MINHAJ International Journal of Economics and Organization Sciences

Volume 5, No.2 /Jul-Dec 2025

Impact of Autocratic Leadership on Employee Performance: A Moderated Mediated Analysis in SMEs of Pakistan

Muhammad Atif Sheikh[1], Dr. Sami Ullah[2]

Abstract

Effective leadership plays a crucial role in shaping organizational outcomes, particularly in enhancing employee performance. Scholars and practitioners have extensively studied different leadership styles to understand their potential impact on various organizational dimensions, including job satisfaction, motivation, and productivity. The purpose of study is to investigate the effects of autocratic leadership on employee performance and also the contextual factors that mediates the relationship between autocratic leadership style and employee performance in Small and Medium Enterprises (SMEs). The methodology used in this research is quantitative. For this research, the population is employees (individual) working in the SME's of Pakistan. A total of 525 questionnaires were distributed. Out of which 516 questionnaires were returned. 7 questionnaires were containing missing values. The final datasheet containing 509 fully completed questionnaires.

Keywords: *Autocratic leadership, Employee performance, Emotional Intelligence, SME's*

Introduction

In the previous year's leadership styles has evolve to the latest and advance methods for managing employee in corporate world at higher scale (Shrestha et al., 2024). HRM has eventually take over the conventional notion of personnel administration. Which result in incorporating new leadership style for efficient employee management (Shrestha et al., 2024). Chen, Xu, and Phillips (2018) explains that leadership is guiding others to willingly and confidently work toward a shared goal, effectively influencing them to focus on achieving specific objectives. It encompasses various dimensions, including communication, motivation, and adaptability, all of which contribute to an individual's ability to inspire and direct teams successfully. Moreover, the ability of leaders to foster collaboration, promote innovation, and maintain a positive work culture is a recurring theme in contemporary leadership studies. Judge and piccolo (2004) started that Employees

[1] Deputy Director QEC/ Lecturer, Department of Management Sciences and Economics. Grand Asian University Sialkot Email: atifsheikh4073@gmail.com

[2]Assistant Professor, Department of Management Sciences and Economics. University of Sialkot. Email: Sami.ullah@uskt.edu.pk

https://doi.org/10.58932/MULE0052

productivity, enhancement, moral is uplifted by the efficient management style. One of the leadership styles, autocratic leadership is often criticized for suppressing creativity and lowering employee morale, potentially leading to decreased performance (Hassnain, 2022). However, autocratic leadership may be more effective in specific contexts, particularly in situations requiring swift decision-making and strong direction. Few studies explore how elements like organizational culture, industry type, or individual employee characteristics influence the effectiveness of leadership styles on performance (Virgiawan et al., 2021).

This research aims to bridge the existing research gap in understanding and exploring how autocratic leadership style influence employee performance within SME's sector and the contextual factors that mediates the relationship between autocratic leadership style and employee performance. Furthermore, given the crucial influence of small and medium enterprises (SMEs) on economic growth and their unique challenges, this study will focus specifically on SMEs to provide insights directly relevant to this vital sector. The research investigates the direct impact of autocratic leadership style on employee performance while also assessing the mechanisms through which autocratic leadership influence workplace outcomes. It will also explore the function of employee-taking charge behavior as mediator in this relationship highlighting its role in shaping employee attitudes and work engagement. In addition, the study will evaluate the extent to which emotional intelligence influences the connection between autocratic leadership style and employee performance.

The research makes significant addition to both the academic literature and practical management by providing a deeper understanding of how autocratic leadership style influence employee performance. Ultimately, this research serves as a roadmap for policymakers, business leaders, and scholars interested in developing leadership frameworks that maximize employee engagement, satisfaction, and productivity. By incorporating mediating and moderating variables, leaders gain a more holistic understanding of the dynamics at play and can better guide their teams towards improved performance and overall organizational success. Hence, the present research aims to answer below mention research question in small medium enterprises taking Social Cognitive Theory as theoretical framework.

1. How do autocratic leadership influence employees' performance in organizational settings?
2. To what extent does employee taking charge behaviour mediate the relationship between autocratic leadership and employees' performance?

3. Does emotional intelligence moderate the relationships between autocratic leadership and employees' performance?

Literature Review

The theoretical perspective of the Social Cognitive Theory

The Social Cognitive Theory (SCT), pioneered by Albert Bandura, emphasizes the dynamic interaction between personal factors, environmental influences, and behaviours. In the context of leadership and employee performance, SCT suggests that individuals learn and adjust behaviours through observation, imitation, and feedback from their environment (Bandura, 1986). In the proposed model, autocratic leadership represents environmental stimuli that shape employees' perceptions and behaviours. Employees observe these leadership behaviors and adjust their own behaviours accordingly, influenced by their cognitive processes.

Autocratic Leadership and Employee Performance

Effective leadership plays important role in improving the productivity quality of subordinates. According to Purwanto and Asbari (2020), the autocratic leadership style is marked by a leader who exercises substantial control over decision-making, establishing rules, policies, and procedures based entirely on their own judgments. The leader makes all decisions independently, without seeking input, suggestions, or considerations from subordinates (Hasibuan, 2017). In this leadership approach, decision-making is centralized at the top management level, with lower-level managers tasked with implementing these directives illustrated by (Dalluay & Jalagat, 2016). Furthermore, Autocratic leaders hold the view that the motivation to work comes solely from rewards and penalties outlined in rules and regulations. They assert that only rewards drive job performance. Such leaders, characterized by their authoritarian style, believe leadership influences others significantly. Moreover, employee performance can be impacted by various parameters, including leadership style. Leadership entails using power and influence to guide employees' efforts towards accomplishing organizational goals (Scott et al., 2010). Hence, we hypothesised that:

H1: *Autocratic leadership style has a significant impact on employee performance*.

Autocratic Leadership and Employee Taking Charge Behaviour

According to Van Vugt et al., (2004) autocratic leadership is characterized by the leader having sole decision-making authority, setting policies, determining procedures for achieving goals, and controlling both rewards and punishments. As the autocratic leadership style (AL) prioritizes performance over people, focusing more on achieving results and less on the well-being of individuals. According to

Jung et al., (2014), autocratic leaders make choices unilaterally and declare them without soliciting input from their subordinates. Such leaders depend on their authority, control, and power, and often use manipulation and hard work to achieve objectives (Puni et al., 2014). Motivation under autocratic leadership relies on extrinsic economic incentives based on performance, with development being a result of hard work rather than delegation of authority. Hence, we hypothesized that:
H2: *Autocratic leadership style significant impacts Employee taking charge behavior*.

Employee Taking Charge Behaviour and Employee Performance.

Employee empowerment is a concept that involves those in positions of authority within organizations distributing power and formal authority to those who lack it (Fernandez S, 2013). Additionally, employee taking charge behaviour is defined as self-directed attempts at altering the environment in the context of the organization (Morrison & Phelps, 1999). This is vital for the purpose of organization development and innovativeness since it makes it possible for workers to approach potential issues independently (Crant, 2000) Empowerment plays a crucial role in enhancing employees' skills, says Kreitner et al., (2002). Hence, we hypothesized that:
H3: *Employee taking charge behavior has a significant impacts employees' performance.*

Mediating Role of Employee Taking Charge Behaviour between Autocratic Leadership & Employee Performance.

Taking charge involves employees' proactive and positive actions to bring about beneficial changes in how tasks are performed within their roles, teams, or the entire organization (Morrison and Phelps, 1999). However, to ensure the sustainable development of their organizations, leaders need to focus on the effectiveness of employees' proactive behaviour (Lin & Zhao, 2016). Unlike others, taking charge involves a focus on change and improvement rather than maintaining the status quo says Parker & Collins, (2010). This behaviour is a proactive, risky, and challenging action that necessitates employees feeling a high level of psychological security (Yang et al., 2019). Consequently, for employees to engage in taking charge behaviour, they often require organizational support, intrinsic motivation, and a strong sense of job security (Cai et al., 2019). Previous research, such as the studies by Walumbwa et al., (2010) and Searle and Barbuto (2013), has demonstrated that authentic leadership positively affects proactive work behaviours among organizational members. Researchers suggest that this behaviour is vital for organizational success, as it is impossible for managers to predict every possible

situation or completely identify all the tasks, they might require employees to undertake (Katz & Kahn, (1978); Organ, 1988). Among these influences, leadership has been recognized as a key factor driving employees to engage in taking-charge behaviour (Li et al., 2023). Hence, we hypothesized that:

H4: *Employee taking charge behaviour mediates the relationship between Autocratic leadership and employees' performance.*

Moderating Role Emotional Intelligence between Autocratic Leadership and Employee Performance.

In today's business landscape, it is crucial for organizations to have leaders who are well-versed in effective leadership styles that foster a positive and productive work environment while adapting to the evolving business climate, says Malik et al., (2016). For organizations to succeed, leaders must empower their teams to achieve goals efficiently while cultivating strong, lasting relationships with all stakeholders (Al Khasawneh & Futa, 2013; Khan et al. 2013). Moreover, the autocratic leadership style is particularly effective in small firms during their early growth stages. This approach involves a highly organized chain of command where authority is exercised firmly to ensure compliance and adherence, says Chowdhury (2017). According to Koning and Van Kleef (2015), understanding how to communicate emotions is crucial for socially influencing others. Whereas, Goleman (1998) defines emotional intelligence as the ability to identify and understand both our own emotions and those of others, to inspire ourselves, and to effectively manage our emotions within ourselves and in our interactions with others. EI affects relationship management and enhances leaders' capability to perceive the required emotional needs of other employees (Cherniss et al., 2010). Numerous studies have found a strong connection between emotional intelligence (EI) and various positive workplace outcomes. These outcomes include enhanced leadership abilities says Popescu, (2013); Scott Halsell et al., (2008) greater resilience to stress said by Bar-On et al., (2000); Mikolajczak et al., (2007), and improved work attitudes (Carmeli, 2003). Additionally, EI has been linked to increased job satisfaction and performance (Law et al., 2008; Wong & Law, 2002; Zampetakis and Moustakis 2011), higher levels of employee creativity (Zhou & George, 2003), and greater career success (Dulewicz & Higgs, 1999). Hence, we hypothesized that:

H5: *Emotional intelligence moderates the direct relationship between Autocratic leadership and employees' performance*.

Research Methodology

Sample and Data Collection

For the present research, the target population will be the employees (individual) working in the SME's of Pakistan. A total of 525 questionnaires were distributed between target populations. Out of which 516 questionnaires were returned. 7 questionnaires were containing missing values. The final datasheet containing 509 fully completed questionnaires.

Measurement

The questionnaire consists of 45 items that are divided into 4 sections. 10 items make up Autocratic Leadership; 4 items make up Employee Taking Charge Behavior; 7 items make up Employee Performance; 24 items make up Emotional Intelligence. The author has used five point Likert scale. The scale range goes form Strongly Disagree to Strongly Agree.

Demographic

Table 1 demonstrate that the sample of study consist of 73.2% male. 30.0% employees having age among 51-60. 33.9% employees having 4-6 years of working experience and 28.6% employees are diploma holder.

Table 1: *Demographic Result*

Demographic Variables	Category	Frequency	Percent (%)
Gender	**Male**	373	73.2
	Female	136	26.7
	21 - 30	78	15.3
	31 - 40	147	28.8
	41 - 50	119	23.3
	51 - 60	153	30.0
Age	**Above 60**	13	2.5
	Less than 1 year	112	22.0
	1 – 3	119	23.3
	4 – 6	173	33.9
	7 – 10	54	10.6
Experience	**Above 10 years**	51	10.0
	Diploma	146	28.6
	Matric	81	15.9
	Intermediate	110	15.7
Education	**Graduate**	126	21.61
	Postgraduate	47	9.2

Table 2: *Descriptive Statistics*

Variable	Mean	Std. Deviation	Skewness	Kurtosis
Autocratic Leadership	3.62			
Employee Taking Charge Behaviour	3.75	0.745	-0.799	0.110
Employee Performance	3.57	0.735	-0.797	0.113
Emotional Intelligence	3.70			

Table 2 demonstrate the descriptive statistics (means, standard deviation, skewness, kurtosis) of all variable.

Measurement Model

In PLS-SEM analysis, two-stage process (i.e. measurement model and structural model) is performed. Measurement model is first step of PLS-SEM analysis. In measurement model analysis, outer loadings, reliability and validity are observed.

Step-1 Estimate Factor Loading With Significance.

The constructs outer loadings are discussed as under: -

Assessment of Outer Loadings

The exogenous composite construct of the study is Autocratic Leadership, Employee Taking Charge Behavior, Employee Performance and Emotional Intelligence. These are denoted as AL, ETCB, EP and EI respectively. AL is measured through ten items (i.e. AL_1, AL_2, AL_3, AL_4, AL_5, AL_6, AL_7, AL_8, AL_9 & AL_10), ETCB is measured through four items (i.e. ETCB_1, ETCB_2, ETCB_3, ETCB_4), EP is measured through seven items (i.e. _1, EP_2, EP_3, EP_4, EP_5, EP_6, EP_7) and EI is measured through twenty-four items (i.e. RM_1, RM_2, RM_3, RM_4, RM_5, RM_6, RM_7, SA_1, SA_2, SA_3, SA_4, SELFA_1, SELFA_2, SELFA_3, SELFA_4, SELFA_5, SM_1, SM_2, SM_3, SM_4, SM_5, SM_6, SM_7, SM_8). The outer loadings of all items of all constructs are more than 0.70 and significant as per threshold. The range of outer loadings is 0.714-0.784, 0.768-0.853, 0.711-0.740, and 0.712-0.775 respectively. The significant values of outer loading are shown in table 3.

Table 3: *Outer Loadings*

Constructs Items	AL	EI	EP	ETCB
AL1	0.714			
AL10	0.741			
AL2	0.757			
AL3	0.784			
AL4	0.795			
AL5	0.723			
AL6	0.735			
AL7	0.775			

AL8	0.729			
AL9	0.787			
EP1			0.793	
EP2			0.74	
EP3			0.733	
EP4			0.728	
EP5			0.723	
EP6			0.711	
EP7			0.769	
ETCB1				0.847
ETCB2				0.853
ETCB3				0.788
ETCB4				0.768
RM1		0.731		
RM2		0.766		
RM3		0.716		
RM4		0.737		
RM5		0.734		
RM6		0.777		
RM7		0.759		
SA1		0.775		
SA2		0.774		
SA3		0.714		
SA4		0.729		
SELFA1		0.799		
SELFA2		0.752		
SELFA3		0.707		
SELFA4		0.716		
SELFA5		0.727		
SM1		0.748		
SM2		0.712		
SM3		0.736		
SM4		0.782		
SM5		0.773		
SM6		0.787		
SM7		0.759		
SM8		0.722		

Table 4: *Reliability and Validity*

Latent Variables	**Cronbach Alpha**	**CR**	**AVE**	**Discriminant Validity**
Autocratic Leadership	0.893	0.896	0.511	Yes
Employee Taking Charge Behaviour	0.802	0.827	0.628	Yes
Employee Performance	0.84	0.843	0.51	Yes
Emotional Intelligence	0.953	0.953	0.583	Yes

Step-2 Reliability Analysis

Cronbach Alpha

The acceptable threshold for Cronbach alpha is ≥ 0.70 (Kline, 2024) while (Hair et al., 2014). Recommended that ≥ 0.60 is also acceptable. Table 4 demonstrated the Cronbach alpha that all constructs have above the mark alpha scores. It shows good reliability variables over time.

Composite Reliability

Resultant value of composite reliability above 0.95 represent that individual indicators are measuring the same concept that is not acceptable (Hair et al., 2020). Table 3 demonstrated the composite reliability results and all constructs have above the mark composite reliability scores. It shows all variables have good reliability over time.

Step-3 Validity Analysis

Hair et al. (2017) recommended two major types of validity analysis to test the measurement model (i.e. convergent validity and discriminates validity).

Convergent Validity

The acceptance value of AVE is 0.50 and above. The value 0.50 or above denote that this construct explained variance is more than 50%. Table 3 demonstrated the AVE scores and all constructs have above the mark AVE scores. It shows all variables have good validity.

Discriminates Validity

Evaluation of discriminant validity can be derived through three metrics i.e. cross loadings, Fornell-Larcker method Fornell and Larcker (1981), and heterotrait-monotrait ratio (HTMT) (Henseler et al., 2015).

Fornell-Larcker Discriminant Validity Analysis

The diagonal values demonstrated in Table 4 show square root of AVE. All diagonal values are greater than its respective correlation scores. It shows all variables have good discriminant validity as per Fornell-Larcker method.

Heterotrait-Monotrait Discriminant Validity Analysis

Table 5 demonstrated the HTMT scores and all constructs HTMT scores do not cross the limit i.e. $HTMT_{0.95}$. It shows all variables have good discriminant validity as per HTMT ratio method.

Table 5: *Heterotrait-Monotrait Discriminant Validity*

Constructs	AL	EI	EP	ETCB	EI x AL
AL					
EI	0.84				
EP	0.801	0.895			
ETCB	0.758	0.762	0.832		
EI x AL	0.452	0.476	0.446	0.338	

Cross loadings discriminant validity analysis

Table 6 demonstrated that all constructs cross loadings are higher than the respective cross loadings in the row. It shows all variables have good discriminant validity as per cross loadings method.

Structure Model

Step-1 Multicollinearity Analysis

Results in table 7 reveals that there is no issue collinearity in the data as all values of VIF is less than 3 as per the threshold of Hair et al. (2020).

Table 7: *Multicollinearity Analysis*

	VIF Factor
AL1	2.1
AL10	1.72
AL2	2.17
AL3	2.24
AL4	1.811
AL5	1.941
AL6	1.925
AL7	1.658
AL8	1.999
AL9	1.816
EP1	1.692
EP2	1.625
EP3	1.826
EP4	1.63
EP5	1.743
EP6	1.84
EP7	1.638
ETCB1	2.065
ETCB2	2.054
ETCB3	1.696
ETCB4	1.435
RM1	2.591
RM2	2.154
RM3	2.23
RM4	2.341
RM5	2.499
RM6	1.968
RM7	2.012
SA1	2.689
SA2	2.075
SA3	2.399
SA4	2.441
SELFA1	1.362
SELFA2	2.504
SELFA3	2.878
SELFA4	2.384

SELFA5	2.424
SM1	1.744
SM2	2.206
SM3	2.529
SM4	2.07
SM5	2
SM6	2.087
SM7	2.078
SM8	2.431
EI x AL	1

Step-2 Evaluate Size and Significance of Path Coefficients

Structural model relationship estimates are obtained that represent the path coefficients that show the hypothesized relationship between study variables. The coefficient values of PLS path model represent the ordinary least square regression

beta coefficients (β) Ali et al. (2018) The estimated value of standardized regression coefficient (β) depict the relationship among the independent variable and dependent variable on the condition that estimated p-score is statistically significant for standardized regression coefficient (β) (Hair, Babin, & Krey, 2017). The standardized value of path coefficients falls between -1 and +1. The resultant value of path coefficient closes to +1 represent strong positive relationship while the value of path coefficient closes to -1 represent strong negative relationship that are usually significant. When the value of coefficient is near to 0 that show weaker relationship. The value that is very close to 0 is usually insignificant. The understanding of path coefficient is described as how much change is liable in endogenous construct due to change in exogenous construct with ± 1 standard deviation Henseler (2017)

Figure 1: *Measurement Model*

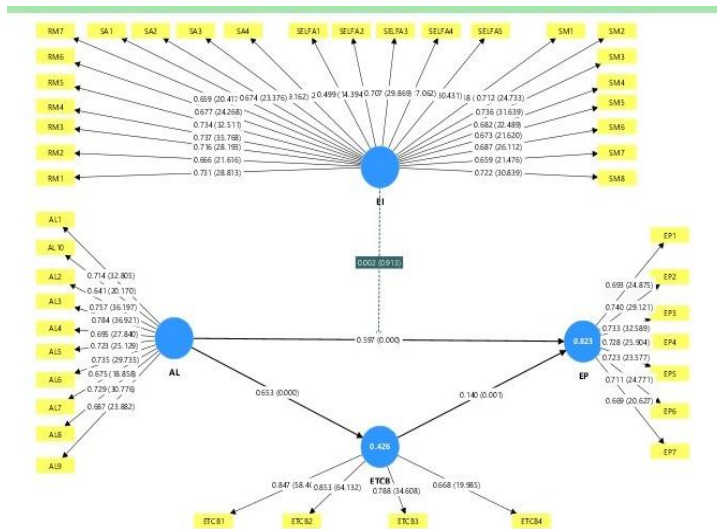

Table 8: *Direct Path*

Direct Path	Beta Value	T statistics (|O/STDEV|)	P values
AL -> EP	0.597	12.64	0
AL -> ETCB	0.653	17.312	0
ETCB -> EP	0.14	3.237	0.001

The direct effect demonstrates the one-one relationships among variables.

H1: *Autocratic leadership style has a significant impact on employee performance.*

It was hypothesized that autocratic leadership has an impact on employee performance. As demonstrated in the table 8, β= 0.597, t= 12.64, p= 0.000. These results showed that β value is positive and shows the size of path i.e. 12.64, t value above ±1.96 i.e. 8.782, and p value is less than 0.05 which show significance of the path.

H2: *Autocratic leadership style significant impacts Employee taking charge behavior.*

It was hypothesized that Autocratic leadership has an impact on Employee taking charge behavior. As demonstrated in the table 8, β= 0. 653, t= 17.312, p= 0.000. These results showed that β value is positive and shows the size of path i.e. 17.312, t value above ±1.96 i.e. 3.063, and p value is less than 0.05 which show significance of the path.

H3: *Employee taking charge behavior significant impacts employees' performance.*

It was hypothesized that Employee taking charge behavior has an impact on employee's performance. As demonstrated in the table 8, β= 0.14, t= 2.237, p= 0.001. These results showed that β value is positive and shows the size of path i.e. 2.237, t value above ±1.96 i.e. 2.333, and p value is less than 0.05 which show significance of the path.

Step-3 Examination of Coefficient of Determination (R2)

Tables 9 demonstrate the R2 scores of variables i.e. employee performance and employee taking charge behavior. The R2 value for employee performance is 0. 815 which is considered substantial, the R2 value for employee taking charge behavior is 0. 509 which is considered substantial.

Table 9: *Coefficient of R-Square*

Construct	R-square	R-square adjusted
Employee performance	0.815	0.813
Employee taking charge behavior	0.509	0.508

Step-4 Examination of effect size f^2

The threshold of effect size (f^2) is 0.02 for small effect, 0.15 for moderate effect, and 0.35 for large effect (Gignac & Szodorai, 2016). Table 10 demonstrates the f^2 scores of exogenous variables i.e. autocratic leadership, emotional intelligence and

employee taking charge behavior. All exogenous variables have large effect size with employee's performance.

Table 10: *Effect Size F^2*

Constructs	EP	ETCB
AL	0.272	0.030
EI	0.002	
ETCB	0.017	
EI x AL	0.002	

Mediation Effects

H4: *Employee taking charge behavior mediates the relationship between Autocratic leadership and employee performance.*

It is hypothesized that Employee taking charge behavior mediates between autocratic leadership and employee performance. As demonstrated in the table 11, β= 0.092, t = 3.168, p = 0.002. The results showed in the table 11 indicate that Employee taking charge behavior mediates between autocratic leadership and employee performance.

Table 11: *Indirect Effects*

Indirect Effect	Original sample (O)	T statistics (|O/STDEV|)	P values
AL -> ETCB-> EP	0.092	3.168	0.002

Moderation Effects

H5: *Emotional intelligence moderates the direct relationship between Autocratic leadership and employees' performance.*

It was hypothesized that Emotional intelligence moderate's relationship between Autocratic leadership and employee's performance. As demonstrated in the table 27, β= 0.002, t= 0.109, p= 0.016. These results showed that β value is positive and shows the size of path i.e. 0. 109, t value above ±1.96 i.e. 0.925, and p value is less than 0.05 which show significance of the path.

Table 12: *Moderation Effects*

Moderation Effects	Beta Value	T Value	P values
EI x AL -> EP	0.002	0.109	0.016

Discussion and Conclusion

Structural equation modeling is employed to assess the suitability of the proposed model and validate the significance of relationships among observed and latent variables. Hypothesis 1 (H1) posits a connection between Autocratic leadership and employee performance. The standardized regression weights obtained from the Autocratic leadership indicate a significantly positive relationship between

Autocratic leadership and employee performance, as evidenced by the statistical value of ($\beta = 0.597$, $p = 0.000$). The findings indicate that there is a significant positive relationship among variables. The said finding is consistent and in lined with the findings of Chen, Xu, and Phillips (2018) that found that Autocratic leadership has positive and significant association with employee performance. Hypothesis 2 (H2) proposes a relationship between Autocratic leadership and employee taking charge behavior. The standardized regression weights obtained from the SEM reveal a significant positive relationship between Autocratic leadership and employee taking charge behavior, as reflected by the statistical value of $\beta = 0.653$ ($p < 0.000$). Thus, the interpretation of the results indicates that Autocratic leadership has a positive and significant impact on the employee taking charge behavior. The current study's findings are consistent with previous research conducted by De Hoogh, Greer, and Den Hartog (2015). This also demonstrated that Autocratic leadership has a positive and significant impact on the employee taking charge behavior. Hypothesis 3 (H3) proposes a relationship between Employee taking charge behavior and employee performance. The standardized regression weights obtained from the SEM reveal a significant positive relationship between Employee taking charge behavior and employee performance, as reflected by the statistical value of $\beta = 0.14$ ($p < 0.001$).

Thus, the interpretation of the results indicates that Employee taking charge behavior has a positive and significant impact on the employee performance. Hypothesis 4 (H4) proposes the mediating relationship of Employee taking charge behavior between Autocratic leadership and employees' performance. The standardized regression weights obtained from the SEM reveal a significant positive mediating relationship of Employee taking charge behavior between Autocratic leadership and employees' performance, as reflected by the statistical value of $\beta = 0.094$, $t = 3.168$, $p = 0.002$. Thus, the interpretation of the results indicates that of Employee taking charge behavior mediates the relationship between Autocratic leadership and employees' performance. Hypothesis 5 (H5) proposes the moderating relationship of Emotional intelligence between Autocratic leadership and employee's performance. The standardized regression weights obtained from the structural equation modeling reveal that Emotional intelligence moderates the relationship between autocratic leadership and employees' performance, as reflected by the statistical value of $\beta = 0.002$, $t = 0.109$, $p = 0.016$. Thus, the interpretation of the results indicates that Emotional intelligence moderates the relationship between autocratic leadership and employees' performance.

Implication of Study

Theoretical Implications

This study offers some fascinating theoretical insights by looking into how different autocratic leadership impact employee performance, emotional intelligence (EI) and employee taking charge behavior (ETCB). Employee taking charge behavior ETCB serve as key mediating variable in this context. ETCB, reflecting self-determination theory, emphasizes the intrinsic motivation that drives proactive behaviors Deci and Ryan (1985) Focusing on SMEs, this research fills a gap in leadership studies, offering valuable insights into how leadership practices impact employee performance in resource-limited environments. This interdisciplinary approach enhances our understanding of leadership, emotional intelligence, and organizational behavior, ultimately improving employee outcomes.

Social Contribution

This study underscores the pivotal role of effective leadership in SMEs, crucial for driving economic growth and job creation. However, it showcases how autocratic leadership, underpinned by emotional intelligence, can significantly boost employee performance by enhancing engagement, innovation, and organizational support. Moreover, by focusing on employee taking charge behavior, the research offers valuable insights into fostering positive work environments where employees feel valued and empowered. These findings highlight ways to promote job stability, innovation, and improve the competitiveness of SMEs, thereby contributing to broader societal goals of economic and social development.

Limitations and Further Direction

This study has several limitations that should be acknowledged. Following limitations should be address accordingly; future research could employ a longitudinal design and include a broader range of organizations, such as larger firms, to assess the varying impact of leadership across different contexts. It would also be beneficial to explore additional leadership styles beyond autocratic, investigate different dimensions of emotional intelligence, and incorporate other mediators or moderators, such as work engagement, to provide more detailed insights. Conducting cross-cultural studies would enhance the external validity of the findings, and exploring the effects of digital transformation in SMEs could offer valuable insights into how leadership and emotional intelligence affect performance in the context of technological advancements.

Reference

Al-Khasawneh, A.L. and Futa, S.M. (2013a). The relationship between job stress and nurse's performance in the Jordanian hospitals: a case study in King Abdullah the founder hospital, *Asian Journal of Business Management,* Vol. 5 No. 2, pp. 267-275.

Ali, F., Rasoolimanesh, S. M., Sarstedt, M., Ringle, C. M., & Ryu, K. (2018). An assessment of the use of partial least squares structural equation modeling (PLS-SEM) in hospitality research. *International Journal of Contemporary Hospitality Management,* 30(1), 514–538. doi: 10.1108/IJCHM-10-2016-0568.

Bandura, A. (1986). Social foundations of thought and action: A social cognitive theory, *Englewood Cliffs, NJ*, (23-28), 2.

Bar-On R., Parker, J.D.A. (2000). *The handbook of emotional intelligence: Theory, development, assessment and application at home, school and in the workplace.* Jossey-Bass, 388

Cai, Z., Parker, S. K., Chen, Z., and Lam, W. (2019). How does the social context fuel the proactive fire? A multilevel review and theoretical synthesis. *J. Organ. Behav., 40*, 209–230. doi: 10.1002/job.2347

Carmeli, A. (2003). The relationship between emotional intelligence and work attitudes, behaviour and outcomes: An examination among senior managers. *Journal of Managerial Psychology*, *18*(8), 788–813.

Chen, H., Xu, X., & Phillips, P. (2018). Emotional intelligence and conflict management styles. *International Journal of Organizational Analysis, 27*(2), 1–20.

Cherniss, C., & Goleman, D. (2001).*The emotionally intelligent workplace: How to select for, measure, and improve emotional intelligence in individuals, groups, and organizations.* Jossey-Bass.

Cherniss, C., Extein, M., Goleman, D., & Weissberg, R. P. (2010). Emotional intelligence: What does the research really indicate? *Educational Psychologist, 41*(4), 239–245.

Chowdhury, M.H. (2017). *Effective leadership style*. http://www.theindependentbd.com/post/116299

Crant, J. M. (2000). Proactive behavior in organizations. *Journal of Management, 26*(3), 435–462. https://doi.org/10.1016/S0149-2063 (00)00044-1

Dalluay, V. S., & Jalagat, R. C. Jr. (2016). Impacts of leadership style effectiveness of managers and department heads to employees' job satisfaction and performance on selected small-scale businesses in Cavite, Philippines. *International Journal of Recent Advances in Organizational Behaviour and Decision Sciences*, *2*(2), 734.

De Hoogh, A. H. B., Greer, L. L., & Den Hartog, D. N. (2015). Diabolical dictators or capable commanders? An investigation of the differential effects of

autocratic leadership on team performance. *The Leadership Quarterly, 26*(5), 687–701.

Deci, E. L., & Ryan, R. M. (1985). The general causality orientations scale: Self-determination in personality. *Journal of Research in Personality*, *19*(2), 109–134.

Dulewicz, V., & Higgs, M. (1999). Can emotional intelligence be measured and developed? *Leadership & Organization Development Journal*, *20*(5), 242–253.

Fernandez S, & Moldogaziev T. (2013). Employee empowerment, employee attitudes, and performance: testing a causal model. *Public Adm Rev., 73* (3):490–506. doi:10.1111/puar.12049

Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, *18*(1), 39–50.

Gignac, G. E., & Szodorai, E. T. (2016). Effect size guidelines for individual differences researchers. *Personality and Individual Differences, 102*, 74–78.

Goleman, D. (1998), "The emotional intelligence of leaders", leader to leader, Vol. 1998 No. 10, pp. 20-26.

Hair, J. F., Jr., Babin, B. J., & Krey, N. (2017). Covariance-based structural equation modeling in the *Journal of Advertising*: Review and recommendations. *Journal of Advertising*, *46*(1), 163–177. https://doi.org/10.1080/00913367.2017.1281777

Hair, J. F. Jr., Howard, M. C., & Nitzl, C. (2020). Assessing measurement model quality in PLS-SEM using confirmatory composite analysis. *Journal of Business Research*, 109, 101–110.

Hair, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2017). Partial least squares path modeling. In H. Latan & R. Noonan (Eds.), Partial least squares path modeling: Basic concepts, methodological issues, and applications (pp. 361–381). Springer.

Hair, J. F., Jr., Matthews, L. M., Matthews, R. L., & Sarstedt, M. (2017). PLS-SEM or CB-SEM: Updated guidelines on which method to use. *International Journal of Multivariate Data Analysis, 1*(2), 107–123.

Hair, J. F., Ringle, C. M., & Sarstedt, M. (2014). PLS-SEM: Indeed a silver bullet. *Journal of Marketing Theory and Practice*, *19*(2), 139–152.

Hasibuan, M. S. P. (2017). Manajemen sumber daya manusia, cetakan ke-21. pt bumi aksara. Jakarta, 145.

Hassnain, A. M. (2022). Impact of autocratic and democratic leadership styles on employees' performance and motivation. *Journal of Administrative and Business Studies*, *8*(3), 19-26.

Henseler, J. (2017). Partial least squares path modeling. In *Advanced methods for modeling markets* (pp. 361-381). Springer International Publishing.

Judge, T. A., & Piccolo, R. F. (2004). Transformational and transactional leadership: a meta-analytic test of their relative validity. *Journal of Applied Psychology, 89*(5), 755.

Jung, Y, Jeong, MG, & Mills, T. (2014). Identifying the preferred leadership style for managerial position of construction management. *International Journal of Construction Engineering and Management, 3*(2), 47-56.

Kafetsios, K., Zampetakis, L.A. (2008). Emotional Intelligence and job satisfaction: Testing the mediatory role of positive and negative affect at work. *Personality and Individual Differences, 44*(3), 712-722.

Katz, D., & Kahn, R. L. (1978). *The social psychology of organizations*. Wiley (Vol. 2, p. 528.)

Khan, A., Muttakin, M. B., & Siddiqui, J. (2013). Corporate governance and corporate social responsibility disclosures: Evidence from an emerging economy. *Journal of Business Ethics*, *114*(2), 207–223.

Kline, R. B. (2024). How to evaluate local fit (residuals) in large structural equation models. *International Journal of Psychology*, *59*(5), 601–610. https://doi.org/10.1002/ijop.13252

Koning, L.F. and Van Kleef, G.A. (2015), "How leaders' emotional displays shape followers' organizational citizenship behaviour", *The Leadership Quarterly, 26*(4), 489-501.

Kreitner, R., Kinicki, A., & Buelens, M. (2002). *Organizational behaviour*. McGraw-Hill Companies.

Law KS, Wong CS, Huang GH, Li X (2008). The effects of emotional intelligence on job performance and life satisfaction for the research and development scientists in China. *Asia Pacific Journal Management. 25*(1), 51-69.

Li, H., & Zhang, Y. (2023). How does secure-base leadership affect employees' taking-charge behaviour: the role of psychological availability and independent self-construal? *Behavioral Sciences*, 13.

Lin, Z. Y., and Zhao, J. Y. (2016). The relationship between authentic leadership and employee's taking charge behaviour: the role of employee's intrinsic motivation and interpersonal sensitivity. *Econ. Manag. J.*, *38*, 71–81.

Malik, N., Dhar, R.L. and Handa, S.C. (2016), "Authentic leadership and its impact on creativity of nursing staff: a cross sectional questionnaire survey of Indian nurses and their supervisors", *International Journal of Nursing Studies*, *63*, 28-36.

Mikolajczak M, Menil C, Luminet O (2007). Explaining the protective effect of trait emotional intelligence regarding occupational stress: exploration of emotional labour processes. *Journal of Research in Personality, 41*(5), 1107–1117.

Morrison, E.W., & Phelps, C.C. (1999). Taking charge at work: Extra-role efforts to initiate workplace change. *Academy of Management Journal*, *42*, 403–419.

Organ, D. W. 1988. Organizational citizenship behaviour: The good soldier syndrome. Lexington, MA: Lexington Books. https://doi.org/10.2307/2393071

Parker, S. K., and Collins, C. G. (2010). Taking stock: integrating and differentiating multiple proactive behaviours. *J. Manag. 36,* 633–662. doi: 10. 1177/0149206308321554

Popescu, Gh. H. (2013). Macroeconomics, effective leadership, and the global business environment. *Contemporary Readings in Law and Social Justice, 5* (2), 170-176

Puni, A, Ofei, SB & Okoe, A . (2014). The effect of leadership styles on firm performance in Ghana. *International Journal of Marketing Studies, 6*(1), 177.

Purwanto, A., & Asbari, M. (2020). Model Pengaruh Gaya Kepemimpinan Authentic, Authoritarian, Tansformational, Transactional Berpengaruh Terhadap Kinerja: Studi Pada Kinerja Dosen Perguruan Tinggi di Jawa Tengah. EduPsyCouns: *Journal of Education, Psychology and Counseling, 2*(1), 227–245.

Scott, B. A., Colquitt, J. A., Paddock, E. L., & Judge, T. A. (2010). A daily investigation of the role of manager empathy on employee well-being. *Organizational Behaviour and Human Decision Processes, 113*(2), 127–140.

Scott-Halsell, S., Shumate, S. R. & Blum, S. (2008). Using a Model of Emotional Intelligence Domains to Indicate Transformational Leaders in the Hospitality Industry. *Journal of Human Resources in Hospitality & Tourism, 7*(1), 99-113

Searle, T. P., and Barbuto, J. E. (2013). A multilevel framework expanding and bridging micro and macro levels of positive behaviour with leadership. *J. Leadersh. Organ. Stud., 20,* 274–286. doi: 10.1177/154805181348 5133

Shrestha, A., Pandey, N., Gurung, B. K., & Kharel, S. (2024). Autocratic Leadership and Employee Performance: Moderating Role of Age Group. *International Research Journal of MMC, 5*(2), 41-52.

Van Vugt, M, Jepson, SF, Hart, CM & De Cremer, D. (2004). Autocratic leadership in social dilemmas: A threat to group stability. *Journal of Experimental Social Psychology, 40*(1), 1-13.

Virgiawan, A. R., Riyanto, S., & Endri, E. (2021). Organizational culture as a mediator motivation and transformational leadership on employee performance. *Academic Journal of Interdisciplinary Studies, 10*(3), 67-79.

Walumbwa, F. O., Wang, P., Wang, H., Schaubroeck, J., and Avolio, B. J. (2010). Psychological processes linking authentic leadership to follower behaviours. *Leadersh. Q., 21,* 901–914. doi: 10.1016/j.leaqua.2010.07.015

Wong, C., Law, K. S. (2002). The effect of leader and follower emotional intelligence on performance and attitude: An exploratory study. *Leadership Quarterly, 23*, 243–274.

Yang, C., Tang, M. F., and Jing, Y. (2019). A study of the mechanism by which guanxi-based human resource management practices influence employees' active change. *Manag. Rev., 31*, 207–218.

Zampetakis, L. A., & Moustakis, V. (2011). Managers' trait emotional intelligence and group outcomes: The case of group job satisfaction. *Small Group Research, 42*(1), 77–102.

Zhou, J., George, J. M. (2003) Awakening employee creativity: The role of leader emotional intelligence. *Leadership Quarterly, 14*, 545–568