Role of Leadership Style and Its Impact on Getting Competitive Advantage

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Abstract: The leadership is the important part of an organization. It is really believed that if organization gain the competitive advantage in the market then it moves to the success of its business which can be measurable and manageable. For achieving competitive advantage for an organization the role of leadership is very much important because the leadership is known as the back bone of an organization and the major source for gaining the competitive advantage. This study is conducted to provide the impact of leadership on the competitive advantage. There are some models defines the competitive advantage and the leadership which are specifically derived for this study. The purpose of explaining these models in this study to explain the effect of leadership on competitive advantage.

Key words: Transactional • Transformational • Leadership and Competitive advantage

INTRODUCTION

Leadership and competitive advantage are two different variables. Leadership implements the ways or tracks for the group or the team of an organization to achieve desire goals of an organization. The business is growing day by day change, trends and the technology advancement which is putting highly effect on business creativeness and improvements [1]. Traditionally a leader is in charge of the subordinates or a group of an organization. Leadership always influence in gaining the competitive advantage of an organization. The organizational scholars show that the leader is having its numerous resources to inspiration the creativeness in their organizations in which the role or leadership is most important thing. Through this the organization can influence the creation. The role of the leadership in or creativeness has been investigated by managerial academics in this collection. Investigators displays that leaders have at their retention numerous earnings to stimulus originality in their organizations [2]. The researcher proposed the study by method of merging competitive advantage [3]. The other main bases of competitive advantage so, the critical distinguishing issue among businesses could be how human resources are established and developed in specific organization [4]. Competitive advantage always refers to the fact the organization has the capability to achieve anything they think is possible if they know the line to achieve it. Leadership is the back bone of an organization. The challengers of an organization continuously try to employment well populates for the career, so firms would continually estimate the social issue [5]. Leadership is based on leader. Competitive advantage is the important to get for an organization because if the organization wants to lead the market then it has to compete the competitors and for this the competitive advantage is the key point through which they can get the market leading position.

After the literature review, it is understood that there is absence of investigation around the influence of leadership on organization’s competitive advantage the goal of this study is to examine the influence of leadership on the organization’s competitive advantage in Khyber PakhtoonKhwa, focusing on the Peshawar Top 2Match Industries. The researchers has been done there studies on leadership styles and also on competitive advantage but the mainly impact of leadership on competitive advantage is not fully studied. In this study the mainly impact of leadership on competitive advantage is studied.
**Significance/importance:** Through this study the impact of leadership is found on the competitive advantage of an organization. Moreover the companies are always trying to beat their competitors in the market. Being the market leader there is very much important to gain the competitive advantage for an organization. The more performance consequences and preeminence in manufacture are directly reproduces the competitive advantage. Overhead literatures indicate the competitive advantage is the main source for potential competition it also provides the understanding that the leadership will have the main role for gaining the competitive advantage which leads an organization to the success in the market.

The scholar who have the eligible knowledge have been shown that the organization culture, technology, effectiveness of an organization on the basis of change and competitive advantage [6]. The knowledge of the scholars helped in the future of 21st century environmental organization, there originality and to bring new invention can be the main source of competitive advantage. Leadership role in gaining the competitive advantage and bringing innovation is not being pointed out by the authors. The organizations are having the leadership which plays the main role for getting edge over there competitors. Many of the organization’s competitive advantage is based on the structure, strategy, technology and culture of the organization. Although the leadership is also the main and very important source of competitive advantage.

So the main question arises that what is leadership and how do we define it? There are certain characteristics of the leadership nature and behavior. Cyert, president of Carnegie Mellon University has been divided the leadership into two dimensions consideration and initiating structure by the authors of the books and articles on organization theory. The Thought Measurement is characterized by an importance on good relations. The leader’s sociable, welcoming and a good hearer. Leadership behavior can be defined as open and recruiting psychological trust. Not all managers are leaders and, equally, not all leaders are managers. Moreover, just because a company has placed a manager into formal expert does not mean that this manager will be able to lead effectively. However, these two terms can be considered free because in today’s changing world both are required [7].

**How Leaders Encourage Creativity and Innovation:** For inspiration and the essence of invention to improve in every business, its requirement is to distinguish the part of the leaders in positive creativeness. Leaders can positively inspire organizational creativeness and invention by scheming the organization to stand-in an atmosphere that is favorable for creativeness to embellishment. Leaders can prepare this by construction sociable and comprehensive operational circumstances for the associates of the business. When the collective building of the business supports workforce’s sense safe and believed, it takes out their creativeness [8]. Subsequently, administrative leaders necessity admiration, assessment and attach the productivity of thoughts, circumstances and viewpoints of each worker and agree to them to use their distinctive individual belongings and involvements to effort for the business [10].

Furthermore, the topmost leadership of the business must assess the creativeness themselves and be whole-hearted approximately positive new improvements. This delivers the desirable encounter and chances for individuals in the business to be innovative [11]. The visualization and intentional objectives of leadership conclude if the business enthusiastically develops creativeness. Therefore, a sensational visualization supports to create a energy surroundings where every person can contribute completely and accomplish professional and individual development in the chase of a collective visualization. Here the leader encourages the rest of the individuals in the business to carry out their creativeness from end to end generating a collective visualization of the variety of business they must construct. The leader motivates others with a determination and a better intelligence of operation. This kind of effort surrounding is encouraging to creativeness, although this kind of leadership grounds modifications in a supporter that ultimately changes them into actual and innovative leaders.

[12] have faith in that the maximum problematic barrier of creativeness to overwhelmed is managerial principles that influences in contrast to imagination and improvement. This kind of principles brings up the confidence that the approach the organization performed in the previous is the technique it must continuously task. The inspirations for such performance are frequently terror of disappointment,
Types of Leadership: Amongst the numerous concepts of leadership and motivation linking to actual organizational transformation managing, possibly the maximum projecting is the transformational, transactional and charismatic concept of leadership. As clarified in [15].

Charismatic Leadership: Charismatic leaders can accomplish worthy achievements such as revolving round poorly organizations, stimulating elderly governments, or initiation new initiatives [16]. They can achieve these achievements by strongly interactive a compelling visualization of the coming, avidly trusting in their visualization, encouraging their confidence with energy and supporting original thoughts. Charismatic can motivate others by submission terms of self-confidence in supporter’s skills to accomplish high ideals. Charismatic leader intelligence openings and express visualizations, they appear to intelligence their supporters desire as well as understand the incompetence of a current condition. They are skillful in detection unexploited chances. Charismatic leaders who show high beliefs in adding to showing self-confidence in their assistants, improvement self-confidence and can in chance, usual or take an advanced area for him selves and have superior self-confidence in themselves. These in chance, can principal to additional activities and a growth in 10 assistant’s intelligence of value. They may deliver their supporters with an optimistic individuality. Additional provision of this is reproduced in the subsequent declaration by [17]. Leaders who connect high presentation outlooks for assistants and exhibition self-confidence in their skills to encounter these opportunities incline to improve assistant’s self-confidence and move the objectives that assistant usual for themselves.

[11] Defines charismatic leadership as “latent on commitment to the unique inviolability, bravery or model charisma of a specific individual and of the normative designs or instruction discovered by him”. He imagined religious leaders. Later studies measured several public administrative leaders like Mahatma Gandhi as charismatic leaders. Rulers like Hitler also consumed certain charismatic qualities. These stood the leaders with excellent abilities which complete them the great individual in this world for their followers. The attraction of such individuals made their supporters go behind these leaders without questioning them. While examining such a durable pledge among the leaders and his supporters Weber emphases on the public arrangements and
circumstances under which the leader survives. Though, the advanced investigates heave light on the inner characteristics of the leaders which make them effective charismatic leaders. Their research demonstrates that charismatic leaders demand toughly to the standards of the supporters and it is this psychological bondage between the dual which creates the charismatic leadership be successful.

Outcomes of Charismatic Leadership: Many researchers see charismatic leadership as optimistic force which produces required consequences. Though there are particular researchers who emphasis on undesirable characteristics of the charismatic leadership. We will understand both sides of the charismatic leadership. It is perceived that charismatic leadership encourages supporters to contribute additional production than what is predictable from them. It also accomplishes self-actualization in its supporters [18]. It is perceived that charismatic leadership workings in a public construction to intensify the confidence of the supporters. It forms the civilization the approach the supporters and the leader had imagined. In the professional world also the charismatic leadership workings certainly. It increases the general routine of the association. It makes logic of self-actualization in the supporters. It also generates an intelligence of agreement and belongingness in the supporters to the organization.

Transformational Leadership: Transformational leaders have charisma deliver intelligent inspiration, encouraging leadership and customized thought to their supporters. Supporters who classify with a leader at periods may convert their performance and become dedicated to the leader. Charismatic leaders can take around considerable changes, organization or culture on a unabridged. Transforming leaders may inspire their supporters to reflect their objectives or necessities on a durable base somewhat than achieve their instant necessities. In other arguments, they identify the necessities of their supporters and also pursue to fulfill those necessities on an advanced level. Transformational leaders incline to be additional inventors of leaders and groups and inspire their supporters to put sideways their individual welfares for the respectable of the set of society [5]. They boost discussion within an organization so that organization fellows may acquire from all additional and improvement perceptions that might not have been achieved without discussion. Concluded positive association, a sensitivity of authorization can develop. Authorization, association and mutual choice creation are the keystones of transformational leadership.

Transational Leadership: Transactional leaders inspire their supporters in the way of recognized objectives by instructive character and mission necessities. The transactional leader “follows a price advantage, financial conversation to see assistant present sensible and mental requirements in return for slender facilities” [5]. The main association among transactional leaders and supporters is an discussion of amongst leader and supporter such as agreements for divisions or possibilities for prizes. In additional arguments, transactional leaders deliver recompenses to supporters for achieving a mission or for development to achieving an objective. They can also involve in undesirable response for a supporter’s disappointment to accomplish a objective or achieve a task. The affirmative strengthening helps to strengthen the struggle complete on the portion of the supporters so that they endure to achieve in the way they have involved in. leaders who involve in this organization style may encounter with assistants when every dual months to become informs or rank intelligences if there is a problematic. Then, they have very slight connection, do not inspire recurrent informs from their supporters and deliver devotion only if a considerable trouble retires.

Concept of Competitive Advantage: Numerous plans referring organizations degree competitive advantage in terms of stockholder revenues. A more dominant method to reflect of invention is that it means: purposely ‘carrying into existence’ somewhat new that can be continued and frequent and which has some worth or value. Dynamic and complex competitive advantage has formed substantial insecurity for organizations, but circumstances of ambiguity also current chances” [19]. The competitors of the firm continuously try to employment improved occupies for the occupation, so organizations should continuously estimate the human reason. The considered human wealth is mean of achievement competitive advantage concluded one of the most imperative assets is people [20]. The other sources of competitive advantage, like skill and physical resources are moderately easier to match and transmission. Then, the critical distinguishing influence between businesses can be by what method human resources are industrialized and cultivated in specific organization [4].
They originate that Faith and self-confidence in topmost leadership was the solitary maximum consistent interpreter of employee agreement in a business. They also mentioned that the deliberate HR efficiency unnatural both production and reappearance on fairness”. Actual statement by leadership in three serious ranges was the main to engaging structural hope and self-confidence: Helping workers recognize the establishment's general business strategy. Helping employees appreciate how they underwrite to accomplishing key business goals. Involvement material with workers on together how the business is doing and how a worker's own separation is responsibility qualified to planned business goals. [21] Say “When an organization obtains a upper level of cost-effective revenue than the normal rate of cost-effective revenue of other organizations rival within the similar marketplace, the firm has a competitive advantage in that marketplace.” Leadership growth would instigate and finish with the business’s plan and objectives in Mind [22].

**Leadership Influence on Competitive Advantage:**
Organizational philosophers suggest numerous representations for team management; numerous imitate the fundamental idea that sides are compound, lively structures that happen in superior universal settings of persons, values, machineries and constructions [23]. The study of [24] recommends that the character of leadership must be sympathetic; they added attention in knowing the willpowers of human resources”.
All the academics and investigators on human resources are in consensus that the leaders must make incessant determinations to establish growth platforms for civilizing the services and competences. Explain that the leadership and organization are qualitatively dissimilar and equally high-class”. Other investigators also opinion leading and dealing a separate procedure, but they do not assume that leaders and administrators are dissimilar type of peoples [25]. The affiliation of leadership with the assistants and primarily with the member is very important Effective strategic leaders distillate on encouraging the capability to alteration through the business’s social prosperity somewhat than focused on formation positive that a specific alteration is complete at a fact of period. Therefore, the greatest measurement of fruitful planned leadership is as long as the way, effect, simplification and authorization such that collection memberships comprehend their possible [26].

**Theoretical Framework of the Study:** Research consists of the following research framework. Research has dependent variable in shape of competitive advantage. While there are three independent variables of this study.

- **Transactional Leadership**
- **Transformational Leadership**
- **Charismatic Leadership**

The three independent variables are transactional leadership, Transformational leadership and Charismatic leadership styles while competitive advantage depends upon mentioned leadership styles.

**Hypothesis of the Study:** On the basis of theoretical framework of the study following three hypotheses has been developed.

**H1:** Charismatic leadership has an effect on competitive advantage.

**H2:** Transformational leadership has an effect on competitive advantage.

**H3:** Transactional Leadership has an effect on competitive advantage.

The study represent that competitive advantage depends upon three leadership styles Transactional, Transformational and charismatic.

**Research Methodology:** The approach to data collection and analysis is quantitative in design, in order to utilize statistical information gathered from the proposed research instruments as well as making a variety of subjective assessments of similar research data. For research both primary and secondary data were collected. The methods used for collecting primary and secondary data are as follows: The method used to collect Primary data includes a structured self administered 5 point lickert scale questionnaire, from university students of Peshawar.
Pakistan. Methods used to collect secondary data, include, research papers, circular, newsletters, journals and internet

**Sample Size and Selection:** In this study the data will gather from the Khyber Match Factory and Mohsin Match Factory. The population is infinite. In this study Random Selection Method is used. The planned sample collection will contain of replies from 50 to 80 workers in a variation of match productions in Peshawar with the survey of questionnaire spread to the Managers as well as the lower staff of the organization upon management approval to conduct the study.

**Reliability of Scale:** Reliability test using Cronbach's Alpha is conducted in order to find out the reliability of the variables of the study constituted from the questions asked from the respondent’s through questionnaire.

The table 1 shows the Cronbach’s alpha which measure the reliability for the Transactional Leadership, Transformational Leadership, Charismatic leadership and competitive advantage. The above table calculations suggest that the responses given by respondents of the study are reliable.

**Findings and Analysis**

**The Descriptive Statistic:** Table 2 the descriptive statistic of leadership and competitive advantage factors. The above table show that means value of charismatic leadership is 2.6863 with standard Deviation of 0.81523. The mean value of transformational leadership is 2.6902 with standard deviation. 86285. The mean value of transactional leadership is 2.8824 with standard deviation 0.72352. The mean value of competitive advantage is 2.9098 with standard deviation 0.91504. The mean range in this table is from 2.00 to 3.33.

**Correlations:** It shows the relationship between the independent and dependent variable are Charismatic Leadership, Transformational Leadership, Transactional Leadership and Competitive Advantage.

The above table of show the relationship between the variables of the study the value of Pearson correlation between charismatic leadership and competitive advantage is 34% which shows the relationship is weak between the two variables. The value is significant at 99% confidence interval. The value of Pearson correlation between transformational leadership and competitive advantage is 66% which shows relationship is somehow liable between the two variables. The value is significant at 99% confidence interval. The value of Pearson correlation between transactional leadership and competitive advantage is 72% which shows the relationship is strong between the two variables.

**Regression Results:** The following results were obtained after fitting the multiple linear regressions.

The adjusted R-square in the table 2 shows that the dependent variable, (competitive advantage) is affected 77.2% by independent leadership styles (Transactional, Transformational and charismatic Leadership.).

<table>
<thead>
<tr>
<th>S.No</th>
<th>Variables</th>
<th>Cronbach’s Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Philanthropic Practices</td>
<td>.649</td>
<td>5</td>
</tr>
<tr>
<td>2</td>
<td>Transformational Leadership</td>
<td>.803</td>
<td>5</td>
</tr>
<tr>
<td>3</td>
<td>Charismatic Leadership</td>
<td>.718</td>
<td>4</td>
</tr>
<tr>
<td>4</td>
<td>competitive advantage</td>
<td>.783</td>
<td>5</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Variables</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charismatic</td>
<td>51</td>
<td>1</td>
<td>4.25</td>
<td>2.6863</td>
<td>.81523</td>
</tr>
<tr>
<td>Transformational</td>
<td>51</td>
<td>1</td>
<td>5</td>
<td>2.6902</td>
<td>.86285</td>
</tr>
<tr>
<td>Transactional</td>
<td>51</td>
<td>1</td>
<td>4.60</td>
<td>2.8824</td>
<td>.72352</td>
</tr>
<tr>
<td>Competitive Advantage</td>
<td>51</td>
<td>1</td>
<td>5</td>
<td>2.9098</td>
<td>.91504</td>
</tr>
<tr>
<td>Valid N (list wise)</td>
<td>51</td>
<td></td>
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</table>
It shows that mentioned independent variables are responsible for competitive advantage. The overall model was also significant, tested with the help of ANOVA. The results are given in the following table 3.

ANOVA table is showing the level of significance. Through the table it is clear that all independents factors, Transformational and charismatic Leadership are responsible for the competitive advantage and that the relationship between them is significant as compared to alpha value=0.05. Table 6 shows the coefficients of all independent variables included in the model along with their respective P-values.

Below table represents that leadership styles i.e. Transactional, Transformational and charismatic Leadership has a significant impact on competitive advantage of a firm.

In the above table the B represent change in the dependent variable because of change in independent Variable leadership factor the coefficient value of leadership is 0.387. When the independent variable value change by one unit the dependent value in response to change in Independent variable changes by 0.387 units. This estimate is significant at 99% level show the acceptance and Rejection of hypothesis. The intercept term equal to 1.870. The t value at 1% significance level is 2.570.

In the above table of ANOVA the mean square is 75%. It shows that there is 75% change in dependent variable due to independent variables. The F value is 6.607 at significance level of 0.13 which means there is significant effect of charismatic leadership on the competitive advantage. Thus H1 is accepted.
When the independent variable value change by one unit the dependent value in response to change in Independent variable changes by 0.709 units. This estimate is significant at 99% level show the acceptance and rejection of hypothesis. The intercept term equal to 1.004. The t value at 1% significance level is 6.285. The F value is 39.507 at significance level of 0.00 which means there is significant effect of transformational leadership on the competitive advantage. Thus H2 is accepted.

When the independent variable value change by one unit the dependent value in response to change in Independent variable changes by 0.921 units. This estimate is significant at 99% level show the acceptance and rejection of hypothesis. The intercept term equal to 256. The t value at 1% significance level is 7.433. The F value is 55.253 at significance level of 0.00 which means there is strong relationship of transactional leadership with the competitive advantage.

**DISCUSSION**

In this paper the main research goal is to define the impact of leadership on the competitive advantage. Through this study the hypothesis is determined that there is a strong relationship between the leadership on the competitive advantage. This result is in connection with the findings of [6] who found that there is a strong relationship of leadership with competitive advantage. The purpose of these things is to explain that the Leadership is the key source of competitive advantage. Concluded this study that the hypothesis is resolute that there is a solid relationship among the leadership on the competitive advantage. This conclusion is linked with the [2] and also is specified that the role of the leadership in worker creativeness has been examined by managerial academics in this collection. Investigators displays that leaders have at their retention numerous earnings to inducement originality in their organizations. The findings are related with this statement.

Through this study the hypothesis is resolute that there is a durable relationship between the leadership on the competitive advantage. This outcome is related with the [14] that states to the fact that the organization has the competence to achieve anything they think is possible if they know the line to achieve it.

From side to side this study the hypothesis is strong-minded that there is a strong relationship between the leadership on the competitive advantage. This classification is attached with the [3] that refers that the competitors of an organization continuously try to employment well populates for the career, so firms would continually estimate the social issue and have to know the leadership and its effectiveness on the competitive advantage.

Over this study the hypothesis is resolute that there is a durable relationship between the leadership on the competitive advantage. This judgment is associated with the [24] that refers that “A firm that obtains larger economic revenues inside its business or in its considered set above the extended track is supposed to adore a competitive advantage above its competitors.” From end to end this study the hypothesis is determined that there is a durable relationship between the leadership on the competitive advantage. This result is connected with the [13] that refers that the character of leadership must be sympathetic; they added attention in knowing the willpowers of human resources and the competitive advantage.

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**CONCLUSION**

In this paper the main research goal is to define the impact of leadership on the competitive advantage. Through this study the hypothesis is determined that there is a strong relationship between the leadership on the competitive advantage. This result is found that there is a strong relationship of leadership with competitive advantage. The purpose of these things is to explain that the Leadership is the key source of competitive advantage. The next step is to analyze existing data to ensure it is clean and accurate. The third and final step is to assess the options in terms of this study. An attempt was made to make to this paper and to identify the impact of leadership on the competitive advantage. The analysis shows that there is positive impact of leadership on the competitive advantage. It is observed that there is direct and positive relationship between leadership and competitive advantage. It means that the leadership is directly proportion to competitive advantage.
Based on regression analysis there are significance influence from charismatic, transformational and transactional leadership from the test result the three independent variables charismatic, transformational and transactional have positive impact on dependent variable that is competitive advantage. The studies consist of self admin questionnaire which were distributed in Peshawar. The questionnaires consist of charismatic, transformational, transactional and competitive advantage factors. The sample size was 54. We analyze the data through SPSS software and made tables of ANOVA as, coefficients, correlation. The result we obtained from the regression model shows that there is strong impact of charismatic, transformational and transactional leadership on competitive advantage.

REFERENCES