

Research Paper

The effect of organizational leadership style on human resource management while emphasizing the mediating role of competitive work environment

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Abstract

The current research has been conducted with the aim of investigating the effect of organizational leadership style on human resource management while emphasizing the mediating role of competitive work environment. The research method was descriptive-correlative. The statistical population of this research is all the employees of Asia Insurance Company in Tehran, which is currently 3922 people, of which 350 people have been selected as a statistical sample using Cochran's sample size determination method and simple random sampling method. In this research, the standard organizational leadership style questionnaire of Bardens and Metzkas (1996), the standard questionnaire of human resource management by Sarmad et al. (2013), and the standard questionnaire of the competitive work environment of Fletcher and Nussbaum (2010) were used to collect data, and the Descriptive and inferential statistics technique have also been used. To analyze data, descriptive statistical methods of gender, education, and age are used, along with separating minimum, maximum, average, standard deviation, skewness and kurtosis test, factor analysis test, structural equation method, and Spss 22 and Smart Pls software. The results of the research show that the organizational leadership style has no significant effect on human resource management and it has been rejected, but the organizational leadership style on the competitive work environment, the competitive work environment on human resource management, and the organizational leadership style on human resource management with the mediating role of the competitive work environment have a significant effect which has been confirmed.

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Extended Abstract

Introduction

Along with planning, organizing and controlling, the leadership of the organization is considered one of the essential and important duties of the manager and plays a fundamental role in the management of the organization. Leadership is the process of directing and exerting influence on the activities of the group or members of the organization. The research of Ko (2011) has shown that the leadership style of managers is one of the effective factors in increasing morale, motivation, performance, efficiency and effectiveness and ultimately productivity in organizations. Various classifications of leadership styles have been done by researchers, but in a new classification based on the way of performance in 2015, Setin and Kinnick divided leaders into two groups: exchange and transformational. A relationship-oriented leader pays attention to the needs and motivation of subordinates and improves personal, group and organizational needs and provides new opportunities for the organization to identify effective methods for doing work (Jafari Harandi & Najafi, 2018). Considering the many challenges facing organizations and employees in the 21st century, employees need to update their knowledge, skills and expertise; and organizations should invest more and more effectively in their human resources more than before. Therefore, the correct understanding and identification of the factors affecting employee learning plays an important role in ensuring the managers of the effectiveness of human resources training and development plans (Force & Glory, 2021).

Human resources are the most valuable and important asset of an organization. And the individual and collective efforts of people resulting from knowledge, thinking, creativity and efficiency of the human resource management that brings the organization closer or further away from the set goals. Therefore, considering the importance of human resource management as the most prominent factor of competitive advantage and the importance of managers' skills in the correct leadership, human resource management directly affects the efficiency and effectiveness of human resources (Soleimani & Babadi et al, 2022). On the other hand, the competitive pressures in the global markets are increasing so much that improving quality, low-cost production, timely fulfillment of customer expectations and managerial accountability is not only an option but a strategic necessity. These competitive conditions have made organizational learning and knowledge management to be the focus of organizations' managers, along with issues such as quality management, modeling, re-engineering, downsizing and outsourcing, and strategic planning, organizational learning, and knowledge management (Darban et al, 2020). Gaining competitive capabilities in today's world has become one of the basic challenges of different countries at the international level. The resource-based view allows us to understand well the method of using and combining resources by the organization, the factors of achieving a sustainable competitive advantage, and the nature of the resources used by the organization (Hosseini & Shams, 2014).

In the way of creating a competitive advantage, there are two important points to consider: First, the organization can create a stable competitive advantage through its merits, which is valuable for customers, and is always superior to competitors. Second, due to the increase in environmental complexity and the intensity of competition, competitive advantage is either easily imitated by competitors or fades in the eyes of customers and must be replaced with new advantages (Zarei, 2022). Based on this, organizations should think about finding sustainable competitive advantages for themselves (Alavi Matin & Chavoshpour, 2017). Sustainable competitive advantage refers to those advantages that are valuable for customers due to the use of the organization's competencies, cannot be easily imitated and copied by competitors, and bring the organization decent performance and competitiveness. Today, organizations must have a competitive advantage to improve performance and face

competitors, because superior performance, which is the goal of all organizations, comes from their competitive advantage. In recent years, competitive advantage has been at the center of the discussion of competitive strategies (Nemati et al., 2019).

According to the mentioned contents, this research seeks to answer the question that, to what extent does organizational leadership style affect human resource management while emphasizing the role of a mediator of a competitive work environment in Asia Insurance Company in Tehran?

Theoretical framework

Leadership is the ability to influence the group to achieve goals. If the source of influence is personal, the person is considered as a leader (Shabri Abd et al, 2016). Leadership is the ability to attract people and influence and affect them so that people (followers) voluntarily accept individual personality and leadership in a given situation to achieve their goals and needs (Jafari Harandi & Najafi, 2018) A leader is generally in the center of group activities and changes and, in a word: is a manifestation of the groups will, The method by which a leader uses his influence to achieve the goal is called leadership style, and Organizational leadership style is basically the manager's attitude towards his role and employees' (Khosrovabadi et al., 2021). Some also define the leadership style as fixed characteristics or characteristics of the leader in addition to fixed behavioral patterns (Yongping et al., 2018).

Human resource management is: the process of working with people, so that these people and their organization achieve full potential (Yongping et al., 2018). Therefore, human resources are the most valuable and important assets of an organization, and the individual and collective efforts of people are the result of knowledge, thinking, creativity and efficiency of human resources that bring the organization closer or further away from the set goals. Thus, considering the importance of human resources as the most prominent factor of competitive advantage and the importance of managers' skills in the correct leadership of human resources, leadership directly affects the efficiency and effectiveness of human resources (Fedorova et al., 2019).

Human source is one of the most important inputs of each organizational system, Competitiveness is a process that every organization tries to do better than others and surpass them. In general, it can be said that a sustainable competitive advantage consists of features such as durability, high security capability, appropriate tolerability, high biological capability, high support capability, high acceptability, proper power of justification and persuasion, and considerable negotiation power which, according to the stability and strength of the duration of the competitive advantage, all or some of the above features will exist in it. Global business leaders increasingly believe in the view that knowledge is one of the most important organizational capabilities and competencies, and it can be said that it is the basis and root of all competitive advantages (Arabshahi & Mirzaei, 2021). The possibility of achieving a strategic competitive advantage in the 21st century is for organizations that have understood this importance that their survival depends on the ability to capture intelligence and ingenuity, and transfer it to usable knowledge and quickly disseminate it at organizational levels (Hojatpour, 2021).

Methodology

The research method is descriptive- correlative, and practical in terms of purpose. The statistical population includes all the employees of Asia Insurance Company in Tehran, which currently includes 3922 people. Also, the number of 350 employees of Tehran Asia Insurance Co. was selected as a statistical sample using Cochran's sample size determination method. In order to collect data related to the variable of organizational leadership style, the standard



questionnaire by Bardens and Metzkas (1996), and the standard questionnaire by Sarmad et al. (2013) for the variable of the human resource management, and the standard questionnaire by Fletcher and Nussbaum's (2010) for the variable of the competitive work environment were used.

Discussion and Results

In order to investigate the hypothesis of the research, the modeling of structural equations, the method of structural equation modeling with the help of spss software was used to test the hypotheses from inferential statistics. Then PLS software was used to test the hypotheses or the conceptual model of the research, and the results showed that the path coefficient of the relationship between organizational leadership style and human resource management is (-0.068). The P-Value significance coefficient is also (1.650) and its value is less than the significance threshold, i.e. (1.96). Therefore, organizational leadership style does not have a significant effect on human resource management in Asia Insurance Co., Tehran, so the first hypothesis of the research is not confirmed. The path coefficient of the strength of the relationship between organizational leadership style and competitive work environment is (-0.255). The P-Value significance coefficient is also (3.440) and its value is more than the threshold of significance i.e. (1.96). Therefore, the second hypothesis based on the relationship between organizational leadership style and competitive work environment is confirmed. The path coefficient of the strength of the relationship between competitive work environment and human resource management is (**0.727**). The P-Value significance coefficient is also (21.229) and its value is more than the threshold of significance i.e. (1.96). Therefore, the third hypothesis based on the relationship between competitive work environment and human resource management is confirmed. The result of the Sobel test of the relationship between organizational leadership style and human resource management and competitive work environment is (2.38). The absolute value of the number obtained from the Sobel test is compared with the number 1.96, and if the Z-value is greater than 1.96, the significance of the effect of the mediator variable is confirmed. Therefore, according to the result of the Sobel test, the fourth hypothesis of the research is also confirmed.

Conclusion

The main purpose of this article is to investigate the effect of organizational leadership style on human resource management while emphasizing the mediating role of competitive work environment. Effective organizational leadership should provide a way to direct the efforts of all employees to accomplish the organization's human resource management. Without leadership or direction, the existing link between organizational human resources may be weakened or broken. This issue can lead to a suboptimal situation in which individual work is done only to achieve the individual's goals, and at the same time, the entire organization loses its efficiency and adequacy and is prevented to achieve its goals. Therefore, for an organization to remain successful, the existence of organizational leadership is obligatory and necessary. Also, in today's competitive environment, the key requirement for companies to succeed is to identify how to create, maintain and sustain competitive advantage. In order to develop and exploit their competitive advantage, organizations must have capabilities that can be used to create scarce, valuable and inimitable resources. Properly managing human resources within the organization is a type of competitive advantage that is difficult to imitate and copy for all organizational leaders and should be developed as a part of organizational resources. Human resources are, in fact, the assets of the organization, which does not enable it to design and deploy strategies aimed at increasing productivity and efficiency and ultimately growing the competitiveness of the organization, and a defect in this issue can

improve the performance of human resources within the organization. According to the mentioned content, it can be concluded that organizational leadership style on human resources management with the condition of existence of competitive work environment can cause organizational growth and stability. Therefore, it can be said; there is a significant effect between organizational leadership style on human resource management by explaining the mediating role of existence of competitive work environment in Asia Insurance Company of Tehran, and the main hypothesis of the research is confirmed. The results of the main research hypothesis test by Al-Wadiri and Mobini (2018), Jafari Herandi and Najafi (2018) and Nemati et al. (2019), Norouzi and Droudi (2019), Martin Santana et al. are in accordance with each other.

Based on the obtained results, it is suggested: the way the organization's management uses various management methods and leadership styles is an important factor to create the desired organizational performance; Managers should give employees the right to make decisions or comment on various matters within the organization, because the silence of employees towards organizational human resources will reduce job satisfaction in the long run, or produce the worse consequences of job indifference in the work environment. It is suggested that the goals and missions of each organization should be specified and determined for all the management factors of the organization, such as organization, planning, motivation and leadership, human and material resource management, control and monitoring systems, so that the goals and missions of the organization can be better followed in order to achieve the desired performance. It is suggested to hold training courses, scientific and specialized seminars on human resources management in organizations or provide conditions for participation in training courses, scientific and specialized seminars in a competitive work environment outside the organization and create material and non-material incentives for employees in order to try to increase their interest in pursuing training programs for organizational leaders and increasing the quality and quantity of their organizational performance. It is also suggested to improve and grow the organization by creating an understanding and spirit of knowing the leadership within the organization and how to relate human resource management processes and achieve a competitive advantage in organizations.