

## **A study of the impact of leadership styles on employee motivation: an empirical study in corporate sector.**

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### **INTRODUCTION**

Leadership and the different associated styles have an immense impact on how employees perform and grow, to lead positive organisational outcomes. The purpose of this study would be to investigate the impact of leadership styles on motivation, as a predictor of group or organizational performance. For ages, Leadership has been a subject of much debate and deliberation and how the different styles of leadership evoke different responses from followers. In corporate context the dynamics of these two entities, the leader and the led play a key role in shaping the destiny of the organisation. The study followed the positivist paradigm which provided an objective reality against which claims were compared and truth was ascertained. In this descriptive study, the goal has been to discover the pattern of cause and effect, which can predict phenomenon. As a part of the descriptive research methodology, data collected has been subjected to the thinking process in terms of ordered reasoning. A qualitative research approach has been used to analyze the hypothesized relationships.

### **THE CONCEPT OF LEADERSHIP**

Cole (2005) defines Leadership as a dynamic process whereby one man influences other to contribute voluntarily to the realization and attainment of the goals objectives; aspiration of values of the group that is representing the essence of Leadership is to help a group or an Organisation to attain sustainable development and growth.

#### **Transformational Leadership**

Transformational style of Leadership comprises of the components of idealized influence, inspiration, intellectual stimulation and individualized consideration and has been suggested widely as the optimum style for managing change. -The goal of transformational leadership is to -transform people and organizations in a literal sense – to change them in mind and heart; enlarge vision, insight, and understanding; clarify purposes; make behavior congruent with beliefs, principles, or values; and bring about changes that are permanent, self-perpetuating, and momentum building." –

#### **Transactional Leadership**

The locus of the relationship is on an exchange. Each party to the exchange recognizes the value of the exchange as well as the value of the relationship, but these bargainers have no reason to remain together subsequent to the exchange. There is nothing enduring about their relationship; no actual engagement has occurred. That is, transactional leaders expect certain work behaviors from their subordinates who are compensated for these behaviors by both monetary and nonmonetary rewards.

### **Laissez-faire leadership**

Laissez-faire leadership, also known as delegate leadership, is a type of leadership style in which leaders are hands-off and allow group members to make the decisions. This style of leadership implies that someone in the position of a leader does not fulfill leadership responsibilities and practically does not engage or involve in any meaningful transactions whatsoever. This leader does little or nothing to affect either the followers or the outcomes of their behaviors. Passive or avoidant leadership describes the leaders who avoid getting involved in the work progress and decision making. Goals and standards of tasks are not clearly articulated for the followers. Passive management-by-exception leadership (MBEP) refers to the leaders who avoid being involved until the problems become more serious and wait with no actions until things go wrong before taking actions. Leaders who display passive management-by-exception will not interfere into problem solving until followers suffer from certain serious deviations or wrongs.

*The study essentially has specific aims:* to assess the impact of transformational, transactional and laissez-faire leadership styles upon motivation of employees and Secondly, to explore the relationship between selected demographic variables and employee motivation.

### **The concept of Motivation**

Motivation is a positive energy that drives a person towards the attainment of goals. It measures the level of persistence that one has in order to achieve some objective. Its focuses on how an individual can manage his/her morale along with the maximum level of effort in order to attain the desired output (Griffin & Moorhead, 2011).

## **REVIEW OF LITERATURE**

### **Transactional Leadership**

Leaders who follow this style tend to be autocratic and dictatorial which at times can be a good way to force the subordinates if they do not work properly. But in most of the cases it is not a very motivating style as per employees' recommendation. Transactional leaders try to keep a critics eye on their workers and do not help them in their task as a member of the team but rather they give instructions and supervise the task as a leader but not as a member which gives employee a feeling of low and high level of designations (Zhu, Sosik, Riggio, & Yang, 2012).

A transactional leader monitors the task as a supervisor and instructs the employees where he/she thinks the work is not done in the desired manner. These leaders focus more on the end results than on the factors of motivating employees towards their work. They tend to be strict and instructive unlikely transformational leaders. It is important to keep an eye on the employees' performance but if it handled with motivational and psychological factors, it might prove to be more successful (Ribiere & Sitar, 2003).

### **Transformational Leadership**

Howell & Avolio, 2009, opine that leaders who enhance followers' confidence and skills to devise innovative responses, to be creative, and to take risks, can also facilitate the changeover processes in organizations. As promoters of change, transformational leaders elicit performance beyond expectations by instilling pride, communicating personal respect, facilitating creative thinking, and providing inspiration.

Bass (1985): Proposed a broader vision of transformational leadership, which was to motivate followers to produce changes beyond expectations. Specifically, transformational leaders are viewed as who have powers on employees with individual considerations, inspirations, intellectually stimulations, and personal development.

### **Laissez-faire leadership**

Bass & Avolio, 2004: They attributed Laissez-faire leadership to the leaders who avoid interfering when serious issues arise, this could also be described as non-leadership.

### **SCOPE OF THE STUDY**

The study is currently restricted to the permanent full-time employees of support functions and operations. The study could also be extended to the non-management category of employees at the lower grades, where they could judge the leadership styles of supervisors managing them. It could also be extended to other states of India and even globally, since all these organisations have a significant global presence.

### **Objectives of the Study**

1. To assess the impact of Transformational Leadership Styles and Employee Motivation
2. To assess the impact of Transactional Leadership Styles and Employee Motivation
3. To assess the impact of Laissez Faire Leadership Styles and Employee Motivation.

### **Hypothesis**

H<sub>0</sub>: There is no significant relation between Transformational leadership style and Employee Motivation

H<sub>0</sub>: There is no significant relation between Transactional leadership style and Employee Motivation.

H<sub>0</sub>: There is no significant relationship between Laissez Faire Leadership Styles and Employee Motivation.

### **RESEARCH DESIGN**

The present research uses a Qualitative study. It is concerned with analysis of phenomenon, situation, problem, opinions, and demographic information, or issue. In addition to this, the study also employed Questionnaire, which makes use of a research instrument. In this study we decided the sampling unit as Corporate Sector in Chennai, in that we selected convenience sampling technique. Total number of sample participants is 200 from 650 employees. Primary data are originated by the researcher to address the specific purpose of addressing the research problem. In this survey the primary data is collected through structured Questionnaire. Secondary data was collected from many websites, books, journals and other research studies which have already been collected by someone else and which have already been passed through the statistical process. Statistical data have been represented either in univariate or in bivariate forms to provide a clear depiction of the responses in the most suitable form, The statistical tools like Chi-square, Independent Sample t-test, One Way ANOVA are also used this research.

### **CHI SQUARE TEST ON THE EXPERIENCE OF MANAGER AND MENTORING AND COACHING SUB-ORDINATES (TRANSACTIONAL)**

**Null Hypothesis (H<sub>0</sub>):** There is no significant relationship between Experience of the Manager and mentoring and coaching sub-ordinates

**Alternative Hypothesis (H<sub>1</sub>):** There is significant relationship between Experience of the Manager and mentoring and coaching sub-ordinates

EXPERIENCE	DEGREES OF FREEDOM	CHI- SQUARE VALUE	TABLE VALUE	P VALUE
MENTORING AND COACHING SUB-ORDINATES	3	32.512	7.815	.000

Since p value is lesser than the level of significance ( $P < 0.05$ ), Therefore Null Hypothesis ( $H_0$ ) is rejected and the alternate hypothesis is accepted at 5% level of significance. Hence, there is significant relationship between Experience of the Manager and mentoring and coaching sub-ordinates

**INDEPENDENT SAMPLE T-TEST FOR SIGNIFICANT RELATIONSHIP BETWEEN GENDER OF THE MANAGER AND DISPLAY OF SENSE OF POWER AND CONFIDENCE (TRANSFORMATIONAL)**

**Null Hypothesis ( $H_0$ ):** There is no significant relationship between gender of the manager and Display of Sense of Power and Confidence.

**Alternative Hypothesis ( $H_1$ ):** There is significant relationship between gender and Display of Sense of Power and Confidence.

DISPLAY OF SENSE OF POWER AND CONFIDENCE	T- TEST FOR EQUALITY OF MEANS	MEAN DIFFERENCE	P VALUE
EQUAL VARIANCES ASSUMED	-5.125	-.34667	.000
EQUAL VARIANCES NOT ASSUMED	-8.892	-.34667	.000

Since p value is lesser than the level of significance i.e. ( $0.000 < 0.05$ ), Therefore Null Hypothesis ( $H_0$ ) is rejected and the alternate hypothesis is accepted at 5% level of significance. Hence, there is significant relationship between gender and Display of Sense of Power and Confidence.

**ONE WAY ANOVA ON THE PERCEPTION OF OCCUPATIONAL STATUS AND AVOIDANCE OF GETTING INVOLVED WHEN IMPORTANT ISSUES ARISE.**

**Null Hypothesis ( $H_0$ ):** There is no significant relationship between Occupational status and Avoidance of Getting involved when important issues arise.

**Alternative Hypothesis ( $H_1$ ):** There is significant relationship between Occupational status and Avoidance of Getting involved when important issues arise.

ORGANIZATION TAKES MY OPINION	SUM OF SQUARES	DF	MEAN SQUARE	F-VALUE	P-VALUE
BETWEEN GROUPS	62.423	2	31.212	266.443	.000
WITHIN GROUPS	23.077	197	.117		
TOTAL	<b>85.500</b>	<b>199</b>			

Since p value is lesser than the level of significance i.e. ( $0.000 < 0.05$ ), Therefore Null Hypothesis (H0) is rejected and the alternate hypothesis is accepted at 5% level of significance. Hence, there is significant relationship between Occupational status and Avoidance of Getting involved when important issues arise.

### CONCLUSION

For an organisation to progress, it is important to understand the factors that influence employee psyche. This study was concerned with some of the critical determinants how leadership style impacts motivation. The findings of this study demonstrated that the employees expect their manager to be more transactional in nature while dealing their subordinates. Indian employees are motivated by social rewards, self-actualization needs, compensation, and improved working conditions. Transformational leadership behavior would improve employees' higher loyalty to the supervisors and participative interaction. The leaders or supervisors should be aware of what is important for the subordinates and the organizations.

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