

## **Leadership Style's Influence on Employees Performance in the Workplace**

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### **Abstract**

Leadership is a significant factor in whether or not an organization will be successful. Leadership style refers to what means folks are rapt and driven by a front-runner to reach organizational goals or what they do. The main focus is on diverse categories of leadership. People who are democratic, transformational, bureaucratic, and authoritarian are good leaders. Still, charismatic and transactional people are bad leaders because they don't give employees opportunities and freedom to do their best work, hurting the organization. Both main and minor research has been done in this study, and both have been good. The reading establishes that charismatic, bureaucratic, and transactional leadership styles harm the performance of an organization. Organizations that had leaders who used transformational, autocratic, and democratic leadership styles did better than those who used other types of leadership. There is a suggestion that organizations should use a control style that helps people's abilities and skills grow and grow and grow and grow.

### **Keywords**

Organization, Organizations performance, Leadership, Employee performance, and Leadership style.

### **1. Introduction**

The control part of a firm is perilous in framing its base, emerging policies (Harris et al., 2007). Numerous businesses are currently confronted with issues relating to unethical behavior, high employee turnover, and poor financial performance, among others. This could be an outcome of an inefficient headship. Numerous tradesmen aim is to achieve their stated objectives; thus, influential trades leaders are required to manage and inspire their employees (Vigoda & Gadot, 2012). Regrettably, some businesses do not consider their manager's leadership styles.

Using this premise, the present reading will examine leadership style and organizational performance. Numerous leadership styles are available. This study examines headship panaches. If any new ideology is developed as a result of the research, it has the potential to improve these leadership styles further and thus increase organizational achievement. As a result, the review was inadequate for all the styles of headship. The primary objective of this research is to "determine the effect of autocratic, democratic, transactional, transformational, charismatic, and bureaucratic leadership styles on organizational performance." This investigation proposition remained advanced to ascertain the consequence of headship style on structural recital. The idea is stated as follows:

## **2. Review of the Literature**

There are many diverse physiognomies, personalities, and behaviour's that leaders use to interact with their underlings in a certain way. This is called a "leadership style." Two people write about this: (Mitonga & Coetzee, 2012) think of leadership as to how managers act that helps them work together with their interests and the company's interests to reach a goal. Leaders can be thought of as people who use different types of relationships to get folks to effort composed for a mutual objective or goal. (Harris et al., 2007) said this, too. The term "organizational performance" is used in much business literature. It's a complicated and multidimensional thing. If you want to know how an organization is doing, you can look at its results or outputs. These can be compared with what an organization should do and its goals and objectives. There are three parts to the performance of an organization: monetary recital, shareholder return and the performance of the product or service market (Gavrea et.al. 2011). Leadership styles have a sizable impact on organisational performance. (Klien et.al. 2013) established this fact through the use of the four-factor theory of leadership and data collected from 2,662 employees from 311 organisations and found that structural culture and performance are related to the type of leadership style used. Transformational leadership is about raising the supporters and captivating into account their needs. Bosses who use transformational headship pay a lot of consideration to the total value system of their workforces, ethics, assistance, and incentive level.

Employees become more interested in their jobs when their leaders broaden or raise their level of interest, according to (Bass & Avolio 1994). The transformational front-runners are individuals who make their workforces contemplate around things that aren't just about them. It's because of these reasons that transformational leaders are so good at what they do. They may be magnetic in terms of inspirational personnel, they may meet the employees' emotional needs, or they may stimulate the employees' minds in a way that makes them smarter (Bass & Avolio, 1994). Additionally, research establishes that transformational leadership and teams' performance at the organizational level are linked together. (Xu & Wang, 2010) said that results from skills, abilities, knowledge, and motivation that combine to accomplish aim.

According to the study conducted by the aforementioned authors, transformational leadership pays to the overall expansion of groups. Transformational front-runners are recognized through groups partaking a self-defining and sustaining relationship with an individual or group.

According to (Sofi & Devanadhen, 2015), transformational leadership significantly impacts an organization's performance. According to their study on, they determined that transformational leadership has a direct positive result on the results of the organization.

Magnetic leadership is extensively stated as unique of the greatest real practices of leadership, cutting-edge magnetic leaders grow visualization and then ask their supporters to shadow and accomplish that vision. Charismatic leadership fosters innovation and creativity and is viewed positively by employees. However, the disadvantage is that supporters are wholly reliant on the frontrunner and become directionless when the frontrunner departs the organization things become problematic as magnetic leaders fail to train their underlings to take over in the future. This style of leadership produces "happy followers, but few future leaders." As a result, it may have a long-term detrimental effect on an organization's performance (Germano, 2010). (Ojokuku et al., 2012) also discovered similar findings in their research. They used a survey questionnaire to conduct quantitative research on the employees of twenty banks in Nigeria. According to their findings, charismatic leadership negatively affects organizational leadership. It does not sufficiently motivate and induce employees to deliver the expected results (Ojokuku, 2012). In Organizational performance and

transactional leadership style, a transactional leader is always willing to give something in exchange for something else (Uchenwamgbe, 2013). It could include a diversity of belongings, such as a increase in wage, preferment. Expectation is a significant issue with this style.

Transactional leadership can be defined when it comes to the exchange of goals and rewards (Ojokuku et al., 2012). Elenkov (2002) found that democratic leadership has a positive effect on the performance of organizations. Employees are empowered to make decisions and share them with their co-workers and their manager through democratic leadership. Praise and criticism are given objectively in this leadership style, and employees develop a sense of accountability (Elenkov, 2002). Bhargavi and Yaseen (2016) also examined how democratic leadership impacts organizational performance. According to (Longe, 2014), transactional leadership has a positive effect on the performance of an organization.

Employees are always rewarded for their hard work because of transactional leadership's ability to create a framework in which structural and humanoid competences can get the most out of. When it comes to creating a work environment that encourages productivity, this leadership style is particularly beneficial. In addition, this type of leadership helps to articulate a compelling vision that improves overall organizational performance. According to (Sofi et al., 2015), transactional leadership does not directly affect an organization's performance. This leadership style discourages employee creativity and innovation, and as a result, employees fail to meet the firm's hopes. (Tannenbanum et al., 2012) define democratic leadership as "leadership that is decentralized and shared by all subordinates.

Additionally, (Bhargavi & Yaseen, 2016) examined the effect of democratic leadership on organizational performance. According to their findings, democratic leadership benefits an organization's performance by allowing workforce members to share and implement their innovative strategies in policymaking. Additionally, this leadership style develops future leaders and helps the organization in the long run. (Choi, 2007) also stated that a democratic leader emphasizes group discussion and participation, which positively affects the followers' performance.

As a result, democratic leadership can be used to boost both organizational performance and efficiency. Thus, democratic leadership has a positive effect on organizational performance.

(Elenkov, 2002). Autocratic leaders are, by definition, traditional and bossy. Autocratic leaders expect their subordinates to work in their favor. Typically, autocratic leaders retain decision-making authority after leaving office (Obiwuru et al., 2011).

Autocratic leaders compel their followers to carry out their services and strategies in a prescribed manner. (Iqbal et al., 2015) conducted research on the effect of leadership styles on organizational performance.

The study notes that leadership activities are also referred to as strict leadership. Autocratic leaders are less imaginative and promote only one-sided dialogue. This has a disadvantageous outcome on employee motivation and satisfaction. Despotism smothers the necessary socialization and communication within organization. Moreover, authoritarian leadership outcomes in Corporate conflicts, which have a harmful effect on overall performance (Iqbal et al., 2015). According to (Bhargavi & Yaseen, 2016) an autocratic leadership style positively impacts organizational performance. This type of leadership is better when the projects must be done by a given deadline (Bhargavi & Yaseen, 2016). They also looked into how leadership styles affect the performance of businesses. The author said that an autocratic leader sets the rules for the employees and expects them to follow them. They also don't have much faith in their followers.

Administrative leaders sway their underlings to follow their policies and procedures. Leaders are adamant about their processes and procedures but not about their people. This is why they appear aloof. The method is unproductive because it does not result in underling growth or inspiration. These leaders are solely concerned with completing their tasks systematically (Germano, 2010). Additionally, (Ojukuku et al., 2012) stated that bureaucratic leadership has a detrimental effect on organizational performance. According to them, bureaucratic leaders do not motivate their organization's employees to work expectedly, resulting in increased organizational performance (Ojukuku et al., 2012). (Sougui et al., 2015) also presented similar findings, stating that bureaucratic leadership styles have a negligible effect on employee and organizational performance.

This method is advantageous only when tasks must be completed more often by following a stated process (Sougui et al., 2015).

**Hypothesis:** Leadership style dimensions significantly impact how well an organization does.

### **3. Research Methodology**

This study used a quantitative approach to response the investigation query. Qualitative, quantitative, and mixed research methods are used. The reading purposes to establish a link between organizational performance as a dependent variable and leadership style as an independent variable.

### **4. Sampling & Data Collection**

This study's leadership scale was adapted from Zhu's work (2002). Defendants insights of their company's recital compared to their opponents were used to measure its overall performance. Employees from twenty different companis were the subjects of the research. The questionnaires were used to collect the data. The bank authorities granted us all the necessary permissions to conduct the survey. Likert scales were used to measure responses from participants, with the frequency of their actions being broken down into five categories: never, minor, occasionally, frequently, often, and always.

### **5. Data Analysis**

Cronbach's Alpha reliability coefficient was used to determine the data's reliability. Cronbach's alpha coefficient values were 0.813, 0.780, 0.087, 0.790, 0.753, and 0.650 for headship styles, respectively. Administrative recital gauge was used to determine the effect of the leadership styles on their performance. The scale measures banks' performance in comparison to their competitors. The scale's reliability and credibility were assessed using item analysis, and a reliability alpha value of 0.76 was obtained, which is considered practically consistent.

### **6. Result and Argument**

Under this piece of the study summarised significant findings from the secondary study are presented. The table demonstrates a positive and negative relationship between the selected leadership dimensions and organizational performance. The results indicated that transactional

leadership, charismatic leadership, and bureaucratic leadership were negatively associated with corporate performance ( $r = -0.174, -0.432,$  and  $-0.292$ ;  $P < 0.001$ , respectively). This demonstrates that these leadership styles do not motivate employees to perform better and promote a high turnover rate. While charismatic and bureaucratic leadership styles are effective for short-term or small projects, they are detrimental to long-term prospects because they do not promote employee development and thus do not bring out expected employee performance. However, democratic leadership, transformational leadership, and autocratic leadership styles positively correlate with organizational performance ( $r = 0.156, 0.265,$  and  $0.064$ , respectively;  $P < 0.001$ ). This demonstrates that these three leadership styles motivate employees to perform better and follow established standards. Organizations must promote these leadership styles.

**Table 1: Pearson Correlation: Relationship Between Dimensions of Leadership Style and Organisational Effectiveness**

Variable	Mean	SD	1	2	3	4	5	6
Organisational Recital	20.054	1.894	1.000					
Transactional Headship	3.123	1.143	-0.174**	1.000				
Transformational Headship	3.998	0.398	0.256**	0.123*	1.000			
Autocratic Headship	2.005	1.542	0.064	-0.343	-0.165	1.000		
Democratic Headship	4.598	6.545	0.156**	-0.121	0.123	-0.092	1.000	
Charismatic Headship	3.732	1.285	-0.432**	0.234	-0.321	-0.031	-0.276	1.000
Bureaucratic Headship	2.454	0.756	-0.292*	0.265*	-0.299	0.312	-0.093	-0.171

The study shows that the types of leadership styles, transformational, transactional, democratic, and autocratic, played a role in how well the organization did together ( $F(5, 42) = 2.542, R^2 = 0.252,$  and  $P < 0.05$ ). If you want your organization to be more successful, you need charismatic, transactional, and bureaucratic leadership to make it happen. These three types of leadership all harm how well your organization does. If you want your organization to do well, you need to have leaders who are transformational ( $t = 0.032; t = 0.276; P < 0.05$ ) and democratic ( $t = 0.09; P < 0.05$ ). Results show that leadership styles impact how well an organization

does. Three types of leadership are good for businesses: democratic leadership, transformational leadership, and autocratic leadership style. It was found that the other three leadership styles, which were democratic and transformational, and autocratic, had a positive effect on the company's performance.

**Table 2: Model Summary**

Model	R	R Square	Adjust R Square	Std. Error of the Estimate	Durbin Watson
1	0.493 <sup>a</sup>	0.252	0.173	1.46543	1.031

**Table 3: Annova**

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	32.765	5	5.123	2.542	0.54a
Residual	109.876	59	2.152		
Total	142.987	64			

**Table 4: Coefficient**

Model	Unstandardized coefficients B	Standard Error	Standardized Coefficient Beta	t	Sig.
Constant	23.042	3.132		6.544	0.000
Transactional	-0.076	0.423	-0.421	-0.272	0.021
Transformational	0.123	0.465	0.032	0.276	0.041
Autocratic	0.076	0.191	0.041	0.581	0.521
Democratic	0.000	0.065	0.003	0.09	0.018
Charismatic	-0.354	0.174	-.391	-2.432	0.023
Bureaucratic	-.453	0.321	-.352	-2.143	0.029

Organizational performance is influenced by leadership styles, according to these findings. It was found to be correct, proving the hypothesis' validity. This study's findings (Wang et al., 2010) (Obiwuru et al., 2011). When it comes to establishing a value system, transformational leadership allows employees to grow their skills and



abilities. In a democratic workplace, employees' creativity and decision-making abilities are enhanced. According to a survey, employees in an autocratic leadership structure are forced to work or follow the orders of their boss, which is suitable for the organization.

On the other hand, charismatic and bureaucratic leadership styles harm organizational performance, comparable to the literature review findings. However, a literature review indicates that transactional leadership also positively affects organizational performance, contradicting the survey findings. The area can be further examined in the forthcoming by accruing additional substantiation.

## **7. Findings & Conclusion**

Organizational performance is examined in this study to see how different leadership styles affect it. Leadership styles that found to impact organizational performance positively were transformational, authoritarian, or democratic; those were found to hurt organizational performance in the study organizations were transactional, charismatic, or bureaucratic. This study found that headship has an optimistic and undesirable effect on an organization's performance. For a leadership style to be effective, employees must be given a chance to grow and be included in decision-making.

We've learned a lot about the subject from this research. The analysis was based on complex numbers. The use of this method should be the focus of future studies. Appropriate investigation and quantifiable techniques are used to determine how leadership style affects a company's success and the organization's success.

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