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The Impact of Misleadership on Poor Performance: A Study of Financial Institutions in Pakistan

Sahibzada Muhammad Hamza¹, Zubair Hassan^{2*}

¹ Lord Ashcroft International Business School, Anglia Ruskin University, Cambridge, UK

² Faculty of Economics and Management Sciences, International Islamic University, Gombak, Malaysia

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Abstract

The main purpose of this research is to investigate the impact of misleadership on poor performance in the Pakistan financial institutions. This research is carried on the strategic and managerial employees of the one (1) private and one (1) foreign bank operated in Pakistan with an engagement of 200 employees as the sample respondents. The findings of the study indicates that missing, misguided and Machiavellian leadership has no significant impact of the poor performance in the studied context while only misinformed leadership in the cluster of the independent variables shows a significant positive impact on the poor performance in the financial institutions of Pakistan. However, it is concluded that the proposed dimensions of Rayment & Smith (2010) misleadership framework does not significantly impact the poor performance in the financial institutions of Pakistan except the dimension of misinformed leadership. Further, it is recommended to examine new contexts with the engagement of a wider sample to find more accurate and generalize results for the investigated topic. Hence, this research will benefit the corporate managers and the research community with the new practicing dynamics of misleadership in today's global corporate world.

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1. Introduction

The main purpose of this research is to investigate the impact of misleadership on poor performance in the Pakistan financial Institutions. Pakistan enjoys a well enhanced banking system which comprise of a wide variety of institutions ranging the central bank to a dense chain of commercial banks and specialized financial institutions (Arooj, 2010). Furthermore, According to Zulfiqar et al. (2014) banking system is a crucial pillar in the financial sector and accounts for almost 95% of this industry and pools a positive relationship with the economic growth of Pakistan.

*Corresponding Author: **Zubair Hassan** – zubai7@gmail.com. Faculty of Economics and Management Sciences, International Islamic University, Gombak, Malaysia.

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The scripts plans to exploit the misleadership dilemma which has been ignored by the leadership practitioners while addressing different leadership styles and their drive to poor performance. Poor leadership was a debatable issue since decades which was addressed by different scholars in the empirical history of leadership, a renounce name amongst them is Peter Drucker, who shallowly discussed the consequences of poor leadership in his addressing of leadership in 1960 (Karlgaard, 2004). Following to him Ashforth (1994); Green (2001); Schmidt (2014) were some notable scripts amongst the handful of literature available which address the phenomena of misleadership. Though, the work of Rayment & Smith (2010) on misleadership should be the classified as the pioneer script that makes a detailed portrayal of the issue.

Furthermore, portraying the current scenario of misleadership, according to Zhu et al. (2015) misleadership today has turned into the lack of vision which leads to aimless employees since they do not know about the goals of the company and why they are working in specific processes. In addition to it, high employee turnovers can work as a red-flag for poor leadership. Since, the strategic management of the corporations has become more profit oriented which makes the management micromanages the lower level subordinates which is eventually affecting the productivity (Ragab, 2014). Hence, the greatest cause for this employee disengagement and low productivity is misleadership.

There are numerous studies conducted to address the importance and significance of adapting efficient leadership styles to ensure smooth and sustainable growth of the organizations. Notable scripts amongst them are Zenger et al. (2009) employed 300,000 research instruments from a database which was pooled for numerous companies around the globe to measure the impact of poor leadership on organizational growth, Mtimkulu et al. (2014) studied the hospitals in South Africa in the same research context, Sornum (2010) engages himself studying Atari, Motorola and Commodore to investigate that how the incompetency of leaders drives to organizational failures, Ngambi (2011) exploits the higher education institutions in South Africa to examine the correlation between effective leadership and high morale of workforce; Men & Stacks (2013) examined 700 employees randomly opted from the diversified cluster of a Fortune 500 corporation; Aubrey (2012) exploits the US Army to investigate the effect of toxic leadership; Schyns & Schilling (2013) conducted a meta-analysis using 200 studies; Kellerman (2004) studied the American industries to examine the effects of bad leadership and Pynnönen & Takala (2013) also exploited the bad leadership using scientific articles for last 15 years.

Therefore, seeing to the contextual gap, no study has centrally addressed the concept of misleadership proposed by Rayment & Smith (2010) which makes the researcher to be the first one to test the proposed determinants of misleadership by Rayment & Smith (2010) empirically in the financial institutions of Pakistan.

The variables engaged by different researchers to exploit the impact of inefficient leadership on organizational performance in empirical literature are; incivility, bullying, abusive supervision, verbal abuse, psychological abuse, culture, norms, values, behavior, dictatorial leadership, no. 360 degree feedbacks, personal agendas, political compensation, inefficient use of resources, empire-building resources, unequal workload distribution, too much management, fragmented organization efforts, too

much talk, ineffective meetings, lack of collaboration, low productivity, constant crisis mode, morale deterioration backstabbing, highly stressful workforce, destructive leadership, leader related concepts, job related concepts, organization related concepts, individual follower related concepts, incompetency, rigidity, intemperate, callous, corrupt, insular, evil, work imbalance, crisis management, fail in distinguishing personal life from professional life and humiliation.

Seeing to the cluster of the selected variables and determinants by the practitioners in the empirical literature on the topic, the determinants of misleadership concept proposed by Rayment & Smith (2010) was completely ignored by the scholars in the empirical literature. Hence this study will be unique in its nature, since it is the first research to empirically test the proposed aspects of misleadership (missing leadership, misinformed leadership, misguided leadership, and Machiavellian leadership) by Rayment & Smith (2010) in their script. Therefore in terms of framework gap, this research is termed to be unique in its framework design.

The renounce leadership practitioners noticed that leadership styles and approaches are not addressing enough in the empirical literature which is also constantly observed by the professional bodies like CIPD (2012) since they suggested that corporations have entered into a throe of leadership (Smircich & Morgan, 1982; Yukl, 2008; Myatt, 2013). Classrooms have failed in cultivating thorough leadership capabilities in the upcoming societies and are producing leaders which are more concern regarding the monetary values rather than being concerned more about moral and ethical values. This has been the essential cause for entering this throe of leadership which have eventually makes corporations socially irresponsible (Rayment & Smith, 2010). Secondly, the leadership crisis is proved to be a driven factor for the financial crisis in different sectors (Rawlinson, 2009; Wooten, 2001).

Looking into the organizational context, lack of leadership has been a crucial determinant which drives the organizational workforce to severe demotivation and low morale which has eventually result in high turnover of employees in corporations (Rehman, 2011; Imhonopi & Ugochukwu, 2013; DiPietro et al., 2014). **Summing up the misfortune, looking into today's blend of urgency, high stakes and uncertainty has signified the essentialness of effective leadership styles to be adapted in the organizations by the managers for motivating subordinates and keeping their morale elevated for delivering productive outcomes (Heifetz et al., 2009).**

This study aims: 1) to determine the impact of missing leadership on poor performance; 2) to analyze the impact of mis-guided leadership on poor performance; 3) to scrutinize the impact of misinformed on poor performance; 4) to investigate the impact of machiavellian leadership on poor performance.

The misleadership phenomena addressed by Rayment & Smith (2010) receive wide appreciation for addressing a non-recognized issue in the empirical literature on leadership. The authors describes the phenomena as a kind of thinking that continues to cultivate indefensible working practices is all that what we have learn, claiming to know about and pretend to be a good leader is nothing sort of, but misleadership (Rayment & Smith, 2010). Though Gini & Green (2012) differs their definition from the pioneers and describe the conceptive concept of misleadership as a wrong impression which will lead to a wrong conclusion especially by intentionally deceiving.

Rayment & Smith (2010) defines missing leadership as the absence of appropriate and necessary leadership where it is needed. de Woot (2013) defines missing leadership as a straight failure in responding to rapidly changing corporate environment which drive organizations to poor decision making and massive failures. Furthermore, Talbott (2011) identifies missing leadership as a reason of poor performance by quoting the example of Citibank groups and other investment firms where the size of business has grown such big that leaders are unable to control them. Adding to it, empowerment is another leading component to missing leadership which demotes the decision making process down to the lower staff and make the strategic leadership feel free and that eventually leads to absence of leadership and finally leads to inexperience decision making and poor performance (Vasillopoulos & Denney, 2013).

According to Rayment & Smith (2010) the businesses are primarily focusing on multiplying returns of shareholders due to complexity and globalization of business growth which has diversify them from the visionary of being corporate social **responsible while doing businesses which drives business to a bad name in the today's** corporate world and might also lead to lose market share as today communities are highly concerned regarding the CSR images of corporations (Friedman, 1970). Short-termism that is an attribute of misguided leadership has been blamed in the new research findings for placing negative effects on these companies in terms of performance (Silverthorne et al., 2012). Furthermore, Besley et al. (2011) conducted a **research on 1000 leaders within a span of 1875 to 2004 and found that leaders' educational attainment is crucial and that is enhanced through having leaders who are highly educated.** Ferrell (2004) has evidenced that organizational performance can only be enhanced through ethical leadership while sometimes leaders have to compromise on ethical grounds due to pressure from internal and external stakeholders which eventually leads to poor performance. Lastly, adapting wrong leadership models might result in **severe demotivation on the subordinates and result in poor firm's performance** (Germano, 2010).

Yones (2010) aligns misinformed leaders with lack of education as educating teams on professional ethics and train them on organizational strategy and direction is essential to attain good performance targets. Misinformed leaders are also often suffered with the rapidly changing corporate environment which leads the company to inefficient decision making and drive organizations to massive failures (de Woot, 2013; Rayment & Smith, 2010). Furthermore, Chi & Pan (2012) is convinced that keeping the management up to date with recent training programs and train them with recent technological pace will heavily assist the leaders to pro productive and safe from been getting outdated which will assure good performance for the organizations. Adding to it, adaptation of wrong decision models place severe impacts on the efficiency of the organizations when the leadership executives fails in accommodating technology, diversity, globalization, teamwork, policy and leadership effectiveness (Ejimabo, 2015). Lastly, Llopis-Albert et al. (2015) states that the success of organizations is heavily depended on the validity and credibility of information that is received by the leaders for decision making process, therefore if the leaders are misinformed or been provided with unauthentic facts, this will lead the organization to poor decision making and disastrous outcomes.

After studying Fortune 500 with deep insight, Llopis (2014) found workplaces to be blinded by distrust and dishonesty where most of the people do not consider **themselves safe from getting involved in fueling someone else's hidden agenda** which might compromise on the fruitful performance of the company. Furthermore, Smith et al. (2007) criticizes ambitionless leaders for not been disciplined with work to achieve goals which leads to slow growth and poor performance. Machiavellian leadership is **also a killer for organization's growth as leader fails to hold power and maintaining** employee discipline which places an overall negative impact on production and performance of the organization (Bal et al., 2008). Llopis-Albert et al. (2015) adds another crucial attribute of leaders that fails in absorbing substantial pressure which indicates their lack of maturity to handle uncertain situations and remain company to travel on the road of steady performances. Lastly, Rayment & Smith (2010) highlights Machiavellian leaders as captains which rely more on the benefits of market economy rather than trusting on their own analytical abilities which might put leaders sometimes in disguise situations to take relevant steps for assuring good performance.

2. Methods

This research employees Positivist research paradigm to investigate the studied phenomena of misleadership through employing a handsome sample size of 200 employees selected through Stratified Convenience Quota Sampling from the two **strata's** (strategic and tactical staff) from one International and one local bank in Pakistan. The selection of sample from each stratum (Strategic and Tactical staff) is illustrated in the Table 1.

Table 1 Sample Selection

Name of Company	JS Bank	SAMBA Bank
Total Number of Employees	2,082	401
Total Research Population		2,483
Total Tactical Staff		1,921
Total Strategic Staff		562
Strata 1 (Tactical Staff)		100
Strata 2 (Strategic Staff)		100
Total Research Population		200

Furthermore, this research, participant consent form will be aligned with each distributed questionnaire which will asked to signed to assure that the responding participants are willingly taking part in the research. Moreover, the pooled data in context of the demographic questions for example: name, age, group, salary etc. is kept confidential to ensure the privacy of each and every respondent took part in the research. Lastly, descriptive, correlation and regression analysis were engaged to analyzed the pooled data set to examine the impact of misleadership on poor performance using the conceptual framework proposed by Rayment & Smith (2010).

The tool developed for this study is a likert scale questionnaire which is developed by taking five (5) measurements for each independent variable (missing leadership, misguided leadership, misinformed leadership and Machiavellian leadership) and 7

measurements for one (1) dependent variable (poor performance). This research tool is split into two (2) parts; the first part of the questionnaire asks the respondents regarding the demographics (gender, age, qualification, marital status, and salary). Furthermore, the second part of the questionnaire essentially focus on the defined variables and measurements to be answered using the likert-scale method in which the respondent is with a range of 1 (strongly disagree) to 5 (strongly agree) to respond to a simple set of questions which are definitely non confusing.

Table 2 Scale Construction

Dimension	Variables/Factors	Sources
Missing Leadership	Fail to respond to the rapidly changing environment	Rayment & Smith (2010)
	Failure to take responsibility and accountability	Rayment & Smith (2010)
	Failure to understand the role of the leader	Rayment & Smith (2010)
	Fear to take a stand	Rayment & Smith (2010)
	Fear to seize the role of leadership	Rayment & Smith (2010)
Misguided Leadership	Narrow focus	Rayment & Smith (2010)
	Focus on wrong objectives	Rayment & Smith (2010)
	Inappropriate training and education	Rayment & Smith (2010)
	Fail to absorb the substantial pressure	Rayment & Smith (2010)
	Over-reliance on the benefits of the market economy	Rayment & Smith (2010)
Misinformed Leadership	Lack of appropriate education	Rayment & Smith (2010)
	Complex, rapidly change environment	Rayment & Smith (2010)
	Using outdated information as the base to make decisions	Rayment & Smith (2010)
	Poor decision making models	Rayment & Smith (2010)
	Wrong information resulting from the misleadership acts of others.	Rayment & Smith (2010)
Machiavellian Leadership	Attempting to achieve hidden agendas	Rayment & Smith (2010)
	Ambition	Rayment & Smith (2010)
	Clinging on to power	Rayment & Smith (2010)
	Selfish small – mindedness	Rayment & Smith (2010)
	Unethical leadership practices	Rayment & Smith (2010)
Poor Performance	High Labor turnover	Bal et al. (2008)
	High employ dissatisfaction	Bal et al. (2008)
	Employ intention to leave	Bal et al. (2008)
	Negative word of mouth	Silverthorne et al. (2012)
	Loss of revenue and profit	Talbott (2011)
	Poor customer satisfaction	Vasillopoulos & Denney (2013)
	High employ absentees	Germano (2010)

3. Results and Discussion

According to Table 3, Skewness statistics found to be ranging between -0.882 to 0.00 which falls within the defined scale of -1 to +1 (DeCarlo, 1997). While, the figures for Kurtosis range from -0.874 to 0.171 which also falls within the defined scale besides Q 11 which exceeds the ranging scale with a figure of -1.021. Except to this, all the questions falls within the defined scales and indicates that the distribution of the data is fairly distributed and is perfectly accepted to carry on with the research expect the only question (Q11) from the cluster of misinformed leadership which will be further tested below in the reliability test.

Table 3 Normality Test

	Descriptive Statistics				
	N	Skewness		Kurtosis	
		Statistic	Std. Error	Statistic	Std. Error
Q1	200	-.518	.172	-.768	.342
Q2	200	-.521	.172	-.626	.342
Q3	200	-.756	.172	-.350	.342
Q4	200	-.789	.172	-.437	.342
Q5	200	-.590	.172	-.724	.342
Q6	200	-.595	.172	-.702	.342
Q7	200	-.663	.172	-.520	.342
Q8	200	-.773	.172	-.278	.342
Q9	200	-.768	.172	-.314	.342
Q10	200	-.581	.172	-.467	.342
Q11	200	-.480	.172	-1.021	.342
Q12	200	-.671	.172	-.475	.342
Q13	200	-.577	.172	-.865	.342
Q14	200	-.801	.172	-.245	.342
Q15	200	-.828	.172	-.295	.342
Q16	200	-.016	.172	-.586	.342
Q17	200	.000	.172	-.625	.342
Q18	200	-.027	.172	-.657	.342
Q19	200	-.487	.172	-.085	.342
Q20	200	-.105	.172	-.473	.342
Q21	200	-.685	.172	-.455	.342
Q22	200	-.853	.172	-.114	.342
Q23	200	-.882	.172	.379	.342
Q24	200	-.835	.172	.171	.342
Q25	200	-.819	.172	.111	.342
Q26	200	-.700	.172	-.569	.342
Q27	200	-.075	.172	-.874	.342
Valid N (listwise)	200				

The Cronbach's Alpha (Table 4) for the overall instrument is recorded to be 0.965 which indicates an extreme reliability of the research instrument and endorses its use to investigate the studied phenomena (George & Mallery, 2002). Furthermore, breaking each component separately; missing leadership, misguided leadership, misinformed leadership, Machiavellian leadership and poor performance hold the figures of 0.908, 0.909, 0.923, 0.803 and 0.900 respectively. The result indicates an excellent reliability for the opted components which is exceeding 0.9 expect the Machiavellian leadership which has figure of 0.803 less than 0.9 but still enjoys a good reliability status according to thumb rule (George & Mallery, 2002).

Table 4 Reliability Test

Variable	No. of Items	Cronbach's Alpha value
Overall	27	0.965
Missing Leadership	5	0.908
Misguided Leadership	5	0.909
Misinformed Leadership	5	0.923
Machiavellian leadership	5	0.803
Poor Performance	7	0.900

In accordance with Table 5, the average mean for missing leadership is noted to be 3.597 and the standard deviation is 1.0340. The statistics shows missing leadership to be a grounded factor in this research context. Secondly seeing to the average mean of misguided leadership, the average mean is recorded to be 3.697 and the standard deviation is 1.0031. The result indicates that misguided leadership is another rooted factor in the leadership practices of Pakistan financial industry. Adding to it, the average mean for misinformed leadership is 3.673 and the standard deviation is 1.0766. The drawn statistics indicates that misinformed leadership is been significantly attributed to leadership structure practiced in the Pakistan financial institution. Following to it, Machiavellian leadership is another significant player in the Pakistan financial institutions with an average mean of 3.038 and the standard deviation is 0.7365 which indicates that most leaders in Pakistan financial institutions failed to absorb substantial pressure which indicates their immaturity to handle uncertain situation and assured a smooth steady drive for the organization (Emmanuel & Hassan, 2015). Lastly, poor performance has an average mean of 3.712 and the standard deviation is 0.8586. This indicates that the performance of the financial institutes in Pakistan is not up to the mark in the perception of the working employees.

Table 5 Descriptive Means and Standard Deviation

	N	Mean	Std. Deviation
Missing Leadership	200	3.597	1.0340
Misguided Leadership	200	3.697	1.0031
Misinformed Leadership	200	3.673	1.0766
Machiavellian Leadership	200	3.038	.7365
Poor Performance	200	3.713	.859
Valid N (listwise)	200		

The correlation value (Table 6) of missing leadership with poor performance is 0.683 which indicates a strong relationship amongst the two variables, the relationship between these two variables found to be significant with a significance value of 0.00 which is within the ranged scale of 0.05. Secondly, the statistical value for misguided leadership found to be 0.708 which indicates a quite strong relationship of the independent variable (misguided leadership) with the dependent variable (poor performance), the relationship of the bilateral variables found to be significant with a significance value of 0.00 which is below from the determined gauge of 0.05. Thirdly, the value at which the misinformed leadership is correlated with poor performance is 0.732 which indicates a strong relationship amongst the two variables, the relationship amongst the two variables found to be significant with a significance value of 0.00 which proves strong ties amongst them as the figure is below the defined scale of 0.05. Lastly, the value for Machiavellian leadership is reported to be 0.493 in correlation with poor performance which indicates an average healthy relationship amongst the two variables, the correlation amongst the two variables found to be significant with a significant value of 0.00 which is under the defined scale of 0.05.

Table 6 Correlation

		Poor Performance	Missing Leadership	Misguided Leadership	Misinformed Leadership	Machiavellian Leadership
Poor Performance	Pearson	1	.683**	.708**	.732**	.493**
	Correlation					
	Sig. (2-tailed)		.000	.000	.000	.000
Missing Leadership	N	200	200	200	200	200
	Pearson	.683**	1	.847**	.840**	.595**
	Correlation					
Misguided Leadership	Sig. (2-tailed)	.000		.000	.000	.000
	N	200	200	200	200	200
	Pearson	.708**	.847**	1	.876**	.608**
Misguided Leadership	Correlation					
	Sig. (2-tailed)	.000	.000		.000	.000
	N	200	200	200	200	200
Misinformed Leadership	Pearson	.732**	.840**	.876**	1	.586**
	Correlation					
	Sig. (2-tailed)	.000	.000	.000		.000
Machiavellian Leadership	N	200	200	200	200	200
	Pearson	.493**	.595**	.608**	.586**	1
	Correlation					
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	200	200	200	200	200

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

Interpreting Table 7, the R square has reported to be 0.562 which indicates that 56% of the dependent variable (poor performance) is be influenced by the independent variables (missing leadership, misguided leadership, misinformed leadership and Machiavellian leadership). Furthermore, the adjusted R square is found to be 0.553, this indicates that 55% of the dependent variable is been defined by the independent variables. Hence, the model cannot be classified to be a good fit as the compile percentage is less than 60% which is a defined gauge for model to be a good fit (Hair Jr. et al., 2010). Further moving to the Durbin-Watson Test, the figure reported to be 1.633 which falls within the ranging scale of 1.5 to 2.5 is indicating that there is no auto correlation amongst the engaged sample of the collected data.

Table 7 Model Summary

Model Summary										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.750a	.562	.553	.574068	.562	62.563	4	195	.000	1.633
a. Predictors: (Constant), Machiavellian Leadership, Misinformed Leadership, Missing Leadership, Misguided Leadership										
b. Dependent Variable: Poor Performance										

The constructed model indicates a standardized beta coefficient of 0.14 with the significance value of 0.152 which is higher than 0.05. The result indicates a positive insignificant impact of missing leadership on poor performance. This enlightens that the missing leadership is not promptly leading financial institutions of Pakistan to poor performance. The findings of the study is utterly opposing the proposed concept of

Rayment & Smith (2010) which signifies that missing leadership has been a mainstream player of organizational failures and poor performance, since the Pakistan financial institutions are free from the impacts of missing leadership as shown in noted statistics. Furthermore, the findings of this study is also aligned with the findings of Leslie & Palmisano (2014) which favors missing leadership rather than condemning it for empowering working subordinates by indulging them in the decision making process which finally motivates employees for working more devotedly for the betterment of the organization. Subsequently, missing leadership also provides better chances for the lower staff to learn by being an acting leader which eventually elevates the standard of human capital for the companies and also vacant the strategic leadership of the organizations to think on multiple areas which help the organizations in making expanding moves (Jordan, 2014). Hence seeing to the regression statistics, missing leadership has a positive insignificant impact on poor leadership (H1) is rejected.

Table 8 Beta Coefficient of Poor Performance

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	1.289	.183		7.038	.000		
Missing Leadership	.116	.081	.140	1.438	.152	.236	4.236
Misguided Leadership	.170	.094	.199	1.809	.072	.185	5.391
Misinformed Leadership	.329	.085	.413	3.865	.000	.197	5.079
Machiavellian Leadership	.054	.071	.047	.767	.444	.605	1.654

a. Dependent Variable: Poor Performance

Seeing to Table 8, the standardized beta coefficient is reported to be 0.19 with the probability value of 0.072 which is exceeding the defined scale of 0.05. The result of the regression test indicates that misguided leadership has positive insignificant impact on poor performance. The result further signifies that the second proposed aspect (misguided leadership) of misleadership by Rayment & Smith (2010) which claims misguided leadership to be highly attributable to poor performance of organizations but when seeing it in the context of Pakistan financial institutes, misguided leadership is found to be an inactive player which could lead organizations to poor performance. Similar conclusions were drawn by Morera (2016) who disagrees with the opinion of Silverthorne et al. (2012) by signifying that slicing bigger targets into small achievable goals for assuring consistent growth and productivity is much more helpful in attaining good performance. Adding to it, Ramanathan et al. (2014) suggest that the pressures from the external and internal stakeholders sometimes results favorably for the growth of the organizations unlike to the findings of Ferrell & Ferrell (1999). Therefore noting the results of the regression analysis, the impact of misguided leadership on poor performance (H2) is rejected.

According to Table 8, the standardized beta coefficient for this variable is found to be 0.413 and the P-value is recorded to be 0.00 which is beneath the set scale of 0.05.

The outcome of the regression run shows that misinformed leadership has a significant positive impact on poor performance in the financial institutions of Pakistan. Furthermore, the findings endorse the casual relationship of misinformed relationship with poor performance as proposed and discussed by Rayment & Smith (2010) in their study. Similar outcomes were drawn in the researches of Llopis (2013) and Ejimabo (2015) where they held misinformed leaders responsible for inefficiency of organizations due to leadership failure in absorbing technology, diversification, internationalization, collateral work, policy development and effective leadership. Furthermore, de Woot (2013) also aligned the success of organizations to be mainly depended on the validity and credibility of the information received by the leaders to engage it in decision making process, Thereby if the organizational leaders are found to be misinformed or been feed up with unauthentic facts; the organization will be highly opened to poor decision making and destructive outcomes. Hence seeing to the regression results, the impact of misinformed leadership on poor performance (H3) is accepted.

Seeing to the last determinant of the proposed framework in Table 8, the standardized beta coefficient of Machiavellian leadership is found to be 0.047 with the significance value of 0.444 which is exceeding the defined scale of 0.05. The result showed in the regression statistics highlights that the Machiavellian leadership has a positive insignificant impact on poor performance in the financial institutions of Pakistan. Adding to it, the result further signifies that the Machiavellian leaders are non-dominant players in the Pakistan financial institutions that can drive an organization to poor performance, which clearly opposes the construct of Rayment & Smith (2010) that Machiavellian leaders are key drivers to poor performance. Moreover, the findings of the study is similar to the outcomes of Foote et al. (2011) and Bal et al. (2008) which favors Machiavellian leaders as sometimes they successfully creates a flexible working environment for the working subordinates which keeps them motivated, multiplies their productivity and finally throw organization on the path of good performance. Bhatti et al. (2012) unlike to Smith et al. (2007) paves Machiavellian leaders for denoting the powers to the grass root levels rather than holding them all helps the organization **to keep the working subordinates enacted with the organization's goal statement**. Hence, seeing to the statistical results and the empirical evidence it is evident that Machiavellian leadership has a positive significant impact on poor performance (H4) is rejected.

4. Conclusion

This research intends to investigate the proposed framework of misleadership by Rayment & Smith (2010) and its impact poor performance in the financial institutions of Pakistan. However, it is concluded that the proposed dimensions of Rayment & Smith (2010) misleadership framework does not significantly impact the poor performance in the financial institutions of Pakistan except the dimension of misinformed leadership. This concludes that financial industry of Pakistan is not been severely affected with the misleadership phenomena at vast except the presence of misinformed leaders which

are driving the financial intermediaries to poor performance as disclosed in the study outcomes.

The future researchers are recommended to exploit other proposed frameworks of inefficient leadership; for example Schmidt (2008) and Ashforth (1994) which might found to be more addressing than the proposed framework of misleadership by Rayment & Smith (2010) in the context of Pakistan financial institutions. Furthermore, a wider sample size could be engaged by the researcher rather than just 200 respondents have been engaged in this research, so a better picture of the studied phenomena can be portrayed. Lastly, an industry with a different nature to financial industry like manufacturing industry, petroleum industry etc. could be conducted to exploit the phenomena of misleadership in a context of a completely different industry.

This research will accommodate the managers in the corporate sector in cultivating and designing efficient leadership practices and styles which will be far away from the elements of misleadership in them. Hence, the continuous cultivation and improvement in the practiced leadership of the corporate industry will soon or later help the managers in the developing to discover and implicate a leadership which will be free from the essence of misleadership.

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