

IMPACT OF LEADERSHIP STYLES ON EMPLOYEE MOTIVATION

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ABSTRACT

After the globalization, liberalization, and privatisation in 1991 value of human resource is realized by corporate sector in India. Every company wants to attract best human resource. All organization is in need of creative, innovative and hardworking employee. Industrial leaders are the main leader who attractsthes employees. It's on the shoulder of leaders to keep good working environment for the employees.This study will help the managers to understand the importance of leadership styles and its impact on employee motivation.It will create a base for researchers and academicians for further research.

1. INTRODUCTION

Leaders play vital role in creating productive atmosphere for the employeeswho help them in growth and make them to do whatever they want to do for the growth of company and themselves(Alghazo and AL-Anazi,2016). Key influencer of any organization is leadership style followed by seniors which motivates their employees.Leadership is the quality of manager to motivate his employees so that they can do well in their

job. They create environment for the upliftment of employee and creating positive environment for employees so that they can share their thoughts and ideas. Good leader creates team spirit for an organization. Leaders must play important role as guide and philosopher for the employees (Kshirsagar and Ramgade, 2021). When the company has motivated employees then it automatically gets following advantages: reduce turnover, increase productivity, reduce absenteeism, increase revenue and improve organization performance.

1.1 SOME IMPORTANT LEADERSHIP STYLES

Transactional Leadership Style: This is based on system of reward and punishment. Transactional style deal in exchange of work and reward. Transactional leaders explain the goals which need to be achieved in exchange of rewards or the punishments that they will get if they are unable to achieve that goal and take corrective actions (Thakur, 2014). According to Kalsoom, Khan and Zubair (2018) different transactional leader's behaviors are:

Contingent Reward: Leaders give reward if employee has achieved the bench mark.

Management by Expectation (Active): Subordinates are monitored and corrected, if necessary, in order to make them more effective. Main motive is to match standard of deviation.

Management by Expectation (Passive): Leaders do not involve in task until and unless problem become critical or mistake have already happened.

Transformational Leadership Style: Lan, Chang, Ma, Zhang and Chuang (2019) found that transformational leaders create positive environment and valuable changes for the employee motivation. There are four main components of transformational style:

1. Idealized influence- Leader should have mission and vision and have passion which makes their employees to follow them sincerely. Self-confidence is necessary.
2. Inspirational motivation- Leader must influence the employees to achieve organizational goal. Motivating employees by his charm which help in development of employee and company.
3. Individualized consideration- Leader respect and care each employee to make them know their importance in the team.
4. Intellectual stimulation- Leader should encourage knowledge and creativity of employees to achieve organizational goal and enhance themselves.

Autocratic Leadership Style: Autocratic styles are those leaders who make decisions without consent of the employee. Little opportunity is given to employees to make suggestion. These leaders keep control on group members (Dolly and Nonyelum, 2018). Autocratic leader may be useful at emergency situations where company is facing crisis situations (Jony, Alam, and Amin, 2019). Leader holds all the power and all interactions within the group move towards the leader. The leader unilaterally exercises all decision-making authority by determining policies, procedures for achieving goals, work task, relationships, control of reward, and punishment. Autocratic leader relies heavily on authority, control, power, manipulation and hard work to get the job done (Fiaz, Su, Amir and Saqib, 2017).

Democratic Leadership Style: - Democratic leaders are also known as participatory leaders. Leaders make their team member involve in decision making process. In democratic style quality is appreciated and rewarded. It can lead to better and innovative ideas (Jony, Alam and Amin, 2019). Democratic leadership style focuses more on people and there is greater interaction within the group. The leadership functions are

shared with members of the group and the leader is more part of the team. The principles of democratic leadership are friendliness, helpfulness, and the encouragement of participation (Fiaz, Su, Amir and Saqib, 2017).

2. LITERATURE REVIEW

Bhole (2020) done a research on the topic “A Critical Study of Impact of Leadership Style on the Employee Motivation” and found that a leader who wants to be successful and needs to increase the output has to become supportive and inspirational to his employees. They must try to increase capabilities of employees. Sougui, Bon, Mahamat and Hassan (2016) in their research they found that there are many factors that contribute to being a good leader and all leadership style have positive and negative impact on employee motivation, satisfaction and performance.

There are many previous studies done on types of leadership style and their impact on employee motivation. In a study by Uddin (2019) it was found that transformational leader is highly preferable and suitable for the proper motivation of employees. Transformational leader keeps more focus on transforming instead of transacting. They provide environment by which employees can flourish their ability. Alghazo and AL-Anazi (2016) discussed that leader who adopted participative and transformational leadership style creates motivated environment for employee. Leaders need to be more inspirational, supportive and resourceful for the employee.

Chowdhury (2014) explained that ideal leadership style should be mix of transactional leadership quality and transformational leadership quality. Leaders should encourage employees to push the bar and challenge themselves to become more innovative and creative. Kshirsagar and Ramgade (2021) explain that leadership is an important perception that motivates employee. On current environment there is need for

dynamic leadership. Leader's use various styles depend various characteristic of employees and need of organization's objective. It enhances efficiency and productivity of employee and organization too.

3. ROLE OF LEADERHIP STYLE IN EMPLOYEE MOTIVATION

Leadership style is one of the important factors of employee motivation. Reaction of an employee on a leader depends on the way they create environment for them (Chowdhury, 2014). Change in leadership style help employee to experience different environment. There is strong association between leader and employee motivation (Uddin, 2019). If employees are not motivated and handled with effective leadership approach which is suitable for working environment, working culture and organizational structure, the result will be a negative impact on the organization and also lead to dissatisfaction and loss of valuable employees and customers in light of a competitive and dynamic world. Effective leadership approach is the main player to create a successful organization and for projecting a positive image within the minds of the employees so they feel motivated. Leadership approach is an important determinant of motivation. The reactions of employees to their leaders will usually depend on the characteristics of the employees as well as on the characteristics of the leaders(Mengesha, 2015).

4. CONCLUSION

This research was done to examine the impact of different leadership styles on employee motivation. Leadership and motivation have close relationship. There are various factors that influence employee motivation. From the literature review it was found that most valuable and important leadership style is transformational style. It is very important to communicate vision to employees so that they can achieve organizational goal and there will be no doubt in their direction. Employees can be motivated with transformational style because it gives them freedom to express their views and transacting leadership style

may play positive role in improving performance of employee. Autocratic leader is more powering type of style which empower more to leader and less to employees and it make employees less motivated but it is useful at crucial stage. Democratic leadership style may be risky for new employees and when company has less knowledgeable employees, but it motivates employees as they feel more participative. Leader can create innovative environment for employees and care and respect each employee. All the leadership styles are important at a specific situation and a leader must learn to act according to the dynamic environment in order to keep employees motivated. This research paper is helpful for superiors in understanding the impact of leadership style on employee motivation. It will help them to develop their own leadership skills for generating better employee motivation. It will also help other academicians and researchers for further research and study.

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