

## THE IMPACT OF LEADERSHIP STYLES ON ORGANIZATIONAL OUTCOMES

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### ABSTRACT

*Leadership models have always gained the interest of managers and academicians. Much of the interest is based on grounds that leadership styles have a great impact on organization culture and performance. Leadership studies explain that in manufacturing company leadership is really a process for impacting on others commitment towards recognizing their full potential in achieving goals and vision with integrity and passion. The study also reveals that associations between leader and subordinates give additional factor- effectiveness, employee satisfaction and team work which is directly linked to the leadership style adopted by the leader. This paper presents a summary and assesses the available literature of leadership styles and its effect on different components of organizational outcomes.*

**KEYWORDS:** *Leadership Styles, Organizational Culture, Employee Satisfaction, Work Environment.*

### Introduction

Much is written about leadership qualities and types of leadership. The main task of management today is good strategic management to bring positive outcomes. Modern competitive work environment requires the adaptive leader to control direction and norms within the organization's systems. Equally the literature on leadership suggests that the ability to work within a culture is a prerequisite to effectiveness. Robbins (1994) defined leaders as agents of change, whose acts affect other people more than other people's acts affect them. In the study, it was concluded that transformational leadership can impact organizational culture, primarily by articulating a vision and through setting of expectations. Thus, leadership has an impact on both organization culture and performance and consequently on effectiveness.

### Review of Literature

The literature review in this research paper is presented in two stages. Firstly, the leadership is discussed. Secondly, research into leadership style is assessed and finally the impact on various organizational components like ethics, culture, innovation climate, team work, employee's satisfaction, etc. is examined. Hofstede (2001) thinks "leadership is a social influence process in which the leader seeks the voluntary participation of subordinates in an effort to reach specific goals". Allen (1976) defined a leader as "a person who delegates or influences others to act so as to carry specified organizational objectives." Today's organizations need effective leaders who have good relationship with the employees, so highly structured tasks are achieved with managerial effectiveness.

**NJ Johnson (1994)** divided leadership style into dynamic transformational leadership style and supportive transactional leadership style. Here Dubrin (2001) adds Leadership style is the relatively consistent pattern of behavior that characterizes a leader". Dynamic transformational leaders are thoughtful thinkers, daring, inspiring and visionary with a charismatic appeal. Transformational leaders exhibit the following factors:

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- **Inspirational Motivation:** According to Bass and Avolio (2007) transformational leaders encourage followers to see problems from different perspective, provide support and encouragement, communicates a vision and provides them a sense of meaning and challenge.
- **Creative Encouragement:** Such leaders stimulate their followers to be innovative and creative. They encourage contributive participation from their followers and never criticize them publicly for their mistakes. Leaders focus on solution and not on the blaming part of the problem.
- **Idealized Influence:** Transformational leaders believe in the notion that a leader can influence followers only when he practices what he preaches. The leaders act as role models that followers seek to match. Such leaders always win the trust and respect of their followers through their action. They always demonstrate high standards and ethical conduct placing their followers' needs over their own. Such leaders use powers sometimes to influence followers achieve objectives.
- **Individualized Consideration:** Leaders act as mentors to their followers and reward them for creativity and innovation. The followers are encouraged according to their talents and knowledge. They are empowered to make decisions and granted support for implementing the same.

Transactional leaders are responsible for maintaining routine by supervising individual and group performances. Transactional leadership improves subordinates performances primarily through a system of rewards and punishment to achieve routine performance goals. The power of such leaders comes through their formal authority and responsibility in the organization.

A mechanism of leadership styles impacting organization culture variables in some research centers investigated the relationship between different leadership styles and organization culture. Swamy D. R. (2014) has found highly positive correlation between leadership styles and innovation climate. He used factors like workplace flexibility, job security, job autonomy, job satisfaction, ethical behavior, etc. He found that dynamic transformational leaders take great care to involve all members of the team in discussion and can work effectively with the team.

Table 1 lists some of the models of leadership styles and components as viewed by the research scholars along with the type of sectors and outcomes.

### Conclusion

It is observed that from the available literature, all the research conducted is related to the large scale companies. The studies reveal that leadership style, organizational culture and change management are interrelated. Thus, leadership styles can affect the organizational performance. Since much work has not been carried out with respect to small and medium scale industries, there is a need for study of the impact of leadership styles on the employee's performances in small and medium sized industries.

**Table 1: Leadership Styles and Components on Which Leadership Styles Effect**

Author	Dimensions of Leadership Styles	Components	Types of the Industries	Outcomes
M.Arumugam	<ul style="list-style-type: none"> <li>• Transformational leadership</li> <li>• Transactional leadership.</li> </ul>	Effectiveness and Job satisfaction	Automobile Industries of Gujarat	Transformational leadership styles have a positive influence on effectiveness in automobile industries of Gujarat. Leadership style directly influences job satisfaction and consequently organizational commitment.
Prof. Zankhana Bhindora	Transformational Leadership, Transactional leadership	Ethical Approach	Hospitals in Gujarat.	The result indicates that the ethical behavior of leader have an important effect on ethical behavior of employees.
Prof. Aditya Pandey	Leadership Style	Organizational Innovation Performance	Professors and lecturers from universities in Gujarat.	The findings indicate that there are positive correlations between both transformational leadership and transactional leadership with innovative climate of organization.

Swamy D.R.	Leadership style	Organizational Culture	Multinational Companies of Gujarat	The results show us that organizational cultures influence the style of leadership. There is positive correlation between supportive culture and transactional leadership. There is positive correlation between aggressive culture and transformational leadership.
Prof. Manohar Lal	<ul style="list-style-type: none"> <li>• Autocratic Leadership Style</li> <li>• Democratic Leadership Style</li> </ul>	<ul style="list-style-type: none"> <li>• Stress at work And</li> <li>• Team spirit and work performance</li> </ul>	Large Scale Manufacturing organizations in Gujarat	Results shows that executives under democratic leadership style do not experience higher work stress than executives under autocratic leadership style. Also, executives under autocratic style of leadership do not exhibit higher sense of community than executives under democratic style of leadership.

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