

A
Paper on
“Leadership Styles & Its Impact on Employees’ Performance &
Social Life”

Theme – Human Resource Management

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Leadership Styles & Its Impact on Employees' Performance & Social Life

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Abstract

The ability to lead effectively includes orchestrating important change, then, will set the excellent managers apart from the average ones. Great leaders keep people focused on moving the organization toward its ideal future, motivating them to overcome whatever obstacles lie in the way. They master skills that are useful to their organizations, and they hold to performance standards that are higher than required. The essence of leadership is in the level & degree of professional planning which includes purpose, priorities, plans, listening, learning, leading, attitude, aptitude, attention, articulate, imagination, ideas, integrity, inspire & so on. In this global competitive environment, effective leadership style is necessary to reduce the attrition rate. Organization's survival, success and profitability depend upon employee's performance and productivity which is directly associated with leader's approach(style).

Leadership has been characterized as "activity aimed at bringing about change in an organization or social system to improve people's lives" (Astin & Leland, 1991, p. 7). Such responsibility suggests that leaders are charged with an enormous burden to effect organizational and social change. Hence, competent, steady, and progressive leadership can be a critical factor that determines whether an organization survives and thrives or succumbs to the pressures and challenges of today's increasingly competitive marketplace. Identifying successful leadership qualities is a challenging and dynamic task and has been a topic of decades-long debate among industrial psychologists (Terman, 1904).

Researcher here wants to analyze elements present in different styles which can improve the performance of employees. So, a new leadership style can be developed which is customized form of effective factors from different styles which have influence on employee performance. This new innovation will help in reducing gap between leader's and employee's mentality. It has been recommended that organizations use the leadership style that enhances the capabilities and abilities of the people. Moreover, this research can be useful for the growth of employee, society, organization and economy by reducing employee turnover and improve standard of living.

Keywords: Leadership Styles, Productivity & Performance, Work Life

Introduction

Capable and *Experienced* human resource is a need of every organization and it is highly dependent on leaders' qualities. Leadership is believed to be subject to strategic planning. Leadership is found to play an important role in providing common direction and commitment. The role of leadership in an organization is crucial in terms of creating a vision, mission, determination and establishment of objectives, designing strategies, policies, and methods to achieve the organizational objectives effectively and efficiently along with directing and coordinating the efforts and organizational activities (Xu & Wang, 2008). Quality leadership is the weapon of the organization and without him it is almost impossible to achieve the desired goals. An excellent leader not only uses employees' *efficiency* towards achievement of organizational goal but also completes employees' requirement (Lee & Chung, 2009).

In current time, many companies are facing problems related to unethical practices, high labour turnover, poor financial performance, etc. This may be due to the lack of effective leadership. Leadership is the most crucial element for success (Lussier & Achua, 2009). In today's *competitive, dynamic, multi-national and multi-culture* working environment, it is strongly proved that organization are now realizing the importance of leadership style as it has impact on both *employees' efficiency and outcomes* of organization (Muchiri, 2011, Muchiri, Cooksey, Dimilia & Walumbwa, 2011). Leadership is the skill of influencing workforce so they are willingly driven towards the achievement of organizational goal. Effective leadership style is much useful in growth of members of the organization (Hurduzue, 2015). The leadership style influences the culture of the organization which, in turn, influences the organizational performance (Klien et al 2013). Leaders are classified on many different criteria among which most important is leadership style.



Leaders are claimed to have a positive impact on the efficiency of the organization by influencing the team members' job performance because leader is the one who is in touch with both management and workforce to *co-ordinate and manage* them towards common goal with minimum grievances.

In this research, the study is made to examine the impact of leadership style on employee performance and his social life. This concept is continuing since past but its importance in today's era has increased up to a great extent. The entire performance of organization is derived from workforce who is *guided* by a leader. He/she motivates the employees' and is responsible for management of workforce.



Significance of the Study

Leaders are the base of any organisation who lead from front and make achieve organization its goals. Some of the authors analysed and concluded leader do have impact on employee performance & productivity which will have impact on employees' social life indirectly on the other hand some authors contradict by saying leaders do not have any type of influence on employees' performance.

The role of leaders is regarded as the critical tools for the team members. The reason is that leaders play a vital role in formulating collective norms, assisting the team members to face and resolve the challenges arisen in the team environment. Based on this background, researchers here want to analyse relationship between the leadership style and its impact on performance of employee. Here the independent variable will be leader and his tactics and dependent variable will be employees' performance & his social life. The major objective behind this research is to find out qualities of modern leaders, determinants impacting employee performance & their social life due to the working method of leader.

It will help organization in deciding the different strategies they need to follow to keep their employees satisfied and more productive.

Leaders in different organization can use this research work to understand the need of modern generation employees' need resulting no conflict between the management & the workforce and high productivity.

Review of Literature

Locke (1991); concluded that self-drive, self-confidence, cognitive ability, honesty, and integrity are considered to be the most commonly observed traits of successful leaders.

Bond and Smith (1996); identified "Big Five" model of personality which can be used in the other cultural contexts. These traits include extroversion, emotional stability, readiness to accept challenges, agreeableness, and openness to experience.

Boyett (2006); mentioned the role of leaders is crucial in gaining the trust of their subordinates and stimulate their commitment towards the successful fulfilment of the undertaken project. He described the influence of leaders in the following manner. Firstly, the leaders should have idealized influence; they have to be charismatic. Leaders can execute the confidence and competence. Secondly, leaders should be able to inspire their followers; this is mainly attributed to their role of inspirational motivation. It is important for the leaders to be able to take each separately while dealing with them. Each person is different from the others regarding their characteristics such as needs, wants and attitude towards specific tasks. Therefore, leaders should have the individual consideration to each team member. Leadership

Oladipo Kolapo Sakiru, Jamilah Othman Aliyu Yero, Mohammed Abdullahi, Narges Kia (2013); concluded that effective leadership is needed to drive workforce towards organizational goal.

Swathi S (2013); concluded that employee leave leader not organization. So, leader have much influence on employee's engagement in organisation.

Dimitrias Belias, Athanasios Koustelios (2014); stated that leadership style should be proper mix of employee's demographic & individual characteristics which give job satisfaction to employees.

Nguyen minh Ha, Tran vietHoang Nguyen (2014); resulted that there is impact of leadership behaviour on employee job performance. Passive leadership behaviour would lead to negative employee job performance. On the other hand, active leadership behaviour like idealized

influence, intellectual stimulation, management by exception will have positive impact on employee job performance.

Moh. Ali Shahab, Inna Nisa (2014); The findings showed that leadership has positive & significant influence on job satisfaction. On the other hand work attitude also have positive & significant influence on job satisfaction and employee performance. Research also shows that leadership have positive but not significant influence on employee performance.

Arifpartonoprasetyo, Nurvitatrianaseri (2015); concluded that leadership style has significant impact on work-family conflict experienced by employee, but research also showed that it does not have major influence.

Karl Thompson, Jon K Webber (2016); concluded that leader should create such working environment which increase employee understanding, engagement and communication.

Wendy Lor, Zubair Hassan (2017); stated that only transformational & supportive leadership style influence employee performance.

Liridon Veliu, Mimoza Manxhari, Visar Demiri, Liridon Jahaj (2017); resulted that transformational, autocratic and democratic leadership style have positive influence on employee performance.

Abdul Basit, Veronica Sebastian, Zubair Hassan (2017); showed that Employee Performance have significantly positive relationship with democratic leadership style and laissez faire style and have negative relationship with autocratic style.

Ebrahim Hasan Al Khajeh (2018); concluded that democratic, transformational & autocratic style have positive impact and charismatic and transactional style have negative impact.

Kelvin M Mwita, Dr Eliza Mwakasongula, Oscar Tefurukwa (2018); found that there is significant linear relationship between leadership & employee performance.

Scope of the Study

Peter Drucker (1989) mentioned that leadership is not created, taught and learned. Thus, a great amount of attention was dedicated to understanding the number of characteristics that are found in leaders. Different type of leadership styles can be seen in different organization & different industry as per requirement. The research will include personalities from different sectors i.e. Manufacturing Industry, Banking, Academicians. The objective behind selecting these sectors is that there are wide variety of leaders and employees' working here from different culture. The study is done because these are one of the most pressurised sectors in current scenario.

Researcher here wants to add new knowledge to past research therefore such different sectors are selected which have different leader-employees' relationships.

Objectives of the Study

- To explore the leadership styles that influences employee performance & productivity.
- To examine the relationship between leadership style and its impact on employee's social life.
- To know the significance under the consideration of effective leadership and employee's performance effectiveness.

Methodology

The researcher has conducted personal interviews to know the opinion about leadership styles and impacts on employee's performance and social life. The reason for this is to be able to provide adequate discussion for the readers that will help them understand more about the issue and the different variables that involve with it. On the other hand, sources in secondary research will include previous research reports, newspaper, magazine and journal content.

Researcher Questions

1. How much effective leadership style cast an effect on employee's performance?
2. What are the outcomes if there is an effective leadership style?
3. Do you think that leader's style play a vital role in favour to achieve organizational goal & maintain efficient employees in an organization?
4. Does your leader give you enough freedom for decision-making & supports you for innovative ideas and their implementation?

Respondent's Responses

1. **Respondent 1 (Assistant Professor); Marwadi University, Rajkot** shared that democratic style is used in the organization. Certain employees are to be treated in a polite way but strict behaviour is to be done with certain employees. If employees are overburdened and if there is lack of support from superiors then it can cause stress in employee's life. Leaders should positively guide employees in order to make them perform better. Leader's role is very important in taking up new challenges, motivating employees, innovating new techniques. If a leader allows employees to take decisions related to their work, then they will feel more empowered.
2. **Respondent 2 (Co-ordinator & Ex-Director); M.V.M. College, Rajkot** expressed that democratic style is used in the organization. Because if employees' suggestions and ideas

are taken into consideration then it would positively impact employee's performance. Employees should always be given certain privileges, in order to keep them stress free. Employees learn from you, so if you guide them properly, they are encouraged to perform better. Whenever an idea is suggested to perform better, enough chances are given to employees to work in their own way. In changing scenario, definitely leaders play a positive or negative role in social life of employee. Leaders should always give freedom to their employees for getting better output from them.

3. **Respondent 3 (C.A.) & Respondent 4 (Assistant Manager); Raj Bank, Rajkot** responded that democratic style is used in the organization and employees are treated everybody equally. Leaders always ask if there is a problem in working. Leadership style always impacts employee performance and preferences are given to capable employees. Also, employees are given chance to develop new techniques and use in organization. If employees are overburdened then it may lead to stress. If employees are given freedom to work on their own then it is going to bring success to organization. In competitive scenario, a leader's style impacts efficiency of whole organization. Even enough authority for the work helps increase employee's productivity.
4. **Respondent 5 (Training and Placement Officer); Atmiya University, Rajkot** said that democratic style is used in the organization. Leadership style certainly effects employee's performance to a great extent. If employees are overburdened then it can cause a stress in your life. If employees are given freedom to work then it motivates them to perform better. Leader's vision plays a important role in changing business scenario. If employees are given freedom to work then they can perform in outstanding way.
5. **Respondent 6 (Branch Manager); HDFC Bank, Rajkot** expressed that democratic style is used in the organization. Leaders should be positive because their style impacts employee performance. If leaders are not supportive and if there is no freedom given to them then it can cause stress for employees. In changing business scenario, leaders style plays a important role in motivating employees to perform better.
6. **Respondent 7 (Quality Control Manager); OM Bricks, Rajkot** said that situational leadership is used because of changing situations in work. Workers should be critically handled as they belong form educated as well as uneducated background, so leader's style is going to impact employee performance. If there is constant work pressure then it may lead to stress. Due to leadership style, there are several benefits seen in the employees like they are giving inputs for cost cutting. Even if employees are heard it can lead to time saving in the

production process. Even workers are given enough autonomy for decisions related to their work which increases their sense of belongingness in the organization.

7. **Respondent 8 (Assistant Branch Manager); Indian Bank, Rajkot** opined that democratic and consultative style is used. Employees are pillars of organization. If leader is positive, supportive and guiding then it will increase employee's performance. If there are over targets and trouble in sanctioning leave, then it can cause stress in employees. Mesmerizing his personal experience, he said because of his good leader, he performed extremely well. If employees are encouraged to implement their own ideas, then it is also going to benefit the organization. If leaders are talking freely with workers, then it is easy to approach to them and suggest anything. If any organization wants to improve profitability, then it is essential to give them freedom related to their work.
8. **Respondent 9 (Lead Software Engineer); Here Solutions private limited, Mumbai** responded that democratic style is basically used. There are five values they follow which is win together, Be Bold, Be true, Learn fast and Give Back to society (social responsibility). Leadership style impacts employee performance because they follow what they see their leaders doing in organization. Stress can be caused if leaders does not support you and it can add to frustration and irritation in day to day life. People are more energized and motivated if their ideas are taken into consideration. Open culture should be there in a company. Leaders need to make bold moves, means certain conventional decisions are to be taken at times in changing scenario. Efficiency of employees would improve if they are given enough freedom related to work.
9. **Respondent 10 (Assistant Manager); Yes Bank, Rajkot** said that situational leadership style is used and employee's performance is impacted by leaders. If employees work overtime then it causes stress in employee's life. If employees' idea is implemented then it will increase their morale. If employees are given enough freedom then it will increase their efficiency.
10. **Respondent 11 (Director); Royal Refractories, Wankaner** opined that democratic leadership style is used. Leader should walk together with employees if he wants success in the organization. If you give importance to employees, then they will work by heart which will add quality to your work. If you work like a family with employees then it will never be a stress for them. There should be fun at workplace in order to keep employees stress free. He even quoted some examples wherein employees' idea was taken into consideration and they achieved success. In competitive scenario, employees know the real scenario from

ground level, so their opinions must be considered. Employees should be given full freedom to express their views because then only organization can get exposure to new ideas. Even dignity of employees should be maintained by leaders. They should be given leaves whenever they need it, even holidays on festivals will also increase their morale of working.

Findings of the Study

- Leader has a significant and substantial effects in the small businesses and also in the world's largest corporations. His leadership style affects everyone from senior and top management to the new entrant even of employees and new firms. Leaders create the corporate culture that influences the organization and performance of employees in term of meeting deadline projects.
- Leadership style refers to a leader's behaviour and attitude of governance and supervision. It is the result of personality traits, experience, attitude and philosophy of the leaders.
- Leaders must focus towards the management goals to provide guidance and help to the team and departments while accepting and receiving the inputs from individual team members. Leaders should not reserve to their activities and authority only but in actual they bother about consultation of employees.
- An effective leader delegates various tasks to subordinates and give them full control and responsibility for those tasks, and encourage others to become good leaders and involved in leadership and employee development. That led to more commitment of employee to department goals, performance to meeting deadlines.
- The leaders must invite and encourage the team members to play an important role in decision making process, though the ultimate decision making power rests with the leaders. Leaders tell and guide the employees what to do? And how to do? And at the other hand, employees communicate to the leader their experience, suggestions and recommendations.

Conclusion

Employees play a critical role in ensuring the quality of service. When employees are clear about their expectations and requirements, they are more likely to perform better. Although leaders are responsible for the proper task and job allocation. Leadership seems to be a matter of aligning people towards common goals and empowering them to take the actions needed to reach them. Leader-Employee relationship has grown over the years & has now become more interrelated and effective. A clear understanding of employee needs and clear picture of potential negative

effects of role ambiguity and role conflict can encourage leaders to take effective measures to create a better organizational environment where employees can work upon their best potential. Task-focused leaders formulate the schedules with easy-to-reach objectives which can help team members to work more effectively. On the other hand, person-focused leadership is mainly concerned with the creating better and enhanced environment which motivates and empowers employees. This study stated that self-confidence, commitment, equality, un-biasness, cognitive ability, honesty, integrity, envision are considered to be the most commonly observed traits of a successful leaders. This study reveals that organizational performance is associated with the leadership style and they have both a positive and a negative impact on the performance and social life. It is important for a leadership style to offer opportunities to employees, offer a sense of belonging along with allowing them to participate in the decision –making with stress free work environment resulting stress-free life. It can be said that leadership can be a weapon for improving employees' productivity.

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