

Leadership Styles And It Effectiveness On Employee's Performance In Select Engineering Sectors In Chennai City

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LEADERSHIP

Leadership is a process by which an executive can direct, guide and influence the behaviour and work of others towards accomplishment of specific goals in a given situation. Leadership is the ability of a manager to induce the subordinates to work with confidence and zeal.

Leadership is the potential to influence behaviour of others. It is also defined as the capacity to influence a group towards the realization of a goal. Leaders are required to develop future visions, and to motivate the organizational members to want to achieve the visions.

According to Keith Davis, "Leadership is the ability to persuade others to seek defined objectives enthusiastically. It is the human factor which binds a group together and motivates it towards goals."

Leadership has a direct cause and effect relationship upon organizations and their success. Leaders determine values, culture, change tolerance and employee motivation. They shape institutional strategies including their execution and effectiveness.

Employee Performance

Employee performance refers to how your workers behave in the workplace and how well they perform the job duties you've obligated to them. For an individual employee, performance may refer to work effectiveness, quality and efficiency at the task level.

The specific metrics used to monitor employee performance will ultimately depend on the type of work your business does. However, there are some universal metrics to consider.

Businesses should monitor the quality of work, individual employee goals, effectiveness of training and employee efficiency. Evaluating quality of work and efficiency helps you prevent expensive mistakes, makes it more likely that your employees meet deadlines and reduces wasted time, materials and effort. Evaluating the effectiveness of training and individual employee work goals will help you determine if employees are best equipped to perform their jobs and to offer guidance when needed.

STATEMENT OF PROBLEM:

Employee performance includes executing defined duties, meeting deadlines, employee competency, and effectiveness and efficiency in doing work. Various organizations need strong leadership styles that stimulate the employee performance. That's why study investigates the best one leadership style that stimulates performance of employees. It is believed that an effective organization rooted from the propellers or on the business leaders. The idea of effective leadership is also adopted in the world of technology. The employees also perceived that there is a need of a leader who should not only have to lead people but also be effective. So, they need an effective leader who can lead the people toward the changes and performance improvement.

NEED FOR THE STUDY:

The review of literature on leadership and employee performance is scattered across countries and across industry. Leadership has been viewed as a transaction between a leader and his subordinates. It has also been defined as a process of influencing people towards a particular objective or goal. Whichever leadership style that is exhibited by a person is a combination of traits, characteristics, skills and behaviours. While most of the literature reviewed is somehow

consistent in suggesting that both transformational and transactional leadership styles are significantly positively related to employee performance in 20th century.

OBJECTIVES

- To identify the style of leadership commonly adopted by the managers in the organization.
- To study the impact of the transactional leadership style on the employee's performance.
- To study the impact of the transformational leadership style on the employee's performance.

INDUSTRY PROFILE:

Engineering industry primarily deals with the design, manufacture and operation of structures, machines or devices. Engineering industry primarily comprise of sectors like civil, industrial, mechanical and chemical. The Indian Engineering sector has witnessed a remarkable growth over the last few years driven by increased investments in infrastructure and industrial production. The engineering sector, being closely associated with the manufacturing and infrastructure sectors, is of strategic importance to India's economy.

The Government of India has appointed the Engineering Export Promotion Council (EEPC) as the apex body in charge of promotion of engineering goods, products and services from India. India exports transport equipment, capital goods, other machinery/equipment and light engineering products such as castings, forgings and fasteners to various countries of the world. India became a permanent member of the Washington Accord (WA) in June 2014. The country is now a part of an exclusive group of 17 countries who are permanent signatories of the WA, an elite international agreement on engineering studies and mobility of engineers.

The engineering sector is the largest sector among the industrial segments in India and provides direct and indirect employment to over 4 million skilled and non-skilled workers. Though a diverse industry, it can be divided into two broad categories:

- Heavy engineering segment – This accounts for bulk of all engineering goods production in India and is responsible for producing high-value products like heavy electrical, heavy engineering and machine tools, and automotive parts. Due to the high

capital investment it requires, this segment is dominated by bigger, organized market players. It provides products to almost every major end-user industry.

- Light engineering segment – This segment is responsible for medium to low technology products like casting and forging components, medical and surgical equipments, and industrial fasteners (high tensile and mild tensile steel fasteners). Light engineering goods find their use in the heavy engineering industry.

Leading players in the engineering industry are Bharat Heavy Electrical Ltd., Engineers India Ltd., Hindustan Aeronautics Ltd., Crompton Greaves, Elgi Equipments, HMT, Kirloskar Oil Engines Ltd. (KOEL), Larsen & Toubro Ltd. (L&T), Thermax Ltd., Cummins India Ltd., Alfa Laval (India) Ltd., Asea Brown Boveri Ltd (ABB), and Siemens Ltd.

RESEARCH DESIGN:

A research design is the specification of the methods and procedures for acquiring the information needed to structure what information is to be collected from which sources and by what procedure. In simple words it refers to process of research.

The main objective of researcher is to have statistical conclusions to collect actionable insights. Numbers provide a better perspective to make important business decisions so Quantitative research design was used.

The researcher has used Descriptive research design, as descriptive research design is undertaken in order to ascertain and able to describe the characteristics of the variable involved as the subject matter of the study. For statistical results, Inferential statistics was used in which Pearson's correlation was used to assess the relationships and effects as per the hypotheses of the study.

The researcher focuses on the studying the effectiveness of independent variable on dependent variable. The independent variables used in this study is transactional leadership and transformational leadership whereas dependent variable is employee's performance.

SAMPLING:

Sampling Unit:

A sampling unit is one of the unit into which an aggregate is divided for the purpose

of sampling, each unit being regarded as individual and indivisible when the selection is made.

The sampling unit here is select 10 engineering companies in chennai.

Sampling Element:

Target population - the specific pool of cases one wants to study. Sampling element: is the unit of analysis or case in a population - can be a person, a group, an organization, an arrest that is being measure. Sampling Frame: an actual list that includes every case in the population. The sampling elements are employees from HR, finance and IT department.

HYPOTHESIS

Correlation between Transactional Leadership and Employee Performance

- H0 - There is significant relation between Transactional Leadership and Employee Performance.
- H1 - There is no significant relation between Transactional Leadership and Employee Performance.

Correlation between Transformational Leadership and Employee Performance

- H0 - There is significant relation between Transformational Leadership and Employee Performance.
- H1 - There is no significant relation between Transformational Leadership and Employee Performance.

Correlation between Transactional Leadership and Employee Performance

Correlation between Transactional Leadership and Employee Performance			
		Transactional Leadership	Employee Performance parameters
Transactional Leadership	Pearson Correlation	1	-.012
	Sig. (2-tailed)		.903
	N	102	102
Employee Performance parameters	Pearson Correlation	-.012	1
	Sig. (2-tailed)	.903	
	N	102	102

INFERENCE:

From the above table it is inferred that the P value (0.903) is very much greater than the significance value (0.05) and hence there is no significant relationship between Transactional Leadership and Employee Performance. The direction of relationship is negative therefore, increase in Transactional Leadership results in lower Employee Performance and vice versa. The Correlation Coefficient value $r = -.012$ which shows it is a very weak negative correlation.

So, in this case, we can accept alternative hypothesis H_1 and reject null hypothesis H_0 .

Hence it is concluded that Transactional Leadership does not have any impact on the Employee's Performance.

**Correlation between Transformational Leadership and
Employee Performance**

Correlation between Transformational Leadership and Employee Performance			
		Transformational Leadership	Employee Performance parameters
Transformational Leadership	Pearson Correlation	1	.712**
	Sig. (2-tailed)		.000
	N	102	102
Employee Performance parameters	Pearson Correlation	.712**	1
	Sig. (2-tailed)	.000	
	N	102	102
**. Correlation is significant at the 0.01 level (2-tailed).			

INFERENCE:

From the above table it is inferred that the P value (0.000) is lesser than the significance value (0.05) and hence there is statistically significant linear relationship between Transformational Leadership and Employee Performance. The direction of relationship is positive therefore, increase in Transformational Leadership results in higher Employee Performance and vice versa. The strength of the relationship is Strong as the Correlation Coefficient value r is 0.712

So, in this case, we can accept null hypothesis H_0 and reject alternate hypothesis H_1 .

Hence it is concluded that Transformational Leadership impacts the Employee's Performance.
