

Leadership Styles And Its efficacy on Employee Job Satisfaction And Work Effectiveness in Manufacturing Organizations – A Critical Review

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Abstract: The research attempts to emphasize the diverse leadership styles exhibited by key people in organizations and its acknowledgment by their directreportees, thus motivated towards organizational effectiveness. Accordingly, the independent variable and dependent variable of the study has been identified as leadership styles and employee job satisfaction respectively. The mediating variable of the study will be work force effectiveness. As a result, the different leadership styles exhibited was correlated with the corresponding employee performance to observe the inference. The study revealed that transactional leaders were less accepted whereas transformational leaders and democratic leaders were admired and well received by the employees. The results of the study will benefit the organizations to strike a balance between the leadership behavior and followers performance.

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I. INTRODUCTION

Leadership in organizational behavior is one of the most researched and considered topics. Organizations look for leaders who can lead effectively and efficiently. But each leader is unique and so do their styles depending on the situation and inclined paradigm. Leadership style is the pattern of thinking, feeling and behavior that a leader uses to deal with people and situation. Research studies disclose that managers rank leadership abilities as the key to success (Bain, 1995). However, leadership has been a very difficult issue and has a somewhat tarnished reputation (Gardner and Avolio, 1998). Leadership is the capacity of oneself his influence work team in order to achieve targeted results by defining the purpose, clarity and direction to the goals. Evidence suggests that effective leadership stimulates and affects the performance of the employees. A leader creates a healthy and peaceful environment for goal accomplishment by effective communicating the expectation of management to each of its employees. Hence it is important to realize that leadership is basically a developmental process that requires intensive training and the desire to learn continuously to stay updated and conscious about the business environment.

Statement of Problem

Several organizations today have the problem of leadership and the ideal style to be adopted to lead their human resources. The absence of effective leadership is becoming a serious concern especially during crisis situations, thus the resultant outcome being poor staff performance, absence of motivation which results to poor organizational growth and industrial distress. Hence this study aims to investigate the relationship between leadership style and employee job satisfaction.

II. OBJECTIVES OF THE STUDY

The objectives of this research can be expressed as follows:

- To study the relationship between transactional leadership and employee job satisfaction
- To study the relationship between transformational leadership and employee job satisfaction.
- To study the relationship between Laissez-faire leadership and employee job satisfaction

Hypothesis

Based on the objective, the following hypothesis was developed

H1: Relationship between transformational leadership and employee job satisfaction.

H2: Relationship between transformational leadership and employee job satisfaction.

H3: relationship between Laissez-faire leadership and employee job satisfaction

Independent Variable: Leadership Styles- a theoretical perspective

Transactional Leadership Style:

Transactional leaders who were more dominant in the 1980s exercise two main elements namely contingent reward and management by exception.

Contingent rewards refers to the agreed exchange between the leader and follower such as salary, bonus etc in exchange of efforts and hard work of the employees whereas management by exception is characterized by the corrective criticism and giving feedback when something goes wrong. Leaders who use contingent reward are expected to show directions to the employees so that the job gets done. In nutshell, key indicators of the contingent reward encompasses performance based material rewards, direction-setting, reciprocity and confidence building with the workforce.

Management by exception (Active)

There is a little sense of adventure or risk taking in this type of leadership. Such leaders have inherent trust in their workers to end the job to a satisfactory standard and avoid rocking on the boat. This type of leadership does not inspire workers to achieve beyond expected outcomes, however, if target is achieved, that means the system has worked, everyone is satisfied and the business continues as usual. (Bass & Avolio, 2004)

Management by Exception (Passive) “It is the style of transactional leadership in which the leaders avoids specifying agreement, and fail to provide goals and standards to be achieved by staff. Sometimes the leader waits for things to go wrong before taking action (Bass & Avolio, 2004)

Transformational Leadership:

First coined by James V Downtown in 1973, transformational leadership remains predominant leadership approach as it had significant reasoning on the way the contemporary leaders need to behave. This charismatic leader engages followers by fulfilling their development needs by engaging followers and satisfying their developing needs. Leaders with idealized influence demonstrate heightened concerns and cognizance of followers needs and generate a sense of shared risk-taking” (Jung et al. 2008) Employees who report to transformational leaders are very much inspired and empowered and therefore transformational leaders fit well with the current generation.

Cummings et al. (2010) observed that regardless of style, “leaders who practiced relational and transformational styles had better quality outcomes other than those who demonstrated autocracy”.

The Full Range Leadership:

The Full Range Leadership Development Model was developed by Bass and Avolio (1994) is a combination of transactional and transformational leadership and hence includes five transformational factors such as idealized influence, inspirational motivation, individualized consideration, intellectual stimulation and three transactional factors such as contingent reward, management by exception (active) and management by exception (passive).

Charismatic Leadership

These leaders ignite followers with energy and commitment and that in turn raises the effort and moral aspiration by being attentive to the needs of followers when they look up to their leaders to deliver commitments when they face difficulties.

Democratic Leadership

A leader using this style provides direction by allowing the group to make their own decision, encouraging members to determine goals and procedures, and offer suggestions and reinforces member’s ideas. This type of leadership encourages teamwork and always coaches and leads staff to achieve organizational goals.

Authoritarian Leadership

The leader provides clear instructions as to what is expected from members, when, where and how it should be executed. According to Evans (14), Authoritarian leadership sets agendas and determines the groups policies, assigns tasks to members and makes decisions for the group without consulting subordinates. In the end the leader takes responsibility for the group’s progress, but accepts very few suggestions from the group. Rarely do the group members communicate with one another, but they communicate with the leader (14)

Laissez-Faire Leadership

This is a passive kind of leadership style where no relationship exists between the leader and the follower. Hence, it is regarded as a non transactional kind of leadership style in which decisions are delayed, leadership responsibilities were ignored and authority unused.

Dependent Variable: Employee Job Satisfaction

Job satisfaction or employee satisfaction has been defined in many different ways. Some believe it is simply how content an individual is with his or her job, in other words, whether or not they like the job or individual aspects or facets of jobs, such as nature of work or supervision. Researchers have also noted that job satisfaction measures vary in the extent to which they measure feelings about the job (affective job satisfaction) or cognitions about the job (cognitive job satisfaction).

What makes an employee satisfied?

- An SHRM Survey reveals that employees who have been treated respect in their organizations are prone to possess much job satisfaction.
- Top managements’ trust on employee performance and mutual trust amongst team members
- Secured job reduces the anxiety and insecurity level of employees and paves them to concentrate on solving work related challenges and to be retained.
- A healthy environment free from harassment and other moral issues
- An organization which gives due consideration for the individual’s goals in addition to the organization’s goals
- Good paymasters are well received by employees as it makes them feel valued and gives them less reason to search elsewhere.

Role of leadership in employee job satisfaction

Leadership style is an important determinant of employee job satisfaction. The reaction of employees to their leaders will usually depend on the characteristics of the employees as well as the characteristics of the leaders (Wesley Yuki 1984). While motivating people to enhance job satisfaction, Herzberg’s concept of attitude is a powerful tool in determining output. Aligned to this concept is Locke’s formulation of value and its importance in work goals and subsequently job satisfaction. Therefore leaders should consider the impact of leadership style to employee performance in their leadership journey.

III. RESEARCH METHODOLOGY

Descriptive research study was used. Structured Questionnaire was designed and collected with 50 respondents from manufacturing organizations to infer the outcome of leadership style towards employee job satisfaction and thereby contributing to organizational effectiveness. Simple random technique was used for the purpose of sample collection.

Tools for Data Collection

The questionnaire is basically divided into two parts

Part A aims to collect the basic details of the respondent such as Name, gender, age, qualification, designation and experience

Part B , the questions are categorized based on three parameters such as leadership style, Employee job satisfaction and overall work effectiveness.

Statistical Tool for Analysis

Descriptive and inferential statistics are computed with SPSS Package Version 23.

IV. Results

		I am happy to stay with my organisation	Leaders consistency, clarity and setting visions and individual career path
I am happy to stay with my organisation	Pearson Correlation	1	1.000**
	Sig. (2-tailed)		.000
	N	50	50
Leaders consistency, clarity and setting visions and individual career path	Pearson Correlation	1.000**	1
	Sig. (2-tailed)	.000	
	N	50	50
**. Correlation is significant at the 0.01 level (2-tailed).			

		I am happy to stay with my organisation	My boss always believes collaboration is the key to success
I am happy to stay with my organisation	Pearson Correlation	1	1.000**
	Sig. (2-tailed)		.000
	N	50	50
My boss always believes collaboration is the key to success	Pearson Correlation	1.000**	1
	Sig. (2-tailed)	.000	
	N	50	50
** . Correlation is significant at the 0.01 level (2-tailed).			

		Our boss gives us total independence and freedom to work	employee satisfaction can be achieved through
Our boss gives us total independence and freedom to work	Pearson Correlation	1	-.077
	Sig. (2-tailed)		.595
	N	50	50
employee satisfaction can be achieved through	Pearson Correlation	-.077	1
	Sig. (2-tailed)	.595	
	N	50	50

Correlation test reveals that there is strong association between leadership style adopted and the perceived employee job satisfaction. Similarly it is also revealed that transformational leader and democratic leaders are well accepted. In contrary, laissez faire leaders have negative association and hence employee satisfaction and organization commitment gets affected during such times.

V. CONCLUSION

To sum up, leadership is a persistent feature of organizations and the subject cannot be disregarded. The study examined the positive relationship between the transformational leadership and democratic style of leadership and its effect on employee job satisfaction. It was also reported as to how future leaders must tap their employee commitment by having a collaborative environment for both the employee and employer in solving business problems cordially. Thus, the study suggests that emphasizing participative management and fostering effective supervisory communication can enhance employee job satisfaction.

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