

Effect of Leadership Style on Employee Performance among the Employees of Information Technology in Chennai

Dr. B. Sivaraj

Assistant Professor, Department of Management Studies, Arunai Engineering College, Thiruvannamalai, India

Corresponding Author: sivarajhr34@gmail.com

Received: 22-02-2024

Revised: 11-03-2024

Accepted: 27-03-2024

ABSTRACT

The most important resources of an organization are the human resources as they have got a strategic role to play for the organizational success. The human resources also have got the potential to affect the organizational efficiency and effectiveness and hence the human resources have to be managed for obtaining, maintaining and developing effective and efficient employees to achieve the goals of the organization. The objectives and goals of the organization can be accomplished only when there is an optimum performance exhibited by the human resources. For this purpose, there is a need for a leadership style to be followed within the organization for influencing, guiding and assessing every employee in the entity. The current study has been carried out to examine the impact of leadership style over the employee performance. The respondents of the study are Information Technology employees who have been selected through convenience sampling technique. The sample size of the study is 100 and the tool used for data collection is questionnaire. The analysis of the data has been done with the help of Regression. Results of analysis reveal that there is a positive relationship between leadership style and employee performance.

Keywords: leadership style, employee performance, information

I. INTRODUCTION

The leaders within the organization pose a significant effect over the performance of the employees within the organization. However, the duties and responsibilities of these leaders may prove to be difficult in driving an effective performance of employees, with high quality. The organizational leaders have got the responsibility to ensure team success, create an optimistic environment and solve complicated issues. Such a huge level of duties may, at times, become difficult for the leaders to be balanced. Also, an unexpected market shift may take away the attention of the leaders from their organizational teams. Such an activity may lead to a fall in the performance.

In such circumstances, the leaders may adopt varied styles of leadership to bring stability in the performance of the human resources. Such styles may include autocratic leadership, democratic leadership and participative leadership. The autocratic leadership style creates an evident distinction amidst the employees and the leaders. This form of leadership paves the way to centralization of making decisions within a single person. Quick decisions are made under this style and the instructions have to be followed by the employees. Under the democratic style of leadership, the leaders follow a consultative approach wherein they seek for feedback from the team members. The suggestion of each employee is considered before arriving at a decision by the leader. The next style is the participative leadership style, wherein the leaders facilitate most of the decisions to be taken by the trusted members of the team. The guidance is provided to the employees by the leaders and tasks are delegated to the employees according to their competencies.

Several researches have been done regarding the styles of leadership and all of them reveal that each style of leadership has got a distinct effect over the performance of the employees. In the same way, studies had shown that varied business circumstances are responsible for the entities to adopt specific styles of leadership. It was identified that the autocratic style was beneficial for driving performance of a short-term. The scholars of varied studies had stated that the authoritarian form of leadership helps in solving the complex business challenges when the team comprises of members who are new employees. Democratic style of leadership was proved to be effective for both long-term as well as short-term benefits. To be specific, the seeking of opinions from the employees, under this leadership style increased both the performance as well as morale of the employees. On the other hand, the participative style of leadership was identified to be beneficial for long-term benefits rather than short-term. It had also an optimistic effect over the performance of the employees. All these statements prove the fact that every style of leadership style has got its own unique benefit for the organization.

II. STATEMENT OF PROBLEM

In the past, the success or failure in accomplishing the objectives were related with leadership. The style of leadership refers to the form wherein the individuals are inspired, applied and directed. Several firms focus more over profits and for this they follow strict styles of leadership to control the employees and increase their performance. But, this is not applicable for increasing the performance of all the employees. Firms have to understand the leadership style which will suit all the employees.

III. OBJECTIVES

The intent of the study is to identify and analyze the impact of leadership style over the employee performance.

IV. NEED FOR THE STUDY

The present study will be beneficial for several stakeholders. The firms, also, will be able to become aware of the leadership style which will enhance the performance of the employees. To conclude, the future researchers may be benefited to do their studies in the same filed regarding the concepts that have not been explored.

V. REVIEW OF LITERATURE

Setiawan, Roy et al., (2021) examined the effect of styles of leadership over the performance of the employees. The authors had done a comparative research study amidst the varied styles of leadership. The leaders who are successful refer to the facilitators who target committed and skilled employees. Research regarding the organizational psychology and studies regarding the organizational actions proposed that the staff motivation and the leadership styles are the major factors towards the success or the failure of a business. The present study was done to explore the effect of leadership over the employee performance. The study was done in the context of the employees of education ministry as well as the higher education, Somaliland. The authors had also defined four forms of leadership styles like transactional, democratic, transformational and autocratic. The impact of leadership over the efficiency of the employees had been analyzed. The outcomes revealed that the model of autocratic leadership affected the efficiency of the department and this was reflected by way of decrease in the job satisfaction, rotation, bad morale and high level of absenteeism. The execution of transformative, transactional and egalitarian leadership had an optimistic effect over the success of employees and was reflected through dedication, engagement, efficiency and high morale of the employees. It was found that disruptive, transactional and democratic leadership were optimistically related with the performance of the employees. On the contrary, autocratic leadership was negatively related with employee performance.

Tamimi. M and Sopiah. S (2022) studied the effect of leadership style over the performance of the employees. The study was done with the help of preferred reporting items. Meta-analysis and Systematic Review were done. The method of data collection was done using comparisons, interventions and population. The style of leadership is considered to be a significant element for achieving the goals of the organization. The organization can achieve the goals when the employees perform better.

Beauty. M and Aigbogun. O (2022) explored the impacts of the styles of leadership over the performance of the employees. The authors had explored the effect of leadership styles like laissez-faire, transactional and transformational. The sample population comprised of 255 workers. Among them 156 employees were selected through stratified random sampling. The study was descriptive and quantitative and data was collected through questionnaire. SPSS ver.23 was employed for data analysis. He styles of leadership were assessed with the help of multi-factor leadership questionnaire. The performance of the employees was assessed with the help of Yousef scale (2000). Analysis was done through Cronbach's Alpha, reliability test, demographic analysis, descriptive analysis and regression. The coefficient of regression was used to evaluate the effect of leadership style over the employee performance. The findings revealed that laissez-faire and transformational styles had a positive effect over the performance of the employees. On the other hand, transactional leadership had a negative effect.

VI. RESEARCH METHODOLOGY

The study has been carried out among the employees of Information Technology in Chennai. The convenience technique of sampling has been adopted to select the respondents of the study. the sample size of the study is 100. The questionnaire has been circulated among the respondents for collecting the data for the study. The collected data has been analyzed with the help of regression analysis.

VII. ANALYSIS AND INTERPRETATION

Influencing of Leadership style on Employee Performance Model Summary

R	R Square	Adjusted R Square	F	Sig.
0.957(a)	0.916	0.914	349.975	0.000(a)

a. Predictors: (Constant), Leadership Style

Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.208	.114		1.832	.070
Autocratic Leadership Style	.429	.050	.452	8.637	.000
Democratic Leadership Style	.507	.048	.531	10.503	.000
Laissez-Faire Leadership Style	.029	.026	.039	1.088	.279

a. Dependent Variable: Employee Performance

Findings

The above table reveals the statistical significance of the 3 predictors and the regression direction. It was seen that one statement was not significant and also there was optimistic relationship. The above showed that among 3 statements, 2 statements (Autocratic leadership and democratic leadership style) were highly significant towards employee performance to a large extent.

As per this table, 91.6 % of variance in employee performance was accounted by leadership style. The adjusted R² was found appropriate, although there was an optimistic squared multiple correlations. The result of the study reveals that there was a positive significant among leadership style and employee performance.

VIII. FINDINGS AND SUGGESTION

The leadership styles executed by the leaders within an entity affect the relationship of the employees with the leader and also the efficiency with which an employee performs the work. Therefore, it could be rightly said that the success or failure of a firm greatly reliable over the leadership features. Also, a proper style of leadership improves the performance of the employees.

IX. CONCLUSION

The style of leadership implemented within an organization affects the performance of the employees by improving the morale of the employees. The leaders are followed and liked by the employees if their behavior through such leadership style is appealing to them. This means that, the leadership style greatly affects the performance of the employees. The result of the study is shows that there is positive relationship between leadership style and employee performance.

REFERENCES

1. Beauty Masevo, & Aigbogun Osaro. (2022). *Effects of leadership styles on employee performance: A case study of turnall holdings ltd, Harare, 12*, 289-305. doi:10.6007/IJARBSS/v12-i1/12037.
2. Setiawan Roy, Cavaliere Luigi Pio Leonardo, Reynosa Navarro Enaidy, Wisetsri Worakamol, Jirayus Puttithorn, Chauhan Sapna, Tabuena Almighty, & Rajan Regin. (2021). The impact of leadership styles on employees productivity in organizations: A comparative study among leadership styles. *Productivity Management*, 26, 382-404. doi:10.2139/ssrn.3875252.
3. Tamimi Muhizan, & Sopiah Sopiah. (2022). *The influence of leadership style on employee performance: A systematic literature review, 1*, 128-138. doi:10.54099/ijebm.v1i2.360.