



# THE IMPACT ON LEADERSHIP STYLE ON EMPLOYEES PRODUCTIVITY

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**ABSTRACT:** Leadership effectiveness plays a pivotal role in shaping organizational outcomes, particularly in influencing the performance of employees. This abstract provides a concise overview of existing literature to elucidate the relationship between leadership effectiveness and employee performance. Drawing upon various theoretical frameworks and empirical studies, this paper explores the multifaceted dimensions of leadership effectiveness and its direct and indirect effects on employee performance.

Firstly, it examines the theoretical underpinnings of leadership effectiveness, encompassing various leadership styles, traits, and behaviors. Transformational, transactional, and authentic leadership styles are discussed, along with the importance of emotional intelligence, communication skills, and vision setting in effective leadership.

Secondly, the paper delves into empirical evidence demonstrating the impact of leadership effectiveness on employee performance across diverse organizational contexts. Studies reveal that effective leadership fosters employee engagement, motivation, job satisfaction, and commitment, consequently enhancing individual and organizational performance indicators such as productivity, innovation, and profitability.

Furthermore, the mediating mechanisms through which leadership influences employee performance are explored. These include factors such as organizational culture, climate, and trust, as well as the leader-member exchange (LMX) relationship and employee empowerment. Additionally, the moderating effects of contextual variables such as organizational size, industry type, and cultural diversity are considered in understanding the nuanced dynamics of leadership effectiveness.

## INTRODUCTION

Employee performance is an important building block of an organization and factors which lay the foundation for high performance must be analyzed by the organizations. Since every organization cannot progress by one or two individual's effort, it is collective effort of all the members of the organization. Performance is a major multidimensional construct aimed to achieve results and has a strong link to strategic goals of an organization. Managers at all the levels have to input their efforts and make maximum use of their abilities which sometimes are



produced under supervision or without it. However, there are many expectations from managers working for an organization. These expectations are sometimes fulfilled but in some situations these managers may be running to their boss for guidance. Therefore, the managers must be developed so that they can think and work on their own and fulfill their responsibilities innovatively, while understanding and foreseeing the market and business situations.

A leadership development program is aimed to improve the skills of managers at all levels whether operational, tactical, strategic and personal as well. Performance is a vital feature of an organization; furthermore, development programs can be helpful in identifying and managing teams, where group development and specifically personal development and growth of managers also take place.

**Definition of Leadership Effectiveness:**

Leadership effectiveness encompasses various dimensions, including transformational, transactional, and servant leadership styles. Transformational leaders inspire and motivate employees towards a shared vision, while transactional leaders focus on task completion through rewards and punishments. Servant leaders prioritize the needs of their followers, fostering a supportive environment for growth and development.

**Theoretical Frameworks:**

Several theoretical frameworks guide research on leadership effectiveness and employee performance. The transformational leadership theory suggests that charismatic leaders who inspire and empower their followers can significantly enhance performance outcomes. Contingency theories, such as the situational leadership model, propose that effective leadership depends on the alignment between leader behaviors and situational demands.

**Impact on Employee Performance:**

Numerous empirical studies have examined the impact of leadership effectiveness on employee performance across various industries and organizational contexts. Findings consistently demonstrate a positive relationship between effective leadership and performance outcomes. Transformational leadership behaviors, such as articulating a compelling vision, providing intellectual stimulation, and fostering individualized consideration, have been associated with higher levels of employee satisfaction, engagement, and productivity.

**Mediating and Moderating Factors:**

## **NEED FOR THE STUDY**

1. The present study has been significant in number of ways. It has been contributed to the body of knowledge by: Firstly, since the present area is highly under researched in India and developing countries. No study has been found to investigate the leadership styles to increase employee's performance and their health in India. So, the

present study supposes that the findings of the present study has been helped the leaders in organization of India in particular and those in developing countries in general to answer the long standing question of how to enhance leader's performance. In addition, the exclusive findings of the study may also help to understand the difference between leadership styles in developed countries and those in under- developed countries. It has been also strengthen the argument that since mass of the research on the topic is conducted in developed countries and their findings cannot be exactly applied in developing countries. Therefore, the present study has been contributed in the literature of leadership styles that impact on employee's performance and their health. Thus, has been represented the situation of developing country like India especially the organizational secretor.

2. Secondly, no research has been found on leadership styles, employee's performance and satisfaction especially in India.
3. Subordinates who are not committed and satisfied with the leadership styles may likely to put less effort in the organization field as compared to the employees with the high level commitment and satisfaction.

## RESEARCH DESIGN/ METHODOLOGY

### Research Design

The situation presented below was developed based on actual situations existing manufacturing company. Information for developing the plans was collected through visit & personal interviews. The discussion questions at the end were developed to serve as pointers for sensitizing the concerned employees with various issued involved. The study bring diversified of problems. For each discussion questions serve as tool.

### Research Methodology

The present research is based mainly on primary data. This research is both descriptive and exploratory in nature. The primary data has been collected by the **survey method** by using and through **personal interviews**. The data is both in the qualitative and quantitative forms. The study has been undertaken in and around Attic Infomatics.

## LIMITATIONS OF STUDY

Due to the following unavoidable and uncontrollable factors the factors, the result might not be accurate. Some of the problems faced while conducting the survey are as follows:-

- Time and cost constraints were also there.
- Chances of some biasness could not be eliminated.
- A Samples size of fifty has been use due to time limitations.



## REVIEW OF LITERATURE

1. The basic structure of an organization is comprised of different departments in which the employees work as the basic units with different capacities. In this structure, the main responsibility of the leadership is to strengthen the moral values and working capacity of its workforce that ultimately leads to increase in output graph of the organization (Avolio & Bass, 2004). The employees, in the presence of inspiring leadership, may not feel isolated from the central authority which keeps them intact and resultantly they work with integrity and utmost commitment. At macroscopic level, leadership is both a search area and a practical skill (King, Johnson & Vugt, 2009). On the part of the researchers, the current research highlights different leadership styles in the different circumstances in various spheres of life. On the part of individual level, it encompasses the abilities, leading capacity, skills, and experience of a person or group of persons (Tahir, Abdullah, Ali & Daud, 2014). While exercising the authority, the leadership seeks the participation of the employees with all their dedication and sense of ownership through the power of mobilization, motivation and communication in the organization (Chandra & Priyono, 2016).

2. The concept of transformational leadership was originally introduced by leadership expert James MacGregor Burns (1978). It is a process where a leader engages his/her followers by motivating them through empowerment, learning, trust, and communication. Transformational leader boosts collaborative approach by which both the leader and followers work together on a shared vision for the present and the future of the organization. The transformational leader possesses charismatic abilities, induces moral values and tries to develop the capabilities of the employees. This style of leadership gives a kind of vision which increases the working potential and commitment of the followers/employees to achieve the high valued tasks those which yields a maximum output (Avolio & Bass, 2004). Consequently, the employees beneath put forward all their efforts to bring up the organizational standards at par with the global standards. At the same time, the transformational leadership is innovative, creative to some extent, takes bold decisions and stands strong in collaboration with the popular will of all the units of the concern organization (Salman, Riaz, Saifullah & Rashid, 2011). Transformational leader is believed to rebuild a structural framework of the organization according to the wins and wishes of the employees keeping in view the global standards and the contemporary situation. The transformational leader develops a level of trust to up-bring the confidence among the employees which assembles the thought values of the employees resulting in the enriched performance (Chandra & Priyono, 2016). Transformational leadership style has four attributes namely the idealized influence, individualized consideration, inspirational motivation, and the intellectual stimulation.

3. The present study tries to examine to what extent the relationship of the leadership styles and employees' performance is affected by the transformational and transactional leadership and which style successfully impacted

upon the employees' level of performance. At the same time, it analyzed the impact of transactional leadership in relationship with employees' performance. The transactional leader, following his/her style by implementing rules and regulations, institutes writ of authority, assigns and focuses upon certain goals and directs the employees to achieve the pre-determined tasks (Avolio & Bass, 2004). In using the transactional style, the leader focuses on contingent reward and on management by exception. Research indicates that when contingent reinforcement is used, followers believe that accomplishing objectives will result in their receiving desired rewards. Using management by exception, the leader does not play any substantial role unless objectives are not being accomplished (Orji et al.).

4. During the course of time under transactional leadership, the skills and experience of the employees are utilized to its maximum through a system of rewards and punishments for good deeds and otherwise (Udoh & Agu, 2012). This entire process is spanned not over a long period of time rather the organizational profile gets re-oriented and the whole dynamics is geared up to certain desired standards. The transactional leadership strictly follows the rules and regulations, prefers to remain in a stipulated framework for the maximum employees performance (Shah & Kamal, 2015). The attributes associated with transactional leadership style include Contingent rewards, management-by-exception (active) and management-by-exception (passive).

## DATA ANALYSIS AND INTERPRETATION

### 1. Your leader understands your importance in the organization.

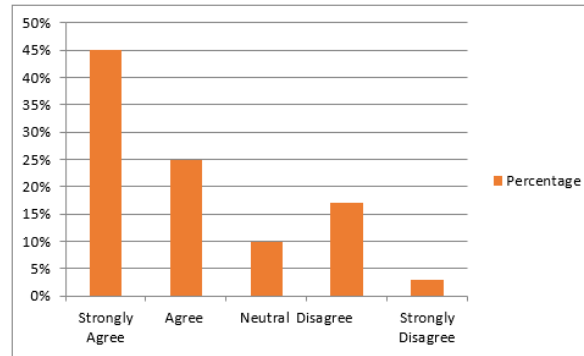
1. Your leader understands your importance in the organization.

- a. Strongly Agree ( )    b. Agree ( )    c. Neutral ( )  
d. Disagree ( )    e. Strongly Disagree ( )

Table 1

S.No	Options	Respondents	Percentage
1	Strongly Agree	45	45%
2	Agree	25	25%
3	Neutral	10	10%
4	Disagree	17	17%
5	Strongly Disagree	3	3%
	Total	100	100%

Graph:



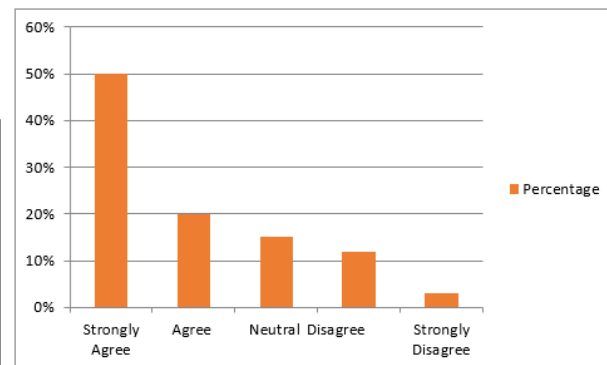
**Interpretation:** From the above table most of the Employees are Strongly agree, 45 Employees are saying that leader understands those importance in the organization, 25 Employees are saying Agree and 10 Employees decision is in Natural & 17 Employees are disagree the above statement.

Graph:

2. Your leader motivates you in achieving your goals

- a. Strongly Agree ( )    b. Agree ( )    c. Neutral ( )  
 d. Disagree ( )    e. Strongly Disagree ( )

S.No	Options	Respondents	Percentage
1	Strongly Agree	50	50%
2	Agree	20	20%
3	Neutral	15	15%
4	Disagree	12	12%
5	Strongly Disagree	3	3%
	Total	100	100%



**Interpretation:**

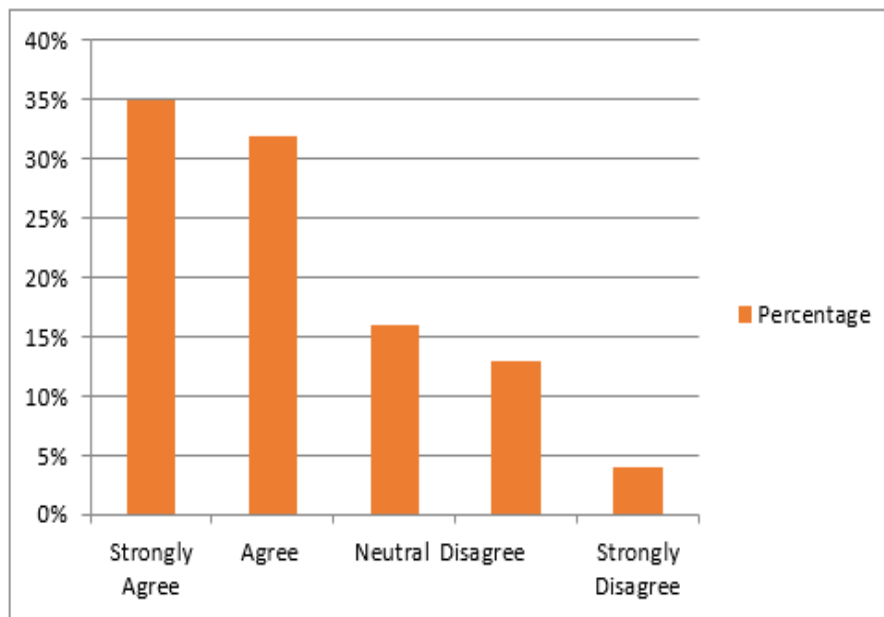
From the above table most of the Employees are Strongly agree, 50 Employees are saying that leader motivates in achieving those goals, 20 Employees are saying Agree and 15 Employees decision is in Natural & 12 Employees are disagree the above statement.

3 Your organization recognizes and satisfies your needs

- a. Strongly Agree ( )    b. Agree ( )    c. Neutral ( )  
 d. Disagree ( )    e. Strongly Disagree ( )

S.No	Options	Respondents	Percentage
1	Strongly Agree	35	35%
2	Agree	32	32%
3	Neutral	16	16%
4	Disagree	13	13%
5	Strongly Disagree	4	4%
	Total	100	100%

Graph:



**Interpretation:**

From the above table most of the Employees are Strongly agree, 35 Employees are saying that organization recognizes and satisfies their needs, 32 Employees are saying Agree and 16 Employees decision is in Natural & 13 Employees are disagree the above statement.

**FINDINGS, SUGGESTIONS & CONCLUSIONS**

**Finding**

- Most of the Employees are Strongly agree, 45 Employees are saying that leader understands those importance in the organization, 25 Employees are saying Agree and 10 Employees decision is in Natural
- 50 Employees are saying that leader motivates in achieving those goals, 20 Employees are saying Agree and 15 Employees decision is in Natural & 12 Employees are disagree the above statement.
- Most of the Employees are Strongly agree, 35 Employees are saying that organization recognizes and satisfies there needs, 32 Employees are saying Agree and 16 Employees decision is in Natural & 13 Employees are disagree the above statement



- After analyzing all the statistical data I found that democratic style has more affect on employee performance as compare to the other variables. So the purpose of my study is fulfilled that which leadership style is better to increase employee performance.
- The majority of people see leaders as influential. Yet, six out of 10 employee also believe that leaders are given too much credit for what their organization accomplishes. So although leadership is significant, its impact may be overstated.

## SUGGESTIONS

Surveys of job satisfaction from the 1920s onward have uniformly reported that leaders can make a difference in their subordinates' satisfaction and performance. Employees' favorable attitudes toward their leaders had been reported as a contributor to their job satisfaction as well as directly related to the productivity of work groups (Bass, 1990 as cited by Chan, 2005). What leadership style should law enforcement leaders employ to maximize followers' job performance? Although there is a lack of agreement in the reviewed literature, there appears to be growing support in one theory.

Therefore this paper concludes there is a sufficient quantity of information which suggests the flawed contingency theory has lost popularity with practitioners as well as theorists. Transactional theory is to some extent effective but not necessarily the optimal theory. Transformational theory is the foremost leadership theory to optimize job performance at this point of time. But there is some evidence in studies that hint that a blend of transactional and transformational theories of leadership may be the style of leadership to be examined further to optimize job performance, especially in military and para-military organizations such as law enforcement agencies.

## CONCLUSION

In many cases strong leadership has resulted in dramatic effects on work engagement, team performance and innovation. However, the most also shows that poor leadership has negative effects on employee morale, project success and working relationships.

The study, which involved a poll of 24 human resources (HR) professionals across Attic Infomatics., confirms that leadership is seen as an important area of organizational functioning and development. The majority (63.2%) see leaders as having a lot of influence over their organizations' success, with only 2.5% reporting th at leaders have very little influence. The most common effects of good leadership are increased motivation (85.5%), improved working relationships (85.1%), higher team performance (80.7%), better solutions to problems (68.9%), and major innovations (41.6%).

Leadership does have its downside, however. When not properly used, leadership can have negative effects.



“What surprised me from our research was that, even with the understanding that leadership is key for organizational success, the leaders themselves were not actively pursuing their own development—despite the opportunities available,”

24 HR professionals currently working in Attic Infomatics.

The majority of people see leaders as influential. Yet, six out of 10 employee also believe that leaders are given too much credit for what their organization accomplishes. So although leadership is significant, its impact may be overstated.

It does not matter whether leaders are in business, government, consulting, education, or not-for-profit; the ranking of skills' importance does not change.

Three out of four HR professionals have seen feeble management of people lead to wasted time, duplicated efforts and poor working relationships. More than half of the survey respondents have observed team members working against each other as a result of ineffective leadership.

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