



LEADERSHIP EFFECTIVENESS OF GOVERNMENT AND PRIVATE ORGANIZATIONAL PERFORMANCE IN SRI LANKA: A STUDY ON THE GAMPAHA DISTRICT

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Introduction

Background of the study

Leadership is the main goal that leads people in an organization toward achieving goals. Leaders influence employee's behaviors in several ways. A leader sets a clear vision for the organization; motivates employees and guides employees through the work process. Setting a clear vision means influencing employees to understand and accept the future state of the organization. A good leader will influence the employees to perform their duties by explaining the vision and the importance of their role in the outcome. Motivating employee's means to find out enough about the needs and wants of employees and giving them what they need and providing for a job well done. It is important to guide employees to define their role in the work process and provide them with tools needed to perform and participate in their effort along the way and building morale is the main target that leaders must fulfill. Good leaders will tell the employees, how much their work is appreciated.

And if we talk about leadership and organizational performance, private and government organization have a more central role in societies' response to social problems than ever before. Each leadership style has an impact on creating company profit. There is a short- and long-term effect of each style. The longer transaction, laissez - fair, transformational leadership style is leading the organization it helps to get the more products the company can produce. Many Leaders see the initial drop in production and cannot wait long enough for the true result. In the view of Wayne (1998) the level of labor productivity is said to be an important indicator of business growth. As productivity increases, the output naturally increases. Company growth along with productivity, the wage and other compensation of the employees also increase. Due to the importance of productivity in business, business leaders are promoting a leadership style. Besides, a suitable leadership style significantly enhanced the labor productivity level. But they observed that the effects on Leadership on organizational performance could be either good or bad. Radcliffe (1998) argued "does leadership make a difference to organizational performance" He contends that organizational performance is not exclusively because of the effective leadership, there are other external forces that affect the performance.

Objectives of the study

- To examine whether new technology affects organization profit
 - To examine whether the organizational leadership is relevant to the organizational business goals between the government and private organizations
 - To examine whether the new methods are resulting in an increase in organizational profit.
- Research Methodology

Methodology

Interview from one hundred and eighteen employees were conducted on private and government organizations within eighteen sampling organization. The questionnaire was distributed among the employees and targeted their past experiences about leadership. Moreover, additional open-ended questions were asked to clarify the given responses about the leadership and productivity of the organization. Answered questionnaires were studied to create a composition of all answers. Respondent's statement about leadership and organizational profit was carefully highlighted. Then

a questionnaire study was undertaken to develop a relationship about leadership and organizational profit in Sri Lanka

Techniques of data Analysis:

Interview from one hundred and eighteen employees were conducted on private and government organizations within eighteen sampling organizations. Questionnaires were distributed among the employees and targeted their experience about leadership. Moreover, additional open-ended questions were asked to clarify the given responses about the leadership and productivity of the organization. Answered questionnaires were studied to create composition of all answers. Respondent's statement about leadership and organizational profit were carefully highlighted. Then a questionnaire study was undertaken to develop a relationship about leadership and organizational profit in Sri Lanka. The study covers all government and private organization in Gampaha district. In this study, the options, perception, and attitude of leadership effectiveness were sought on private and government organization in Sri Lanka based on the Gampaha district. They are shown in the below table.

Sampling Size and sampling procedure

The following formula was used to calculate the sample size for this study was,

$$nf = \frac{s}{1 + \left(\frac{s}{N}\right)}$$

n = the desire sample size when the population is less than 10,000

s = the sample size.

N = the estimated of the population size.

$$nf = \frac{s}{1 + \left(\frac{s}{N}\right)}$$

$$n = \frac{354}{1 + \left(\frac{354}{366}\right)}$$
$$= 179.9$$

Reliability of the study

In this study internal consistency reliability of the instrument was evaluated through calculation of Cornbrash's alpha. Internal consistency reliability is determined by checking the components of the questionnaire against each other. Cornbrash's alpha is the most common form of reliability coefficient and its value ranges from 0 to +1. By convention alpha should be 0.70 or higher to retain an item in the scale. If the variables are less than 5 alphas should be 5 or higher than 5.

Hypotheses

1st Hypothesis

H0: There is a relationship between leadership effectiveness and private organizational profit.

H1: There is no relationship between leadership effectiveness and private organizational profit.

2nd Hypothesis

H0: there is a relationship between leadership effectiveness and government organizational profit.

H1: there is no relationship between leadership effectiveness and government organizational profit.

Correlation



Since this study is exploratory in nature, the collecting data are further analyses using the correlation test; Pearson’s correlation coefficient is a measure of linear association. The correlation coefficient value (r) range from 0.10 to 0.29 is considered weak, from 0.30 to 0.49 is considered medium and from 0.50 to 1.0 is considered strong. The study measure correlation between leadership behavior and organizational profit.

Results and Discussion

I investigated the relationship between leadership effectiveness and organizational profit in the private and the government sectors in Sri Lanka (based on the Gampaha district). The data were analyzed using descriptive and inferential statically measures.

In this chapter, the captured data from quantitative research is presented, analyzed, described, and interpreted. The analysis process aimed to present data following the research aim. The research results were first presented as a government sector analysis and secondly, it presented as the private-sector analysis. The purpose of this study was to analyze selected characteristics of leadership effectiveness and organization profit.

Objective 01

To examine that new technology effecting to the increase the organization profit

H0: There is No relationship between the organization profit and government organizational technology.

H1: There is a relationship between the leadership and government organizational technology.

Chi-Square Tests

Source: Compiled from the field data

Chi-Square Tests between leadership and organizational performance.

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.869 ^a	2	.238
Likelihood Ratio	2.885	2	.236
Linear-by-Linear Association	.248	1	.618
N of Valid Cases	90		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 7.82.

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.686 ^a	1	.408
Continuity Correction^b	.380	1	.538
Likelihood Ratio	.686	1	.407
Linear-by-Linear Association	.678	1	.410
N of Valid Cases	90		

Source: Compiled from the field data

The p value appears in the column the result is Not significant if this value is more than the Alpha level (0.05). In this case p –value is higher than the significant value. So, we’d accept the null hypothesis. To put in simply, the result is not significant. The data suggest that there is No relationship between the leadership and government organizational profit.

Source: Compiled from the field data

Objective 02

To examine that the leadership effects to support the business goals.

Correlations between leadership and organizational business goals.

		Leadership	Support the business goals
Leadership	Pearson Correlation	1	-.425**
	Sig. (2-tailed)		.000
	N	89	89
Support the business goals	Pearson Correlation	-.425**	1
	Sig. (2-tailed)	.000	
	N	89	90

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

Source: Compiled from the field data

Bivariate correlation test computes Pearson’s correlation coefficient and measure how variables or rank orders are related. Pearson’s correlation coefficient is a measure of linear association. The correlation coefficient value (r) ranges from 0.10 to 0.29 is considered weak, from 0.30 to 0.49 is considered medium and from 0.50 to 1.0 is considered strong. Above Table shows the correlations between leadership and support the business goals (- 0.425) as it can be seen, correlations between the leadership receive and support the business goals ratings were relatively low. As expected, leadership is not significantly correlated to organizational goals in government sectors.

Chi – square test

To examine that the leadership helps to support the business goals and does it effect to gain the profit in the company

H0: there is No relationship between leadership effectiveness and support the business goals.

H1:- there is a relationship between leadership effectiveness and support the business goals.

Chi – square test for examine between leadership and organizational business goals.

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.311 ^a	2	.519
Likelihood Ratio	1.318	2	.517
Linear-by-Linear Association	1.271	1	.260
N of Valid Cases	90		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 8.44.

Source: Compiled from the field data



H0 Accepted.P value is equal to 0.519.P value > significant level (0.519 > 0.05)

Since the 0.519 is higher than the significance level (0.05) we can accept the null hypothesis. Thus, we conclude that there is NO relationship between leadership and support the business goals in government sector organizations. The p value appears in the column the result is not significant if this value is more than the Alpha level (0.05). In this case p –value is higher than the significant value. So, we’d accept the null hypothesis. To put in simply, the result is not significant. The data suggests that there is No relationship between the leadership and government organizational business goals.

Objective 03

To examine that the leadership helps to learn something new and does it effect to gain the profit in the company

H0: leadership helps to learn something new, and it does not affect to gain the profit in the company

H1: leadership helps to learn something new, and it does affect to gain the profit in the company

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.713 ^a	4	.788
Likelihood Ratio	2.471	4	.650
Linear-by-Linear Association	.516	1	.473
N of Valid Cases	90		

a. 5 cells (50.0%) have expected count less than 5. The minimum expected count is .16.

Source: Compiled from the field data

H0 Accepted.P value is equal to 0.788.P value > significant level (0.788 > 0.05).

Since the P value is higher than the significance level (0.05) we can accept the null hypothesis. Thus, we conclude that there is NO relationship between leadership support to learn something new and it does not affect the gain of government organizations profit.

Private Organization

Main Hypothesis

- **To examine that is there a relationship between leadership and private organizational performance.**

H0: There is No relationship between the leadership and private organizational performance.

H1: There is a relationship between the leadership and private organizational performance.

Table 32: Chi-Square Tests for main hypothesis

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.404 ^a	4	.034
Likelihood Ratio	6.141	4	.189
Linear-by-Linear Association	.129	1	.720
N of Valid Cases	90		



a. 5 cells (55.6%) have expected count less than 5. The minimum expected count is .10.

Source: Compiled from the field data

H0 rejected value is equal to 0.034. P value < significant level (0.034 < 0.05)

Since the P value is lower than the significance level (0.05) we can reject the null hypothesis. Thus, we conclude that there is a relationship between leadership and private organizational performance.

Objective 01

To examine that new technology effecting to the increase the organization profit

H0: There is No relationship between the new technology and private organizational performance.

H1: There is a relationship between the new technology and private organizational performance

Chi-Square Tests for new technology and organization profit

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	18.446 ^a	4	.001
Likelihood Ratio	20.383	4	.000
Linear-by-Linear Association	17.994	1	.000
N of Valid Cases	89		

a. 4 cells (40.0%) have expected count less than 5. The minimum expected count is .97.

Source: Compiled from the field data

H0 rejected value is equal to 0.001. P value < significant level (0.001 < 0.05)

Since the P value is lower than the significance level (0.05) we can reject the null hypothesis. Thus, we conclude that there is a relationship between new technology and private organizational performance.

Objective 02

To examine that leadership effects to improve the business goals.

Correlations for leadership and business goals

		Receive the leadership	Support the business goals
Receive the leadership	Pearson Correlation	1	.410**
	Sig. (2-tailed)		.000
	N	90	90
Support the business goals	Pearson Correlation	.410**	1
	Sig. (2-tailed)	.000	
	N	90	90

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

Source: Compiled from the field data

Bivariate correlation test computes Pearson’s correlation coefficient and measure how variables or rank orders are related. Pearson’s correlation coefficient is a measure of linear association. The



correlation coefficient value (r) ranges from 0.10 to 0.29 is considered weak, from 0.30 to 0.49 is considered medium and from 0.50 to 1.0 is considered strong. Above Table shows the correlations between leadership and support the business goals (0.410) as it can be seen, correlations between the leadership receive and support the business goals ratings were relatively high than the government organizations performance. As expected, leadership is significantly correlated to organizational goals in private sectors more than the government sectors.

Chi – square test

To examine whether relationship between leadership effectiveness and support the business goals.

H0: there is No relationship between leadership effectiveness and support the business goals.

H1: - there is a relationship between leadership effectiveness and support the business goals

Chi-Square Tests for leadership and business goals

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	44.494 ^a	5	.000
Likelihood Ratio	8.216	5	.145
Linear-by-Linear Association	7.384	1	.007
N of Valid Cases	90		

a. 8 cells (66.7%) have expected count less than 5. The minimum expected count is .01.

Source: Compiled from the field data

H0 Rejected value is equal to 0.000.P value < significant level (0.000 < 0.05).

Since the P value is lower than the significance level (0.05) we can reject the null hypothesis. Thus, we conclude that there is a relationship between leadership and private organizational performance.

Objective 03

To examine whether leadership helps to learn something new and does it effect to gain the profit in the private company

H0: leadership helps to learn something new, and it does not affect to gain the profit in the private company

H1: leadership helps to learn something new, and it does affect to gain the profit in private the company

Chi-Square Tests for objective 3

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	22.348 ^a	4	.000
Likelihood Ratio	24.196	4	.000
Linear-by-Linear Association	19.043	1	.000
N of Valid Cases	89		

a. 3 cells (30.0%) have expected count less than 5. The minimum expected count is .74.

Source: Compiled from the field data

H0 rejected. P value is equal to 0.000.P value < significant level (0.000 < 0.05)



Since the P value is lower than the significance level (0.05) we can reject the null hypothesis. Thus, we conclude that there is a relationship between leadership support to learn something new and it does affect to gain the government organizations profit.

Summarise the analysis data

Above analysis we can compare the private and government organizations behaviour under the leadership effectiveness. The result of the study reveals that there is a significant impact of the private organizational performance and leadership effectiveness. However, no significant impact was found for government organizational performance and their leadership effectiveness. The result of the study confirms previous finding that showed and literature review.

The finding of this study clearly demonstrates an essentially perfect positive relationship between leadership effectiveness and private organizational performance. Two main hypothesis (Table No15, Table No 29) were confirmed this general finding. These results make us reach the overall conclusion that the effective leadership helps to grow the private organizational profit more than the government organizational profit.

Conclusion and Recommendation.

In contrast to the literature and the analysis, leadership should be higher effective in the private organization more than the government organizations. The leadership training impact appears larger in the public and private sectors. The differences were statistically significant. Some literature suggests that private sector leadership is more effective for organizational performance more than government leadership training. And we found that it is correct. Because of the above, therefore, to realize the objective, the leadership should effective enough to recognize the suitable work environment. Hence, arising from the finding of the hypothesis, which was tested with the chi-square statical method, the study concludes that there is a positive relationship between effective leadership and private organizations' performance and negative relationship between effective leadership and government organizational performance. But the factor such as good office equipment, funds, and the working environment is some of the factors which hamper the performance of the organization.

Since it was discovered, private organizational members show a high level of commitment to their work if they get good leadership practice, if it means that the behavior of the leadership influences the worker's impact on the organization profit. And we found that an effective leadership role is hampered in the private sector profit more than the government sector. The research confirms that the leadership function is very important for any organization seeking to achieve financial success and competitive advantages (because private organizations are seeking more financial status than the government sectors.) the investigation revealed that although other external factors, such as good office equipment, high salary, new technology, new development methods, may be responsible for the performance of an organization, with effective leadership an organization can overcome the most important challenges such as high profit. The research also showed that leadership could have either a positive or negative effect on an organization. In conclusion, based on the analysis, I strongly believe that leadership by the private organization was effective as it has enabled the organizations to achieve its objectives, developed the right strategies and policies to achieve the higher profit in the organization.

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