

## **LINKAGE BETWEEN LEADERSHIP STYLES AND EMPLOYEE PERFORMANCE**

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### **Abstract**

This research paper finds out the effects of leadership attitude on company and on employee performance. The main aim of this research is to investigate the different leadership styles and its effects on behavior i.e. - autocratic, democratic, participative style- on employee efficiency. The qualitative approaches are followed and Secondary research was collected. The reason behind this is that the (investigator) or reader should better understand the problems and for their easy understanding different variables were used in it. Comparatively from other side, sources of Secondary research are as following Reviews, report writing, researches, magazines, articles, books. Different scholarly views are presented for each independent variable and its effect on the dependent variable. At the end it was concluded that the autocratic leadership is useful in the short term and democratic leadership style is useful in all time horizon. And participation leadership style is most useful in long term and effect on employees is positive.

**Key words:** leadership styles, participative, autocratic, democratic, employee performance,

### **INTRODUCTION**

This research is totally focused on the performance of leadership towards their employees. This section elaborates a background of the study i.e. Purpose, problem statement, aims and objectives of the study, Hypothesis and importance of the study were examined. If we talk about history the traditional concept of personnel management has been over taken by human resource management. Now, leadership with new approach engaged in the organization as macro level. This approach plays a vital role in the leadership and works in effective way towards their employee and also improves the employee performance. Hersey, P., Blanchard, K. H., & Johnson, D. E. (1988) concluded in their research “The efficient leader behave according to the situation they face many challenges and also know how to cope the situation in respective manners. Different leadership styles are used that fit to employees on the basis of amount of directions, empowerment, and decision making power. In an organization an employee performance also reflects, if the leadership or performance of the leadership is satisfactory and if the performance is poor it also affects the performance of employees due to lack of proper guidance and direction.

Previous research shows the performance and impact of Leadership with its different leadership styles such as participative, autocratic, and democratic style also affected in an organization. Most of the

research focused that its impact on employee performance and also on the company environment especially in large medium enterprise. In 17<sup>th</sup> century leadership and how it affects towards the performance of employees are converted into machines the end of this century treating humans as a machines and to achieve the goal the human capital is most important in different work task.

### **Conceptual perspective**

In this paper the dependable variable of the study is employee performance and independent variables are the other leadership styles such as autocratic, democratic and participative leadership. A conceptual model is developed on the basis of their relationship with a view to analyze which one leadership style is most appropriate to improve the performance of employees of an organization. Therefore, the performance was defined as: team management, work, team duties, goals and mission of the organization (Armstrong, 2005) public relation, effective input and output. Efficiency would be also count.

According to (Cole, 1997) examined that the concept of leadership is the ability to manage the employee and monitoring the whole employee process on the basis performance through this we meet our organizational goals.

### **Theoretical perspective**

The Fred Fiedler presents the theory of Fiedler leadership contingency model theory in which he proposed that effective employees performance depended upon the proper match b/w a leaders' ability to lead and according to situation the leader react and rectify the issue. This theory propounded that leaders should adopt that style which best to the situation and immediately stimulate the employee performance.

Leadership persuades a team of engineers that they must revise their procedures drastically in order to meet the scheduled delivery date in any program. The person who occupies a leadership position must transmit feelings and exhortations to followers by the process we can call communication. An effective leader has a responsibility to provide guidance and share the knowledge to the employee to lead them for better performance & make them expert for maintaining the quality. And become head of all team members is such a great responsibility. The introduction of the clear standards of leadership promotes the core values and maturity on their role and responsibility.

### **Statement of problem:**

The performance of employee such as participation of employee, employee's competency and effectiveness in doing work. Various organizations need strong leadership styles that stimulate the employee performance. Some organizations such as tractor factory face the problems: poor innovation, low productivity. This issue occurs because of the lack of strategy and adopt a specific leadership style. This problem is continuously affecting employee performance. That's why study investigates the best one leadership style that stimulates performance of employees.

It is believed that an effective organization rooted from the propellers or on the business leaders. The idea of effective leadership is also adopted in the world of technology. The employees also perceived that there is a need of a leader who should not only have to lead people but also be effective. So, they need an effective leader who can lead the people toward the changes and performance improvement.

- How does a leader perform under the consideration of effective performance of employees and firm?
- How does leaders effectiveness changes the performance.

### **Objectives of Study**

- (1) To explore the leadership styles that contributes to employee performance.
- (2) To explore leadership styles impact on the performance of employees.
- (3) To know the significance of leadership styles in the employee performance.

(4) To develop the model that shows relationship among different styles of leadership and employee performance.

### **Research Questions**

- (1) How much effective leadership style cast an effect on employee's performance?
- (2) What are the outcomes if there is an effective leadership style?
- (3) What are the roles of participative leadership on employee performance in an organization?
- (4) What are the impacts of democratic leadership on employee performance?
- (5) What are the impacts of the authoritative style affect employee performance within organization?

### **Significance of the study**

This study is helpful and focused different types of leadership styles on employee performance. The output of employee depend upon the behavior of employee which type of behavior a leader adopt and how they resolve the issues if it happen. This study also helpful to other organization through the adoption of such type of behavior how the organization and leadership style effect on employee performance how they deal with their employee , Are their employee satisfy with their behavior , Are they perform well and it also helpful for the company.

This research is also important in Pakistan because in Pakistan there is very specific literatures and researches in this topic. Pakistan is developing county as a developing country It is necessary by leaders in Pakistan to adopt such tools and techniques for the betterment of the organization. So, the present study shows the different leadership style effect on employee performance and in general the long question of how to enhance the leader's performance.

### **Literature review**

In this section firstly I defined what is leadership? What are leadership styles? And then explain the theoretical framework which elaborates the effects of three leadership styles (participative, autocratic, and democratic) on the employee performance.

### **Nature of Leadership**

Leading is the process of influencing others to accomplish specified objectives. A precise and comprehensive definition of leadership is that formulated by Tannenbaum, Zerpa, C. E., & Ramirez, J. J. (2013) who state that it consist of interpersonal influence, exercised in a situation and directed, by means of the communication process toward the attainment of a specified goals. They point out that leadership always involves attempts by a person (leader) to affect or influence the behavior of a follower (or followers) in a situation.

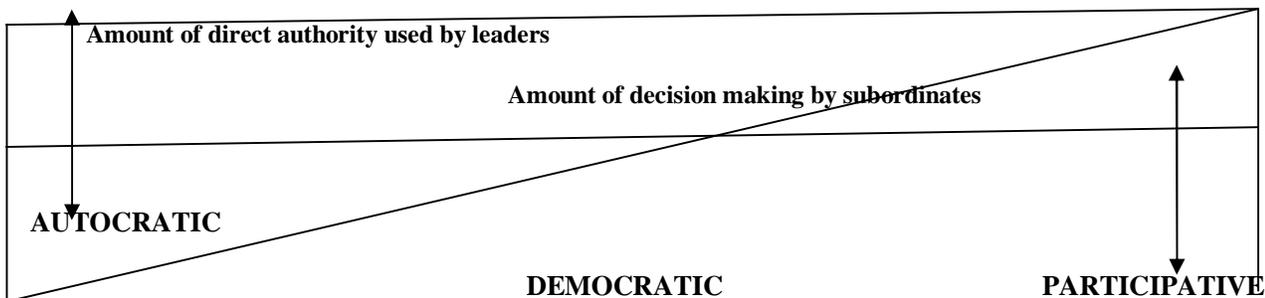
The effective leader gets other (followers) to act. He or she may impel them to action by any of numerous devices: persuasion, influence, power, threat of force and appeal to legitimate right. The person who occupies a leadership position must transmit feelings and exhortations to followers by the process we call communication. Communication involves both the sending of messages and understanding by the receiver. The successful leader is the one who can appeal to constituents in a meaningful way. He or she talks their language. Among the objects the leader seeks to have the group accomplish may be those of the larger organization, as when a foreman may go to bat for workers to obtain higher pay classifications for them because both he and they honestly believe the higher pay rates are justified. It should be emphasized that the leader of a group in a formal organization has the dual objectives of representing the interests of the group to higher management and of getting subordinates to work for the goals of the enterprise as a whole. The problem of leader ship is further complicated by the fact that individuals within a group of followers may (and usually do) possess varied and conflicting goals. Theses may not always be compatible with objectives of the total organization or of the immediate group.

Followership is intimately related to leadership. A person's attempted leadership is only effective insofar as he is able to cause other to respond favorable to initiation of action. In fact, the way a

subordinate reacts to a boss's directives affects the latter's manner of leading. A supervisor may learn from experience that it is unwise to assign Joan and Henry to work as partners on a maintenance repair job because Joan has previously said that she will not work with Henry. Of course, the supervisor could threaten to discharge Joan unless she works with Henry. But the supervisor knows that forcing the two to work together is folly because their incompatibility prevents effective work cooperation.

### **Leadership styles**

Schmidt, C. (2004) stated the different leadership styles they observed that leadership style differentiate on different parameters through autocratic to Democratic to participative show the degree of authority and decision makes power of leaders and employees.



### **Autocratic Style**

The autocratic style is to immediate response where business faces a crisis. In the autocratic leadership pattern the leaders spent a high portion of their time giving orders, making disruptive commands and criticism. Conversely, the democratic leaders spent much of their time making guiding suggestions, giving information and encouraging.

### **Democratic Style**

Democratic approach is an approach where employee have equal responsibility and each member have equal participation within organization.

### **Participative Style**

Participative leadership style perspective focused on all employee of a company and involves all members to identify the goal and rectify the issues with mutual understanding. It basically participate all members as a team and achieve the goal of an organization. For this approach everyone has contributing its role and participate instead of issuing order and other just follow.

On this way every one intellectuality and creativity would be apparent and it also improve the employee performance. The organization would also allow people to work as a team and provide equal opportunity to contribute every employee to show their own skill and ability.

### **Theoretical framework**

The Fred Fiedler presents the theory of Fiedler leadership contingency model theory (1990) in which he proposed that effective employees performance depended upon the proper match b/w a leaders' The person who occupies a leadership position must transmit feelings and exhortations to followers by the process we call communication. Communication involves both the sending of messages and understanding by the receiver. The successful leader is the one who can appeal to constituents in a meaningful way. He or she talks their language. This theory propounded that leaders should adopt that style which best to the situation and immediately stimulate the employee performance.

An effective leader has a responsibility to provide guidance and share the knowledge to the employee to lead them for better performance & make them expert for maintaining the quality. And to become a head of all the team members is such a great responsibility. The introduction of clear standards of leadership promotes the core values and maturity on their role and responsibility.

There are three types of leadership styles according to Myron Rush & Cole (1997) and he also explains the different traits of each style that significantly affect the employee performance.

- **Autocratic/Authoritarian:** This type of leadership give order to sub ordinate and the sub ordinate must follow the instruction. Future plan and decision making is as top level the bottom line employee must follow those plans.

- **Democratic/Passive.** It is a best type of leadership the democratic leader just ask about every employee about decision making an different problem rise or company face the problem democratic leader ask everyone how to resolve the issue because this type of leadership think that everyone I responsible for this issue and every one as a team just resolve the issue .

- **Participative.** This type of leadership is in which employees take part in the decision making process and every employee participate individually.

### **Effect of different styles on employee performance**

As elaborate by Myron Rush and Cole the participative style of leadership has a greater positive impact on the performance of employee in which employee have been strengthen and confidence in doing their job and in making different decisions. And in autocratic style leaders only have the authority to take decisions in which employees' feels inferior in doing jobs and decisions. In democratic style employee have to some extent discretionary power to do work so their performance is better than in autocratic style.

### **Methodology:**

The research focused on and find out the problem using descriptive approach which focuses group, interviews. Moerer-Urdahl, T., & Creswell, J. W. (2008) also observed that descriptive method is to collect information about the present condition. The main aim of this and using method is to observe that in which condition the employee works what are those situation at that existing time , the efficiency of employees in the organization.

#### **Data Collection:**

**Secondary source:** The secondary research will be also integrated to collect data in secondary source also use as we know data collection is not an easy task so the other secondary sources were also use such as articles, newspaper, magazines, reviews and other journal content and books. The interpretation will be conducted which can account as qualitative in nature.

**Data Period:** research papers / articles from 2000 - 2011

**Sampling unit:** The CEO's and employees of Al-Ghazi Tractor Factory is the sample unit of my research.

#### **Hypothesis:**

(H<sub>1</sub>): Leadership styles impact on employee performance.

(H<sub>2</sub>): Democratic leadership style impact on employee performance.

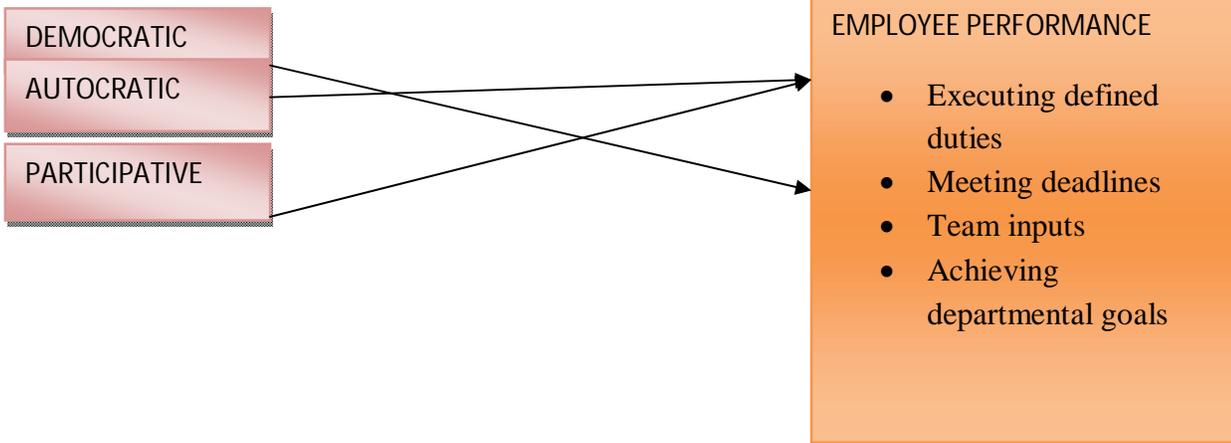
(H<sub>3</sub>): Autocratic leadership style impact on employee performance.

(H<sub>4</sub>): Participative leadership style impact on employee performance.

**Research Model:**

**Independent variables**  
**Leadership Styles**

**Dependent Variable**



Source: Developed basing Cole (1997).

**Data Analysis and discussion**

The different leadership styles are very important in the small medium enterprise (SME) and also in large medium enterprise (LME) over the world. These styles also affect on Centralization to De-centralization from top management to lower management and vary from one individual to other. Different leadership style and attitude and behavior of a leader also effect on the organization and also its own personality i.e. different personality traits, experiences, attitude and behavior of employees. Different organization demand different type of leadership style expect from their leadership, some organization promote autocratic leadership and some democratic and other participatory style.

**Autocratic Style Effects**

According to William Pirraglia (1998) stated this type of leadership categories between leaders and workers. Autocratic leaders give decision the other just follow the orders they are not interested any kind of interference of employee in their organization. Decision making and plans are decided on the top level usually one person decides and the other must follow.

C. Anderson, C.E. Brown, (2010) examined that the autocratic style may show great results in a short time period. Hence, more power full authority will also loss for the productivity. The creativity of the people is stopped and they work against their will and become de-motivated.

Heneman, R.L.and Gresham, M.T (1999) stated that autocratic leadership works as dictator even this type of leadership cannot consult any person it also not provide any direction or motivation to the managers and workers. They just believed that the leader just give orders not to take any orders from their employee and under the autocratic leadership style, all decision making powers are centralized and remains in the hand of leaders, as with dictators. These leaders not welcome any suggestion and initiative from the follower’s side. It has not been successful as it not provides strong motivation to the managers and employees. This style allows quick decision making. These leaders don’t take any type of consult from their employee. They believe that leaders only have to take decision and employees should have to follow only either they want to follow or not. This type of leadership is so much rigid and may be a cause of employees de-motivation.

Cole (1997) in his research find that his decisions to other are imposed and other must follow them because of this reason the other employees are de motivated and their ideas are stopped and all are involved in repetitive work of daily activities. As leaders have the authority, there is a chance of

exploitation and distortion of employees. This style stopped all network among employees, if we talk about any study the work environment is most important for the employee where all employees are friendly and avoid conflicts.

### **Democratic leadership effects**

William Pirraglia (1998) and Cole (1997) state that this style is usually considered a benefit for the most companies. This style focuses the management that provides guidance and help to its team and departments while accepting and receiving the inputs from individual team members. These leaders not reserve to their activities and authority only but in actual they bother about consultation of employees.

Bennett, R. H., Harriman, J. H., & Dunn, G. (1999) focused that sharing responsibility and consultation are very helpful in the organization in this type of leadership the sub ordinates and sub ordinates discuss all major issues and try their best to rectify the issues, and this type other employee works as a family and also motivated and own the work with its Excellency performance that led to more commitment of employee to department goals, performance to meeting deadlines.

The Kenexa research institute (KRI) evaluated worker's views of their senior and top leadership team and focused on other ideas, experience. Hence, the final plan or decision makings on the hand of top level employee. This leadership styles improve the performance in both short term and long term and can be used for any type of work project.

Bodmin, Cornwall Amin, M.E (2004) conclude that when organization need creative problem solving, conducting meetings for organization or department, training people for leadership roles and performing the day to day organizational tasks. This style provides confidence to employees who will help them for meeting deadlines, and departmental goals, to provide efficient team inputs.

### **Participative Leadership Effects**

William Pirraglia (1998) said this is viewed as effective option. As compared to other typical styles, delegate leaders rarely make decisions; leave this portion on the employees. Mostly, these leaders delegate responsibility to their employees and offer guidance to trusted team members.

E. Brown states participative style is more productive in the long term period and UN productive in the short term period for an organization. This productivity increases due to feeling of empowerment and more commitment to their work and departmental goals.

Huberman, M., & Miles, M. B. (Eds.) (2002). and Cole (1997) argue participative leadership style is to encourage the all team members and also play a vital role in the decision making process and motivated other employees.

### **Conclusions and Recommendations**

As elaborated by Myron Rush and Cole the participative style of leadership has a greater positive effect on the performance of employee and confidence in doing their job and in making different decisions. And in autocratic style leaders only have the authority to take decisions in which employees' feels inferior in doing jobs and decisions. In democratic style employee have to some extent discretionary power to do work so their performance is better than in autocratic style.

### **Future Research Directions**

1. The same research can be conducted in other cities anywhere in the countries.
2. The researcher can study on different type of leadership styles on firms.
3. The researcher can study on how to leadership change their behaviors in the organizations.

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