

# A Study On Workers Effectiveness And Business Performance With Reference To Leadership Style And Their Influence

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**Abstract:** The main focus of today's competitive business environment is leadership. The upliftment of our society through generations has gone through the various leadership styles, yet despite the contributions and investment in leadership development, there is a fall in the qualities of leadership. Leaders create empowering organizational cultures that produce long-term successful outcomes. Organizational performance is more likely to be influenced by the leadership styles and culture prevailing in the environment. Hence, this study examines the influence of leadership styles and organizational culture on the performance of the employees in chemical companies.

**Key Words:** Workers Effectiveness, Business Performance, Leadership style

## 1. Introduction

Today's business world is becoming more critical and unusual which increases the requirement of effective leaders. Leadership in the current scenario depends on four pillars. Principle-centered leadership, clear understanding of the situation, creative thinking, and strategic implementation are the four pillars that under one roof will take the organization to greater heights. Self-mastery and intuitive vision are the two common areas for great leaders. Martin Luther King and Mahatma Gandhi's self-mastery is the principle of deciding the goal for oneself which leads to motivation. Intuitive vision is imaginative and resonance between one's self and inner dream. It is passionate unrealistic and unachievable within the real-world possibilities where the mind speaks to the mind.

The new paradigm of leadership is formulated due to the rapid technological changes and greater international competition. Leaders make effective plans to help the organizations to overcome the struggle to cope up with the sudden changes and to sustain in the environment. Leadership has to produce change and decide the direction of change.

Today's leaders need to put their best efforts and in the right direction. Every leader doesn't want his followers to believe him and trust him. The New Economy's most insightful strategic implication is that the leaders must be as simple as possible. Simple rules arise only from an intelligent and clever thought process, but more often from mistakes rather than experiences. Thus, leaders must be more accessible to the average person.

## 2. Statement Of Problem

Companies without good leadership lacks in the labor management. According to a survey conducted among global companies it has been found that a strong leadership increases 2.2 times faster their revenue and 1.5 times of faster than companies with weak practices.

A good leadership will identify the problems of their employees and will try to rectify it in order to improve their work effectiveness. In the same manner a poor heading will leads to decrease in the effectiveness of their workers effectiveness and caliber. Hence the companies in order to increase its profit and support the society must be very careful in determining its leadership

## 3. Need For The Study

In today's fast-paced competitive market, organizations cannot ignore the importance of leadership development. Appropriate leadership practices will help organizations to excel in a competitive and challenging

environment. Organizations have to equip the leaders with the demanding skills to face the challenges of a dynamic workforce and the emerging global market. The leader faces many common challenges to achieve their goals.

Leadership is the backbone of a high performing organization. Companies with strong leadership cultures will bring a positive change across organizations. Developing a high performing organization starts at the top, with effective leadership and positive work culture.

#### 4. Scope Of The Study

This study concentrates more on the models of leadership and the relevance of leadership and employees work effectiveness. It further says without good leadership the employees will be left aloof and not taken care of. Interpersonal relationship will get affected when the movement between management and employees are not protected. A motivated employee will work more and the management must be careful in fixing its leaders at all the levels.

#### 5. Review Of Literature

**Sumarto and Andi Subroto (2011)** studied how the contribution of organizational culture and leadership to improve organizational performance. The research was conducted in the automotive component industry in Indonesia. The data were primarily gathered from the members of Giant throughout Indonesia from 165 companies. The study concluded that Leadership has a strong role in developing organizational performance and in forming a strong organizational culture. The findings of this study reveal that strong leadership is required as a determinant of performance enhancement and weak organizational cultures will not be able to improve the performance of the organization.

**Farshad Tojari et.al. (2011)** observed the causes of leadership styles and organizational culture on organizational effectiveness in Iranian sports organizations. The primary data was collected from 341 sports experts in the Physical Education Organization of the Islamic Republic of Iran and various Sports Federations in Iran. The research showed that transformational leadership has an important positive influence on the effectiveness and culture of the organization. Transactional leadership had a direct important negative influence on organizational effectiveness and not directly had a significant affirmative influence through organizational culture.

**Adil Sherazi et.al. (2012)** observed how leadership qualities and organizational culture enhance employee performance. The research also examines how ethical leadership plays a provoking role between organizational culture and despotic leadership. Stratified random sampling was applied and primary data were collected from 377 management staff of local and International NGOs functioning in Pakistan. The research has found a significant association between transformational leadership, organizational culture, ethical leadership, and employee performance and found a negative relationship between ethical leadership and despotic leadership.

#### RESEARCH GAP

After reviewing the national and international literature about the three important aspects in HRM practices namely Leadership style, Organisational culture and Organisational performance the researcher identified there exist three predominant gaps that are not sufficiently addressed at the national and international level.

#### 6. Objectives and Hypothesis of study

The following hypothesis were framed for the analysis of study

1. Is there any parametric relationship that exists between the leadership style of employees and the existing organizational culture.
2. Is there any correlation that exists between leadership styles and organizational performance both directly and indirectly.
3. Are the demographic background of the employees are playing a vital role in deciding the organizational culture of the organization and the increase in the performance of the employees.

## 7. Research Methodology

This study employs both analytical and descriptive type of methodology. The study is conducted in a two-stage format, with a preliminary pilot study followed by the main study. Multi stage random sampling technique has been adopted. The employees working in various companies are selected for the purpose of study. A well structured questionnaire has been circulated to collect the data.

## 8. Results and discussion

### MEASURE OF CORRELATION COEFFICIENT – OPERATIONAL PERFORMANCE EFFICIENCY

**Table 1:** Workers operational performance efficiency with the help of Leadership Style Influence

MO	SQCN	CN	ADCN	SEEE
1	.853 <sup>a</sup>	.727	.722	.56974

Servant leadership style, Participative leadership style, Transformational leadership style, Ethical leadership style, Instrumental leadership style, Authoritative leadership style, Supportive leadership style, Charismatic leadership style. R square =0.727. It implies that the eight leadership styles create a 72.7% variance on the employee focus.

This table also indicated the nature of the relationship that exists between the set of independent leadership style factors and the dependent factor operational efficiency increase of the employees. The correlation coefficient is the deciding factor for proving the relationship between leadership styles and operational efficiency. The regression fit is also explained in the following ANOVA table

### CONSOLIDATED INFLUENCE OF OPERATIONAL PERFORMANCE EFFICIENCY

**Table 2**

MO		SMSS	DEGFM	MNSE	F	Sig.
1	RIN	362.732	8	45.342	139.681	.000 <sup>b</sup>
	RAL	136.335	420	.325		
	TL	499.068	428			

a. Dependent Variable: operational efficiency

b. Servant leadership style, Participative leadership style, Transformational leadership style, Ethical leadership style, Instrumental leadership style, Authoritative leadership style, Supportive leadership style, Charismatic leadership style.

The analysis of variance showed above is a two-way analysis of variance it determines the changes in the variance of leadership style factors and operational efficiency factors. The more variances prevailing among the leading factors are completely revealed through the variance in the operational efficiency of the employees through the statistical significance. F = 139.681, p=.000 are statistically significant @ 5% level. This implies that there is a significant influence on the operational efficiency of the employees.

## COEFFICIENTS FOR OPERATIONAL PERFORMANCE EFFICIENCY

Table 3

MO		UZCS		SZCS	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-0.049	0.302		-0.163	0.87
	Transformational Leadership Style	0.117	0.055	0.061	2.151	0.032
	Authoritative Leadership Style	0.021	0.04	0.015	0.518	0.605
	Participative leadership style	-0.073	0.048	-0.052	-1.515	0.13
	Supportive leadership style	0.047	0.062	0.025	0.747	0.455
	Instrumental leadership Style	-0.033	0.047	-0.019	-0.705	0.481
	Ethical leadership Style	0.004	0.045	0.003	0.092	0.927
	Charismatic leadership Style	-0.028	0.04	-0.025	-0.689	0.491
	Servant leadership Style	0.972	0.03	0.843	32.281	0

a) Dependent Variable: operational efficiency

Servant leadership style (Beta = .843, t = 32.281, p = .000) are statistically significant @ 5% level, Servant leaders manage the human assets of the organization and are responsible for helping the members to maximize their potential, therefore it can be concluded that the leadership styles increases the operational efficiency.

## 9. Conclusion

Leaders don't just do things, they change things. Everyone wants to grow as a leader but to sustain as a great leader is hard and far less glamorous. A great leader has to make some very difficult choices against the very core of being self. The greatest ability of leaders is to show that they are good at leading. Values play an important role in the creation of work culture. A positive cultural fit will boost the spirit of the employees which will bring out the best of their abilities. The passion of the employees will be increased if they feel happy about the work culture of the organization.

In today's transparent era organizations are monitored closely. Technological up-gradation empowers employees with easy access to the various sources of information about the cultures prevailing in the work environment. Leaders have to focus on unique values and delegate every other value which will maximize the values of the organization as a whole. Poor leadership can lead to mismanagement of resources and can undermine the company's performance.

It is concluded that leadership in any organization develops smooth interpersonal relationships among the employees and motivates them to think that their progress and job securities are protected by the good leader in the company. The conducive organizational culture together with the momentum of leadership style creates high productivity and best organizational performance. This study observes that workers effectiveness and its business performance is possible with the support and influence of business and corporate leadership.

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