study by Podsakoff et al. (1996), articulating vision of transformational leaders' behavior and followers' role clarity. Further, De Vries (1997) in a study of 958 employees from diverse industries found ability, experience, training and knowledge as substitute of the relationship

between task oriented leadership and commitment. The same relation was revealed in case of leader's encouragement of self management and commitment

Conceptual framework of the study and research hypotheses

Here, the conceptual framework (Figure 1) of the study is presented and based on the conceptual framework, the research hypotheses are formulated.

The conceptual framework (Figure 1) of the study contains two major parts (that is, upper and lower part). In the upper part, one box is shown and in this box, the followers' ability, experience, training and knowledge is inserted. The lower part of the framework consists of two boxes; in one box, the leadership styles (charismatic leadership, leader's expertise, human oriented, and task oriented leadership) are placed and in second box, followers' outcomes (performance and satisfaction) are shown.

The arrow head stemming out from leadership styles to ability was also found as a substitute between followers' outcomes represents the direct effects of leadership styles on followers' outcomes. However, the arrow head is also directed from followers' ability to followers' criterion variables. This shows that other than leadership styles, followers' ability has also some kind of direct effect on criterion variables. While, the direct relationship between leadership styles and followers' outcomes is intersected by the followers' ability showing the

Table 1. Summary of moderator effects of followers' ability on leadership styles and followers' work outcomes.

| Moderator effect | Followers' ability | |
|---------------------------|--------------------|--------------|
| | Performance | Satisfaction |
| Charismatic leadership | - | - |
| Leader's expertise | - | - |
| Human oriented leadership | - | - |
| Task oriented leadership | - | - |

"-" This indicates that followers' ability in connection with leadership styles will negatively affect the subordinates' outcomes.

moderating effect of followers' ability on leadership styles and followers' criterion variables.

Here, one might expect that the followers, who are well educated, trained and are experts in their areas, already know how to perform the tasks (De Vries, 1997). Therefore, such followers require less hierarchical guidance from their supervisors and rely on their own capabilities in carrying out their job assignments (Kerr and Jermier, 1978; De Vries, 1997), and if leadership is given to these followers, then it will not add any significant effect to their performance and job satisfaction. In the light of this, it is hypothesized that:

Main hypothesis: AETK among followers will negatively moderate on leadership styles and followers' work outcomes.

The summary about each possible effect of followers' ability on leadership styles and followers' outcomes is given in Table 1. In order to empirically test the proposed relationships, the research methodology is presented.

RESEARCH METHODOLOGY

Target population and sample

Financial sector of Pakistan was chosen as a target population of the study and the middle level managerial employees were selected as target respondents. There are two basic reasons for selecting this group as target respondents. Firstly, due to technological revolutions and human resource transformations, the financial sector has also started hiring more educated and professional personnel. Secondly, to remain competitive in the market, the firms from this sector are also heavily investing on the training and development of their human resource. Thus, there are more chances of occurring of high degree of ability, experience, training and knowledge across the sampled group. Further, due to resource constraints, the sample was only taken from Punjab province of Pakistan.

Data collection method

The selected group was personally approached with the formal consent of their section/unit incharges. The questionnaires were administered for data gathering purpose. A total of 850 questionnaires were administered and out of 850, 365 questionnaires were retrieved, yielding 43% response rate.

Measures

This sub section offers the operational definitions and instruments used to measure the variables and also the reliability scores of the instruments utilized in this study.

Ability, experience, training and knowledge

Ability, experience, training, and knowledge refers to the job relevant skills that individual has obtained through formal and informal education, examples, transfer of knowledge by peers, superiors etc (De Vries, 1997). A total of 4 items were adopted from substitutes for leadership scale of Kerr and Jermier (1978) to measure the ability of followers. The value of Cronbach alpha of these items remained 0.75 for this study.

Charismatic leadership

Charismatic leadership is the ability to positively influence others through a compelling vision that deviates from the status quo and encouraging the followers to be independent thinker. A total of 8 items from reduced version of transformational leadership scale (Bass and Avolio, 1995) were adopted to measure the charismatic leadership. The Cronbach alpha remained 0.87.

Leader's expertise

Leader's expertise reflects the extent to which the leader is expert in all related areas of his section/department. Leader's expertise scale is adopted from Podsakoff et al. (1983) and 3 items were selected from leader's expertise scale. The reliability score remained 0.69 for these three items.

Human oriented leadership

Human oriented behavior of a leader reflects his actions towards friendship, mutual trust, respect and warmth in relationship between the leader and members of the group (Halpin and Winer, 1957).

Task oriented leadership

The task oriented behaviors of the leader show that the leader is involved in defining the relationship between himself and the members of his group, and in endeavoring to establish well-defined patterns of organization, channels of communication and ways of getting the job done (Halpin and Winer, 1957). The widely used

Table 2. Effect of followers' ability on charismatic leadership and subordinates' outcomes.

| Criteria | R ² _{adj.} | ΔR ² | ΔF | β |
|---------------------------------------|--------------------------------|-----------------|-------|---------|
| A. Criterion: Performance | | | | |
| Charismatic leadership (CL) | 0.126 | 0.129 | 41.13 | 0.27*** |
| AETK | 0.212 | 0.089 | 31.37 | 0.29*** |
| Interaction (CL × AETK) | 0.235 | 0.025 | 9.08 | -0.16** |
| B. Criterion: Job satisfaction | | | | |
| Charismatic leadership (CL) | 0.117 | 0.120 | 37.84 | 0.30*** |
| AETK | 0.149 | 0.035 | 11.56 | 0.17*** |
| Interaction (CL × AETK) | 0.172 | 0.026 | 8.74 | -0.16** |

***p<0.001, **p<.01, *p<.05, †p < .10; AETK = Ability, Experience, Training and knowledge.

leadership styles that is, human oriented and task oriented leadership, were measured through shortened version of supervisory behaviors description questionnaire (Fleishman, 1970). A total of 16 items (8 each for human oriented and task oriented leadership) were adopted from reduced version of SBDQ (supervisory behavior description questionnaire). The reliability score for task oriented leadership remained 0.76 and for human oriented leadership, it remained 0.80. Further, all the items related to leadership characteristics were measured on likert scale (strongly disagree "1" to strongly agree "5").

Employees' performance

Self rated performance index was used to measure the performance of employee on current position for example quality of work, quantity of work, dependability, ability to learn, initiative. Self rated performance scale of Roe et al. (1995) was utilized to measure the performance of employees and total 6 items were adopted. The Cronbach alpha value remained 0.75 for these items.

Satisfaction

Employee's degree of satisfaction with his/her current job was measured using Minnesota Satisfaction Index (Weiss, 2002). A total of 4 items were selected to measure the attitude of employees towards his/her job and obtained value of Cronbach alpha was 0.85 for this study.

EMPIRICAL RESULTS

To test the substitution effect of AETK, hierarchical regression analyses were performed using SPSS and the hierarchical procedure suggested by Cohen et al. (2003) was applied. At first step, outcomes (performance and job satisfaction separately) were regressed on leadership (X₁ stands for standardized scores of task oriented leadership, human oriented leadership, leader's expertise, and charismatic leadership) separately:

$$Y = \alpha_0 + \beta_1 X_1 + \varepsilon$$

At the second step, AETK was added in the regression equation:

$$Y = \alpha_0 + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$$

At the third and last step, interaction terms (for example Charismatic leadership × AETK) using the standardized scores of the leadership and AETK were entered in the regression equation:

$$Y = \alpha_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_1 * X_2 + \varepsilon$$

Moreover, in order to determine the substitute effect of AETK on leadership and outcomes, the signs of regression coefficients were checked. If the leadership and AETK had positive effect on outcomes, but the interaction term had negative effect on outcomes, or vice versa, the substitute effect of AETK would have been confirmed (Howell et al., 1986). Empirical results on the mean scores of the predictors are further. Table 2 presents the statistical results of the effect of followers' ability on charismatic leadership and subordinates' outcomes criterion.

In Table 2 (A and B), both interactions are found statistically significant. Ability, experience, training and knowledge of the followers acted as substitute of the relationship between charismatic leadership and followers' performance and satisfaction. This indicates, in case of highly qualified employees, there will be less strong relationship between charismatic leadership and followers' performance and satisfaction. Therefore, this makes clear that employees with high ability, experience, training, and knowledge are better performer and have high job satisfaction than their less able and less trained co-workers. Hence, charismatic leadership will not add any significant effect on the already satisfied and better performers. Table 3 presents the statistical results of the effect of followers' ability on leader's expertise and subordinates' outcomes criterion.

Table 3 (A and B) reveals that ability, experience, training, and knowledge is found as substituting the relationship of leader's expertise and employees' performance and satisfaction. This indicates that leader's expertise will not add any significant effect to qualified employees' performance and satisfaction. Table 4

Table 3. Effect of followers' ability on leader's expertise and subordinates' outcomes.

| Criteria | R ² _{adj.} | ΔR ² | ΔF | β |
|---------------------------------------|--------------------------------|-----------------|-------|---------|
| A. Criterion: Performance | | | | |
| Leader's expertise (LX) | 0.143 | 0.146 | 47.67 | 0.23*** |
| AETK | 0.231 | 0.090 | 32.84 | 0.31*** |
| Interaction (LX × AETK) | 0.247 | 0.018 | 6.74 | -0.14* |
| B. Criterion: Job satisfaction | | | | |
| Leader's expertise (LX) | 0.134 | 0.137 | 44.41 | 0.28*** |
| AETK | 0.162 | 0.031 | 10.36 | 0.19** |
| Interaction (LX × AETK) | 0.170 | 0.010 | 3.51 | -0.11° |

***p<0.001, **p<.01, *p<.05, °p < .10; AETK = Ability, experience, training, and knowledge.

Table 4. Effect of followers' ability on human oriented leadership and subordinates' outcomes.

| Criteria | R ² _{adj.} | ΔR ² | ΔF | β |
|---------------------------------------|--------------------------------|-----------------|-------|---------|
| A. Criterion: Performance | | | | |
| Human oriented leadership (HL) | 0.199 | 0.202 | 69.70 | 0.32*** |
| AETK | 0.274 | 0.077 | 29.54 | 0.28*** |
| Interaction (HL × AETK) | 0.299 | 0.027 | 10.73 | -0.17** |
| B. Criterion: Job satisfaction | | | | |
| Human oriented leadership (HL) | 0.150 | 0.153 | 49.94 | 0.31*** |
| AETK | 0.177 | 0.030 | 10.07 | 0.17** |
| Interaction (HL × AETK) | 0.187 | 0.013 | 4.43 | -0.12* |

***p<0.001, **p<0.01, *p<0.05, °p <0.10; AETK = Ability, experience, training, and knowledge.

presents the statistical results of followers' ability in combination with human oriented leadership on subordinates' outcomes criterion. Table 4 (A and B) shows that two interaction effects are statistically significant. In both cases ability, experience, training and knowledge of the followers act as substitute of the relationship between human oriented leadership and employees' performance and satisfaction. This shows that in case of able and qualified followers, human oriented behaviors of the leader are less influential in predicting the followers' job satisfaction and performance. Table 5 presents the empirical results of the effect of followers' ability on task oriented leadership and subordinates' outcomes criterion.

In Table 5 (A and B), followers' ability, experience, training, and knowledge is found as a substitute of the relationship between task oriented leadership and employees' performance and satisfaction. This indicates that leader's specification of procedure has weak effect on the qualified followers' performance and satisfaction.

DISCUSSION

This study analyzed the substitution effect of AETK on leadership and followers' outcomes. A total of eight

relations were empirically tested and all relationships were found statistically significant. Empirical results of the study fully support the underlying hypothesis of the study, but substitutes can never optimally take place of leadership, as substitutes make leadership less influential. For instance, if the high degree (+1, above the zero shows the high degree/score of the variable) of AETK is inserted in the regression equation, it will result in lowering the value of regression coefficient of leadership, yet certain relationship amid leadership and outcomes prevails. While, in case of low degree (-1, below the mean score which is 0 of the standardized variable), the regression coefficient of the leadership is inflated. Therefore, it may be concluded that substitutes can never be perfectly replaced with formal leadership, but merely influence (either weakening the relationship between leadership styles and outcomes or strengthening the relationship between leadership styles and outcomes) in predicting the followers' outcomes.

Limitations and future research

Practically, organizations should focus more and more on the training and development of the employees, as

Table 5. Effect of followers' ability on task oriented leadership and subordinates' outcomes.

| Criteria | R ² _{adj.} | ΔR ² | ΔF | β |
|---------------------------------------|--------------------------------|-----------------|-------|----------|
| A. Criterion: Performance | | | | |
| Task oriented leadership (TL) | 0.173 | 0.176 | 58.91 | 0.32*** |
| AETK | 0.240 | 0.069 | 25.02 | 0.25*** |
| Interaction (TL × AETK) | 0.277 | 0.040 | 15.18 | -0.20*** |
| B. Criterion: Job satisfaction | | | | |
| Task oriented leadership (TL) | 0.120 | 0.123 | 38.67 | 0.29*** |
| AETK | 0.145 | 0.028 | 9.02 | 0.15* |
| Interaction (TL × AETK) | 0.163 | 0.021 | 7.05 | -0.15** |

***p < 0.001, **p < 0.01, *p < 0.05, †p < 0.10; AETK = ability, experience, training, and knowledge.

leadership itself seems less motivated and inadequate. Though, this study only tested the effect of followers' ability on four leadership styles and two subordinates' criterion variables using data from single sector, this may restrict the generalizability of findings to other sectors. However, the findings of the study are convincing that even employing Western theory seems promising in Asian context. Moreover, concentrated research is required especially testing the effects of all substitutes variables on variety of leadership styles and subordinates' criterion variables in diverse industrial settings in Asian context.

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