

A Critical Study of Impact of Leadership Style on the Employee Motivation

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ABSTRACT

Leadership is multi-faceted ideology. It does not have a fixed pattern. There is a unique co-relation between the style of leadership adopted by a leader and the employee motivation. The style of leadership adopted by the leaders certainly affects the employees and employee motivation either in positive or negative manner. The purpose of this research work is to find the effect of leadership style and employee motivation in five small and medium scale companies situated at Ambernath Badlapur industrial belt. A survey was conducted and the questionnaires were distributed amongst two hundred and fifty employees of different departments. To find and test the validity of the survey twenty five employees were interviewed. The researcher assumes that, there is a strong relation between leadership style and employee motivation. When the transactional and transformational styles of leadership were tested, the practical aspects in the leadership and motivation were understood. Application of transactional style of leadership has shown negative findings whereas the outcome of transformational style was positive.

Keywords: *Employee motivation, Leadership styles, transactional leadership, transformational leadership, performance improvement.*

INTRODUCTION

In 19th century employees use to consider job related assignments and tasks as ‘work is worship’. They use to remain present at the job place before the official time. They use to work sincerely and use to leave after the stipulated official time. They use to consider their job place as a holy

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center. But after globalization the scenario has completely changed. In the present situation, it is difficult to attract efficient and capable employees. If with a lot of efforts, capable employees are searched, selected and appointed, it is difficult to retain such type of efficient human resource. Day by day it has become a challenging task.

Since 1991, i.e. after globalization, liberalization and privatization the value of human resource is realized by the corporate sector. It's a real challenge to attract good human resource. It is more difficult to retain these people. After attracting such human resources, how to retain them is the big challenge.

All types of organisations are always in need of creative, innovative, efficient and hardworking employees. But it is a difficult task to get such employees and to retain them. Many organisations offer lucrative financial benefits, perquisites and incentives to have the best human resource.

Industrial managers are the leaders who have to attract and retain these employees. They are expected to create conducive work culture and work environment. But still how to motivate employees is the big question mark in front of industrial managers. By using questionnaire method the researcher has studied the factor of motivation in these companies.

PURPOSE OF THE RESEARCH STUDY:

The present research work tries to analyse the views and ideologies of employees in private sector. The research is directed towards motivational factors. It is also related to the styles of leadership. It has basically the study to find the motivational factors and the leadership styles adopted by the managers. The core idea is to find out logical and relevant answers to the following questions:

1. How do the employees co-relate between the motivation and style of leadership?
2. Whether employees are intrinsically motivated?
3. Whether the employees are extrinsically motivated?

4. What are the factors motivating small and medium scale industries?
5. What is the strategy of managers to motivate their employees?
6. What are the future plans of managers to motivate these employees in near future?
7. Whether the same policy motivates employees in long run or it has to be changed from time to time?

SIGNIFICANCE OF THE STUDY

Motivation is all time closely related to individual and group achievements. High level of motivation results into high level of achievements. Motivated employees are generally achievers in their life. There is a general notion and deep rooted belief that, financial or materialistic factors motivate the employees. Money can satisfy some of the urges of employees. However, the leader has to look into individual contribution and performance of employees in the organisation. A large number of research scholars have undertaken research on motivation. But the present research paper is the direct link between style of leadership and resultant motivation. The importance of research work is related to the following objectives:

1. To find out ways and means in manufacturing company to develop atmosphere of motivation.
2. To review the impact of leadership style on motivation.

REVIEW OF LITERATURE

Review of Motivation Theories: To understand the term ‘motivation’ in a proper manner it is necessary to study the idea and background of the terms from scientific point of view. Abraham Maslow, Elton Mayo, Douglas McGregor, Herzberg, Vroom and many experts in behavioural sciences have made contribution to the said subject through their theories

of motivation. Though the theories have become old, still they have not lost their significance.

Abraham Maslow has propounded his theory of motivation based on human needs. According to this theory, people have five types or levels of human needs. Their importance or urgency is defined as hierarchy of human needs. These levels can be stated as physiological needs, safety and security needs, social needs, self-esteem needs and self-actualization needs. According to Maslow an individual has to satisfy the first need completely before going for the second one. But the structure given by Maslow was criticized on various grounds such as, all needs are equally important. After achieving the self-actualization level one cannot forget the initial needs.

Douglas McGregor has advocated the Theory X and Theory Y. Theory X shows traditional approach where employees are more inclined towards rewards and financial benefits. Whereas in Theory Y, it is assumed that, self-motivated employees who are ready to see the challenges in life excel very high. These two types of human mentalities definitely affect work behavior of employees and work culture of the entire organisation.

Herzberg has given completely different version of motivation. He has concentrated on motivators and hygiene factors. Motivators are the intrinsic factors. They are like shouldering great responsibilities and accepting challenging work. Hygiene factors are extrinsic in nature. They can be mentioned as perquisites, salary, bonus etc.

Vroom has also developed a theory popularly known as Expectancy theory. It is developed for the work related behavior. The theory says that, employees can select any type of work behavior to overcome the work related difficulties. They can select one behavior rather than the other if they feel it seems to be more perfect.

Though all these theories have become very old and seems to be outdated, they still have their relevance in the area of Human Resource Management. The modern theories and the ways of motivation is the outcome of these basic theories only.

The Impact of Leadership on Motivation

It is necessary to develop feelings amongst the top managers that, leadership can very well develop motivation amongst the employees. The mission has to be taken up. Employee motivation and the role of leaders was not clear in the earlier days. Leaders are also expected to have their own strategy to find how each one can be motivated. Instead of developing a common policy a leader has to develop different strategies.

Some of the employees feel secured if they get job security, some may be happy due to corporate perquisites, a few are interested in power, many like recognition, a large number of employees get motivated by seeing the numerical of compensation.

Styles and Forms of Leadership

The leadership styles can be stated as charismatic, consultative, situational, laissez-faire, autocratic, democratic, bureaucratic, authoritarian, paternalistic and so on. The forms of leadership can be mentioned as transactional and transformational.

Transactional leaders are more professional by nature. Rather they are not emotional by nature. If the workers commit mistake or if any deviation is found in the set standard and the actual performance, they interfere. They expect the same rather uniform procedure to be followed by all the employees all the time. They do not help their subordinates. They never help for their career development. They do not motivate their employees.

However, transformational leaders are dynamic in nature. They inspire, motivate and encourage their subordinates. They find capabilities among their subordinates and inspire them to work hard. Employees once get motivated, they perform with their full capacity.

Leadership Styles and Decision Making:

It is said that, leaders are born and not made. But sometimes the post and position makes an individual a leader. As per the individual personality

traits, the leadership qualities are developed. Leaders can make decisions as per their inherent qualities. Leaders can increase or decrease the level of participation of employees in the process of decision making. These can be mentioned as:

1. **Consultative Leadership:** These leaders make the decisions only after taking the opinions of their employees. They trust in consultation.
2. **Delegation Style of Leadership:** Here, the authority to take decisions is given by leader to the subordinates.
3. **Joint Decision Style of Leadership:** Here, The leader and the subordinates have equal decision making authority.
4. **Autocratic Style of Leadership:** In this style of leadership, the employees have no right to express their opinions. The leaders completely control the organisation.
5. **Situational Leadership:** Here, the decision making style changes as per the situation. There is no fixed pattern of taking decisions.

It is observed that, when the employees are involved in decision making, the quality of decision is always high. Such decisions are widely acceptable. Such decisions enhance employee satisfaction. Employee skills are developed significantly.

Employee Motivation:

Motivation works as push and pull factor in work related behavior. The basic human needs like recognition, self-esteem, self-actualization etc. can be satisfied through motivation. Motivation is always related with the productivity of employees. According to Root G., managers who follow Autocratic leadership style get benefit in speedy decisions. If they motivated properly to follow these centralized decisions, they work in

positive manner. He also states that, Democratic style of leadership of decision making process is also a common policy applied by a large number of managers. In Laissez faire style of leadership, the managers delegate the power to the maximum extent to their subordinates. Root has also mentioned about transformational style where a manager has vision of the future with clear vision.

Gopal R. and Chowdhary G. studied more than fifty companies wherein they focused on relation between motivation to employees and leadership styles. It is noted by them, employees are more comfortable with transformational style rather than transactional style. Transformational leadership provides intrinsic motivation. But the perception of employees has to be taken into account in a positive manner.

DATA COLLECTION

Quantitative and qualitative methods of data collection were used. Quantitative approach was used for hypothesis testing whereas, qualitative approach is used for analysis of personal opinions.

A questionnaire was developed. A five point Likert Scale was applied. The responses received were analysed.

The purpose of this research work is to find the effect of leadership style adopted by the leaders and its effect on employee motivation. The research survey was conducted in five small and medium scale companies situated at Ambernath Badlapur industrial belt. A survey was conducted for the observations to be made. Questionnaires were distributed amongst two hundred and fifty employees of different departments. To find and test the validity of the survey twenty five employees were interviewed. The researcher assumes that, there is a strong relation between leadership style and employee motivation. When the transactional and transformational styles of leadership were tested, the practical aspects in the leadership and motivation were understood. Application of transactional style of leadership has shown negative findings whereas the outcome of transformational style was positive.

DATA ANALYSIS:

The survey results were studied with the help of SPSS. The results were analysed. Conclusions were derived systematically. Proper co-ordination between style of leadership and motivation was analysed with the help of properly structured questionnaire.

The findings derived and conclusions drawn were logically summarized.

1. Whether transformational style is motivating for work culture?

Particulars	Yes	No	Don't Know / Can't Say
Questionnaire Method (250 Respondents)	214 (85.60%)	27 (10.80%)	09 (03.60%)
Survey Method (25 Respondents)	21 (84%)	01 (4.00%)	03 (12%)

The above table shows that, transformational style is like or preferred by 85.60% of the employees. 10.80% employees when were interviewed, though they have opined 'No', many of them were positive by nature saying that, whatever style the managers may apply, they are ready to work. Only 9% of the impartial employees answered that, they don't know or they can't answer.

When survey was conducted, 84% employees were in favour of the said style, only 4% were against the style of leadership and 12% were not sure about the application of style of leadership.

2. Whether transactional style is motivating for work culture?

Particulars	Yes	No	Don't Know / Can't Say
Questionnaire	09	218	23

Method (250 Respondents)	(03.60%)	(87.20%)	(09.20%)
Survey Method (25 Respondents)	02 (8%)	21 (84.00%)	02 (8%)

The above table shows that, transactional style is like or preferred by 03.60% of the employees. 87.20% employees when were interviewed, though they have opined ‘No’, many of them were positive by nature saying that, whatever style the managers may apply, they are ready to work. Only 9.20% of the impartial employees answered that, they don’t know or they can’t answer.

When survey was conducted, 8% employees were in favour of the said style, 84% were against the style of leadership and 8% were not sure about the application of style of leadership.

3. Whether the style of leadership results into increase in employee morale, involvement in work and increase in efficiency and productivity?

Particulars	Yes	No	Don’t Know / Can’t Say
Questionnaire Method (250 Respondents)	211 (84.40%)	12 (04.80%)	27 (10.80%)
Survey Method (25 Respondents)	18 (72%)	04 (16.00%)	03 (12%)

As per the above table, the respondents to the questionnaire, when asked, whether the style of leadership is concerned with efficiency and productivity, 84.40% have supported, whereas 10.80% have shown reluctant behavior towards the question. 4.80% of the respondents have shown negative opinion about this question related to style of leadership.

When survey was conducted for the understanding of the opinions of employees, 72% have supported, 12% have remained impartial and 16% have expressed their dislike for the said style of leadership.

RESEARCH FINDINGS

For the purpose of collecting true and fair information employee interviews were conducted in addition to the questionnaires. Total twenty five employees were interviewed. The questions were basically taken from the observations made in survey.

Around 80% of the employees were in favour of transformational leadership. They were of the opinion that, transformational leadership definitely provides job satisfaction. 20% percent employees were of the opinion that, they can work with any type of leadership.

The general outcome of the discussion can be mentioned as:

1. To motivate employees and improve the work, it is necessary to listen to the employees.
2. Transactional leadership results into negative elements and consequences.
3. Managers have to be supportive, co-operative and understanding by nature to motivate the employees.
4. The transactional leaders set the goals and expects the followers to achieve the same.
5. If the planned goals are achieved, the transactional leaders award the subordinates. Otherwise, they are criticized and punished.
6. Transactional leaders try to maintain status quo only. They do not introduce changes. They focus on established procedures. They are autocratic and bureaucratic in nature.
7. In transactional style the reward and punishment work together.
8. Transformational leaders motivate and empower employees to achieve the common objectives of the organisation.
9. Transformational leadership pays individual attention to all followers.

10. Transformational leaders by providing intellectual stimulation encourage employees for innovation and creativity.
11. Transformational leaders have their specific charisma.

CONCLUDING REMARKS

The basic idea behind the research was to study and examine the perception of employees in small and medium scale companies in Ambarnath Badlapur industrial belt. It was the idea to understand the style of leadership adopted by them and the motivation perceived by their employees.

To understand the subject properly, both qualitative and quantitative methods were used. The general findings reveal that, the leaders who adopt transformational and participative style of leadership do motivate their employees on large scale. Transformational style of leadership is proved to be more effective. Managers who want to become successful and popular amongst the employees with increased output and profit have to become more supportive, resourceful and inspirational. They are expected to appreciate skills of their subordinates. They must try to improve capabilities and capacities of their subordinates. At the end, the researcher would like to state that, more and more researchers are expected to undertake studies on this area of Human Resource Management.

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