

A STUDY ON LEADERSHIP AFFECTS ON EMPLOYEE

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ABSTRACT

For the purpose of higher performance of employees and subordinates we must use effective leadership styles and leadership styles also important for the health of employees. Research also described that effective leadership styles can enhance the productivity performance and commitment with their job and organization. So the execution of leadership styles is one way that with use of different leadership styles leaders can construct commitment and job satisfaction of employees that increase their performance.

Therefore, aim of this quantitative study has been, in first to investigate and recognize the impact of leadership styles on employee's performance and health in small and medium enterprises (SMEs) in Pakistan and to further investigate the different leadership styles that increase employee's performance among different leaders using structured questionnaire.

Key Words: *Leadership styles,Employee performance.*

INTRODUCTION

There is an ongoing discussion about leadership styles and its impact on various aspects of employee performance and their work-related health. It has been suggested that leadership factors had an influence on

the increasing work-related ill health, but these suggestions have rarely been based on scientific studies. Although relationship between leaders and subordinates has gradually been more focused, but it is still scientifically unclear as to what extent and in what ways leaders influence the health of employees. The figure below demonstrates how leaders may influence the health of employees.

The leader can be described as a possessor of the tools to create and change the structure and culture within an organization. These prerequisites have been influenced managers' leadership style, managers' health and also legitimate the communication processes, feedback and reward systems. According to Schein (1992) it is the middle- and low level managers who primarily influence the subordinates, their stress and health outcomes. They execute and determine the boundaries for the subordinates. The European states have experienced structural changes in labor market and living conditions during the last two decades, which are discussed as factors that may influence health levels in populations (Theorell & Vogel, 2003).

The structural changes have led to new demands on employees' flexibility and ability to handle changes, which is referred to as a health risk (Aronsson & Sjögren, 1994, Arnetz, 1996). There is no consensually agreed-upon definition of culture. Culture is variously defined in terms of commonly shared processes: Shared ways of thinking, feeling and reacting; shared meanings and identities; shared socially constructed environments; common ways of interpreting how technologies are used; and commonly experienced events (House, Wright & Aditya, 1997). It is almost self-evident and no surprise to common sense that leadership possesses such power, as it is a social process itself and the social climate develops as social process. Studies of different kinds have verified the role of leadership style for the climate formation; correlation studies (EKvall and Arvonen 1984, EKvall, Frankenhaeuser and Parr 1996), case-studies (tedgard 1987), action-research (Marrow, Bower and seashore 1967), and studies with experimental design (Litwin and Stringer 1968).

Yet it is not productive to include leadership in the climate concept and treat it as a special dimension of the climate alongside of other dimensions. James and Jones (1974) opposed making leadership style a part of the climate concept. They pointed out that "closeness of supervision" is a "leadership process variables", and that it should be treated as such; nothing is to be gained by bringing it into the climate concept.

With the ever changing business landscape of more and innovative competitors, most service firms recognize the need to introduce innovations and new technologies within their organizational processes to stay in the

market, or to retain their competitive advantage compared to their rivals. One of the most often used models explaining technology acceptance is the technology acceptance model (TAM) by Davis et al. (1989). It was the first model to state that psychological factors, perceived usefulness and perceived ease of use of the new technology, are central in influencing its use. Since the model allows for the addition of external variables, numerous extensions have been made. These relate to technology-based factors like perceived enjoyment and perceived attractiveness (Van der Heijden, 2003, 2004), personal factors like personal innovativeness (Agarwal and Prasad, 1998, 1999), or interpersonal factors like trust (Geffen et al., 2003). Also concrete management actions like offering training and education, and organizational technical support have been shown to play a role in influencing individual usage of innovations (Schillewaert et al., 2005). Less attention, however, has been given to the influence of the overall leadership style in an organization. We, therefore, extend TAM with two styles: transactional leadership and transformational leadership. These concepts were developed by Burns (1978) on the basis of observing political leadership, and extended by Bass (1985). Despite the fact that the styles cannot be seen as opposite ends of a continuum (Avolio and Bass, 1991), they are different in nature. We expect them to play similar roles in the context of technology acceptance, but via different mechanisms.

NEED OF THE STUDY

the responsibility of leaders, as well as their performance in increasing their subordinates is above some question. Although more leadership styles introduced (eg. transformational and transactional) but out of which some is more productive for increasing subordinates performance and some is not more important. Effective leadership styles have much solution for arising problem in the subordinates work and increasing their performance. In fact, the performance of leaders, as with performance of employees in universal, is a build in relation to diversity fundamental dimensions such as different leadership styles and advance technology acceptance. With all these matters considering the main purpose of this chronological mixed methods study is to investigate effective leadership styles that enhance subordinates performance in first phase with intent of using this information in the second phase to generalize the findings. In particular, most of the research exploring the different effective leadership styles relation with the performance and also introduced innovative technology in the developing countries & services and manufacturing companies.

SCOPE OF THE STUDY

The main purpose of this study is to investigate the different effective leadership styles. The paper is structured as follows. First, a short literature overview is given on the concept of leadership styles. Secondly, a conceptual framework is built by formulating hypotheses on the effects of leadership styles and the employee's performance and health. Thereafter the empirical study is described and its results have been presented. Therefore, the present study is aim to investigate the perceptions of leaders and subordinates performance in the small medium and large organization in Pakistan and other countries using different leadership styles.

OBJECTIVE OF THE STUDY

To investigate leader's opinion about employee's health that contributes their employee's

RESEARCH METHODOLOGY

The present study is based on primary and secondary data. The Secondary data have been obtained from the following sources:- For the collection of secondary information and data sources like Published annual reports. Different policies, annual reports from head office back volumes, annual reports and journals, magazines, and websites,

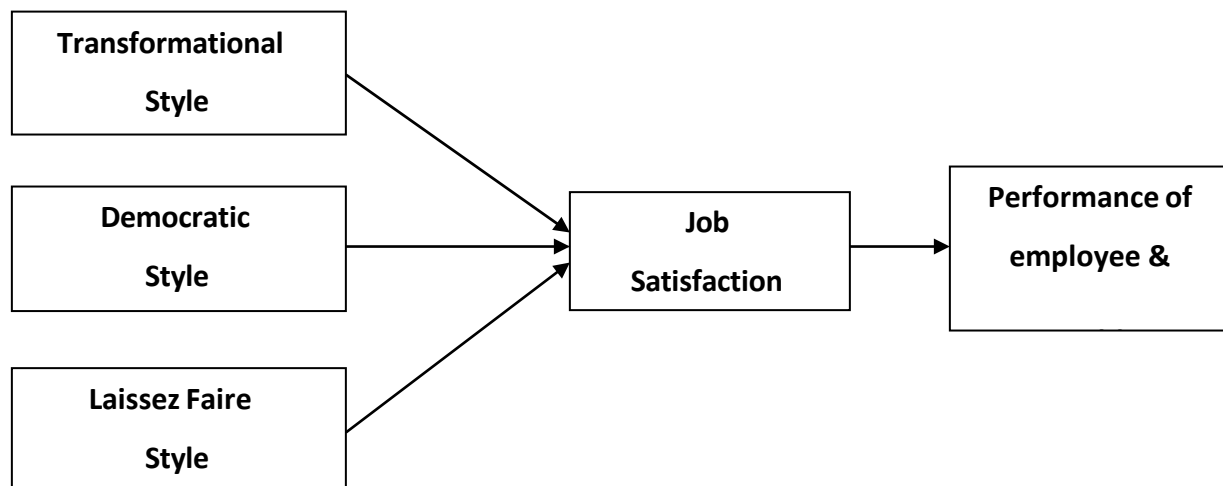
Review of Literature

Leadership has in a number of studies been referred to as one of many possible sources of employee health and stress at the work place (McVicar, 2003, Jonsson, Johansson, Rosengren, Lappas & Wilhelmsen, 2003) but the magnitude of its impact varies across studies. Stordeur, D'hoore & Vandenberghe (2001) found leadership dimensions to explain 9% of the variance in emotional exhaustion and Gordick (2002) found that transformational leadership explained 2% of the variance in coping with organizational change and that it was not a significant predictor of perceived stress. In a large prospective study of a random sample of Swedish employees Oxenstierna et al (2004) found that lack of decision authority as well as lack of support from work mates were powerful predictors of longlasting sick leave (at least 60 days). Support from superiors had no statistically significant effect.

Some studies indicate a moderate relationship between leadership styles and burnout/emotional exhaustion/depersonalization (Langner, 2002; Webster & Hackett, 1999). Vealey, Armstrong, Comar & Greenleaf (1998) found perceived coaching styles/behaviours predictive of athlete burnout. But several studies

have found no impact of leadership on health of subordinates, or the results indicate that the role of leadership is inferior to other work related and demographic factors (Mazur & Lynch, 1989, Lubofsky, 2002, Bernin and Theorell, 2003). Stordeur, Vandenberghe & D'hoore (1999) found that leadership dimensions were not significantly related to burnout once stressors like job strain, lack of social support, conflict at work and feeling that the job is threatened were included in the regression model. These findings are supported by results from Gordick (2002) and Wierszal-Bazyl (2003). Wierszal-Bazyl (2003) points out that social support plays an especially important role. She suggests that further research should focus on the indirect relationship between leadership and employee health and analyze to what extent supervisors influence e.g. demands, control and social support, which are known to have a strong impact on employee health.

Theoretical Model:



Analysis

This study has used the most common and famous statistical software in order to present results of survey. After defining the variables which are Performance of employees and their health, Transformational leadership style, Democratic leadership style and Laissez Fair leadership style. After putting the questionnaire data into SPSS total number of variable shown are 13. Then I utilize the “*Compute*” option in this software, after using this option finally we got three independent variable which are used in through out the study.

DATA ANALYSIS

Descriptive Statistics

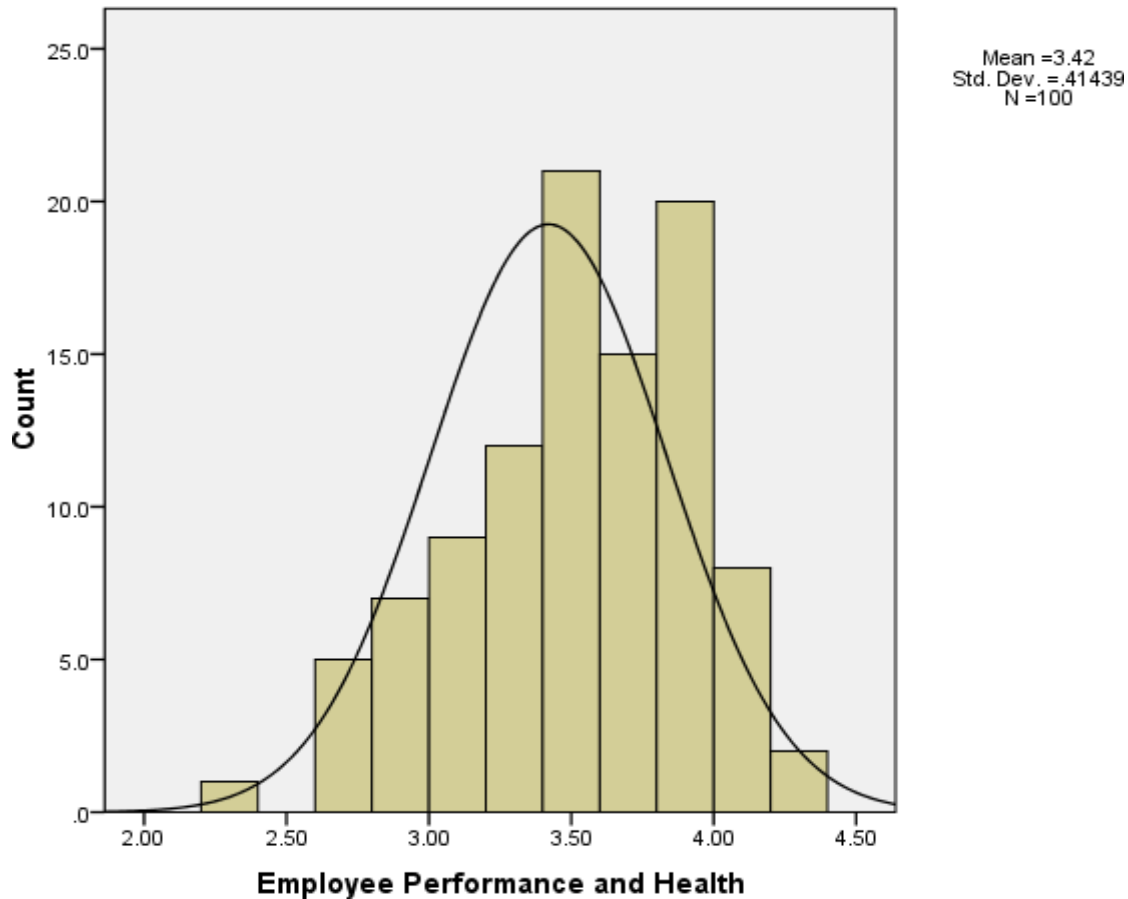
	N	Minimum	Maximum	Mean	Std. Deviation
Employee Performance and Health	100	2.20	4.20	3.4200	.41439
Transformational Style	100	2.75	5.00	3.7975	.52907
Democratic Style	100	2.67	5.00	3.9367	.59684
Laissez Fair Style	100	1.00	5.00	2.1000	1.11464
Valid N (listwise)	100				

Interpretation:

The above table presents the descriptive statistics that show the overall picture of all the three independent and one is dependent variable. The data has been taken from 100 participants. In the above table the mean values and the values of standard deviation of all the four variables have been shown. Mean value provides the idea about the central tendency of the values of a variable. For example if we observe the above output to assess the average response rate or the respondent then we come to know the mean of different variables like Employee Performance and Health (3.42), Transformational Style (3.79), Democratic Style (3.93) and the mean of Laissez Fair Style is (2.10). Standard deviation gives the idea about the dispersion of the values of a variable from its mean value. So, if we observe then in the response rate for the variable Transformational Style value of standard deviation is (0.52) which is the lowest value as compare to other independent variables value. But

if we observe the value of Laissez Fair Style is (1.11) which is quite high as compare to other independent variable.

Histogram:



Interpretation:

The figure 1.0 reflects the graphical representation of the bars is showing the response of the respondents related to Employee Performance and Health. The maximum response of the value relies between 3.5 and 4 which means neutral and agree respectively. The minimum value relies between 1 and 2 which means that least employees are disagree about the affect of leadership style on employee performance and his health. And the bars are not normally distributed. Because the curve is from right to left, the maximum values are in right side.

FINDINGS

The major purpose of this study is to identify the most effective Leadership style to increase the performance of employees and their health, different tools have been used in order to fulfill the requirements of the research. Findings after statistically analyzing the data are discussed here in detail. First of all the table of Descriptive statistics is presented which is showing the values for means, std. deviation and maximum and minimum values from respondents. After descriptive statistics I used histogram which graphically presenting the response of the employees to the questionnaire. This graph is telling that democratic leadership style has more impact on employees and develop their performance.

CONCLUSION

The aim of this study is to find out the best leadership style that can fully help to increase the performance of the employees. Past researchers have mostly focused on impact of just training on performance. This study is focusing on the styles of the leaders, so that the leaders can adopt the style than may leads the performance of the employees at the maximum level.

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. According to

(Daniel Goleman in 2002) The democratic leadership style is able to quickly build flexibility and responsibility and can help identify new ways to do things. On the other hand, the *participative democrat* relies on group consensus to make decisions to raise performance. (John Kotter). Secondly the transformational leadership style is also has good impact on the performance of employees. The demerit of my research is that I have collected so limited data from the SME sector and furthermore I will expand my study by switching to the multinational companies and also include other leadership styles.

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