Impact of Managerial Competency and Learning Orientation on Job Performance

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ARTICLE DETAILS

ABSTRACT

The study empirically investigates the impact of managerial competency and learning orientation on job performance of individuals working in the software industry of Pakistan. Social skills have been introduced as a moderator alongside entrepreneurial leadership which acts as a mediator in both relationships. The data from 384 respondents, collected through survey, was analyzed using Structural Equation Modeling (SEM) through SmartPLS. The results suggested that managerial competency and learning orientation are positively related to job performance, and entrepreneurial leadership partially mediated the relationship of managerial competency and job performance, and learning orientation and job performance. Social skills moderate the relationship of managerial competency and job performance, while the moderating role of social skills was not found for the association of learning orientation and job performance.

To the best of our knowledge, this is the first investigation of its kind, incorporating technical and behavioral aspects (social skills) in a single framework. The study contributes to the existing literature by analyzing the impact of aforementioned relationships in the Pakistani organizational context. The study may present vital insights for organizations to prioritize development of managerial competencies, learning orientation, entrepreneurial leadership and social skills for improved job performance.

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1. Introduction
1.1 Managerial Competency

In current era of globalization and intense competition organizations require experienced, qualified and informed managers to achieve the objectives of their firm (Langton and Robbins, 2007). In order to achieve competitive advantage, organizations continue to strive for improving employee skills set and managerial competencies. Managerial competency is vital for ensuring organizational productivity and high performance.
In 1973, the American psychologist and consultant McClelland first described the term competence to signify the human factors which are necessary for achieving success at personal and professional levels. Current management literature seeks to describe the aspects of organizational success that are related to productivity and performance from a variety of viewpoints (Fraser and Zhu, 2008). Breman and Bruinsma (2006) examined whether a higher level of competence is associated with a higher level of performance using a 360-degree feedback instrument. In this study, a positive association between competence and performance was illustrated. The researchers also highlighted that managerial skills can contribute to an increased level of employee and organizational performance as a whole. According to Ketchen et al., (2011), the relationship between managerial skills and business success remains an important subject of research.

1.2 Learning Orientation
The organizational value that impacts an institution’s tendency to exploit and produce knowledge is known as learning orientation (Zhao et al., 2011; Wang, 2008). The significance of learning orientation and its influence on innovation has been highlighted in several studies (Rhee et al., 2010; Chung et al., 2015). There are multiple learning methods in which an organization can develop itself, including knowing the customer requirements and gathering information about developments in the external environment in order to build the necessary competencies to meet the new requirements in a timely manner (Kozlowski et al., 2001). A strong impact of learning orientation (organizational learning) on the output of the organization has been explicitly shown in a study conducted by Kropp et al., (2006). Organizational learning is a vital requirement for the success of not only small but also large scale companies that operate in a dynamic and competitive business environment (Ghoshal, 1987).

According to Boud et al., (2000), innovation and creativity is influenced by an employee and manager’s ability to learn. Marsick and Watkins (2001) argued that informal learning is focused towards acquiring and sharing knowledge and information with coworkers and team mates. Information sharing positively influences performance, creativity and innovation in peripheral assignments and initiatives undertaken by teams. It is revealed in several studies that the performance of an organization can be augmented by institutionalizing the elements of learning orientation and innovation (Ozmen and Eris, 2012; Breen et al., 2011).

1.3 Job Performance
Job performance is the aggregate anticipated sum of one’s discrete behavioral episodes around a standard time span in an organization. For any particular task, the job performance is the anticipated output of an individual in terms of quality and quantity. The key determinant for an individual's performance is motivation, will and capacity to do the task (Motowidlo et al., 2008). Moreover, the extent to which an employee carries out prescribed organizational work role expectations is known as standard job performance (Jex, 2002; Katz and Kahn, 1966). It has also been found that job autonomy improves employee responsiveness and employee ownership within the organization (Morgeson et al., 2005). Moreover, job autonomy also encourages workers to transfer and share a wider range of essential knowledge for completing a task within the organization (Parker, 1998).

1.4 Entrepreneurial Leadership
Leadership has always been indicated as one of the facilitating and inspiring factors that impacts various dimensions related to performance and work behavior of employees (Park et al., 2017; Xie et al., 2014; Soriano and Comeche, 2007). Entrepreneurial Leadership is relatively a new concept in leadership approaches, becoming more and more popular among many scholars in the 21st century (Karol, 2015). The Entrepreneurial Leadership (EL) is an approach in which the leader influences followers’ individual performances towards accomplishment of organizational goals through recognition and exploitation of entrepreneurial opportunities (Renko et al., 2015). The importance of leadership in the execution and generation of innovative ideas at work is given due credit (Yoshida et al., 2014). The entrepreneurial leadership approach has been centered rather than other leadership approaches, say creative leadership, as it not only encourages the followers to participate in innovative behavior but also inspires them to generate innovative ideas for commercial gain (Tierney and Farmer, 2004; Epitropaki et al., 2015). Entrepreneurial leadership has been considered as team-level concept as suggested by the previous literature (Lord and Dinh, 2012).
The role of entrepreneurial leadership is said to be more concentrated as compared to the other leadership styles i.e. participative and transformational leadership (Jin et al., 2014).

1.5 Social Skills
Social skills are the ability to effectively interact with others (Wu, 2008). Social skills have become particularly important in today's organizations as the increase in service-oriented roles have made organizational structures flatter (Wu, 2008). Social skills have been investigated in various domains, which include industrial psychology, clinical psychology, interpersonal psychology, communications, leadership, vocational, trainings, and occupational sociology as suggested by various scholars (Hollin and Trower, 1986; Hargie and McCartan, 1986; Attewell, 1990).

Strong social skills can promote interpersonal connections, which surely augments job performance (Wu, 2008; Hattrup and Jackson, 1996). Few researchers have studied social skills to act as predictor of job performance (Hogan and Shelton, 1998). Social skills have been conceptualized by management, with respect to relational/interpersonal strategies that are fitting for a specific outcome (Ferris et al., 1989).

As suggested by Wayne et al. (1997), interpersonal skills influence job performance evaluations.

1.6 Managerial Competency & Job Performance
Managerial competency plays a vital role in ensuring organizational effectiveness (Veliu and Manxhari, 2017). A study conducted by Wahab and Tyasari (2019) investigated this relationship in light of Social Cognitive Learning theory and saw that managerial competency was vital to increase job performance. Moreover, Veliu and Manxhari (2017) found that managerial competency and SME performance are positively related. Abbaszadeh et al., (2012), conducted research in chemical industry of Iran and found a positive association between managerial competencies and employee productivity in the said industry. Managerial competencies were analyzed from two aspects i.e. managerial skills and general characteristics. Furthermore, employees’ productivity was analyzed from three aspects i.e. optimum use of organizational resources, organizational commitment improvement in working style, and motivation. It is established by the researcher that managerial competencies substantially impacts employees’ productivity.

Figure 1. Research model.
The association between managerial competence and job performance has been studied in literature. According to Sanda et al., (2011), competency is an important underlying characteristic that is often related to superior job performance and managerial effectiveness. It is suggested that competency is viewed as a dimension of behavior and is related to both individual and organizational performance. It is noted that managerial competence is demonstrated by skills, knowledge, abilities and personal traits of managers required for effective work performance. Moreover, Kuffour (2008), explained the vital role of managerial competencies in SMEs and demonstrated that SMEs can achieve competitive advantage by ensuring that executives exhibit managerial competencies that can help motivate and increase employee productivity and performance. Therefore, performance is an outcome of executive and employee competencies and hence managerial competencies have a positive relationship with superior performance (Sanda et al., 2011).

H₁: Managerial competency is positively related to job performance.

1.7 Learning Orientation & Job Performance
Some studies have studied the association of learning orientation and job performance but the link has not been widely explored in the literature (Long, 2013). A study examining the impact of Learning Orientation on the performance was carried out by Wang (2008) for UK firms. According to Wang (2008), it has been suggested that learning orientation is positively associated to job performance.

Moreover, an investigation on the influence of learning orientation on job performance has also been carried out by Wahab and Tyasari (2019) for university leaders of Pakistan. The researcher studied the relationship between aforementioned variables in light of social cognitive learning theory and suggested that learning orientation is positively associated to job performance.

An investigation conducted to study the association of learning orientation and performance in Turkish logistics companies, it was carried out by Eris and Ozmen (2012). According to the researcher, it is concluded that the learning orientation effectively contributes to knowledge sharing and achievement of organizational goals, hence learning orientation and performance are positively related. Wahab and Mahmood (2015) also investigated this relationship and found that learning oriented university leaders perform better.

The impact of organizational learning on the business performance has been investigated by Jiménez and Valle (2011). The study was conducted in Spanish firms and the outcomes advised that organizational learning and business performance are positively related.

A study conducted by Sawaean and Ali (2020) advised that learning orientation and performance are positively related.

The social cognitive learning theory upholds the view of learning orientation and managerial competency’s effect on job performance, which proposes that learning competencies regulate the behavior and performance of individuals (Wood and Bandura, 1989).

H₂: Learning orientation & job performance are positively related.

1.8 Managerial Competency & Entrepreneurial Leadership
An entrepreneur plays a pivotal role for brining innovation, creativity, innovation and change in an organization (Zijlstra, 2014). In an era of changing customer demands, entrepreneurs explore new opportunities for business. In order to survive, leaders need to adapt to change in a dynamic business environment and thus should practice entrepreneurial leadership style. Entrepreneurial leadership is not widely studied in literature; however, its mediating impact has been addressed in few studies (Wahab and Tyasari, 2019). Wahab and Tyasari (2019) explored the mediation of entrepreneurial leadership among the association of managerial competency and job performance. The findings advocated that entrepreneurial leadership does mediate the aforementioned relationship. Zarefard and Cho (2018) combined managerial competencies and entrepreneurial competencies and introduced a new concept of entrepreneurial leadership competencies. The author suggested that entrepreneurial leadership competencies produce entrepreneurial attitude. Moreover, entrepreneurial leadership provides foundation to take innovative actions and measures that favor organizational goals accomplishment.
Thus, empirical evidence suggests that there is a positive impact of managerial competency on entrepreneurial leadership.

H₃: Managerial competency & entrepreneurial leadership are positively related.

1.9 Entrepreneurial Leadership & Job Performance

Entrepreneurial thinking is necessary in a business environment characterized by redefined markets, restructured the activities and revised operating models (Ireland and Webb, 2007). The effect of Entrepreneurial Leadership on innovation work behavior (IWB) and opportunity recognition (OR) has been investigated by Bagheri (2017) in Iranian business context and the results advocated of a noteworthy influence of EL on IWB & OR of workforce in high-tech SMEs of Iran.

Leaders in extremely volatile and dynamic environments like high-tech companies believe the development of new ideas and the identification of entrepreneurial opportunities is an important way of improving their business processes, employee performance, competitiveness and growth (Ireland et al., 2003).

The impact of entrepreneurship orientation and attitude on the project performance has been examined by Sabahi and Parast (2020). The outcomes of the study revealed that entrepreneurship orientation and entrepreneurial attitude are the most important predictors of project performance.

An investigation conducted by Trivellas and Drimoussis (2013) examined the relationship between managerial competency and leadership styles on project performance and success in Greece. The study was conducted through survey research method and the findings of the study suggested that managerial competency and leadership styles are the best predictors of project success and performance.

As reported by Wahab and Tyasari (2019), there exists a mediation among managerial competency and job performance over entrepreneurial leadership, while contingency theory upholds the entrepreneurial leadership view and resource-based theory upholds the individual’s performance view and its impact on organizational performance. Therefore, it can be deduced that entrepreneurial leadership positively impacts job performance.

H₄: Entrepreneurial leadership and job performance are positively related.

H₅: The association of managerial competency & job performance gets mediated by entrepreneurial leadership.

1.10 Learning Orientation & Entrepreneurial Leadership

Entrepreneurial leadership emerged as a new study model the fields of entrepreneurship and leadership (Wahab and Mahmood, 2015). The notion of entrepreneurial leadership has become pivotal for companies to maintain sustainability, performance and adaptability (Gupta et al., 2004).

The mediating effect of entrepreneurial leadership among the association of learning orientation & job performance has been investigated by Wahab and Mahmood (2015). The study was conducted through survey research method and the outcomes advocated of mediation of entrepreneurial leadership in the aforementioned relationship.

The mediation of entrepreneurial leadership in the study can be seen in light of contingency theory which proposes that leadership skills discover the necessities of the environment that exist in the given situation (Fiedler, 1972).

The individual performance (job performance) view has got the support of resource-based theory which proposes that the resources that are rare and difficult to imitate, position an organization for long-term success and superior performance (Wernerfelt, 1984).

H₆: Learning orientation is positively related to entrepreneurial leadership.

H₇: The association of learning orientation & job performance gets mediated by entrepreneurial leadership.
1.11 Social Skills and Job Performance
Social skills have been defined as social behavior, which is learnable and directed towards accomplishing social goals (Wu, 2008). An employee’s probability to succeed fundamentally depends on his/her ability to communicate and interact with others in the workplace i.e. social skills. The objective of effective job performance can be achieved by interpersonal connections, promoted by strong social skills (Beheshtifar and Norozy, 2013). The moderation of social skills has been investigated by Zaman et al. (2019) among the association of project complexity and project performance. The outcomes advocated that social skills significantly moderate the aforementioned association.

The moderating effect of social skills has also been analyzed by Yun and Lee (2017) among the association of R&D personnel’s knowledge sharing and job performance and the outcomes advised that social skills significantly moderate the aforementioned relationship.

An investigation carried out by Beheshtifar and Norozy (2013) highlighted the impact of social skills on employee success. It is suggested that augmented social skills facilitate interpersonal interaction which in turn produces effective job outcomes.

The impact of social skills (as a dimension of emotional intelligence) on job performance of teachers in Malaysia has been examined by Mohamad and Jais (2016), the outcomes of the study revealed that social skills substantially impact job performance. Wu (2008) investigated the association of social skills and job performance and the results advocated that there exists a substantial association among the said constructs. Social skills assist accomplishment of challenging goals and developing positive relationships at workplace (Wu, 2008).

H₈: Social skills moderate the association of managerial competency & job performance.

H₉: Social skills moderate the association of learning orientation & job performance.

2. Materials and Methods
2.1 Sample and Data Collection
Structured questionnaire were used to gather quantitative data for the purpose of the study. A total of 384 questionnaires were used to collect data. The sample consisted of 249 male respondents (64.84%) and 135 (35.16%) female respondents. The respondents were employees of different organizations (software houses) and were categorized on the basis of experience of working experience, educational qualification, and position in organization. As far as working experience is concerned, 58 respondents had working experience of less than 1 year, 109 respondents had experience of 1 to 3 years, 145 respondents had 4 to 6 years of experience, and 72 respondents had experience of more than 6 years. As far as educational qualification of the respondents is concerned, 45 respondents had intermediate qualification, 191 respondents had Bachelor’s degrees, 84 respondents had Master’s degree, and 64 respondents had educational MPhil/PhD qualifications. 167 respondents were first line managers, 135 respondents were middle managers, and 82 were in top management of the organizations.

The survey instrument paves a way to collect the data from the representative part of the target population. All the measurement instruments were adapted from the existing literature and 5-point Likert scale was used.

Table 1.
Instruments used for data collection

<table>
<thead>
<tr>
<th>Variable</th>
<th>Source (year)</th>
<th>Items</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Performance</td>
<td>Williams and Anderson (1991)</td>
<td>12</td>
<td>1-5</td>
</tr>
<tr>
<td>Managerial Competency</td>
<td>NOOR and DOLA (2009)</td>
<td>14</td>
<td>1-5</td>
</tr>
<tr>
<td>Learning Orientation</td>
<td>Calantone et al. (2002)</td>
<td>17</td>
<td>1-5</td>
</tr>
<tr>
<td>Entrepreneurial Leadership</td>
<td>Renko et al. (2015)</td>
<td>8</td>
<td>1-5</td>
</tr>
<tr>
<td>Social Skills</td>
<td>Witt &amp; Ferris 2003; Ferris et al., 2001; Hochwarter et al., 2006</td>
<td>6</td>
<td>1-5</td>
</tr>
</tbody>
</table>
3. Results
3.1 Assessment of Measurement Model
3.1.1 Testing Reliability
The composite reliability for managerial competency, learning orientation, entrepreneurial leadership, social skills, and job performance are 0.868, 0.916, 0.841, 0.798, and 0.890 respectively. The cronbach’s alpha for managerial competency, learning orientation, entrepreneurial leadership, social skills, and job performance are 0.837, 0.902, 0.787, 0.746, and 0.865 respectively which is greater than required threshold of 0.70 (Hair et al., 2006).

3.2 Testing Validity
3.2.1 Discriminant Validity
The discriminant validity was examined through Fornell-Larcker Criterion and Cross Loadings of the items of the constructs. The discriminant validity criteria was fulfilled for all items and constructs.

3.3 Convergent Validity
The convergent validity was measured through outer loadings and AVE. The outer loadings and AVE were significant i.e. both showed values greater than 0.5. The convergent validity criteria was fulfilled for all items and constructs.

3.4 Assessment of the Path Model
In order to test the hypothesis, bootstrapping with 500 subsamples procedure was applied through Smart PLS 3 to test the significance levels of the path coefficients and outer loadings of each item using t-statistics.

The Table 2 shows that the Managerial Competency is positively related to Job Performance of employees (β=0.539). Hence, H1 is accepted.
Figure 2. Structural Model.

The direct impact of Learning Orientation on Job Performance of employees is also significant (β=0.271). Hence, H2 is also accepted.

Both of the aforementioned relationships get mediated by entrepreneurial leadership (MC-EL β=0.449, LO-EL β=0.383, EL-JP β=0.216). So, H3, H4, H5, H6, and H7 are accepted. There is partial mediation because the direct relationships are positive and significant. Moreover, indirect impact is also positive. Additionally, the moderating effect of social skills in the association of managerial competency and job performance is positive and significant (β=0.287). So, H8 is accepted.

The moderating role of social skills in the association of learning orientation and job performance is not found (β=-0.015). The moderating effect of social skills is not proved. Hence, H9 is rejected.

Table 2. PLS-SEM Path Model Coefficients

<table>
<thead>
<tr>
<th></th>
<th>Original Sample (O)</th>
<th>Sample Mean (M)</th>
<th>Standard Deviation (STDEV)</th>
<th>Deviation</th>
<th>T Statistics</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL -&gt; JP</td>
<td>0.216</td>
<td>0.215</td>
<td>0.057</td>
<td>2.034</td>
<td>0.042</td>
<td></td>
</tr>
<tr>
<td>LO -&gt; EL</td>
<td>0.383</td>
<td>0.387</td>
<td>0.049</td>
<td>7.786</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>LO -&gt; JP</td>
<td>0.271</td>
<td>0.273</td>
<td>0.049</td>
<td>3.490</td>
<td>0.001</td>
<td></td>
</tr>
<tr>
<td>MC -&gt; EL</td>
<td>0.449</td>
<td>0.452</td>
<td>0.049</td>
<td>9.134</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>MC -&gt; JP</td>
<td>0.539</td>
<td>0.542</td>
<td>0.044</td>
<td>12.161</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>SS on LO -&gt; JP</td>
<td>-0.015</td>
<td>-0.010</td>
<td>0.039</td>
<td>0.388</td>
<td>0.343</td>
<td></td>
</tr>
<tr>
<td>SS on MC -&gt; JP</td>
<td>0.287</td>
<td>0.285</td>
<td>0.039</td>
<td>2.227</td>
<td>0.026</td>
<td></td>
</tr>
</tbody>
</table>
Table 3: Specific indirect effects

|                      | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics (|O/STDEV|) | P Values |
|----------------------|---------------------|-----------------|--------------------------|------------------|---------|
| LO -> EL -> JP       | 0.036               | 0.038           | 0.018                    | 1.989            | 0.047   |
| MC -> EL -> JP       | 0.058               | 0.060           | 0.028                    | 2.038            | 0.042   |

4. Discussions
The results showed the positive relationship between managerial competency and job performance of employees. The findings were in accordance with the view of Swanson, Kim, Lee, Yang, and Lee (2020); Wahab and Tyasari (2019); and Abbaszadeh et al. (2012). Thus, from the results of this study, it can be inferred that managerial competency effectively contributes towards an increased job performance in organizations. Moreover, the results advocated of a positive association between learning orientation and job performance of employees. The findings were in accordance with the view of Sawaean and Ali (2020); and Wahab and Mahmood (2015). Therefore, it can be inferred that learning orientation positively impacts job performance of employees.

Partial mediation was found over Entrepreneurial Leadership in the relationship of managerial competency and job performance. The findings were in accordance with the view of Wahab and Tyasari (2019). Therefore, it can be inferred that individuals who demonstrate managerial competency are also more likely to develop entrepreneurial leadership during the course of the job. As a result, job performance of employees also tends to improve. In addition to this, partial mediation was found over entrepreneurial leadership among the association of learning orientation and job performance. Therefore, learning orientated individuals are more likely to develop entrepreneurial leadership during the course of their job and as a result job performance also improves.

Lastly, the moderating role of social skills in the association of managerial competency and job performance of employees was tested and moderation was proved.

Moreover, the moderating role of social skills in the association of learning orientation and job performance of employees was also studied, but moderation was not proved.

5. Limitations
Despite substantial contributions from the researchers, the present study has certain limitations. The study approached social skills as a unidimensional construct. However, the scope of the study may get broadened by incorporating additional dimensions of social skills.

Moreover, the study was conducted in the software industry of Pakistan. The study was cross sectional in nature i.e. data was collected at a certain point of time. Due to time and resource constraints, convenience sampling technique was incorporated. Data was collected from a limited number of participants belonging to one city only. The results of the study can be improved by incorporating additional companies, sectors and participants. In addition to this, job performance was measured as self-rated job performance. In order to improve the results, job performance can be measured through supervisor-rated job performance or secondary data available with the organization.

6. Conclusions
From the results of this study, it can be concluded that managerial competency improves job performance. The aforementioned relationship also gets mediated by entrepreneurial leadership as managerial competency promotes entrepreneurial leadership in organizations which results in improved individual and organizational performances. The findings of this study suggest that learning orientation helps in increasing job performance of employees, the aforesaid association gets mediated by entrepreneurial leadership as learning orientation promotes and develops entrepreneurial leadership in individuals which results in improved performance. This study makes a significant contribution to the previous literature by studying the importance of social skills in organizations as a moderating variable in the relationship of managerial competency and job performance, and learning orientation and job performance. It is found that the individuals having social skills and managerial competency always perform well on
the job, as social skills pave a way to effective resolution to the problems and conflicts at the workplace and in result to this, the organization progresses. Talking about the software industry, the need for highly technical specialized skills for software development has always been the primary subject of discussion for long, the recruitment in software industry majorly revolves around candidate’s expertise or technical knowledge, while no concentration towards candidate’s social networking capability. So, it is found that social skills do not moderate the relationship of learning orientation and job performance.

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References


