

Factors determining Leadership characteristic its impact on Employee Performance: An Empirical Study

Himanshu Kargeti,
Associate Professor, School of Management, Graphic Era Hill University,
Dehradun, Uttarakhand India 248002
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Abstract

Employee performance in India is greatly influenced by a leader's personality traits. The impact of successful leadership on employees is influenced by a number of things. Employee performance is influenced by a leader's capacity for clear advice and effective communication. Clear communication promotes comprehension, alignment, and gives workers the power to complete their jobs effectively. Positive work environments are fostered by leaders who are emotionally intelligent and empathic. Employee motivation and feeling valued results in improved output and performance. Effective decision-making and problem-solving abilities are characteristics of effective leaders. Their decision-making skills foster employee trust and confidence, which has a favourable effect on productivity. Additionally, managers who support a collaborative environment and teamwork provide their staff members incentives to collaborate, which fosters creativity and boosts productivity. Leaders who recognise and recognise exceptional performance inspire staff to work at the highest levels, which boosts dedication and productivity.

Keywords: Leadership traits, Communication skills, Emotional intelligence, Employee motivation, Decision-making abilities, Collaboration and teamwork.

Introduction

The creation of a culture of information sharing, effective communication, support, appreciation, and employee empowerment were found to be important factors that positively influenced employee performance. Applying these leadership traits has been shown to increase organisational success in India by increasing staff engagement, job happiness, and inventiveness. The effect of leadership traits on worker performance in India was looked at by Singh and Jain (2013). They found that essential leadership traits including effective communication, encouragement, and

recognition had a beneficial impact on job satisfaction and consequently improved worker performance. The leaders who “effectively communicated” with their staff by giving them clear direction and instructions improved clarity and comprehension among the workforce. In addition, managers who “offered support” and served as mentors or coaches helped staff members grow and develop, which enhanced performance. They also emphasised the value of “recognising” employees’ efforts and accomplishments because it increased their motivation, job happiness, and morale, all of which led to higher performance results.

The link between “dedication to” service, engagement among staff members, and perceived management style was examined by Popli and Rizvi (2015) inside the private service sector organizations in India. They found that executives that emphasized employee development, empowerment, and involvement” promoted a greater level of customer service oriented and employee engagement. Employee dedication as well as dedication to their responsibilities grew as a consequence of the supportive, appreciated, and encouraging work environment these leaders fostered. They emphasized further that leaders who encouraged a participative as well as inclusive approach to management, where workers’ ideas were appreciated and their contributions recognised, had a substantial impact on raising employee engagement and, as a result, improving overall performance.

The impact of leadership that transforms on employee creativity was examined by Mittal and Dhar (2015). They found that inspirational leaders who “inspired and motivated” their teams by outlining a compelling vision and exhibiting a passion for their objectives had a favourable impact on employee creativity. Additionally, these leaders “encouraged knowledge sharing” among staff members, which facilitated the discussion of concepts and viewpoints and ultimately produced new results. They also emphasised how “creative self-efficacy” mediates the link between transformational leadership and workforce creativity. Higher levels of creative self-efficacy were a result of leaders who believed in their team members’ creative talents. This enhanced employee performance in terms of coming up with new ideas and solutions.

Literature Review

Long et al. (2014) looked at how transformational leadership style affected job satisfaction. They looked into how leaders with transformational leadership traits affected the degree of job satisfaction among their workforce. They discovered that the “transformational leadership style” had a good impact on job satisfaction because leaders who inspired and encouraged their staff, offered intellectual stimulation, and served as role models fostered a favorable workplace culture. Employees who worked for such leaders reported feeling more appreciated, trusted, and empowered, which raised job satisfaction. The impact of employment knowledge, job stage, and rank on the style of leadership was examined by Giri and Santra (2010). They looked at the effects these variables had on the leadership strategies used by managers. They found that factors such as “job experience, career stage, and hierarchy” had an effect on leadership style. As managers advanced in their careers and obtained more work experience, they tended to adopt a more transformational leadership style. Employee empowerment, development, and participation in decision-making were prioritised under this management style. They made the argument that a leader’s experiences and stage in their career influenced their style of leadership and methods, which in turn affected worker morale and output.

The factors influencing employee happiness and their effects on the organisation were identified by Sageer et al. in (2012). They looked into a number of variables that could affect employee satisfaction, including pay, leadership style, work-life balance, and job security. They observed that “leadership style” had a big impact on worker satisfaction. Employee satisfaction levels increased under leaders who exhibited supportive, participatory, and transformative leadership behaviours. Employee job satisfaction increased as a result of the trust, respect, and open communication these leaders promoted.

Employee engagement has been emphasized as a critical component of organizational performance by Bhuvanaiah et al. (2014). They emphasized that engaged workers are more dedicated, committed, and driven at work, which enhances organizational success. Through effective management, interaction, and recognition strategies, they recommended that businesses concentrate on developing an atmosphere that promotes employee engagement. Bin and Shmailan (2015) investigated the connections between employee engagement, job performance, and job satisfaction. Job fulfillment, work efficiency, and staff involvement were found to be positively

correlated. Employees who expressed greater job satisfaction were more committed to their task and performed better. They emphasised the significance of fostering an atmosphere that is supportive of job satisfaction because this promotes employee engagement and results in better performance.

Al Mehrzi and Singh (2016) suggested a framework for businesses to use employee engagement to obtain a competitive edge. They emphasized the role that employee engagement plays in boosting productivity and organizational performance. They recommended that organisations concentrate on developing an engaged culture by putting diverse tactics into practise. The proposed framework placed a strong emphasis on the role that leadership plays in fostering employee engagement. An office atmosphere that values and encourages employee participation is mostly the result of leadership. Involving workers in decision-making processes, setting clear expectations, and effectively communicating organizational goals are all required. Leaders can raise employee engagement levels by exhibiting transformational leadership traits, such as motivating and inspiring staff. Furthermore, the framework emphasized the importance of organizational procedures and guidelines that promote employee involvement. Along with fostering a healthy work-life balance, this entails giving employees chances for advancement and development. Higher levels of worker dedication, contentment, and engagement are a result of these practices.

Tymon Jr. et al. (2010) assessed “talent management in India” and emphasised the “neglected role of intrinsic rewards”. Incorporating intrinsic rewards like “challenging work,” “autonomy,” and “opportunities for growth and development,” they looked at how Indian organisations may manage people efficiently. They observed that internal incentives were very important in luring, keeping, and inspiring outstanding individuals. In the Indian setting, businesses that offered “meaningful and engaging work,” “autonomy in decision-making,” and “opportunities for personal and professional development” had greater success managing and retaining personnel. According to Swaminathan and Jawahar (2013), “organizational citizenship behaviour” (OCB) and “job satisfaction” are related concepts. Employees’ OCB was found to be positively influenced by job satisfaction. Employees are more willing to go above and beyond what is required of them in their formal roles, assist coworkers, and take part in organizational activities when they are happy in their jobs. It emphasized the significance of promoting job satisfaction because it influences good

organizational citizenship behavior, which eventually results in improved organizational performance.

Chandrasekar (2011) concentrated on how “workplace environment” affects organizational performance in organizations in the public sector. It examined a number of workplace-related subjects, including “leadership,” “communication,” “job design,” and “employee engagement”. They found that a supportive work environment, characterized by “effective communication,” “employee engagement,” and “supportive leadership,” had a significant impact on organizational success. Employees were more motivated, productive, and dedicated to accomplishing organizational goals when they felt that their workplace was welcoming and helpful.

Objective of the Study

To measure the factors determining leadership characteristic its impact on employee performance

Methodology

This study utilized a structured questionnaire to conduct a survey, and statistical methods such as mean & t-test were used to analyze the responses from 209 participants. The sampling method used in this research was convenience sampling, where individuals were selected based on their accessibility & willingness to participate.

Table 1 Factors determining Leadership characteristic its impact on Employee Performance

Serial No.	Statement of Survey	Mean Value	t-value	p-value
1	Effective leaders have a clear vision and are skilled at setting challenging yet attainable goals for their teams.	4.20	9.010	0.000
2	Leaders who possess strong communication skills can effectively convey expectations, provide	4.33	10.048	0.000

	feedback, and share information with their employees.			
3	Leaders who demonstrate empathy and emotional intelligence understand and acknowledge the emotions and needs of their employees.	4.37	10.271	0.000
4	Leaders often face complex decisions, and their ability to make sound judgments and choices impacts employee performance.	4.06	5.647	0.000
5	By providing guidance, mentoring, and opportunities for skill enhancement, leaders empower their team members to reach their full potential.	3.97	4.974	0.000
6	Leaders who hold themselves and their team members accountable for their actions and outcomes create a culture of responsibility and trust.	4.47	11.576	0.000
7	In a rapidly changing business environment, leaders who are adaptable and resilient inspire their employees to navigate challenges and embrace change.	4.43	11.531	0.000
8	Employees who feel valued and respected are more engaged and motivated, leading to enhanced performance.	4.14	8.777	0.000
9	Leaders who can effectively manage and resolve conflicts within their teams may minimize disruptions and promote cooperation and collaboration.	3.89	5.090	0.000
10	When leaders exhibit integrity, honesty, and professionalism, it establishes a benchmark for behavior within the organization.	4.25	9.851	0.000

Table 1 demonstrates the mean values for each of the statements of the study done the “factors determining leadership characteristic its impact on employee performance”, examining the average scores, the statement that obtains the highest mean score can be described as “Leaders who hold themselves and their team members accountable for their actions and outcomes create a culture of responsibility and trust”, which has the mean score of 4.47, Looking at the next statement which is “In a rapidly changing business environment, leaders who are adaptable and resilient inspire their employees to navigate challenges and embrace change” the mean score is found to be 4.43. Looking at the mean value of 4.37 for the statement “Leaders who demonstrate empathy and emotional intelligence understand and acknowledge the emotions and needs of their employees” shows that empathy and emotional intelligence is also responsible for employee performance. Looking at the other impact of employee performance is, “Leaders who possess strong communication skills can effectively convey expectations, provide feedback, and share information with their employees” which displays the mean score of 4.33, and the statement “When leaders exhibit integrity, honesty, and professionalism, it establishes a benchmark for behavior within the organization” showcase the mean value of 4.25. Then the statement “Effective leaders have a clear vision and are skilled at setting challenging yet attainable goals for their teams” obtains mean value of 4.20 and the statement “Employees who feel valued and respected are more engaged and motivated, leading to enhanced performance” has 4.14. The statement “Leaders often face complex decisions, and their ability to make sound judgments and choices impacts employee performance” showcase the mean value of 4.06. Therefore, the last two statements fall within the lowest category or level, “By providing guidance, mentoring, and opportunities for skill enhancement, leaders empower their team members to reach their full potential” mean value of 3.97, the statement “Leaders who can effectively manage and resolve conflicts within their teams may minimize disruptions and promote cooperation and collaboration” has 3.89. The significance of the t-value for each statement in the investigation of factors determining leadership characteristic its impact on employee performance is significant. The t-value statements were positive, and their significance value was less than 0.05, indicating a significant relationship between the two variables.

Conclusion

Leadership qualities are highly valued in India and play a critical role in determining employee effectiveness. The determinants of leadership traits and how they affect worker performance are numerous. One of the most important leadership qualities is excellent communication. Strong communicators are able to express expectations, goals, and comments in a clear and concise manner. This encourages a healthy work environment, improves comprehension, and stimulates employee collaboration, which improves performance. It is crucial for a leader to be able to inspire and motivate their team. Leaders with traits like zeal, passion, and optimism can motivate their teams to go above and beyond the call of duty. Employee performance is improved because of the sense of dedication and purpose this instills in them. The skill and knowledge of a leader are crucial. Employees are more inclined to follow a leader's advice and direction when they have the requisite expertise in their industry. The performance of employees can be positively impacted by competent leaders' insightful advice, mentoring, and support. In addition, it's critical for leaders to exhibit traits that foster a welcoming and inclusive workplace environment. Leaders that celebrate diversity, promote teamwork, and cultivate a sense of belonging create an atmosphere where workers feel appreciated and empowered. Increased productivity and engagement among employees are fostered as a result. In India, the performance of the workforce is highly influenced by leadership traits. Successful leadership is mostly determined by effective communication, inspiration and motivational skills, competency, and fostering a positive workplace culture. The performance of employees can be favourably impacted by leaders who exhibit these qualities, leading to increased productivity, engagement, and work satisfaction. To maximize the potential of their employees and achieve overall success, organisations in India should give special attention to cultivating these leadership attributes.

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