



Leadership and its impact on organizational effectiveness

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Abstract

Leadership is the main factor that determines and shape group behaviour. Descriptive research design is undertaken by the researcher to highlight the characteristic and significance of various parameters used in the study. This is a systematic investigation of phenomena by gathering quantifiable data. It is aimed at discovering how employees think, act or feel in a specific way about the Leadership. Fish bowl technique or lottery method. The researcher has used Likert scale in the research. This scale is used as rating system to measure the opinions, attitude and perception of the respondents toward leadership and its impact on organisational effectiveness. One of the problems observed by the researcher is the inflexibility of the leadership style by most organization managers. They fail to adjust their style of leading to the changing situations and working environment. Employees experiencing their challenges in their organization and need process factor in order to function at a high level of productivity. Employees who are stressed at work due to a lack of leadership in the organization. Employees expect a positive leadership styles and motivations in the organization.

Keywords: Transactional leadership, Transformational leadership, Laissez-faire leadership, Process factor, career and developmental factor, climatic factor, behavioural factor

Introduction

A leadership style refers to a leader's characteristic behaviours when directing, motivating, guiding, and managing groups of people. Great leaders can inspire political movements and social change. They can also motivate others to perform, create, and innovate. leadership is universally desired but difficult to define explicitly. The concept of "leadership, as used today, made its way into the general literature across the last century and has only recently become of increasing interest for the health sciences. The idea of a charismatic individual leader, capable of recruiting followers to his or her path, has given way to team-based problem solving. Today, organizational goals are pursued by people who move rapidly between leading and following roles. This team model accomplishes two critical goals: better decisions are made because leaders are listening to and considering the diversity of input from co-workers with different experiences and insights, and there is improved acceptance of the group decision through consensus building as a result of the collaborative process, thereby fostering compliance.

Effective leadership requires insight and self-awareness, organization, ongoing communication and reinforcement, the ability to catalyse a shared future vision, and successful recruitment of followers motivated to action.

Effective leaders do not possess a defined thematic list of personal traits but, rather, deliver both high performance in addressing organizational task issues and consideration for individuals with concern with interpersonal relations. When any types of transformations need to be brought about in any areas within the organizations, the leaders need to ensure, they are beneficial to the members as well as the organizations as a whole. Leadership is fundamentally the ability to form and change the perspectives and aptitudes of the individuals, whether informal or formal situation and that management relates to the formal task of decision making and command.

Review of Literature

Studied on “Leadership for Professional Development” and that indicated that a company culture can change, and as with most aspects of performance excellence, it begins with leadership. Leaders must articulate to employees the direction in which they want the company to go and they must set an example by expressing total quality values in their own behaviour and by recognizing and rewarding others who do the same

Studied on autocratic leader and evidenced that Autocratic is a leader who tends to centralize authority and derives power from position, control of rewards, and coercion, whereas Democratic is a leader who delegates authority to others, encourages participation, relies on subordinates’ knowledge for completion of tasks, and depends on subordinate respect for influence.

Conducted the study on leadership excellence and evidenced that the managerial behaviour is one of the important components associated with the excellent leadership in Malaysia. Two dimensions of transformational leadership style namely, idealised influence and intellectual stimulation were found to have positive relationship with all dimensions of commitment to change.

Conducted the study and attempted to examine multivariate relationships between emotional intelligence and transformational leadership. The canonical correlation between emotional intelligence and transformational leadership dimensions revealed significant relationships, which confirmed emotional intelligence as an important element of managerial temperament.

Significance of the study

This research is aimed at improving employee productivity through the leadership styles. it is also aimed at highlighting the relationship between leadership style and employee motivation, the significance of leadership on organization survival, employee by contributing towards the advancement of the knowledge in management. Leadership serves several functions crucial to the success of an organisation, but the main importance of leadership is that it provides a vision for the company. Leaders also articulate the vision and what members of the organisation can do to achieve it. An organization may have multiple skilled professionals, each with specialised talents and capabilities, but it is only through efficient leadership practices that they can harness individual efforts towards achieving the organisational goals. By inspiring and motivating teams and coordinating personal actions for the advancement of a common goal, leaders help their companies achieve excellence.

In most workplaces, high turnover can be a red flag for poor leadership. Maybe you or your management team micromanages lower-level employees. You may offer little opportunity for workers to contribute to the general direction of the company, so they don't feel invested in its long-term welfare.

Aim & Objectives

To study leadership and its Impact on organisational effectiveness.

- To study the level of transactional leadership style
- To study the impact of process factor on the life style of employees.
- To study the impact of behaviour factor on leadership styles and organisational effectiveness.

- To analyse if age has an impact on leadership styles
- To determine whether the manufacturing sector has an impact on leadership styles and organisational effectiveness.

Research Design

Descriptive research design is undertaken by the researcher to highlight the characteristic and significance of various parameters used in the study. The researcher used this design to collect information from existing and potential employees using sampling methods.

This is a systematic investigation of phenomena by gathering quantifiable data. The research design is aimed at discovering how employees think, act or feel in a specific way about the Leadership.

Universe and Sampling

The total population of industry consist of 1000 respondents. The researcher selected the production and sewing division which constituted of 300 employees. Simple random sampling technique was adopted. 40% of the population from HR, production, sewing, quality and warehouse department division was taken for the study. This resulted in 120 employees being selected as a sample. These two departments are taken because these departments are the primary departments of the organization.

Tools of Data Collection

The researcher has used Likert scale in the research. This scale is used as rating system to measure the opinions, attitude and perception of the respondents toward leadership and its impact on organisational effectiveness. The reliability test using Cronbach’s alpha is 0.763, it is a measure of internal consistency, that is, how closely related a set of items are as group.

Analysis and Interpretation

Table 1: Distribution of the respondents based on their Transactional leadership

Variable	Low	%	High	%
Transactional leadership	59	49.2	61	50.8
Transformational leadership	60	50	60	50
Laissez – Faire leadership	70	41.7	50	58.3
Process factor	70	41.7	50	58.3
Career and developmental factor	72	40	48	60
Climatic factor	61	49.2	59	50.8
Behavioural factor	63	47.5	57	52.5
Leadership and its impact on organizational effectiveness	64	46.7	56	53.3

It is observed from the above table that little more than half (50.8%) of the respondents expressed having high level of expectation towards transactional leadership, while less than half (49.2%) of the respondents denoted a low level of inferences. It was seen that, an equal representation of respondents (50%) denoted both high and low inferences towards transformational leadership style exhibited in the organization. It was denoted that, a less than majority (58.3%) of the respondents denote high level of expectation towards laissez – faire leadership, while and more than two – fifth (41.7%) of the respondents denote low level of inferences. It was inferred that, less than majority (58.3%) of the respondents inferred high level of effectiveness towards

process factor, while more than two – fifth (41.7%) of the respondents denote low level of inferences. It was referred that, majority (60%) of the respondents denote high level of effectiveness towards career and developmental factor, while two – fifth (40%) of the respondents denote low level of inferences. It was observed that more than half (50.8%) of the respondents are experiencing towards climatic factor, while less than half (49.2%) of the respondents were facing low level of inferences. It was seen that, more than half (52.5%)

of the respondents are having high level of expectation towards behavioural factor while, less than half (47.5%) of the respondents are having low level of inferences. It reveals that more than half (53.3%) of the respondents are having high level of expectation towards leadership and its impact on organisational effectiveness, while more than two – fifth (46.7%) of the respondents are having low level of inferences.

Table 2: Karl Pearson's coefficient of Correlation between the age of the respondents and leadership and its impact on organisational effectiveness

Variable	Correlation Value	Statistical Inference
Transactional leadership	.267	P>0.05 Not significant
Transformational leadership	.230*	P>0.05 Significant
Laissez – Faire leadership	.228*	P>0.05 Significant
Process factor	.171	P>0.05 Not significant
Career and developmental factor	.128	P>0.05 Not significant
Climatic factor	.130	P>0.05 Not significant
Behavioural factor	.112	P>0.05 Not significant
Overall Leadership and its impact on organisational effectiveness.	.254	P>0.05 Not significant

The above table states that there is a significant relationship between the age of the respondents and the dimensions of the study which include transformational leadership and laissez-faire leadership style. The analysis also reveals that, there is no significant relationship between the age of the respondents

and the dimension which include; transactional leadership, process factor, career and developmental factor, climatic factor and the overall leadership and its impact on organizational effectiveness.

Table 3: Z-test between the marital status of the respondents and leadership and its impact on organizational effectiveness

Variable	Mean	Standard deviation	Statistical inference
Transactional leadership			
Married (93)	22.13	2.643	Z = 0.048
Unmarried (27)	20.93	3.112	P < 0.05
			Significant
Transformational leadership			
Married (93)	22.45	2.056	Z = 0.104
Unmarried (27)	21.67	2.617	P > 0.05
			Not significant
Laissez – Faire leadership			
Married (93)	21.38	3.078	Z = 0.234
Unmarried (27)	20.56	3.344	P > 0.05
			Not significant
Process factor			
Married (93)	31.31	2.863	Z = 0.552
Unmarried (27)	30.93	3.269	P > 0.05
			Not significant
Career and developmental factor			
Married (93)	22.94	2.161	Z = 0.012
Unmarried (27)	21.70	2.383	P < 0.05
			Significant
Climatic factor			Z = 0.082
Married (93)	27.28	2.061	P < 0.05
Unmarried (27)	26.44	2.562	
			Significant
Behavioural factor			
Married (93)	8.88	1.342	Z = 0.427
Unmarried (27)	9.11	1.219	P > 0.05
			Significant
Leadership and its impact on organizational effectiveness			
Married (93)	156.37	10.781	Z = 0.043
Unmarried (27)	151.33	12.869	P < 0.05
			Significant

The presented table reveals that, there is a significant difference between married and unmarried respondents and the dimensions of the study which include; transactional leadership, career and developmental factor and overall leadership and its impact on organizational effectiveness. It was also found that there is no significant difference between transformation leadership, laissez – faire leadership, process factor and behavioural factor.

Table 4: Distribution of the respondents based on their behavioural factor

Behavioural factor	Frequency	Percentage
High	63	52.5
Low	57	47.5
Total	120	100

The presented table states that more than half (52.5%) of the respondents are having high level of behavioural factor. Less than half (47.5%) of the respondents are having low level of behavioural factor. This table shows that majority of the respondents are facing high level of the behavioural factor because employees should always feel their job is interesting.

Suggestion

Some of the main findings are presented as recommendations in this study. Also, researchers discovered that results are the most essential factor in the leadership and its impact on organizational effectiveness. Majority of the employees believe that their firm has a reasonable degree of transactional, transformational, laissez – faire leadership pertaining to their leadership which as an impact on organizational effectiveness. Employees experiencing their challenges in their organization and need process factor in order to function at a high level of productivity. Employees who are stressed at work due to a lack of leadership in the organization. Employees expect a positive leadership styles and motivations in the organization. A clear understanding of employee needs and clear picture of potential negative effects of role ambiguity and role conflict can encourage leaders to take effective measures to create a better organizational environment where employees can work upon their best potential.

Conclusion

The influence of various types of leadership styles is analysed for role conflict and role ambiguity. The review is meant to analyse the influence of styles and characteristics of transformational, transactional and laissez-faire type of leadership in resolving role ambiguity and role conflict to increase job performance. It is critical for the leaders to bear in mind of potential side effects of role ambiguity and role conflict which is detrimental to the process of employees' productivity and effectiveness. A clear understanding of employee needs and clear picture of potential negative effects of role ambiguity and role conflict can encourage leaders to take effective measures to create a better organizational environment where employees can work upon their best potential. If undertaken effectively, leaders will tend to transform the companies to be the more inclusive place to work through active and dynamic processes which will be accomplished by overcoming job stressors such as role conflict and role ambiguity. Moreover, leaders and their management styles also play a critical role in managing role conflicts and finding main sources of role stressors. For

instance, a mentoring function which is represented in all types of leadership plays an important role in managing role stressors.

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