

Leadership Styles and Employee Performance

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Abstract - This study is about the effect of leadership styles on employee performance which focuses on employees. This section elaborates the background of the study (Historical, Theoretical, and Conceptual perspectives), statement of the problem, Purpose, Specific objectives, Research questions, Hypothesis, Scope of study and Significance of the study were explored.

Index Terms: Leadership, Hypothesis

I. INTRODUCTION

A. HRD climate in Indian organizations

Human Resource Development (HRD) is the framework for helping employee's develop their personal and organizational skills, knowledge, and abilities. HRD includes such opportunities as employee training, employee career development, performance management and development, coaching, mentoring, succession, key employee identification, tuition assistance, and organization development. The focus of all aspects of Human Resource Development is on developing the most superior workforce so that the organization and individual employees can accomplish their work goals in service to customers.

B. Historical perspective

Different leadership styles are used that fit to employees on the basis of amount of directions, empowerment, and decision making power. An administrative phenomenon reflects the contingency of leadership, and style, situation and performance. As a result, employee performance is affected due to lack of proper direction and application of strategic style in managing daily duties.

C. Conceptual perspective

In this study, there are different leadership styles such as autocratic, democratic, and participative which are taken as independent variables and employee performance would be taken as dependent variable. A conceptual model is developed on the basis of their

relationship with a view to analyze which one leadership style is most appropriate to improve the performance of employees of an organization. Consequently, performance was operationally perceived as: executing defined duties, meeting deadlines, team input, and achieving departmental goals. The above should lead to efficiency, specialization, effective feedback and good organizational relations.

D. Theoretical perspective

Leadership is increasingly understood to involve persuasion and explanation as well as ability to identify, affirm, and renew the values of the group the leader represents. Managerial expertise, technical skills, cultural literacy and other relevant knowledge and skills are not sufficient virtues for the leaders. An effective leader has a responsibility to provide guidance and share the knowledge to the employee to lead them for better performance and make them experts in maintaining the quality. The introduction of the clear standards of leadership promotes the core values and maturity on their role and responsibility.

E. Statement of problem

Employee performance includes executing defined duties, meeting deadlines, employee competency and effectiveness and efficiency in doing work. Various organizations need strong leadership styles that stimulate the employee performance. Some organizations face the problems of poor innovation, low productivity, and inability to meet performance targets. This problem happens due to lack of strategic interventions of specific leadership styles to the particular situations which was predicted as the problem at hand. This problem was continuously affecting employee performance. That's why this study investigates the best one leadership style that stimulates performance of employees. It is believed that an effective organization is rooted from its propellers or the business leaders. The idea of effective leadership is also adopted in the world of technology. The employees also perceived that there is a need of a leader who should not only have to lead people but also be effective. So, they need an effective leader who can lead the people toward changes and performance improvement.

How does a leader perform under the consideration of effective performance of employees and firm?

How does leader's effectiveness change the performance?

II. SPECIFIC OBJECTIVES

The research in testing the effectiveness of a leadership is fueled by the objectives. A research without purpose is worthless and part of the aim is to introduce the best leadership approach.

1. To explore the leadership styles that contribute to employee performance.
2. To explain the relationship between the effective leadership styles and performance of employees.
3. To know the significance of leadership styles in the employee performance.
4. To develop the model that shows relationship among different styles of leadership and employee performance.

III. RESEARCH QUESTIONS

- What effect does leadership style imposes on employee's performance?
- What are the outcomes if there is an effective leadership style?
- What is the relationship between participative leadership and employee performance in an organization?
- What is the relationship between Democratic leadership style and employee performance?
- *To what extent does the authoritative style affect employee performance in an organization?

IV. SIGNIFICANCE OF THE STUDY

As such, the completion of this study will provide understanding of the concept present so as to generate data and information that every planner could use it in order to come up with strategies, plans and designs that will strategically position them in the highly competitive, diverse, and complex business environment that is experienced at present.

By fulfilling the aims that were stated in the objectives section, this study will be helpful for other researchers who may be focusing on understanding the concept of effective leadership. The notable significance of this study is the possibility that other researchers may be able to use the findings in this study for future studies that will create a huge impact on society. The findings

of this study can be used for other findings that might prove to be helpful in introducing changes to the business. It has been contributed to the body of knowledge since the present area is highly under research.

Scope of the Study

The study only focused on exploring how participative leadership, authoritative leadership and Democratic leadership styles stimulated the employees' performance which includes execution of defined duties, meeting of deadlines and achieving departmental goals.

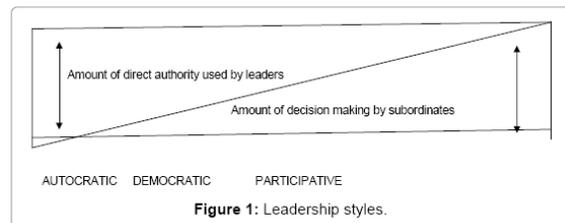
V. LITERATURE REVIEW

A. Leadership

According to Adair, "Leadership is the ability to persuade others to seek defined objectives enthusiastically. It is the human factor which binds a group together and to improve their performance and to direct them towards goals"

Koudri suggests that leadership is to deal and cope with change, focusing on the long-term and the big picture, not always doing to safe himself in fact to take risks, and concentrating on people and their values, not just the bottom line.

B. Leadership styles



Autocratic/Authoritarian: Both words describe the type of leaders who give orders and expect instant obedience without argument. Plans and policies are made in isolation from the group. Orders are given without explanation for the reasons or of future intentions. The autocratic leaders do not become part of them at all, but merely direct it.

Traits of autocratic style: All decision making power is theirs, unrealistic in demands, uses excessive discipline and punishment, does not allow others to question decisions or authority, feels he/she has all the abilities, critical of differing opinions, rarely gives recognition, easily offends others, uses others for

his/her benefit, action oriented, highly competitive, useful in the short term focus.

Democratic/Passive: Theoretically they are the best type of leaders. The democratic leader makes no suggestions but asks for group opinions. The group is left to make its own decisions democratically which, are then “rubber stamped” by the leader.

Participative: The participative leader follows a style in which employees takes part in the decision making process. Opinions of the group are sought by the participative leader who uses this information to make decisions. The group is kept informed about the future and are allowed to debate and proposed changes to long term policy.

C. Effect of different styles on employee performance

As elaborated by Myron Rush and Cole the participative style of leadership has a greater positive effect on employee performance in which employee, feels power and confidence in doing their job and in making different decisions. And in autocratic style, leaders only have the authority to take decisions in which employees’ feel inferior in doing jobs and decisions. In democratic style employees have to some extent discretionary power to do work so, their performance is better than in autocratic style.

VI. RESEARCH METHODOLOGY

The study will explore the problem in an interpretative view and investigation, using a descriptive approach which uses focus group, interviews. To illustrate the descriptive type of research, Bushman will guide the researchers when he stated: descriptive method of research is to gather information about the present existing condition. The purpose of employing this method is to describe the nature of a situation, as it exists at the time of the study and to explore the effects of particular phenomena on the performance of employees and firm.

Data collection:

Secondary research will be integrated. 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. Existing findings on journals and existing knowledge on books will be used

as secondary research. The interpretation will be conducted which can account as qualitative in nature.

Locale of research

Thoothukudi city: Thoothukudi, also known as Tuticorin, is a port city and a municipal corporation and an industrial city in Thoothukudi district in the Indian state of TamilNadu. The city lies in the Coromandel Coast of Bay of Bengal. Thoothukudi is the headquarters of Thoothukudi district. It is located about 590 kilometers (367 miles) south of Chennai and 190 kilometers (118 miles) northeast of Thiruvananthapuram (Trivandrum). According to Confederation of Indian Industry, Thoothukudi has the second highest Human Development Index in Tamil Nadu next to Chennai.



Sampling unit:

The owners (termed leaders for the purpose of the study) and employees of

ASR POWER UNIT, TUTICORIN is taken as the sample unit. .



ASR sound service was started as a small electrical concern catering to the needs of customers in and around the local area. It started its business with offering tube lights, serial sets and speaker sets in and around Tuticorin district. Gradually, it spread wings and had diversified its business in generators ranging from 1 kva to 1250 kva.

Its service is being offered throughout Tamilnadu, Andra, and Kerala and once it had been sent to Malaysia also. It provides services in the field of marine also. It also undertakes to provide generators to public and social functions throughout the state.

Around 100 employees, are employed directly and indirectly for various cadres like operators, drivers, supervisors etc.

VII. HYPOTHESIS

(H0): There is not a significant relationship among effective leadership styles and performance improvement of employees.

(H1): The Democratic leadership style has a significant effect on employee performance.

(H2): The autocratic leadership style has a significant effect on employee performance.

(H3): The participative leadership style has a significant effect on employee performance.

Model of the research:

The model of the research (with Independent variables, Dependent Variable, Leadership Styles) is explained in Figure 2.

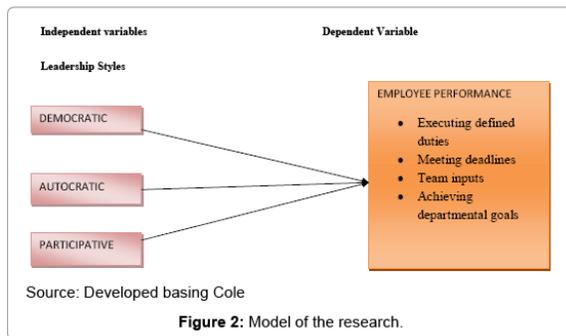


Figure 2: Model of the research.

Data Analysis and Discussion

Leadership styles have significant and substantial effects in the small businesses and also in the world’s largest corporations. These styles affect everyone from senior and top management to the new entrant

even of employees and new firms. They create the corporate culture that influences the organization and performance of employees in terms of meeting deadline projects.

Leadership style refers to a leader’s behavior and attitude of governance and supervision. It is the result of personality traits, experience, attitude and philosophy of the leaders. Rhetoric specialists have also developed framework for understanding leadership.

Autocratic leadership style

Different situations require different leadership styles. When there is little time to coverage on an agreement and quick work is required and where a designated authority has significantly more experience or expertise than the rest of the team, an autocratic leadership style may be most effective, however, in a highly motivated and aligned team with a homogeneous level of expertise, a more participative and democratic style may be more effective. The style should be one that most effectively meets the objectives of the team while balancing the interest of its followers and team members of that group led by an effective leader. Autocratic style effects is also known as authoritarian leadership,

A. Democratic leadership effects

Milgron and Ittnerstate that this style is usually considered a benefit for most companies. This style focuses the management that provides guidance and help its team and departments while accepting and receiving the inputs from individual team members. These leaders not only reserve to their activities and authority only but in actual they bother about consultation of employees.

Heneman and Gresham under the democratic style promote the sharing of responsibility, the exercise of delegation and continual consultation. In this style managers suggestions and recommendations on all major issues and decisions and effectively delegate tasks to subordinates and give them full control and responsibility for those tasks, and encourage others to become good leaders and get involved in leadership and employee development. That led to more commitment of employee to department goals, performance to meeting deadlines.

B. Participative leadership effects

Waggoner said this is viewed as effective option. As compared to other typical styles, delegate leaders rarely make decisions; leave this portion on the employees. Mostly, these leaders delegate

responsibility to their employees and offer guidance to trusted team members.

Graver and Austin state that a participative style will be unproductive in the short term. But in longer time period, this style is more productive for an organization. This productivity increases due to feeling of empowerment and more commitment to their work and departmental goals.

VIII. CONCLUSIONS

As elaborated by Myron Rush and Cole the participative style of leadership has a greater positive effect on employee performance in which situation, employee feels power and confidence in doing their job and in making different decisions. And in autocratic style leaders only have the authority to take decisions in which employees' feel inferior in doing jobs and decisions. In democratic style employee have discretionary power to some extent to do work so their performance is better than in autocratic style.

The authoritative style is appropriate-

- When new employees are unfamiliar and don't have sufficient know how about their jobs
- If the employee constantly misuse their authority
- When company rules are violated by employees
- When the sole person is responsible for decision making and implementation.
- The consultative style is appropriate
- When organization needs creative problem solving
- When organization is training people for leadership roles
- When you need good and efficient performance of the day-to-day organizational tasks
- The participative style is appropriate
- When organization have competent and talented team members
- When company or department plans for improvements
- When company conducts evaluation sessions
- When you are motivating top-performers in an organization
- When you need innovative and creative work

RECOMMENDATIONS

a. In respect of the above conclusion, the democratic leadership style in ASR Power should further empower their employees by developing

teams and provide them autonomy in their work. In this way, employees would ignite their potentials, feel part of an organization and provide optimum performance for the organization.

b. Workers participation in management helps employees' develop a sense of belonging. This would improve loyalty and bring about efficiency.

c. Lateral thinking and innovation is the need of the hour, so employees must be encouraged to bring forth creative ideas which would lead to more profitability. Productivity and reduced wastages.

d. Employee grievances and redressed must also be given more priority to create a sense of satisfaction in the minds of employees.

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