



IMPLICATIONS OF EFFECTIVE LEADERSHIP TO ELEVATE ORGANIZATIONAL PERFORMANCE

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Abstract

The following research aims to discover the credibility of a powerful, influential leader. Firstly, it explores the various types of leadership styles and its implications on workforce morale along with determining an explicit cause- effect relationship between the effectiveness of the leadership style against the success of the organization vis a vis completion of the goal. It claims that an influential leadership promises a competitive environment and fosters employee motivation and performance. Due to this, it strongly endorses the effective implementation of leadership techniques to achieve their set goals and objectives.

Keywords- Influential, leadership styles, cause- effect, leader, goals.

INTRODUCTION

According to Livingston, leadership is described as a process of influencing a group of people to follow a common objective. This terminology is often acquainted with politics, business, sports and religion wherein emotional, authoritative or logical influence generally appeals to the audience. Moreover, Messik and Krammer (2004) argue that leadership is a quality not only as a result of characteristics, personality and traits but also due to situational instincts. However, the most fundamental impact of leadership is to inspire and persuade the employees that by adhering to the tasks or goals put forward by the leader, their personal objectives would be met and that, if the employees' personal gains are not met, their dedication towards the job would decline. Many organizations have perished in the past due to poor leadership. A major example was the Indian Info COMM giant, Reliance Communication (Rcom) who went on from becoming a major player in worldwide communication to a bankrupt, insolvent organization in merely 2 decades due to poor leadership. Thus, I hypothesise that leadership and performance are directly proportional.

The next aspect of the research aims to determine the most beneficial leadership style. However, the experiment below would only consider *Autocratic, Laissez Faire, Transactional and Transformational Leadership styles*. Autocratic (Authoritarian) leadership exemplifies the leader's control to the extent that he dictates procedures, sets goals and commands rules and regulations. An example Donald Trump, founder of the Trump Organization. Alternatively, Laissez Faire leadership is the other end of the spectrum of leadership as it promotes the absence of any authoritative figure and all decisions are taken mutually among the employees. Steve Jobs, founder and Ex- CEO of Apple, was a Laissez- Faire leader. Furthermore, Transactional Leadership involves giving employees rewards and Incentives upon task execution and focuses on evoking emotion and desire to unlock the potential of their employees and is already implemented by Bill Gates, former CEO of Microsoft. Lastly and arguably the most beneficial, most prevalent form of leadership is Transformational Leadership which is an amalgamation of inspiration and charisma that helps to build more leaders. These



leaders are optimistically backing their taskforce. A great example would be Jeff Bezos, the CEO of Amazon.

The final aspect of the research, in accordance to the X and Y theories put forward by Douglas McGregor, helps to determine whether a Trait, situational or Contingency approach are ideal for a business environment (the following will be explained in more detail in the next spread). It concludes stating the rudimentary roles of the leader i.e., to have a long vision, plan strategies objectively, communicate effectively with the workforce, inspire underperforming personnel, be perceptive to the reality, set necessary deadlines, save the organization from the numerous perils that are guaranteed to arrive and lastly, take quick, shrewd and vital decisions.

THEORY

Douglas McGregor introduced two revolutionary theories 'X and Y' in 1960 to transform the traditional concepts of leadership. He divided his employees into two broad categories, X and Y based on their inherent characteristics and demeanour in the workplace. His shocking conclusions about 'X type of employees' are summarized below: -

- 1) The average human being dislikes work and will try to avoid it under major circumstances.
- 2) Due to this disinterest, the employee *will* have to be rewarded, motivated, coerced and even punished to improve efficiency. It agrees to the novel 'carrot and stick' objectives.
- 3) The average human hates responsibility, exertion and ambition as it only demands job security.

The assumptions of theory Y are relatively different from the hypotheses coined by theory X. The conclusions about 'Y type of employees' are summarized below.

- 1) These employees find their jobs relaxing and enjoyable so are dedicated towards their duties without external influence but due to self- motivation and control.
- 2) Employees learn to take responsibilities as they groom themselves in the environment. Taking control of the situation occurs naturally in them.
- 3) They possess advantageous skills and capabilities. Organizations fully utilizing and harnessing their potential benefit the most.

The above notions are widely contradicting. Theory X optimizes a 'pessimistic approach to employee demeanour' whereas Theory Y seeks to demonstrate the positive side. However, the approach(es) towards both these types of employees must be carefully assessed.

TRAIT APPROACH

The trait approach is based upon the premise that 'leaders are born, not made.' According to *Carlyle's Theory*, some individuals inherit a pattern of behaviour that makes them suitable to handle leadership positions well. Furthermore, it claims that qualities such as longevity, extraversion and decision- making can't be imbibed by a person. Not only that, Responsible persons fit for managerial positions would lead their counterparts without any formal training or instruction on leadership. Countless businesses, for example, The Birla Group are smoothly functioning based upon this approach.



SITUATIONAL APPROACH

Situational Leadership involves taking decisions according to the ebb and flow of the moment. The Leadership style may also change in this approach as it thrives upon the uncertainty of the circumstance. The primary factors that influence the change in decision coined by the *Hersey-Blancard model* are briefly mentioned below: -

- i. The specifics of the task- whether the task at hand is simple or complex
- ii. Relationship between the employees and the leader- Does the leader confer the power to command, punish or reward? If employees are intelligent, a more Laissez- faire approach is selected. If the leader is the most intelligent, an autocratic approach may be selected.
- iii. Maturity Level- Do the employees have the skills required for the task and are they willing to do the task

CONTINGENCY APPROACH

This is a more 'mathematical' leadership approach coined by White-Hodgson following a sincere belief that no leadership style or approach is absolute. All decisions are required to be made on rudimentary elements like assessing the needs of the followers, stock of the situation etc. Taking the 'right' decision is more about keeping all organizational factors at check.

METHODOLOGY

The below experiment was carried out through *the online platform* wherein a *Google Form* was filled by 40 individuals with different employment status (employed, self- employed or none of the above), age (15---→55⁺), gender and mindset. They were asked to fill a carefully prepared questionnaire consisting of 2 short answer questions followed by 7 multiple choice questions. A Dichotomous- scale approach was mainly followed. A pre-test on the experiment was also conducted to prove the validity of the instrument.

TEST OF HYPOTHESES

H₀. Leadership determines the impact of organizational performance

H₁- The effectiveness of prominent leadership styles (Autocratic, Laissez- faire, Transactional and Transformational) to adjudge the most appropriate leadership style

H₃- The most appropriate approach to leadership being Situational, Contingency or Trait theories.

RESULTS

The google form was sent to 45 participants, out of which 88.89% of participants filled the form while the remaining 11.11% of candidates returned the questionnaire. The age distribution was sparse in 6 categories with major responses being in the 45-55 category (42%) indicating an experienced, mature audience. Furthermore, 52.5% of the audience was employed and another 17.5% were self- employed (total 70%) being in fine touch in various arrears and some, even having leadership roles, reducing the inaccuracy of the experiment.

R₀ According to the results, 100% of all participants believe that leadership and organizational performance are directly proportional, showing a strong positive co-relation.



R₁A thumping majority of 57.5% of participants believe that Transformational Leadership is the most credible and appropriate for their work environments respectively as they believe that this style fosters leadership and inspiration.

R₃ 67.5% of the participants prefer the situational theory over the trait theory with 67.5% of them also siding with a contingency approach.

INTERPRETATION AND DISCUSSION

Leadership, according to the views of all individuals would ensure organizational success as it would stimulate on- the job efficiency, dedication and perseverance among the employees. However, while further considering the results, certain interesting results about other leadership styles could be determined.

What type of a boss/leader would you like to work under?
 40 responses

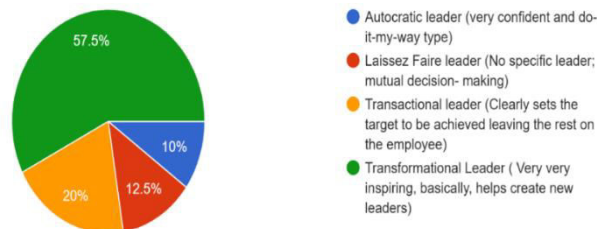


FIG 1.1

While the above pie- chart effectively showcases the highest probability of Transformational Leadership being determined, it notifies the resentment towards Autocracy (, stating that

- Employees need creativity and imagination
- Employees look towards inspirations and role models and wish to mould themselves accordingly.

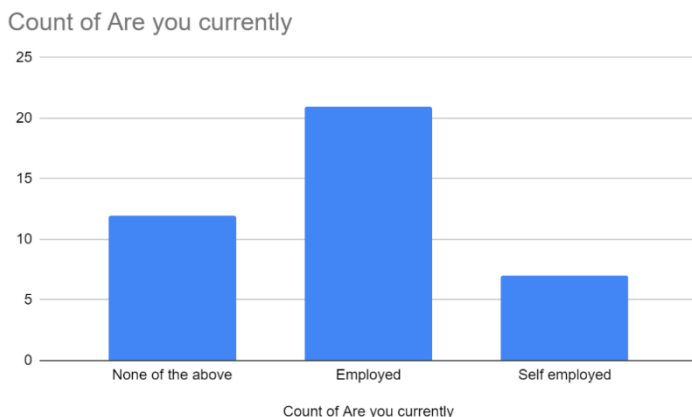


FIG. 1.2.

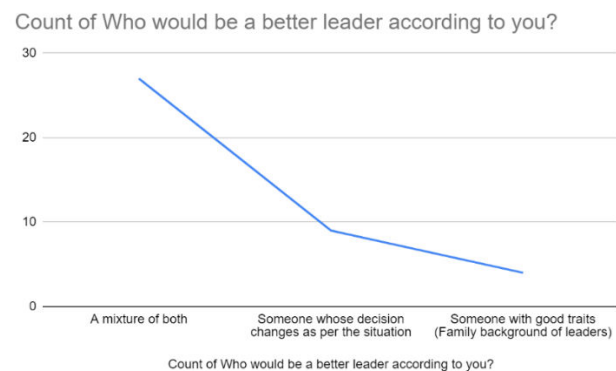


Fig 1.3.



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