

# The Impact of Leadership Style on Employee's Performance, Commitment & Motivation

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**Abstract:** *"A boss has the title. A leader has the people"-Simon Sinek. This quote holds true irrespectively with the field of work. A leader's most valuable asset is his disciple/follower (employees). For ages 'Leadership' has been a topic for conversation and how different leadership style evokes distinct responses from the followers. For an organization to be effective, it has to have a perfect balance between the demands of various stakeholders (owners, Customers, Community, etc.) and the needs of its employees. Also, for a leader to be successful his/her leadership style matters the most. We believe that an appropriate leadership style influences and ensures the prosperity and the economic growth of the organization as well as its employees. Therefore, this research aims to explore the impact of leadership on the progress of the organization and growth & performance of the employees. Further the study aims to explore the outcome of leadership style on motivation and commitment of the workers and also as a predictor of the group. The primary goal of the descriptive study will be to track down the pattern of cause & effect. We aim to conduct a Qualitative research to analyze the claim. The Research is currently limited to Mumbai and Navi Mumbai region of the Maharashtra. The research is limited mainly to the employees from FMCG, Information Technology and Banking & Finance Sector where employees are exposed to leadership on a high frequency.*

**Keywords:** Leadership styles, Employee's Performance, Employee's Commitment, Employee's Motivation, Organization

## 1. Introduction

Leadership and leadership Style have a distinguished impact on employee's growth and performance, positive results. The explanation behind this study is to travel deep within the company world and investigate varied impact of leadership approach on the worker in terms of their motivation, job commitment and their overall performance. Since ages leadership may be a contradictory topic. Some dialogue leadership may be a born ability whereas some argue leadership is a non-heritable ability. Employees may have totally distinguished response on one's Leadership approach. Some could follow the leader's methodology whereas some could show discontent towards the practice. This study is essentially to unveil the reality within the company world concerning feelings and thoughts on leadership and conjointly to evaluate its impact on a person's work life. The study can follow the positivist paradigm which can give objective reality against that claims were compared and truth was discovered. As a district of the descriptive analysis methodology, information collected has been subjected to the thinking method in terms of ordered reasoning. A quantitative analysis approach has been implemented to analyse the conclusion.

## 2. Leadership

"Leaders are made not born". If you want to become a good leader, then desire and willpower helps you to become an effective leader. Good leaders are developed through a never-ending process of self-study, self-observation, education, training, and most important factor "experience". To inspire your employees into higher levels of teamwork, there are certain things a leader must be known and Implement. These will not happen instantly, but are acquired through continual work and study. Good leaders are continually working and studying to improve their leadership skills; they are not resting on their victory. The basis of good leadership is honourable character and selfless

service to your organization. According to the employee, your leadership is everything you do that effects the organization's objectives and their well-being, goodwill. Leaders concentrate on what they are like confidence trust, faith, what they know such as job, tasks, and human behaviour, and what they do such as implementing ideas, motivating others and find solution for problem. Some of a leader's traits and responsibilities of a leader includes Trust and confidence. It is the most reliable predictor of employee satisfaction in any organization. Communication by leadership in critical areas is the key to winning trust and confidence in organisation. Helping employees understand the company's overall business strategy is a crucial task of a leader. Helping employees in understanding how they contribute to achieving objectives of the organisation should be an important task of Leader Sharing information with employees on both how the company is doing and how an employee is performing. Finally, Honesty and communication skills are the quirk that distinguishes between good and better leaders. There are numerous Leadership styles, for instance transformational leadership, transactional leadership and laissez-faire (Delegative) Leadership, Authoritarian Leadership Etc.

### Transformational Leadership

Transformational leadership is an approach which inspires constructive change in the employees. Energetic, Enthusiastic and passionate are the main traits of a transformational leader. Transformational Leaders are not only concerned with the process, but also focuses on individual growth and well-being of an employee. Transformational leaders inspire employees mainly through their strong vision and personality. They pursue employees to change expectations, motivation and perception to work towards a common organization goal. Transformational leaders encourage creativity among their followers. They pursue the employee to learn new skills, techniques and new ways to do things. Transformational leaders are also focused on individual growth. To foster relationship with the employees, leaders follow open communication where

employees can share their views and ideas which offers direct contribution. Transformational leaders have a clear vision which helps to guide employees. Employees trusts and respects transformational leader. They see him as a role model. They emulate his/her ideas. Various research found that transformational leadership had a positive effect on both employee and organization. The main reason behind this is transformational leaders believe that employee perform better when leading the group feeling more inspired and enthusiastic.

### Transactional Leadership

Transactional leadership approach is often identified as managerial leadership. Transactional leader mainly assumes the task of supervision, organizing and group performance. Leaders following this approach mainly have focus on completion of the objective or task in the prescribed deadline. As of to motivate the employees, the leader gives rewards to them on completing the task before deadline. Also, the leader imposes punishments if task is not completed. Transactional leadership methodology is based on the assumptions that an employee works best and performs well in the chain of command. The rewards and punishments on completion/non-completion of task motivates an employee to perform. Employees must be closely monitored and supervised. It is assumed that employee must obey and follow each and every command and instruction given by the superior. Transactional leadership is unlike transformational leadership. Transactional leaders are focused merely on maintaining status quo unlike transformational leaders who are forward looking. Transformational leaders convey their ideas and visions to the group. Transactional leaders only tell the employees what to do and how to do it. Transactional leaders are good in setting expectations and standards which subsequently helps in increase in productivity. Transactional leader mainly focuses on maintaining structure in an organization. Leader do not encourage creativity and innovation in a group but focuses on dividing the duties and achieving the task. While transactional leadership may be effective in some situation, it prevents a leader as well as follower to reach their full potential, thus considered insufficient.

### Delegative Leadership (Laissez-Faire)

Delegative Leadership is often identified as Laissez-Faire Leadership Style. It is a type of Leadership approach where a chief stay back allowing the team member to assume the responsibility and take the decisions required. Thus, as the name suggests the leader delegates the task to the members in the team. Research shows that Laissez-Faire leadership method may lead to less productivity in the organization. Delegative approach may have its own merits and demerits. Delegative leadership approach can be characterized as an approach where leader go along with the hands-off approach. This does not imply that a leader completely delegates the work on the employees. Leader provides training to the employees required to complete the task. The responsibility of decision making completely lies in the hands of the employees. However final authority is retained by the Leader. In order to practice delegative leadership approach a great deal of trust on the employees is necessary for the leader. The leader must have confidence on skills and

knowledge of an employee in order to complete a task without being micromanaged. Delegative leadership methodology stirs up personal growth of an employee. Since freedom is given to the employees, this encourages employees to be more innovative and creative. The responsibility of making decision lies with the employees itself, this nurtures the decision making and problem-solving skills of an employee.

### Authoritarian leadership

Authoritarian Leadership style is often identified as Autocratic leadership. Authoritarian leadership is mainly based on individual control over all the decisions in the group and very little input and feedback from the employees. It involves absolute control and authority in the group. Authoritarian leader sometimes may be interpreted as a bossy or dictator like. Authoritarian leadership approach depends on what team is working on and the skills and traits of the employees. An Authoritarian leader retains the power of making all the decision in the group. The leader entertains very less input from the members/employees. It provides the authority to dictate work and methods on the employees. This approach provides a structure to the group. Also, the decision-making process is very convenient as only the leader makes decision. It relieves pressure from the employees. Since the leaders discourage inputs from the employees this leads the employees to being feeling left out. This hurts the morale of the group and leads to resentment. Authoritarian leadership style focuses less on creativity and innovations and focuses more on structure and order. Authoritarian leadership style is highly effective when the employees are less skilled and work needs to be completed on time.

### Concept of Motivation

Motivation is derived from a Latin word '*movere*' in English is Movement. Enthusiasm, energy level, commitment and level of creativity that an employee brings to an organization every day is termed as Employee's Motivation. A company's most valuable assets are its employees. They are directly involved in company's growth and success. Although, Motivation is intangible, difficult to measure. Motivation is all about Integrity, Intension and Perseverance Motivation has two types

- Intrinsic Motivation
- Extrinsic Motivation

Intrinsic motivation means the employee is motivated from within. Extrinsic motivation means external factors motivates the Person. Motivation is an internal feeling. It produces goal driven behaviour in a person. For some motivation maybe a simple process for others it may be a complex one. Motivation plays a vital role in every aspect of organization. Motivation plays a vital role in a person's work as well as personal life. It helps to achieve efficiency, productivity and creativity. Motivational tools for the employees must be formulated taking into consideration the individual goal as well as the individual views on the organizational goals.

### Concept of Commitment

Commitment in easy terms is made public as- 'indebted to a particular, course, action, cause'. Commitment has

altogether totally different forms therefore it's very difficult to stipulate in an exceedingly corporation. In past few years employee commitment to an organization has gathered a decent amount of attention at intervals the corporate world. Information regarding the employee commitment is from time to time is employed as AN indicator of employee's loyalty towards a company and therefore the progress of a company. There's unendingly tremendous amount of pressure on a company to perform and outrace their competitors. The competition is fiercer than ever. This resulted in commitment of employers being less towards the employees. Also, the thought of employment for all times time is superannuated. Nowadays the organizations reorganize the structure unit that do not perform, this leads to job cuts. This has given rise to individualism at intervals the organization. The commitment and loyalty towards the organization has decreased. Commitment of employee could also be a significant issue that determines the well-being of a company. Committed employees adds price to the organization through their determination, loyalty, support, high productivity level and awareness of the quality. Non committed employees act as a dead wood. They will wait the organization's progress.

### Objectives of the Study

- To determine the impact of leadership in organization and Employee's performance
- To determine the impact of leadership style on employee's commitment and motivation

### 3. Review of Literature

1) M. Suleman Sabir & Muhammad Asif Khan (2011). Journal of Economics and Behavioural Studies.

This paper aims to however leadership ship vogue affects the organization commitment of the workers, once the organization culture is reflective the employee's values within the organization. This paper could be an abstract based mostly paper which supplies theoretical proof to support the thought. The paper conjointly offers a short summary of transactional leadership and transformational leadership. The results of the paper counsel that the leadership vogue could be a sturdy dimension of organization commitment once organization culture of the organization represents the employee's values within the organization. Workers area unit a lot of glad if the organization can meet their expectations that are a part of that organization culture, so that they area unit a lot of committed with the organization. The paper isn't giving any empirical proof of the model. An additional study is disbursed by substitution transactional leadership with servant leadership.

2) Akhila Nidadhavolu (2018), Western Kentucky University.

Leadership plays a significant role in any business. Therefore, a positive relationship between the management and therefore the workers is extremely crucial for any organization to urge higher turnover and recognition. This study discusses the leadership designs utilized in the development business in India. the event of housing industry in India needs appropriate leadership approaches of the management. Within the condition of such demand, this

analysis paper has three-fold objectives: 1st, to review the leadership designs employed by the higher-management levels of Indian construction firms, and second, to look at the impact of leadership designs on job satisfaction, and third, to analyse the impact of the leadership designs on structure commitment.

3) Singh Kavita (2015), Journal of Knowledge Globalization.

Leaders play a vital role in influencing the performance and productivity of workers in organizations. This paper is an effort to decipher of this relationship between the leadership designs and worker productivity with specific focus in camera and foreign banks in India. Through a survey conducted on 413 workers of 3 non-public banks and three foreign banks (of United States of America origin), the research worker found that transactional leadership compete a big role in predicting worker productivity in camera banks, whereas just in case of foreign banks, transformational leadership was a predictor of worker productivity. These findings are understood on the premise of the direct impact of culture on lenitive the connection between leadership vogue and worker productivity. In an exceedingly power distance culture as in India, leaders are expected to exercise power and influence while not having to face any queries or challenges from the subordinates. Therefore, transactional kind of leadership leads to high productivity of workers. The United States of America cultural context of foreign banks focuses on equal leader-employee relationship and therefore the manager is anticipated to be a help within the direction of achieving structure goals and thus transformational leadership is a lot of dominant in foreign banks.

4) 'How the world sees you'

Sally hogshead, Chapter 1: How does the world see you? Chapter 2: The fascination advantage system.

### 4. Scope of the Study

The research study is currently restricted to employees of the organization of global presence in the IT, FMCG, Banking and Finance Sector of the Mumbai and Navi Mumbai region. The employees are exposed to various leadership style on a daily basis. The study can be extended to the employees of an organization with low qualification who could judge the style of leadership of their supervisor.

### 5. Research Methodology

#### Sample

It is next to not possible to survey the entire operating population of India. Therefore, a sample is drawn as how to collect information. The sample consisted of individuals having totally different views and attitude, operating in the main in IT sector, Banking and finance sector and FMCG Industries. The world lined for the analysis purpose is principally components of city and Navi city. A sample size of minimum thirty workers is taken into account for this analysis.

**Descriptive Survey**

The survey will include survey research which will produce a quantitative outcome. The output will be analysed statistically to achieve the desired outcome.

**Mode of Survey**

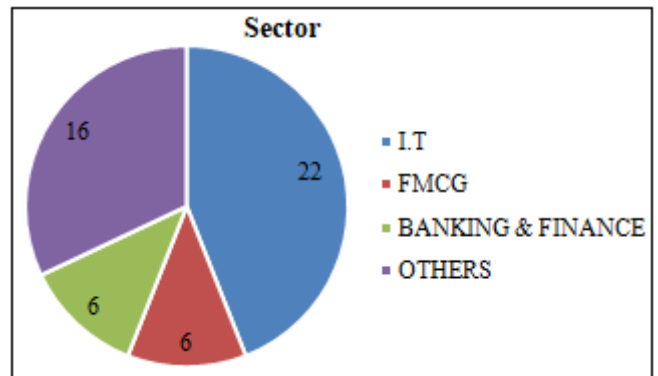
Due to pandemic, it is not possible to conduct a field survey. Google forms are used as a mean to conduct the survey. The answers and the view from the employees for the questionnaire will be evaluated further.

**Analysis**

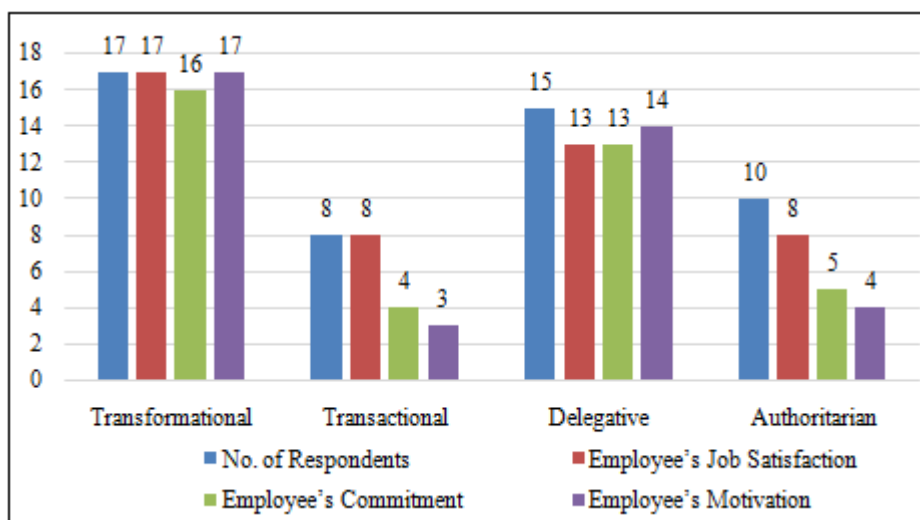
Tabular Representation of the received data

SR No	Sector	No. of Respondents
1	I.T	22
2	FMCG	6
3	BANKING & FINANCE	6
4	OTHERS	16

The data received from the survey is analysed statistically. It is later categorized into categories like the leadership style of their Leader/Manager, their Job satisfaction, commitment towards the company and Motivation.



SR NO	Leadership Style	No. of Respondents	Employee Job Satisfied	Employee Committed	Employee's Motivated
1	Transformational	17	17	16	17
2	Transactional	8	8	4	3
3	Delegative	15	13	13	14
4	Authoritarian	10	8	5	4



- The Employees having Leader with **transformational leadership** style showed maximum number of employees who were satisfied with their jobs. The commitment was also on the high level. Every employee felt motivated in their respective Organizational environment
- Employees under leaders with **transactional leadership** style were satisfied with their job. But commitment towards the organization was on lower side. Also, maximum employee felt de-motivated by the style of leadership.
- The employees under the **delegative leader** were happy with their job profile. Commitment was also on positive side and they felt motivated.
- **Authority Leaders** showed a negative trend. Employees were demotivated under their leadership. Their commitment towards the work and organization was also not appealing.

**6. Conclusion**

From the analysis of responses from the survey we will conclude that

- 1) Leadership method has a considerable Impact on Employee's Performance, their Motivation Towards their work and on the amount of commitment shown towards their work and towards the organization.
- 2) Among the leadership designs, Transformational Leadership was most appealing form of leadership. Beneath a Transformational leader, worker excelled in their jobs. They felt motivated and showed an awfully high level of commitment.
- 3) Under the Transactional leadership, staff received rewards as a motivation. Intensity of commitment bit by bit remittent. Motivation among the workers was quite low.
- 4) Employees assumed responsibilities beneath delegative leadership. They progressed and showed a rise in level of

creative thinking. Employee's Motivation and commitment were sky high.

- 5) Authoritarian Leadership approach was least supported by the workers. They showed their discontent towards the leadership vogue. Beneath this vogue worker showed least creative thinking level and job satisfaction additionally took successful. Commitment and Motivation additionally were on the downslide.

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